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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 March 2018 and 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**”) and whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (stock code: 8138), in relation to the annual results of Tong Ren Tang Chinese Medicine and its subsidiaries for the year ended 31 December 2017.

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 audited financial information of Tong Ren Tang Chinese Medicine and its subsidiaries for the year ended 31 December 2017 as set out in the Announcement.

## CONSOLIDATED INCOME STATEMENT

|   | Year ended 31 December       |                              |
|---|------------------------------|------------------------------|
|   | 2017                         | 2016                         |
|   | <i>HK\$'000</i>              | <i>HK\$'000</i>              |
| Revenue   | 1,265,994                    | 1,084,280                    |
| Cost of sales   | <u>(349,561)</u>             | <u>(289,193)</u>             |
| <b>Gross profit</b>   | <b>916,433</b>               | <b>795,087</b>               |
| Distribution and selling expenses   | (193,517)                    | (161,901)                    |
| General and administrative expenses   | (127,293)                    | (109,611)                    |
| Other net gains   | <u>2,061</u>                 | <u>3,924</u>                 |
| <b>Operating profit</b>   | <b><u>597,684</u></b>        | <b><u>527,499</u></b>        |
| Finance income  | 13,356                       | 7,913                        |
| Finance costs   | <u>(32)</u>                  | <u>(43)</u>                  |
| Finance income, net   | 13,324                       | 7,870                        |
| Share of losses of investments accounted for using the equity method  | (42)                         | (1,809)                      |
| Impairment loss on an investment accounted for using the equity method  | <u>-</u>                     | <u>(1,290)</u>               |
| <b>Profit before income tax</b>   | <b>610,966</b>               | <b>532,270</b>               |
| Income tax expense  | <u>(105,454)</u>             | <u>(92,390)</u>              |
| <b>Profit for the year</b>  | <b><u><u>505,512</u></u></b> | <b><u><u>439,880</u></u></b> |
| <b>Profit attributable to:</b>  |                              |                              |
| Owners of the Company   | 489,967                      | 420,315                      |
| Non-controlling interests   | <u>15,545</u>                | <u>19,565</u>                |
|   | <b><u><u>505,512</u></u></b> | <b><u><u>439,880</u></u></b> |
| <b>Earnings per share attributable to owners of the Company for the year</b><br>(expressed in HK\$ per share) |                              |                              |
| <b>Basic and diluted earnings per share</b>   | <b><u><u>0.59</u></u></b>    | <b><u><u>0.50</u></u></b>    |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|  | Year ended 31 December |                 |
|--|------------------------|-----------------|
|  | 2017                   | 2016            |
|  | <i>HK\$'000</i>        | <i>HK\$'000</i> |
| <b>Profit for the year</b>                                 | <b>505,512</b>         | 439,880         |
| <b>Other comprehensive income/(losses):</b>                |                        |                 |
| <i>Item that may be reclassified to profit or loss</i>     |                        |                 |
| Change in fair value of available-for-sale financial asset | 2,005                  | (475)           |
| Currency translation differences                           | 16,519                 | (4,721)         |
|  | <hr/>                  | <hr/>           |
| <b>Other comprehensive income/(losses) for the year</b>    | <b>18,524</b>          | (5,196)         |
|  | <hr/>                  | <hr/>           |
| <b>Total comprehensive income for the year</b>             | <b>524,036</b>         | 434,684         |
|  | <hr/> <hr/>            | <hr/> <hr/>     |
| <b>Attributable to:</b>                                    |                        |                 |
| Owners of the Company                                      | 504,287                | 415,656         |
| Non-controlling interests                                  | 19,749                 | 19,028          |
|  | <hr/>                  | <hr/>           |
| <b>Total comprehensive income for the year</b>             | <b>524,036</b>         | 434,684         |
|  | <hr/> <hr/>            | <hr/> <hr/>     |

## CONSOLIDATED BALANCE SHEET

|   | As at 31 December |                  |
|---|-------------------|------------------|
|   | 2017              | 2016             |
|   | HK\$'000          | HK\$'000         |
| <b>Assets</b>   |                   |                  |
| <b>Non-current assets</b>                                   |                   |                  |
| Leasehold land  | 16,008            | 16,551           |
| Property, plant and equipment                               | 263,555           | 256,012          |
| Intangible assets   | 79,001            | 81,279           |
| Investments accounted for using the equity method           | 20,766            | 19,810           |
| Available-for-sale financial asset                          | 15,318            | 13,313           |
| Deposits paid for purchase of property, plant and equipment | 1,988             | 1,221            |
| Deferred income tax assets                                  | 9,132             | 9,990            |
|   | <u>405,768</u>    | <u>398,176</u>   |
| <b>Current assets</b>                                       |                   |                  |
| Inventories   | 235,536           | 178,539          |
| Trade receivables and other current assets                  | 221,570           | 194,506          |
| Short-term bank deposits                                    | 1,147,338         | 786,044          |
| Cash and cash equivalents                                   | 750,443           | 797,557          |
|   | <u>2,354,887</u>  | <u>1,956,646</u> |
| <b>Total assets</b>   | <u>2,760,655</u>  | <u>2,354,822</u> |
| <b>Equity and liabilities</b>                               |                   |                  |
| <b>Equity attributable to owners of the Company</b>         |                   |                  |
| Share capital   | 938,789           | 938,789          |
| Reserves  |                   |                  |
| - Other reserves  | (11,047)          | (26,301)         |
| - Retained earnings   | 1,565,150         | 1,210,053        |
|   | <u>2,492,892</u>  | <u>2,122,541</u> |
| <b>Non-controlling interests</b>                            | <u>115,285</u>    | <u>104,696</u>   |
| <b>Total equity</b>   | <u>2,608,177</u>  | <u>2,227,237</u> |

**CONSOLIDATED BALANCE SHEET (CONTINUED)**

|                                     | <b>As at 31 December</b> |                        |
|-------------------------------------|--------------------------|------------------------|
|                                     | <b>2017</b>              | <b>2016</b>            |
|                                     | <b><i>HK\$'000</i></b>   | <b><i>HK\$'000</i></b> |
| <b>Liabilities</b>                  |                          |                        |
| <b>Non-current liabilities</b>      |                          |                        |
| Borrowing                           | <b>605</b>               | 556                    |
| Deferred income tax liabilities     | <b>4,419</b>             | 4,138                  |
|                                     | <hr/> <b>5,024</b>       | <hr/> 4,694            |
| <b>Current liabilities</b>          |                          |                        |
| Trade and other payables            | <b>114,486</b>           | 88,372                 |
| Current income tax liabilities      | <b>32,968</b>            | 34,519                 |
|                                     | <hr/> <b>147,454</b>     | <hr/> 122,891          |
| <b>Total liabilities</b>            | <hr/> <b>152,478</b>     | <hr/> 127,585          |
| <b>Total equity and liabilities</b> | <hr/> <b>2,760,655</b>   | <hr/> 2,354,822        |

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

Beijing, the PRC

12 March 2018

*As at the date of this announcement, the Board comprises Mr. Gao Zhen Kun, Mr. Gu Hai Ou, Mr. Rao Zu Hai, 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.*