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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 13 August 2020 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 2020.

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 2020 as set out in the Announcement.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited	
	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Revenue	567,423	822,485
Cost of sales	(178,044)	(221,883)
Gross profit	389,379	600,602
Distribution and selling expenses	(76,596)	(114,696)
General and administrative expenses	(53,762)	(62,768)
Other net gains	8,282	768
Operating profit	267,303	423,906
Finance income	14,481	21,983
Finance costs	(1,964)	(2,045)
Finance income, net	12,517	19,938
Share of losses of investments accounted for using the equity method	(1,334)	(650)
Profit before income tax	278,486	443,194
Income tax expense	(42,405)	(72,473)
Profit for the period	236,081	370,721
Profit attributable to:		
Owners of the Company	226,580	358,575
Non-controlling interests	9,501	12,146
	236,081	370,721
Earnings per share attributable to owners of the Company (expressed in HK\$ per share)		
Basic and diluted	0.27	0.43

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Profit for the period	236,081	370,721
Other comprehensive losses:		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(5,067)	171
<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	(4,140)	(2,115)
Other comprehensive losses for the period	(9,207)	(1,944)
Total comprehensive income for the period	226,874	368,777
Attributable to:		
Owners of the Company	218,569	356,318
Non-controlling interests	8,305	12,459
Total comprehensive income for the period	226,874	368,777

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2020 HK\$'000	Audited 31 December 2019 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	189,250	194,869
Right-of-use assets	190,553	195,057
Intangible assets	59,765	60,669
Investments accounted for using the equity method	16,770	18,544
Financial asset at fair value through other comprehensive income	6,843	10,983
Deposits paid for purchase of property, plant and equipment	6,473	5,447
Deferred income tax assets, net	15,932	8,937
	485,586	494,506
Current assets		
Inventories	453,800	318,187
Trade receivables and other current assets	420,910	357,262
Short-term bank deposits	125,651	911,655
Cash and cash equivalents	1,680,750	1,056,711
	2,681,111	2,643,815
Total assets	3,166,697	3,138,321
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	938,789	938,789
Reserves		
— Other reserves	(34,993)	(26,982)
— Retained earnings	1,781,741	1,747,694
	2,685,537	2,659,501
Non-controlling interests	106,354	106,135
Total equity	2,791,891	2,765,636

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Unaudited 30 June 2020 HK\$'000	Audited 31 December 2019 HK\$'000
LIABILITIES		
Non-current liabilities		
Borrowings	1,108	833
Lease liabilities	60,757	59,395
Deferred income tax liabilities, net	5,464	5,376
	67,329	65,604
Current liabilities		
Borrowings	220	220
Trade and other payables	230,192	142,832
Lease liabilities	37,150	39,427
Current income tax liabilities	39,915	124,602
	307,477	307,081
Total liabilities	374,806	372,685
Total equity and liabilities	3,166,697	3,138,321

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited								
	Attributable to owners of the Company								
	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	Non- controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2019	938,789	(13,124)	2,510	6,229	(15,598)	1,986,821	2,905,627	118,600	3,024,227
Comprehensive income									
Profit for the period	-	-	-	-	-	358,575	358,575	12,146	370,721
Other comprehensive losses									
Change in fair value of financial asset at fair value through other comprehensive income	-	-	(2,115)	-	-	-	(2,115)	-	(2,115)
Currency translation differences									
— Group	-	-	-	-	(346)	-	(346)	313	(33)
— Joint ventures	-	-	-	-	204	-	204	-	204
Total comprehensive income	-	-	(2,115)	-	(142)	358,575	356,318	12,459	368,777
Transactions with owners in their capacity as owners									
Dividends relating to 2018	-	-	-	-	-	(192,533)	(192,533)	(25,480)	(218,013)
Total transactions with owners in their capacity as owners	-	-	-	-	-	(192,533)	(192,533)	(25,480)	(218,013)
At 30 June 2019	938,789	(13,124)	395	6,229	(15,740)	2,152,863	3,069,412	105,579	3,174,991
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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	
	Six months ended 30 June	
	2020 HK\$'000	2019 HK\$'000
Net cash generated from operating activities	53,186	294,520
Cash flows from investing activities		
Interest received	19,339	11,211
Decrease/(increase) in short-term bank deposits with original maturities exceeding three months	786,004	(208,568)
Purchase of property, plant and equipment	(2,790)	(2,995)
Proceeds from disposal of property, plant and equipment	–	104
Deposit paid for purchase of property, plant and equipment	(1,140)	(2,034)
Net cash generated from/(used in) investing activities	801,413	(202,282)
Cash flows from financing activities		
Principal elements of lease payment	(24,790)	(21,381)
Drawdown of long-term borrowings	359	–
Repayment of long-term borrowings	(83)	(83)
Interest paid	(1,964)	(2,043)
Dividends paid to the Company's shareholders	(192,405)	(192,399)
Dividends paid to non-controlling shareholders	(8,086)	(15,680)
Net cash used in financing activities	(226,969)	(231,586)
Net increase/(decrease) in cash and cash equivalents	627,630	(139,348)
Cash and cash equivalents at beginning of period	1,056,711	549,831
Exchange (losses)/gains on cash and cash equivalents	(3,591)	70
Cash and cash equivalents at end of period	1,680,750	410,553
Analysis of balances of cash and cash equivalents		
Cash at bank and on hand and deposits with banks with original maturity within three months	1,680,750	410,553

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

Beijing, the PRC
13 August 2020

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