

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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; AND
REVISED DIVIDEND POLICY OF SUBSIDIARY**

Reference is made to the announcement (the “**Announcement**”) dated 14 March 2024 published by Beijing Tong Ren Tang Chinese Medicine Company Limited (“**Tong Ren Tang Chinese Medicine**”, and its subsidiaries, collectively referred to as the “**Tong Ren Tang Chinese Medicine Group**”), 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 (i) annual results of Tong Ren Tang Chinese Medicine Group for the year ended 31 December 2023; and (ii) revised dividend policy of Tong Ren Tang Chinese Medicine.

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 “**Listing Rules**”).

1. ANNUAL RESULTS ANNOUNCEMENT OF TONG REN TANG CHINESE MEDICINE GROUP FOR THE YEAR ENDED 31 DECEMBER 2023

The board of directors of the Company would like to draw the attention of its shareholders and the public investors to the following audited consolidated financial information of Tong Ren Tang Chinese Medicine Group for the year ended 31 December 2023 together with the comparative figures for the previous year as set out in the Announcement.

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Revenue	1,524,945	1,731,095
Cost of sales	<u>(477,702)</u>	<u>(580,955)</u>
Gross profit	1,047,243	1,150,140
Distribution and selling expenses	(231,261)	(187,224)
General and administrative expenses	(179,029)	(154,457)
Net impairment losses on financial assets	(21,185)	(6,479)
Other gains, net	<u>8,381</u>	<u>9,595</u>
Operating profit	<u>624,149</u>	<u>811,575</u>
Finance income	72,878	20,588
Finance costs	<u>(5,978)</u>	<u>(4,661)</u>
Finance income, net	66,900	15,927
Share of losses of investments accounted for using the equity method	<u>(3,259)</u>	<u>(1,540)</u>
Profit before income tax	687,790	825,962
Income tax expense	<u>(97,203)</u>	<u>(134,669)</u>
Profit for the year	<u><u>590,587</u></u>	<u><u>691,293</u></u>
Profit attributable to:		
Owners of the Company	540,393	645,875
Non-controlling interests	<u>50,194</u>	<u>45,418</u>
	<u><u>590,587</u></u>	<u><u>691,293</u></u>
Earnings per share attributable to owners of the Company for the year (expressed in HK\$ per share)		
Basic and diluted earnings per share	<u><u>0.65</u></u>	<u><u>0.77</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Profit for the year	590,587	691,293
Other comprehensive (losses)/income:		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(338)	(22,070)
<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	(1,785)	4,155
Currency translation differences	904	-
	<hr/>	<hr/>
Other comprehensive losses for the year	(1,219)	(17,915)
	<hr/>	<hr/>
Total comprehensive income for the year	589,368	673,378
	<hr/> <hr/>	<hr/> <hr/>
Attributable to:		
Owners of the Company	538,270	629,976
Non-controlling interests	51,098	43,402
	<hr/>	<hr/>
Total comprehensive income for the year	589,368	673,378
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
Assets		
Non-current assets		
Property, plant and equipment	213,816	206,681
Right-of-use assets	211,810	186,669
Intangible assets	56,387	59,706
Investments accounted for using equity method	51,968	52,996
Financial asset at fair value through other comprehensive income	7,833	9,618
Prepayments for purchase of property, plant and equipment and intangible assets	11,187	11,724
Deferred income tax assets, net	37,122	14,814
	590,123	542,208
Current assets		
Inventories	1,011,649	469,784
Trade receivables and other current assets	453,980	969,324
Short-term bank deposits	1,378,879	252,997
Cash and cash equivalents	999,814	1,990,966
	3,844,322	3,683,071
Total assets	4,434,445	4,225,279
Equity and liabilities		
Equity attributable to owners of the Company		
Share capital	938,789	938,789
Reserves		
- Other reserves	(43,189)	(41,066)
- Retained earnings	2,970,913	2,706,763
	3,866,513	3,604,486
Non-controlling interests	154,177	134,307
Total equity	4,020,690	3,738,793

CONSOLIDATED BALANCE SHEET (CONTINUED)

	As at 31 December	
	2023	2022
	HK\$'000	HK\$'000
Liabilities		
Non-current liabilities		
Borrowings	166	333
Lease liabilities	75,227	60,401
Deferred income tax liabilities, net	8,444	7,178
	<u>83,837</u>	<u>67,912</u>
Current liabilities		
Borrowings	166	219
Trade and other payables	245,408	235,415
Lease liabilities	56,254	42,129
Current income tax liabilities	28,090	140,811
	<u>329,918</u>	<u>418,574</u>
Total liabilities	<u>413,755</u>	<u>486,486</u>
Total equity and liabilities	<u><u>4,434,445</u></u>	<u><u>4,225,279</u></u>

2. REVISED DIVIDEND POLICY OF TONG REN TANG CHINESE MEDICINE

The board of directors of Tong Ren Tang Chinese Medicine has resolved to revise its dividend policy (the “**Revised Dividend Policy**”) on 14 March 2024 with immediate effect from 14 March 2024 and which will apply to the proposed final dividend of Tong Ren Tang Chinese Medicine for the year ended 31 December 2023.

According to the Revised Dividend Policy, in recommending or declaring dividends, Tong Ren Tang Chinese Medicine shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value. The dividend payout ratio would not be less than 40% of the profit attributable to owners of Tong Ren Tang Chinese Medicine for the corresponding period. In deciding whether to propose a dividend, determining the dividend amount as well as to provide relatively steady dividend payout ratio, the board of directors of Tong Ren Tang Chinese Medicine takes into account the Tong Ren Tang Chinese Medicine Group’s earnings performance, financial results, cash flow position, investment requirements, business conditions and strategies, future operations and earnings, any limit to the payment of dividend and any other factors that the board of directors of Tong Ren Tang Chinese Medicine may consider as relevant.

The board of directors of Tong Ren Tang Chinese Medicine has the discretion to declare and distribute dividends to the shareholders of Tong Ren Tang Chinese Medicine, subject to the articles of association of Tong Ren Tang Chinese Medicine, all applicable laws and regulations and the Revised Dividend Policy.

The dividend policy of Tong Ren Tang Chinese Medicine will be reviewed by the board of directors of Tong Ren Tang Chinese Medicine from time to time as appropriate.

By order of the Board

Tong Ren Tang Technologies Co. Ltd.

Di Shu Bing

Chairman of the Board

Beijing, the PRC

14 March 2024

As at the date of this announcement, the Board comprises Mr. Di Shu Bing, Mr. Chen Jia Fu and Ms. Feng Zhi Mei as executive Directors, Mr. Jin Tao, Ms. Wang Chun Rui and Ms. Feng Li as non-executive Directors, Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing as independent non-executive Directors.