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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: 8069)

CONNECTED TRANSACTION

ESTABLISHMENT OF JOINT VENTURE COMPANY

JV AGREEMENT

On 22 June 2010, the Company, Jiayi Packaging, Jingqiao Medicine and TRT Chinese Medicine entered into the JV Agreement, pursuant to which the parties have agreed to establish the JV Company and to contribute to the registered capital thereof. Upon completion of the transactions contemplated under the JV Agreement, the registered capital of the JV Company will be RMB70,000,000 and the JV Company will be owned as to 10%, 30%, 10% and 50% by the Company, Jiayi Packaging, Jingqiao Medicine and TRT Chinese Medicine, respectively.

GENERAL

TRT Chinese Medicine, being a 51%-owned subsidiary of the Company, is an associate of our Parent, therefore, is a connected person of the Company under the GEM Listing Rules. The transaction contemplated under the JV Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.25 of the GEM Listing Rules, the relevant percentage ratios calculated pursuant to Rule 20.10 of the GEM Listing Rules for the formation of the JV Company contemplated under the JV Agreement, aggregated with the formation of Beijing Tong Ren Tang Health Preserving and Culture Company Limited pursuant to the Previous JV Agreement (please refer to the announcement of the Company dated 27 May 2010 for details) exceed 0.1% but are below 5%, the formation of the JV Company contemplated under the JV Agreement is only subject to the reporting and announcement requirements under Rules 20.45 to 20.47 of the GEM Listing Rules but is exempt from the independent shareholders' approval requirement under Rule 20.48 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jiayi Packaging and Jingqiao Medicine and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

1. INTRODUCTION

On 22 June 2010, the Company, Jiayi Packaging, Jingqiao Medicine and TRT Chinese Medicine entered into the JV Agreement, pursuant to which the parties have agreed to establish the JV Company and to contribute to the registered capital thereof. Upon completion of the transactions contemplated under the JV Agreement, the registered capital of the JV Company will be RMB70,000,000 and the JV Company will be owned as to 10%, 30%, 10% and 50% by the Company, Jiayi Packaging, Jingqiao Medicine and TRT Chinese Medicine, respectively.

2. JV AGREEMENT

Date: 22 June 2010

Parties:

- i. the Company
- ii. Jiayi Packaging
- iii. Jingqiao Medicine
- iv. TRT Chinese Medicine

Scope of Business: Production and sales of Chinese medicines, healthcare products, foods, and medical equipment

Registered and Capital Contribution RMB70,000,000, to be contributed as follows:

- (i) 10% by the Company (i.e. RMB7,000,000)
- (ii) 30% by Jiayi Packaging (i.e. RMB21,000,000)
- (iii) 10% by Jingqiao Medicine (i.e. RMB7,000,000)
- (iv) 50% by TRT Chinese Medicine (i.e. RMB35,000,000)

The registered capital will be fully contributed in cash by the parties within 6 months after the business licence of the JV Company is issued.

The total capital commitment contributed by the Group is RMB42,000,000, being the aggregation of the capital commitment contributed by both the Company and TRT Chinese Medicine.

The amount of the total registered capital of the JV Company was determined after arm's length negotiations by reference to the proposed capital requirement for the business of the JV Company.

Other than the registered capital set out above, there is no further financial commitment that is required to be contributed by the parties to the JV Company.

- Term:** 10 years from the date of issue of the business licence of the JV Company
- Profit Distribution:** The profit of the JV Company available for distribution shall be distributed to the parties in proportion to their respective share of actual contribution to the registered capital.
- Board Composition:** The board of directors of the JV Company shall comprise five (5) directors, where TRT Chinese Medicine will be entitled to nominate three (3) directors and Jiayi Packaging will be entitled to nominate two (2) directors. The Chairman of the board of directors of the JV Company shall be a director nominated by TRT Chinese Medicine.

3. REASONS FOR THE ESTABLISHMENT OF THE JV COMPANY

The Company is of the view that the establishment of the JV Company will (i) further develop the business scope of the Group; and (ii) increase the value of the "Tong Ren Tang" brand through the development of healthcare business sector.

The Directors (including the independent non-executive Directors) are of the view that the terms of the JV Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. GEM LISTING RULES IMPLICATIONS

TRT Chinese Medicine, being a 51%-owned subsidiary of the Company, is an associate of our Parent, therefore, is a connected person of the Company under the GEM Listing Rules. The transaction contemplated under the JV Agreement constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

In addition, Beijing Tong Ren Tang International Natural-Pharm Company Limited (an indirect subsidiary of the Company) ("**TRT International**") entered into the Previous JV Agreement with Beijing Tong Ren Tang Commercial Investment and Development Company Limited (an associate of the Parent) ("**TRT Investment**") and four other parties independent of the Company for the formation of Beijing Tong Ren Tang Health Preserving and Culture Company Limited (the "**Previous JV Company**") on 27 May 2010. Please refer to the announcement of the Company dated 27 May 2010 for details regarding the Previous JV Agreement.

Pursuant to Rule 20.25 of the GEM Listing Rules, the relevant percentage ratios calculated pursuant to Rules 20.10 of the GEM Listing Rules for the formation of the JV Company under the JV Agreement, aggregated with the formation of the Previous JV Company pursuant to the Previous JV Agreement, exceed 0.1% but are below 5%, the formation of the JV Company under the JV Agreement is only subject to the reporting and announcement requirements under Rules 20.45 to 20.47 of the GEM Listing Rules but is exempt from the independent shareholders' approval requirement under Rule 20.48 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Jiayi Packaging and Jingqiao Medicine and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save as disclosed above, the Company confirms that there is no other transaction entered into between any member of the Group and TRT Chinese Medicine or its associates (as defined under the GEM Listing Rules) within a 12-month period to the date of this announcement or otherwise related, which would be, together with the transactions under the JV Agreement, regarded as a series of transactions and treated as if they are one transaction under Rule 20.25 of the GEM Listing Rules.

Mr. Mei Qun, Mr. Yin Shun Hai and Ms. Ding Yong Ling, also being directors of TRT Chinese Medicine, have material interests in the transaction contemplated under the JV Agreement and abstained from voting on the resolution to approve the JV Agreement. Save as disclosed, there is no other Director who has material interests in the transaction contemplated under the JV Agreement.

5. GENERAL INFORMATION ON THE PARTIES TO THE JV AGREEMENT

The Company

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

Jiayi Packaging

Jiayi Packaging is engaged in the manufacturing of rubber products, plastics products and glass products.

Jingqiao Medicine

Jingqiao Medicine is engaged in the wholesale and retail business of supply and sales of Chinese medicine materials.

TRT Chinese Medicine

TRT Chinese Medicine is engaged in the development, manufacturing, processing and sale of Chinese medicine and health supplement products in Hong Kong.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Board"	the board of directors of the Company
"Company"	Tong Ren Tang Technologies Co., Ltd. (北京同仁堂科技发展股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed and traded on GEM
"Director(s)"	the director(s) of the Company

"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on the GEM (as amended from time to time)
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiayi Packaging"	Tangshan Jiayi Packaging Industries Co., Ltd (唐山佳億包裝工業有限公司), a limited liability company established in the PRC
"Jingqiao Medicine"	Bozhou Jingqiao Medicine Co., Ltd (亳州市京譙醫藥有限責任公司), a limited liability company established in the PRC
"JV Agreement"	a joint venture agreement entered into by the Company, Jiayi Packaging, Jingqiao Medicine and TRT Chinese Medicine in relation to the proposed establishment of the JV Company
"JV Company"	Beijing Tong Ren Tang (Tangshan) Nutrition and Healthcare Co., Ltd. (北京同仁堂(唐山)營養保健品有限公司), the joint venture company which will be owned as to 10%, 30%, 10%, and 50% by the Company, Jiayi Packaging, Jingqiao Medicine and TRT Chinese Medicine, respectively
"Parent"	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 A shares of which are listed and traded on the Shanghai Stock Exchange, and is the controlling shareholder of the Company
"PRC"	the People's Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Previous JV Agreement"	the joint venture agreement entered into between TRT International, TRT Investment, Beijing Taiyitang Technology Development Company Limited, Mr. Li Kai Yu, Mr. Zhang Yan and Mr. Zhu Dan for the formation of the Previous JV Company on 27 May 2010
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Shareholders"	the shareholders of the Company
"TRT Chinese Medicine"	Beijing Tong Ren Tang Chinese Medicine Company Limited (北京同仁堂國藥有限公司), a limited liability company incorporated under the law of Hong Kong and a non wholly -owned subsidiary of the Company

By order of the Board
Tong Ren Tang Technologies Co., Ltd.
Mei Qun
Chairman of the Board

Beijing, 22 June 2010

As at the date of this announcement, the Board comprises (i) Mr. Mei Qun, Mr. Yin Shun Hai, Mr. Wang Yu Wei, Ms. Fang Jia Zhi and Mr. Xie Zhan Zhong as executive Directors; (ii) Ms. Ding Yong Ling as non-executive Director; and (iii) Ms. Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting and be posted at our Company website <http://www.tongrentangkj.com>.