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Tong Ren Tang Technologies Co. Ltd.
北京同仁堂科技发展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1666)

ANNOUNCEMENT ON RESULTS OF SUBSIDIARY

Reference is made to the announcement (the “**Announcement**”) dated 6 August 2021 published by Beijing Tong Ren Tang Chinese Medicine Company Limited (“**Tong Ren Tang Chinese Medicine**”), a subsidiary of Tong Ren Tang Technologies Co. Ltd. (the “**Company**”) whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 3613), in relation to the interim results of Tong Ren Tang Chinese Medicine and its subsidiaries for the six months ended 30 June 2021.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company would like to draw the attention of its shareholders and the public investors to the following unaudited financial information of Tong Ren Tang Chinese Medicine and its subsidiaries for the six months ended 30 June 2021 as set out in the Announcement.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Revenue	704,031	567,423
Cost of sales	(203,873)	(178,044)
Gross profit	500,158	389,379
Distribution and selling expenses	(89,423)	(76,596)
General and administrative expenses	(66,666)	(53,762)
Other gains, net	3,342	8,282
Operating profit	347,411	267,303
Finance income	2,724	14,481
Finance costs	(2,210)	(1,964)
Finance income, net	514	12,517
Share of profits/(losses) of investments accounted for using the equity method	205	(1,334)
Profit before income tax	348,130	278,486
Income tax expense	(57,413)	(42,405)
Profit for the period	290,717	236,081
Profit attributable to:		
Owners of the Company	267,218	226,580
Non-controlling interests	23,499	9,501
	290,717	236,081
Earnings per share attributable to owners of the Company (expressed in HK\$ per share)		
Basic and diluted	0.32	0.27

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Profit for the period	290,717	236,081
Other comprehensive income/(losses):		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(423)	(5,067)
<i>Item that will not be reclassified to profit or loss</i>		
Change in fair value of financial asset at fair value through other comprehensive income	1,290	(4,140)
Other comprehensive income/(losses) for the period	867	(9,207)
Total comprehensive income for the period	291,584	226,874
Attributable to:		
Owners of the Company	268,454	218,569
Non-controlling interests	23,130	8,305
Total comprehensive income for the period	291,584	226,874

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	185,693	187,379
Right-of-use assets	210,422	194,442
Intangible assets	54,186	54,836
Investments accounted for using the equity method	17,511	17,763
Financial asset at fair value through other comprehensive income	7,398	6,108
Deposits paid for purchase of property, plant and equipment	13,565	10,430
Prepayment for acquisition of an associate	11,950	–
Deferred income tax assets, net	21,238	13,064
	521,963	484,022
Current assets		
Inventories	476,411	495,378
Trade receivables and other current assets	566,060	590,432
Short-term bank deposits	26,253	421,097
Cash and cash equivalents	1,922,311	1,426,040
	2,991,035	2,932,947
Total assets	3,512,998	3,416,969
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	938,789	938,789
Reserves		
— Other reserves	(17,681)	(18,917)
— Retained earnings	2,163,931	2,097,617
	3,085,039	3,017,489
Non-controlling interests	128,539	112,021
Total equity	3,213,578	3,129,510

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Unaudited 30 June 2021 HK\$'000	Audited 31 December 2020 HK\$'000
LIABILITIES		
Non-current liabilities		
Borrowings	1,476	2,052
Lease liabilities	74,129	63,095
Deferred income tax liabilities, net	6,365	5,696
	81,970	70,843
Current liabilities		
Borrowings	350	260
Trade and other payables	111,878	140,138
Lease liabilities	47,455	40,603
Current income tax liabilities	57,767	35,615
	217,450	216,616
Total liabilities	299,420	287,459
Total equity and liabilities	3,512,998	3,416,969

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited								
	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Merger reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
At 1 January 2020	938,789	(13,124)	(1,975)	6,229	(18,112)	1,747,694	2,659,501	106,135	2,765,636
Comprehensive income									
Profit for the period	–	–	–	–	–	226,580	226,580	9,501	236,081
Other comprehensive losses									
Change in fair value of financial asset at fair value through other comprehensive income	–	–	(4,140)	–	–	–	(4,140)	–	(4,140)
Currency translation differences									
— Group	–	–	–	–	(3,431)	–	(3,431)	(1,196)	(4,627)
— Joint ventures	–	–	–	–	(440)	–	(440)	–	(440)
Total comprehensive income	–	–	(4,140)	–	(3,871)	226,580	218,569	8,305	226,874
Transactions with owners in their capacity as owners									
Dividends relating to 2019	–	–	–	–	–	(192,533)	(192,533)	(8,086)	(200,619)
Total transactions with owners in their capacity as owners	–	–	–	–	–	(192,533)	(192,533)	(8,086)	(200,619)
At 30 June 2020	938,789	(13,124)	(6,115)	6,229	(21,983)	1,781,741	2,685,537	106,354	2,791,891
At 1 January 2021	938,789	(13,124)	(6,850)	6,229	(5,172)	2,097,617	3,017,489	112,021	3,129,510
Comprehensive income									
Profit for the period	–	–	–	–	–	267,218	267,218	23,499	290,717
Other comprehensive income									
Change in fair value of financial asset at fair value through other comprehensive income	–	–	1,290	–	–	–	1,290	–	1,290
Currency translation differences									
— Group	–	–	–	–	403	–	403	(369)	34
— Joint ventures	–	–	–	–	(457)	–	(457)	–	(457)
Total comprehensive income	–	–	1,290	–	(54)	267,218	268,454	23,130	291,584
Transactions with owners in their capacity as owners									
Dividends relating to 2020	–	–	–	–	–	(200,904)	(200,904)	(7,350)	(208,254)
Capital injection into a subsidiary	–	–	–	–	–	–	–	738	738
Total transactions with owners in their capacity as owners	–	–	–	–	–	(200,904)	(200,904)	(6,612)	(207,516)
At 30 June 2021	938,789	(13,124)	(5,560)	6,229	(5,226)	2,163,931	3,085,039	128,539	3,213,578

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 June	
	2021 HK\$'000	2020 HK\$'000
Net cash generated from operating activities	351,246	53,186
Cash flows from investing activities		
Interest received	3,558	19,339
Dividends received	180	–
Decrease in short-term bank deposits with original maturities exceeding three months	394,844	786,004
Purchase of property, plant and equipment	(2,501)	(2,790)
Proceeds from disposal of property, plant and equipment	1	–
Deposit paid for purchase of property, plant and equipment	(6,123)	(1,140)
Prepayment for acquisition of an associate	(11,950)	–
Net cash generated from investing activities	378,009	801,413
Cash flows from financing activities		
Principal elements of lease payments	(24,487)	(24,790)
Proceeds from borrowings	395	359
Repayment of borrowings	(83)	(83)
Interest paid	(2,210)	(1,964)
Capital injection by non-controlling interests	738	–
Dividends paid to the Company's shareholders	(200,878)	(192,405)
Dividends paid to non-controlling interests	(7,350)	(8,086)
Net cash used in financing activities	(233,875)	(226,969)
Net increase in cash and cash equivalents	495,380	627,630
Cash and cash equivalents at beginning of period	1,426,040	1,056,711
Exchange gains/(losses) on cash and cash equivalents	891	(3,591)
Cash and cash equivalents at end of period	1,922,311	1,680,750
Analysis of balances of cash and cash equivalents		
Cash at bank and on hand and deposits with banks with original maturity within three months	1,922,311	1,680,750

By order of the Board
Tong Ren Tang Technologies Co. Ltd.
Gu Hai Ou
Chairman of the Board

Beijing, the PRC

6 August 2021

As at the date of this announcement, the Board comprises Mr. Gu Hai Ou, Mr. Wang Yu Wei and Ms. Fang Jia Zhi as executive Directors; Mr. Jin Tao, Mr. Ma Guan Yu and Ms. Wu Qian as non-executive Directors; Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza, and Mr. Zhan Yuan Jing as independent non-executive Directors.