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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)

CONNECTED TRANSACTION
FORMATION OF THE JOINT VENTURE

The Board hereby announce that, on 30 October 2015, the Company, Tong Ren Tang Ltd., Mr. Liu Hongzhu and Mr. Liu Yaming have entered into the Joint Venture Agreement to establish the Joint Venture in Shaanxi Province, the PRC, to engage in manufacturing of musk. Upon the establishment of the Joint Venture, Tong Ren Tang Ltd., the Company, Mr. Liu Hongzhu and Mr. Liu Yaming will be interested in 31%, 29%, 20% and 20% of the registered capital of the Joint Venture, respectively.

Tong Ren Tang Ltd. is the intermediate controlling shareholder of the Company and is therefore a connected person of the Company. Accordingly, the formation of the Joint Venture constitutes a connected transaction for the Company for the purpose of the Listing Rules. Upon the establishment of the Joint Venture, the Joint Venture shall be a subsidiary of Tong Ren Tang Ltd., and will therefore become a connected person of the Company.

As one or more applicable ratios (as defined under Rule 14A.06 of the Listing Rules) in respect of the formation of the Joint Venture by the Company exceed 0.1% but are all less than 5%, the formation of the Joint Venture is subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, and save as disclosed above, there is no other transaction which would be, together with the aforesaid transaction, aggregated under Rule 14.22 of the Listing Rules.

Mr. Gao Zhen Kun and Mr. Gu Hai Ou, being executive Directors who also serve as directors of Tong Ren Tang Ltd., and Mr. Gong Qin, being an executive Director who also serves as a supervisor of Tong Ren Tang Ltd., are deemed to have material interest in the Joint Venture Agreement, and thus have been required to abstain from voting on the relevant resolution at the Board meeting.

I. INTRODUCTION

On 30 October 2015, the Company, Tong Ren Tang Ltd., Mr. Liu Hongzhu and Mr. Liu Yaming have entered into the Joint Venture Agreement to establish the Joint Venture in Shaanxi Province, the PRC, to engage in manufacturing of musk. Upon the establishment of the Joint Venture, Tong Ren Tang Ltd., the Company, Mr. Liu Hongzhu and Mr. Liu Yaming will be interested in 31%, 29%, 20% and 20% of the registered capital of the Joint Venture, respectively.

II. JOINT VENTURE AGREEMENT

Date:	30 October 2015
Parties:	(1) Tong Ren Tang Ltd.; (2) the Company; (3) Mr. Liu Hongzhu; and (4) Mr. Liu Yaming
Registered Capital of the Joint Venture:	Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture proposed to be established shall be RMB30 million, of which (i) Tong Ren Tang Ltd. shall contribute RMB9.3 million by way of cash, representing 31% of the registered capital; (ii) the Company shall contribute RMB8.7 million by way of cash, representing 29% of the registered capital; (iii) Mr. Liu Hongzhu shall contribute RMB6 million by way of cash, representing 20% of the registered capital; and (iv) Mr. Liu Yaming shall contribute RMB6 million by way of cash, representing 20% of the registered capital. The parties shall share the profit as well as the loss of the Joint Venture in proportion to their capital contributions. The registered capital of the Joint Venture was determined after arm's length negotiation between the parties and is based on the funding requirements of the Joint Venture. The capital contribution to the Joint Venture by the Company will be funded by the internal resources of the Company.
Payment Terms:	The capital contributions of the parties shall be remitted into the account of the Joint Venture in full within 30 business days after the execution of the Joint Venture Agreement and the acquisition of the business license by the Joint Venture.

Cooperation Arrangement:	The Joint Venture will be principally engaged in manufacturing of musk in the PRC and will provide musk raw materials in line with the national pharmacopoeia to Tong Ren Tang Ltd. and the Company in preference to third parties in order to satisfy the production demands. Tong Ren Tang Ltd. and the Company will procure musk raw materials from the Joint Venture in preference to third parties. Apart from the Joint Venture, Tong Ren Tang Ltd. and the Company will cooperate with Mr. Liu Hongzhu and Mr. Liu Yaming in preference to third parties under the same conditions for the further investment in forest musk deer domestication projects in Shaanxi Province, Gansu Province and Sichuan Province.
Other Terms:	The shareholders of the Joint Venture shall not pledge its stake in the Joint Venture to any parties other than the shareholders of the Joint Venture. Whenever the equity ratio of the Company and Tong Ren Tang Ltd. in the Joint Venture is less than 30% (excluding 30%), the Joint Venture's right to use the trade name of "Tong Ren Tang" shall be unconditionally withdrawn by the Company and Tong Ren Tang Ltd..

III. REASONS FOR AND BENEFIT OF ENTERING INTO THE JOINT VENTURE AGREEMENT

The Joint Venture will be principally engaged in manufacturing of musk in the PRC and will provide musk raw materials in line with the national pharmacopoeia to Tong Ren Tang Ltd. and the Company in priority in order to satisfy the production demands. The establishment of the Joint Venture will ensure the supply of the musk raw materials in the production of the Company and accelerate the development of the Company.

The Directors believe that the formation of the Joint Venture is beneficial to the development of the Group and will reinforce the Group’s dominant position in the manufacturing industry of Chinese medicine. As such, the Directors (including the independent non-executive Directors) are of the view that the Joint Venture Agreement was entered into on normal commercial terms, in the ordinary and usual course of business of the Company, and the terms and conditions therein are fair and reasonable and in line with the overall development strategy of the Group as well as in the interests of the Company and its shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

Tong Ren Tang Ltd. is the intermediate controlling shareholder of the Company and is therefore a connected person of the Company. Accordingly, the formation of the Joint Venture constitutes a connected transaction for the Company for the purpose of the Listing Rules. Upon the establishment of the Joint Venture, the Joint Venture shall be a subsidiary of Tong Ren Tang Ltd., and will therefore become a connected person of the Company.

As one or more applicable ratios (as defined under Rule 14A.06 of the Listing Rules) in respect of the formation of the Joint Venture by the Company exceed 0.1% but are all less than 5%, the formation of the Joint Venture is subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, and save as disclosed above, there is no other transaction which would be, together with the aforesaid transaction, aggregated under Rule 14.22 of the Listing Rules.

Mr. Gao Zhen Kun and Mr. Gu Hai Ou, being executive Directors who also serve as directors of Tong Ren Tang Ltd., and Mr. Gong Qin, being an executive Director who also serves as a supervisor of Tong Ren Tang Ltd., are deemed to have material interest in the Joint Venture Agreement, and thus have been required to abstain from voting on the relevant resolution at the Board meeting.

V. GENERAL INFORMATION ON THE PARTIES TO THE TRANSACTIONS

The Company

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

Tong Ren Tang Ltd.

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

Mr. Liu Hongzhu and Mr. Liu Yaming

Mr. Liu Hongzhu and Mr. Liu Yaming, two individuals who have engaged in the planting and breeding as well as operation of Chinese herbal medicine for many years, have wide industry resources and rich operational experience in the forest musk deer domestication industry.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, Mr. Liu Hongzhu and Mr. Liu Yaming and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

VI. DEFINITIONS

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

"associate(s)"	has the meaning ascribed under the Listing Rules
"Board"	the board of directors of the Company
"Company"	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 whose H shares are listed on the Main Board of the Hong Kong Stock Exchange
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Joint Venture"	a joint venture company to be established in the PRC pursuant to the Joint Venture Agreement and proposed to be named Tong Ren Tang Xibei Sheye Co., Ltd. (北京同仁堂西北麝業有限公司)
"Joint Venture Agreement"	the joint venture agreement dated 30 October 2015 entered into between the Company, Tong Ren Tang Ltd., Mr. Liu Hongzhu and Mr. Liu Yaming
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"PRC"	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 Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	the shareholders of the Company
"Tong Ren Tang Ltd."	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 the intermediate holding company of the Company

By order of the Board
Tong Ren Tang Technologies Co. Ltd.
Gao Zhen Kun
Chairman of the Board

Beijing, the PRC
30 October 2015

As at the date of this announcement, the Board comprises Mr. Gao Zhen Kun, Mr. Gong Qin, Mr. Gu Hai Ou, Mr. Li Bin, Mr. Wang Yu Wei and Ms. Fang Jia Zhi as executive Directors; Miss Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan as independent non-executive Directors.