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**Tong Ren Tang Technologies Co. Ltd.**

**北京同仁堂科技發展股份有限公司**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

(Stock Code: 1666)

**RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS UNDER  
THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT  
AND  
THE TRT EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 29 October 2012 in relation to the continuing connected transactions under the Exclusive Distributorship Framework Agreement entered into between the Company and Tong Ren Tang Chinese Medicine, as well as the TRT Exclusive Distributorship Framework Agreement entered into between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine.

The Board hereby announces that as the term of both of the above-mentioned framework agreements as well as the annual caps for the continuing connected transactions thereunder will expire on 31 December 2014, on 28 October 2014, (i) the Company and Tong Ren Tang Chinese Medicine renewed the Exclusive Distributorship Framework Agreement for a further term of three years from 1 January 2015 to 31 December 2017; and (ii) Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed the TRT Exclusive Distributorship Agreement for a further term of three years from 1 January 2015 to 31 December 2017.

The Company estimates that the annual caps for the continuing connected transactions contemplated under the renewed Exclusive Distributorship Framework Agreement for the three years ending 31 December 2017 will amount to RMB19,900,000, RMB23,400,000 and RMB27,600,000, respectively; and the annual caps for the continuing connected transactions contemplated under the renewed TRT Exclusive Distributorship Framework Agreement for the three years ending 31 December 2017 will amount to RMB51,900,000, RMB61,200,000 and RMB72,000,000, respectively.

Tong Ren Tang Ltd. is the intermediate controlling shareholder and a connected person of the Company, which holds 46.85% equity interest in the Company. As at the date of this announcement, Tong Ren Tang Ltd. also directly holds 33.91% equity interest in Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company. Pursuant to Rule 14A.16 of the Hong Kong Listing Rules, Tong Ren Tang Chinese Medicine and any of its subsidiaries are connected subsidiaries of the Company. Therefore, both the transactions contemplated between the Company and Tong Ren Tang Chinese Medicine under the renewed Exclusive Distributorship Framework Agreement and the transactions contemplated between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine under the renewed TRT Exclusive Distributorship Framework Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under both the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement exceed 0.1% but are all less than 5%, such continuing connected transactions are only subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

## **I. BACKGROUND**

Reference is made to the announcement of the Company dated 29 October 2012 in relation to the continuing connected transactions under the Exclusive Distributorship Framework Agreement entered into between the Company and Tong Ren Tang Chinese Medicine, as well as the TRT Exclusive Distributorship Framework Agreement entered into between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine.

As the term of both of the above-mentioned framework agreements as well as the annual caps for the continuing connected transactions thereunder will expire on 31 December 2014, on 28 October 2014, (i) the Company and Tong Ren Tang Chinese Medicine renewed the Exclusive Distributorship Framework Agreement for a further term of three years from 1 January 2015 to 31 December 2017; and (ii) Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed the TRT Exclusive Distributorship Agreement for a further term of three years from 1 January 2015 to 31 December 2017.

## II. RENEWAL OF THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT BETWEEN THE COMPANY AND TONG REN TANG CHINESE MEDICINE

As the term of the existing Exclusive Distributorship Framework Agreement will expire on 31 December 2014, the Company and Tong Ren Tang Chinese Medicine renewed such agreement on the same terms and conditions on 28 October 2014 for a further term of three years from 1 January 2015 to 31 December 2017.

### *1. Renewed Exclusive Distributorship Framework Agreement*

Details of the renewed Exclusive Distributorship Framework Agreement are as follows:

<b>Date:</b>	28 October 2014
<b>Parties:</b>	(1) the Company (2) Tong Ren Tang Chinese Medicine
<b>Term of the Agreement:</b>	Subject to the approval by the independent shareholders of Tong Ren Tang Chinese Medicine, the renewed Exclusive Distributorship Framework Agreement shall be effective from 1 January 2015 to 31 December 2017.
<b>Major Terms and Conditions:</b>	<ul style="list-style-type: none"> <li>● The Group appoints TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as its sole overseas distributor for the distribution of the Relevant Products of the Group outside the PRC.</li> <li>● Within the term of the renewed Exclusive Distributorship Framework Agreement and for the purpose of the overseas distribution of the Relevant Products of the Group, TRT International Natural-Pharm will procure from the Group, and the Group shall supply to TRT International Natural-Pharm, the Relevant Products as agreed by the parties.</li> <li>● The Group shall provide trainings on the Relevant Products manufactured by it to Tong Ren Tang Chinese Medicine Group. Tong Ren Tang Chinese Medicine Group shall be responsible for the promotion and registration of the Relevant Products manufactured by the Group in overseas markets.</li> </ul>

	<ul style="list-style-type: none"> <li>● Individual distribution agreement will be signed by members of the Group and TRT International Natural-Pharm during the term of the renewed Exclusive Distributorship Framework Agreement to set out details of the quantity, price, specifications, standards, delivery time and settlement of the Relevant Products supplied, save as such individual distribution agreement shall be entered into on normal commercial terms as well as in accordance with the provisions of the renewed Exclusive Distributorship Framework Agreement.</li> </ul>
<b>Pricing Policy:</b>	<p>The price of the Relevant Products supplied by the Group to TRT International Natural-Pharm shall not be higher than the wholesale price of the Relevant Products sold by the Group to its wholesale customers in the PRC.</p> <p>Each of the Company and its subsidiaries, excluding Tong Ren Tang Chinese Medicine Group, maintains respective wholesale price list setting out detailed price offered by members of the Group to their unrelated wholesale customers in the PRC, which will be checked and updated if needed according to the production cost and then market conditions and be provided to Tong Ren Tang Chinese Medicine Group on a quarterly basis.</p> <p>As Tong Ren Tang Chinese Medicine is also a subsidiary of the Company and the sole overseas distributor of the Group, the price of the Relevant Products supplied by the Group to TRT International Natural-Pharm will be determined according to, but not higher than, the wholesale price of the same products offered to the Group's unrelated wholesale customers in the PRC, which is fair and reasonable as considered by the Directors.</p>
<b>Payment Arrangement</b>	Payment of the price will be specified in individual distribution agreement to be signed between members of the Group and TRT International Natural-Pharm.

## ***2. Proposed Annual Caps for the Three Years Ending 31 December 2017***

Historical transaction amount between the Group and Tong Ren Tang Chinese Medicine Group (total amount paid by TRT International Natural-Pharm to the Group) under the Exclusive Distributorship Framework Agreement is as follows:

	<i>Two months ended 31 December 2012 (RMB)</i>	<i>Year ended 31 December 2013 (RMB)</i>	<i>Eight months ended 31 August 2014 (RMB)</i>
<b>Historical Transaction Amount</b>	0	8,973,000	7,767,000

The Directors expect the annual caps for the continuing connected transactions contemplated under the renewed Exclusive Distributorship Framework Agreements for the three years ending 31 December 2017 as follows:

	<i>Year ending 31 December 2015 (RMB)</i>	<i>Year ending 31 December 2016 (RMB)</i>	<i>Year ending 31 December 2017 (RMB)</i>
<b>Expected Annual Caps</b>	19,900,000	23,400,000	27,600,000

The above expected annual caps were determine with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- i) the expected improving market conditions and the continuous increase in demand for the Relevant Products in markets outside the PRC based on the approximately 29.4% growth of Tong Ren Tang Chinese Medicine Group's sales of Chinese medicine products for the nine months ended 30 September 2014;
- ii) the increase in number of the "Tong Ren Tang" branded products as Tong Ren Tang Chinese Medicine Group has already completed registration of five "Tong Ren Tang" branded products , and also commenced registration of an additional five "Tong Ren Tang" branded products, in markets outside PRC for the nine months ended 30 September 2014;
- iii) the continuous increase in scale and business operation of Tong Ren Tang Chinese Medicine Group in markets outside the PRC which the Tong Ren Tang Chinese Medicine Group has expanded its global sales network to 52 retail stores in 15 countries and regions outside Mainland China (Hong Kong, Thailand, Malaysia, Canada, Macao, South Korea, Indonesia, Singapore, Australia, Cambodia, Brunei, Dubai, Poland, the United Kingdom and New Zealand) as at 30 September 2014;
- iv) the expected increase in supply prices for the Relevant Products over the next three years as a result of the continuous increase in manufacturing costs, in particular, continuous increase in costs in labour and raw materials;
- v) the expected increase in transaction amounts between the Group and Tong Ren Tang Chinese Medicine Group under the renewed Exclusive Distributorship Framework Agreements taking into account the above items (i), (ii) and (iii) which led to a possible increase in demand of the Relevant Products (increase in transaction volume) as well as the increase in supply prices as explained in item (iv)above ; and

- vi) the inclusion of a buffer for the estimated amount of procurement of the Relevant Products by Tong Ren Tang Chinese Medicine Group from the Group under the renewed Exclusive Distributorship Framework Agreements so as to accommodate any unexpected increase in the aforesaid transaction volume amount (as a result of any unexpected increase in market demand for the Relevant Products) or unexpected increase in the cost of supply as well as any possible appreciation in the RMB against HK\$ during the period of the renewed Exclusive Distributorship Framework Agreements.

### ***3. Reasons for and Benefit of Renewal of the Exclusive Distributorship Framework Agreement***

The Directors consider that the appointment of TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as the sole overseas distributor of the Group to distribute the Relevant Products outside the PRC would further promote the culture of Chinese medicine in the overseas market, expand sales of products of the Group and enhance the value of the “Tong Ren Tang” brand, and hence is beneficial to the development of the Group.

The Directors (including the independent non-executive Directors) are of the view that the renewed Exclusive Distributorship Framework Agreements were entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the annual caps for the continuing connected transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **III. RENEWAL OF THE TRT EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT BETWEEN TONG REN TANG LTD. AND TONG REN TANG CHINESE MEDICINE**

As the term of the existing TRT Exclusive Distributorship Framework Agreement will expire on 31 December 2014, Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed such agreement on the same terms and conditions on 28 October 2014, for a further term of three years from 1 January 2015 to 31 December 2017.

### ***1. Renewed TRT Exclusive Distributorship Framework Agreement***

Details of the renewed TRT Exclusive Distributorship Framework Agreement are as follows:

<b>Date:</b>	28 October 2014
<b>Parties:</b>	(1) Tong Ren Tang Ltd. (2) Tong Ren Tang Chinese Medicine
<b>Term of the Agreement:</b>	Subject to the approval by the independent shareholders of Tong Ren Tang Chinese Medicine, the renewed TRT Exclusive Distributorship Framework Agreement will be effective from 1 January 2015 to 31 December 2017.
<b>Major Terms and Conditions:</b>	<ul style="list-style-type: none"><li>● Tong Ren Tang Ltd. Group appoints TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as its sole overseas distributor for the distribution of the Relevant Products of Tong Ren Tang Ltd. Group outside the PRC.</li><li>● Within the term of the renewed TRT Exclusive Distributorship Framework Agreement and for the purpose of the overseas distribution of the Relevant Products of Tong Ren Tang Ltd. Group, TRT International Natural-Pharm will procure from Tong Ren Tang Ltd. Group, and Tong Ren Tang Ltd. Group shall supply to TRT International Natural-Pharm, the Relevant Products as agreed by the parties.</li><li>● Tong Ren Tang Ltd. Group shall provide trainings on the Relevant Products manufactured by it to Tong Ren Tang Chinese Medicine Group. Tong Ren Tang Chinese Medicine Group shall be responsible for the promotion and registration of the Relevant Products manufactured by Tong Ren Tang Ltd. Group in overseas markets.</li><li>● Individual distribution agreement will be signed by members of Tong Ren Tang Ltd. Group and TRT International Natural-Pharm during the term of the renewed TRT Exclusive Distributorship Framework Agreement to set out details of the quantity, price, specifications, standards, delivery time and settlement of the Relevant Products supplied, save as such individual distribution agreement shall be entered into on normal commercial terms as well as in accordance with the provisions of the renewed TRT Exclusive Distributorship Framework Agreement.</li></ul>

<b>Pricing Policy:</b>	<p>The price of the Relevant Products supplied by Tong Ren Tang Ltd. Group to TRT International Natural-Pharm shall not be higher than the wholesale price of the Relevant Products sold by Tong Ren Tang Ltd. Group to the wholesale customers in the PRC.</p> <p>TRT International Natural-Pharm shall obtain updated wholesale prices and payment terms of the Relevant Products which they have offered to independent third parties from members of the Tong Ren Tang Ltd. Group on a quarterly basis so as to determine whether that the price and terms offered to TRT International Natural-Pharm are fair and reasonable and comparable to those they offered to their unrelated wholesale customers in the PRC. Members of the Tong Ren Tang Ltd. Group shall also notify TRT International Natural-Pharm in case there is any material update of the aforesaid wholesale prices and payment terms of the Relevant Products from time to time.</p>
<b>Payment Arrangement:</b>	Payment of the price will be specified in individual distribution agreement to be signed between members of Tong Ren Tang Ltd. Group and TRT International Natural-Pharm.

## ***2. Proposed Annual Caps for the Three Years Ending 31 December 2017***

Historical transaction amount between Tong Ren Tang Chinese Medicine Group and Tong Ren Tang Ltd. Group (total amount paid by TRT International Natural-Pharm to Tong Ren Tang Ltd. Group) under the TRT Exclusive Distributorship Framework Agreement is as follows:

	<i>Two months ended 31 December 2012 (RMB)</i>	<i>Year ended 31 December 2013 (RMB)</i>	<i>Eight months ended 31 December 2014 (RMB)</i>
<b>Historical Transaction Amount</b>	0	23,108,000	17,955,000

The Directors expect the annual caps for the continuing connected transactions contemplated under the renewed TRT Exclusive Distributorship Framework Agreements for the three years ending 31 December 2017 as follows:

	<i>Year ending 31 December 2015 (RMB)</i>	<i>Year ending 31 December 2016 (RMB)</i>	<i>Year ending 31 December 2017 (RMB)</i>
<b>Expected Annual Caps</b>	51,900,000	61,200,000	72,000,000



The above expected annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- i) the factors i, ii, iii listed above as reasons for the expected annual caps for the continuing connected transactions contemplated under the renewed Exclusive Distributorship Framework Agreement;
- ii) the expected increase in supply prices for the Relevant Products over the next three years as a result of the continuous increase in manufacturing costs, in particular, continuous increase in costs in labour and raw materials;
- iii) the expected increase in transaction amounts between Tong Ren Tang Ltd. Group and Tong Ren Tang Chinese Medicine Group under the renewed TRT Exclusive Distributorship Framework Agreements taking into account the above items (i), which led to a possible increase in demand of the Relevant Products (increase in transaction volume) as well as the increase in supply prices as explained in item (ii) above ; and
- iv) the inclusion of a buffer for the estimated amount of procurement of the Relevant Products by Tong Ren Tang Chinese Medicine Group from Tong Ren Tang Ltd Group under the renewed TRT Exclusive Distributorship Framework Agreements so as to accommodate any unexpected increase in the aforesaid transaction volume amount (as a result of any unexpected increase in market demand for the Relevant Products) or unexpected increase in the cost of supply as well as any possible appreciation in the RMB against HK\$ during the period of the renewed TRT Exclusive Distributorship Framework Agreements.

### ***3. Reasons for and Benefit of Renewal of the TRT Exclusive Distributorship Framework Agreement***

The Directors consider that Tong Ren Tang Chinese Medicine Group is the primary overseas distribution platform of the Group and is the member of Tong Ren Tang Ltd. Group solely distributing PRC manufactured “Tong Ren Tang” branded Chinese medicine products outside PRC. The renewal of the TRT Exclusive Distributorship Framework Agreement is to ensure the continuity of the exclusive distributorship arrangement outside PRC, which is of utmost importance to the Group, Tong Ren Tang Chinese Medicine Group as well as Tong Ren Tang Ltd. Group.

The Directors (including the independent non-executive Directors) are of the view that the renewed TRT Exclusive Distributorship Framework Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the annual caps for the continuing connected transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

#### **IV. MEASURES OF INTERNAL CONTROL**

To ensure the Group's conformity with the above-mentioned pricing policies in relation to the continuing connected transactions contemplated under both the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement, the Company as well as Tong Ren Tang Chinese Medicine will adopt the following internal control policies for its daily operation.

In respect of the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreement, as mentioned above, each of the Company and its subsidiaries, excluding Tong Ren Tang Chinese Medicine Group, maintains respective wholesale price list setting out detailed price offered by members of the Group to their unrelated wholesale customers in the PRC, which will be checked and updated if needed on a quarterly basis according to the production cost and then market conditions. Relevant business departments of each of the Company and its subsidiaries will monitor the market price from time to time and update their respective wholesale price list according to the market condition in a timely manner, so as to ensure that such transactions are conducted in accordance with the pricing policies.

In addition, the financial department of the Company is responsible for collecting detailed information of the continuing connected transactions of the Company (including but not limited to the pricing terms, payment arrangements and actual transaction amount under each of the specific implementation agreements) on a regular basis and notifying relevant departments of the Company about such information; monitoring whether the transaction terms and pricing and other terms under each of the specific implementation agreements are consistent with the principles established under the framework agreement in respect of the continuing connected transactions and conducting fairness evaluation thereon together with the internal audit department and pricing department of the Company; and reporting relevant information to the Board in a timely manner .

The independent non-executive Directors of the Company have reviewed and will continue to review the non-exempt continuing connected transactions to ensure that related agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements.

The auditors of the Company will also conduct an annual review on the pricing and annual caps of such non-exempt continuing connected transactions.

In respect of the continuing connected transactions contemplated under the TRT Exclusive Distributorship Framework Agreement, TRT International Natural-Pharm will obtain updated wholesale prices and payment terms of the Relevant Products which they have offered to independent third parties from members of the Tong Ren Tang Ltd. Group on a quarterly basis. Members of the Tong Ren Tang Ltd. Group will also notify TRT International Natural-Pharm in case there is any material update of the aforesaid wholesale prices and payment terms of the Relevant Products from time to time.

The independent non-executive directors and the auditor of Tong Ren Tang Chinese Medicine will on a regular basis be provided with (i) the TRT Exclusive Distributorship Framework Agreement; (ii) sales contracts entered into between Tong Ren Tang Ltd. Group and independent third parties for the supply of the Relevant Products; (iii) individual distribution agreements entered into between Tong Ren Tang Ltd. Group and Tong Ren Tang Chinese Medicine Group; and (iv) the quarterly updated wholesale prices and payment terms of the Relevant Products.

The independent non-executive directors of Tong Ren Tang Chinese Medicine will review and compare the relevant payment arrangements and pricing policies under the above-mentioned agreements to ensure that the continuing connected transactions contemplated under the TRT Exclusive Distributorship Framework Agreement are conducted on normal and commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements.

The auditor of Tong Ren Tang Chinese Medicine will also review and confirm the continuing connected transactions contemplated under the TRT Exclusive Distributorship Framework Agreement are conducted in accordance with the terms of such agreement.

## **V. HONG KONG LISTING RULES IMPLICATIONS**

Tong Ren Tang Ltd. is the intermediate controlling shareholder and a connected person of the Company, which holds 46.85% equity interest in the Company. As at the date of this announcement, Tong Ren Tang Ltd. also directly holds 33.91% equity interest in Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company. Pursuant to Rule 14A.16 of the Hong Kong Listing Rules, Tong Ren Tang Chinese Medicine and any of its subsidiaries are connected subsidiaries of the Company. Therefore, both the transactions contemplated between the Company and Tong Ren Tang Chinese Medicine under the renewed Exclusive Distributorship Framework Agreement and the transactions contemplated between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine under the renewed TRT Exclusive Distributorship Framework Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under both the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement exceed 0.1% but are all less than 5%, such continuing connected transactions are only subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Mr. Mei Qun, being an executive Director who also serves as a director of each of Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd., has abstained from voting on the resolutions in relation to the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement as well as the annual caps for the continuing connected transactions contemplated thereunder at the Board meeting. Saved as disclosed above, none of the other Directors has material interests in the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement and is required to abstain from voting on the relevant resolutions at the Board meeting.

## **VI. GENERAL INFORMATION OF THE PARTIES**

### **The Company**

The Company is engaged in the manufacturing and sale of Chinese medicines.

### **Tong Ren Tang Chinese Medicine**

Tong Ren Tang Chinese Medicine is principally engaged in the manufacturing, retail and wholesale of Chinese medicine products in Hong Kong and overseas.

### **TRT International Natural-Pharm**

TRT International Natural-Pharm is principally engaged in the sale and distribution of Chinese medicines and healthcare products.

### **Tong Ren Tang Ltd.**

Tong Ren Tang Ltd. is principally engaged in the manufacturing and sale of Chinese medicines.

## VII. DEFINITIONS

“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	means the board of Directors
“Company”	means Tong Ren Tang Technologies Co. Ltd. (北京同仁堂科技發展股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	means the director(s) of the Company
“Exclusive Distributorship Framework Agreement”	means the Exclusive Distributorship Framework Agreement entered into between the Company and Tong Ren Tang Chinese Medicine on 29 October 2012 and renewed by the parties on 28 October 2014 in relation to the distribution of the Relevant Products of the Group (for the purpose of the Exclusive Distributorship Framework Agreement only, excluding Tong Ren Tang Chinese Medicine Group) outside the PRC
“GEM”	means the Growth Enterprise Market of the Hong Kong Stock Exchange
“Group”	means the Company and its subsidiaries and associates, which for the purpose of the Exclusive Distributorship Framework Agreement only, excludes Tong Ren Tang Chinese Medicine Group
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong

“PRC”	means the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Chinese Taipei
“Relevant Products”	means the relevant “Tong Ren Tang” branded products supplied by the Group and Tong Ren Tang Ltd. Group to TRT International Natural-Pharm under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement, respectively for the purpose of the distribution of such products outside the PRC
“TRT Exclusive Distributorship Framework Agreement”	means the TRT Exclusive Distributorship Framework Agreement entered into between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine On 29 October 2012 and renewed by the parties on 28 October 2014 in relation to the distribution of the Relevant Products of Tong Ren Tang Ltd. Group (for the purpose of the TRT Exclusive Distributorship Framework Agreement only, excluding the Group) outside the PRC
“TRT International Natural-Pharm”	means Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. (北京同仁堂國際藥業有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholder(s)”	means the shareholder(s) of the Company
“Tong Ren Tang Chinese Medicine”	means Beijing Tong Ren Tang Chinese Medicine Company Limited (北京同仁堂國藥有限公司), a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of the Company, the issued shares of which are listed on GEM
“Tong Ren Tang Chinese Medicine Group”	means Tong Ren Tang Chinese Medicine and its subsidiaries and associates

“Tong Ren Tang Ltd.”	means Beijing Tong Ren Tang Company Limited (北京同仁堂股份有限公司), a joint stock limited company established in the PRC, the shares of which have been listed on the Shanghai Stock Exchange A Shares Market since 1997, and is the intermediate controlling Shareholder of the Company
“Tong Ren Tang Ltd. Group”	means Tong Ren Tang Ltd. and its subsidiaries and associates, which for the purpose of the TRT Exclusive Distributorship Framework Agreement only, excludes the Group

By order of the board of directors  
**Tong Ren Tang Technologies Co. Ltd.**  
**Mei Qun**  
*Chairman of the Board*

Beijing, the PRC  
28 October 2014

*As at the date of this announcement, the Board comprises Mr. Mei Qun, Mr. Wang Quan, Mr. Gong Qin, Mr. Wang Yu Wei and Ms. Fang Jia Zhi as executive Directors; Ms. Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan as independent non-executive Directors.*