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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 8 August 2018 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 2018.

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 2018 as set out in the Announcement.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Revenue	759,533	623,775
Cost of sales	(211,419)	(163,683)
Gross profit	548,114	460,092
Distribution and selling expenses	(113,081)	(95,715)
General and administrative expenses	(58,626)	(50,018)
Other gains	1,299	869
Operating profit	377,706	315,228
Finance income	7,274	6,229
Finance costs	(12)	(17)
Finance income, net	7,262	6,212
Share of losses of investments accounted for using the equity method	(681)	(398)
Profit before income tax	384,287	321,042
Income tax expense	(65,276)	(55,018)
Profit for the period	319,011	266,024
Profit attributable to:		
Owners of the Company	307,505	257,349
Non-controlling interests	11,506	8,675
	319,011	266,024
Earnings per share attributable to owners of the Company (expressed in HK\$ per share)		
Basic and diluted	0.37	0.31

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Profit for the period	319,011	266,024
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss</i>		
Change in value of available-for-sale financial asset	1,110	1,500
Currency translation differences	(9,031)	10,360
Other comprehensive (loss)/income for the period	(7,921)	11,860
Total comprehensive income for the period	311,090	277,884
Attributable to:		
Owners of the Company	302,328	266,516
Non-controlling interests	8,762	11,368
Total comprehensive income for the period	311,090	277,884

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
ASSETS		
Non-current assets		
Leasehold land	15,738	16,008
Property, plant and equipment	293,731	263,555
Intangible assets	77,805	79,001
Investments accounted for using the equity method	20,128	20,766
Available-for-sale financial asset	16,428	15,318
Deposits paid for purchase of property, plant and equipment	2,584	1,988
Deferred income tax assets	11,627	9,132
	438,041	405,768
Current assets		
Inventories	288,508	235,536
Trade receivables and other current assets	266,387	221,570
Short-term bank deposits	1,557,975	1,147,338
Cash and cash equivalents	413,140	750,443
	2,526,010	2,354,887
Total assets	2,964,051	2,760,655
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	938,789	938,789
Reserves		
— Other reserves	(16,224)	(11,047)
— Retained earnings	1,713,606	1,565,150
	2,636,171	2,492,892
Non-controlling interests	111,656	115,285
Total equity	2,747,827	2,608,177

CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Unaudited 30 June 2018 HK\$'000	Audited 31 December 2017 HK\$'000
LIABILITIES		
Non-current liabilities		
Borrowings	1,139	605
Deferred income tax liabilities	4,675	4,419
	5,814	5,024
Current liabilities		
Trade and other payables	134,171	114,486
Current income tax liabilities	76,239	32,968
	210,410	147,454
Total liabilities	216,224	152,478
Total equity and liabilities	2,964,051	2,760,655

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 2017	938,789	(13,124)	355	5,295	(18,827)	1,210,053	2,122,541	104,696	2,227,237
Comprehensive income									
Profit for the period	-	-	-	-	-	257,349	257,349	8,675	266,024
Other comprehensive income									
Change in value of available-for-sale financial asset	-	-	1,500	-	-	-	1,500	-	1,500
Currency translation differences									
— the Group	-	-	-	-	7,167	-	7,167	2,693	9,860
— Joint ventures	-	-	-	-	500	-	500	-	500
Total comprehensive income	-	-	1,500	-	7,667	257,349	266,516	11,368	277,884
Transactions with owners in their capacity as owners									
Transfer of retained earnings to statutory reserve	-	-	-	1,658	-	(1,658)	-	-	-
Dividends relating to 2016 (Note 10)	-	-	-	-	-	(133,936)	(133,936)	(14,678)	(148,614)
Capital injection into subsidiaries	-	-	-	-	-	-	-	11,732	11,732
Total transactions with owners in their capacity as owners	-	-	-	1,658	-	(135,594)	(133,936)	(2,946)	(136,882)
At 30 June 2017	938,789	(13,124)	1,855	6,953	(11,160)	1,331,808	2,255,121	113,118	2,368,239
At 1 January 2018	938,789	(13,124)	2,360	6,229	(6,512)	1,565,150	2,492,892	115,285	2,608,177
Comprehensive income									
Profit for the period	-	-	-	-	-	307,505	307,505	11,506	319,011
Other comprehensive income									
Change in value of available-for-sale financial asset	-	-	1,110	-	-	-	1,110	-	1,110
Currency translation differences									
— the Group	-	-	-	-	(6,331)	-	(6,331)	(2,744)	(9,075)
— Joint ventures	-	-	-	-	44	-	44	-	44
Total comprehensive income	-	-	1,110	-	(6,287)	307,505	302,328	8,762	311,090
Transactions with owners in their capacity as owners									
Dividends relating to 2017 (Note 10)	-	-	-	-	-	(159,049)	(159,049)	(15,261)	(174,310)
Capital injection into subsidiaries	-	-	-	-	-	-	-	2,870	2,870
Total transactions with owners in their capacity as owners	-	-	-	-	-	(159,049)	(159,049)	(12,391)	(171,440)
At 30 June 2018	938,789	(13,124)	3,470	6,229	(12,799)	1,713,606	2,636,171	111,656	2,747,827

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 June	
	2018 HK\$'000	2017 HK\$'000
Net cash generated from operating activities	286,729	249,054
Cash flows from investing activities		
Interest received	7,274	6,249
Increase in short-term bank deposits with original maturities exceeding three months	(410,637)	(355,314)
Purchase of property, plant and equipment	(41,847)	(18,907)
Proceeds from disposal of property, plant and equipment	–	40
Deposit paid for purchase of property, plant and equipment	(3,010)	(697)
Net cash used in investing activities	(448,220)	(368,629)
Cash flows from financing activities		
Drawdown of long-term borrowings	1,082	–
Repayment of long-term borrowings	(516)	–
Capital injection by non-controlling interests	2,870	11,732
Dividends paid to the Company's shareholders	(159,049)	(133,936)
Dividends paid to non-controlling shareholders	(15,261)	(14,678)
Net cash used in financing activities	(170,874)	(136,882)
Net decrease in cash and cash equivalents	(332,365)	(256,457)
Cash and cash equivalents at beginning of period	750,443	797,557
Exchange (loss)/gains on cash and cash equivalents	(4,938)	4,038
Cash and cash equivalents at end of period	413,140	545,138
Analysis of balances of cash and cash equivalents		
Cash at bank and on hand and deposits with banks with original maturity within three months	413,140	545,138

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

Beijing, the PRC
8 August 2018

As at the date of this announcement, the Board comprises Mr. Gao Zhen Kun, Mr. Huang Ning, Mr. Wu Le Jun, Ms. Wu Qian, Mr. Wang Yu Wei and Ms. Fang Jia Zhi as executive Directors, Ms. Chan Ching Har, Eliza, Mr. Ting Leung Huel, Stephen and Mr. Zhan Yuan Jing as independent non-executive Directors.