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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 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 12 August 2022 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 2022.

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 2022 as set out in the Announcement.

## CONDENSED CONSOLIDATED INCOME STATEMENT

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	2022	2021
	HK\$'000	HK\$'000
Revenue	626,358	704,031
Cost of sales	(193,847)	(203,873)
<b>Gross profit</b>	432,511	500,158
Distribution and selling expenses	(84,532)	(89,423)
General and administrative expenses and others		
— General and administrative expenses	(60,390)	(67,986)
— Net reversal of impairment losses on financial assets	809	1,320
Other gains, net	3,532	3,342
<b>Operating profit</b>	291,930	347,411
Finance income	3,555	2,724
Finance costs	(2,453)	(2,210)
Finance income, net	1,102	514
Share of (losses)/profits of investments accounted for using the equity method	(4,678)	205
<b>Profit before income tax</b>	288,354	348,130
Income tax expense	(50,231)	(57,413)
<b>Profit for the period</b>	238,123	290,717
<b>Profit attributable to:</b>		
Owners of the Company	214,638	267,218
Non-controlling interests	23,485	23,499
	238,123	290,717
<b>Earnings per share attributable to owners of the Company for the period</b> <b>(expressed in HK\$ per share)</b>		
Basic and diluted earnings per share	0.26	0.32

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	2022	2021
	HK\$'000	HK\$'000
<b>Profit for the period</b>	238,123	290,717
<b>Other comprehensive (losses)/income:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(14,557)	(423)
<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	2,670	1,290
<b>Other comprehensive (losses)/income for the period</b>	(11,887)	867
<b>Total comprehensive income for the period</b>	226,236	291,584
<b>Attributable to:</b>		
Owners of the Company	203,944	268,454
Non-controlling interests	22,292	23,130
<b>Total comprehensive income for the period</b>	226,236	291,584

## CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	180,511	183,309
Right-of-use assets	193,316	214,255
Intangible assets	59,466	60,953
Investments accounted for using the equity method	51,350	57,896
Financial asset at fair value through other comprehensive income	8,133	5,463
Deposits paid for purchase of property, plant and equipment and intangible assets	12,799	14,245
Deferred income tax assets, net	21,667	22,050
	<b>527,242</b>	<b>558,171</b>
<b>Current assets</b>		
Inventories	445,888	431,865
Trade receivables and other current assets	520,157	569,378
Term deposits placed with banks	1,643,949	615,264
Cash and cash equivalents	696,414	1,660,304
	<b>3,306,408</b>	<b>3,276,811</b>
<b>Total assets</b>	<b>3,833,650</b>	<b>3,834,982</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	938,789	938,789
Reserves		
— Other reserves	(35,861)	(25,167)
— Retained earnings	2,484,801	2,504,551
	<b>3,387,729</b>	<b>3,418,173</b>
Non-controlling interests	132,159	121,331
<b>Total equity</b>	<b>3,519,888</b>	<b>3,539,504</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2022 HK\$'000	Audited 31 December 2021 HK\$'000
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	416	799
Lease liabilities	61,772	74,475
Deferred income tax liabilities, net	7,039	7,147
	<b>69,227</b>	<b>82,421</b>
<b>Current liabilities</b>		
Borrowings	503	480
Trade and other payables	120,343	127,550
Lease liabilities	46,475	52,722
Current income tax liabilities	77,214	32,305
	<b>244,535</b>	<b>213,057</b>
<b>Total liabilities</b>	<b>313,762</b>	<b>295,478</b>
<b>Total equity and liabilities</b>	<b>3,833,650</b>	<b>3,834,982</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited								
	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Merger reserve	Other reserve	Statutory reserve	Exchange reserve	Retained earnings	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>At 1 January 2021</b>	938,789	(13,124)	(6,850)	6,229	(5,172)	2,097,617	3,017,489	112,021	3,129,510
<b>Comprehensive income</b>									
Profit for the period	–	–	–	–	–	267,218	267,218	23,499	290,717
<b>Other comprehensive income</b>									
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)
<b>Total comprehensive income</b>	–	–	1,290	–	(54)	267,218	268,454	23,130	291,584
<b>Transactions with owners in their capacity as owners</b>									
Dividends relating to 2020	–	–	–	–	–	(200,904)	(200,904)	(7,350)	(208,254)
Capital injection into a subsidiary	–	–	–	–	–	–	–	738	738
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	–	–	(200,904)	(200,904)	(6,612)	(207,516)
<b>At 30 June 2021</b>	938,789	(13,124)	(5,560)	6,229	(5,226)	2,163,931	3,085,039	128,539	3,213,578
<b>At 1 January 2022</b>	938,789	(13,124)	(13,764)	6,229	(4,508)	2,504,551	3,418,173	121,331	3,539,504
<b>Comprehensive income</b>									
Profit for the period	–	–	–	–	–	214,638	214,638	23,485	238,123
<b>Other comprehensive losses</b>									
Change in fair value of financial asset at fair value through other comprehensive income	–	–	2,670	–	–	–	2,670	–	2,670
Currency translation differences									
— Group	–	–	–	–	(11,495)	–	(11,495)	(1,193)	(12,688)
— Joint ventures and an associate	–	–	–	–	(1,869)	–	(1,869)	–	(1,869)
<b>Total comprehensive income</b>	–	–	2,670	–	(13,364)	214,638	203,944	22,292	226,236
<b>Transactions with owners in their capacity as owners</b>									
Dividends relating to 2021	–	–	–	–	–	(234,388)	(234,388)	(11,662)	(246,050)
Non-controlling interest arising from acquisition of a subsidiary	–	–	–	–	–	–	–	198	198
<b>Total transactions with owners in their capacity as owners</b>	–	–	–	–	–	(234,388)	(234,388)	(11,464)	(245,852)
<b>At 30 June 2022</b>	938,789	(13,124)	(11,094)	6,229	(17,872)	2,484,801	3,387,729	132,159	3,519,888

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
<b>Net cash generated from operating activities</b>	<b>355,713</b>	351,246
<b>Cash flows from investing activities</b>		
Interest received	2,099	3,558
Dividends received	—	180
(Increase)/decrease in term deposits placed with banks with original maturities exceeding three months	(1,028,685)	394,844
Purchase of property, plant and equipment and intangible assets	(3,614)	(2,501)
Proceeds from disposal of property, plant and equipment	1	1
Deposit paid for purchase of property, plant and equipment and intangible assets	(418)	(6,123)
Acquisition of a subsidiary, net of cash and cash equivalents acquired	91	—
Acquisition of further interest in a subsidiary	(3,063)	—
Prepayment for acquisition of an associate	—	(11,950)
<b>Net cash (used in)/generated from investing activities</b>	<b>(1,033,589)</b>	378,009
<b>Cash flows from financing activities</b>		
Principal elements of lease payments	(27,589)	(24,487)
Proceeds from borrowings	—	395
Repayment of borrowings	(328)	(83)
Interest paid	(2,453)	(2,210)
Capital injection by non-controlling interests	—	738
Dividends paid to the Company's shareholders	(234,358)	(200,878)
Dividends paid to non-controlling interests	(11,662)	(7,350)
<b>Net cash used in financing activities</b>	<b>(276,390)</b>	(233,875)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(954,266)</b>	495,380
<b>Cash and cash equivalents at beginning of period</b>	<b>1,660,304</b>	1,426,040
Exchange (losses)/gains on cash and cash equivalents	(9,624)	891
<b>Cash and cash equivalents at end of period</b>	<b>696,414</b>	1,922,311
<b>Analysis of balances of cash and cash equivalents</b>		
Cash at bank and on hand and deposits with banks with original maturity within three months	696,414	1,922,311

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

Beijing, the PRC

12 August 2022

*As at the date of this announcement, the Board comprises Mr. Gu Hai Ou, Mr. Wang Yu Wei and Ms. Feng Zhi Mei as executive Directors, Mr. Jin Tao, Mr. Ma Guan Yu and Ms. Guo Ya Qing as non-executive Directors, Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing as independent non-executive Directors.*