

Quarterly Results announcement form

Name of listed company : Tong Ren Tang Technologies Co. Ltd.

Stock code : 8069

Year end date : 31/12/2001

This result announcement form only contains extracted information from and should be read in conjunction with the detailed results announcement of the issuer, which can be viewed on the GEM website at <http://www.hkgem.com>

	Unaudited	Unaudited
	Current Period (dd/mm/yy)	Last Corresponding Period (dd/mm/yy)
	from <u>01/01/2001</u>	from <u>01/01/2000</u>
	to <u>31/03/2001</u>	to <u>31/03/2000</u>
	RMB'000	RMB'000
Turnover	122,962	92,414
Profit/(Loss) from Operations	25,423	27,654
Finance cost	2,807	-631
Share of Profit/(Loss) of Associates	0	0
Share of Profit/(Loss) of Jointly Controlled Entities	0	0
Profit/(Loss) after Taxation & MI	28,050	18,106
% Change Over the Last Period	54.92 %	
EPS / (LPS) - Basic	RMB0.15 Dollar	RMB0.16 Dollar
- Diluted	N/A	N/A
Extraordinary (ETD) Gain/(Loss)	0	0
Profit (Loss) after ETD Items	28,050	18,106
1st Q Dividend per Share	0	0
(specify if with other options)	0	0
B/C Dates for 1st Q Dividend	N/A to	N/A bdi.
Payable Date	N/A	
B/C Dates for AGM/SGM	N/A to	N/A bdi.
Other Distribution for Current Period	N/A	
B/C Dates for Other Distribution	N/A to	N/A bdi.

(bdi: both days inclusive)

Remarks :

For and on behalf of
Tong Ren Tang Technologies Co. Ltd

Maggie So

Company Secretary

Signature :
Name :
Title :

Responsibility statement

The directors of the Company (the "Directors") as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this results announcement form (the "Information") and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief the Information are accurate and complete in all material respects and not misleading and that there are no other matters the omission of which would make the Information herein inaccurate or misleading. The Directors acknowledge that the Stock Exchange has no responsibility whatsoever with regard to the Information and undertake to indemnify the Exchange against all liability incurred and all losses suffered by the Exchange in connection with or relating to the Information.

1. Restructuring and basis of presentation

The Company was incorporated as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 22 March 2000 and its placing of H shares were listed on the GEM on 31 October 2000. In preparing for the listing of the Company's H shares on the GEM, Beijing Tongrentang Company Limited ("Tongrentang Ltd.") has underwent a restructuring (the Restructuring), details of which are set out in the prospectus of the Company dated 24 October 2000 (the "Prospectus"), issued in respect of the Company's H shares listed on GEM.

The above results were prepared on the basis that the existing Company structure had been in place throughout the period from 1 January 2000 to 31 December 2000. The figures for the corresponding period in prior year are solely for comparative purposes. The principal accounting policies adopted in preparing the audited results conform with the International Accounting Standards.

2. Turnover

The Company's turnover is derived principally from the sales of Chinese Patent Medicine.

An analysis of the Company's turnover by geographical regions is as follows :

	For the three months ended 31 March	
	2001	2000
	RMB'000	RMB'000
Sales of Medicine		
Domestic	117,017	90,295
Overseas	2,291	2,119
Agency fee income - domestic	3,654	-
	-----	-----
	122,962	92,414
	=====	=====

3. Taxation

Pursuant to the relevant income tax laws of the PRC, the Company is subject to Enterprise Income Tax ("EIT") at a rate of 15%. Moreover, according to the Notice for Explanation of the Execution of Enterprise Income Tax Policy (1995) No. 573 issued by Beijing Local Tax Bureau, enterprises that are qualified as high-technology enterprises are entitled to further tax holiday on EIT. The Company obtained the approval as a high-technology enterprise on 29 August 2000 and would be exempted from EIT for three years starting from the first year of the profitable operations and a 50% reduction in the next three years. However, an amount equal to the exempted EIT has to be appropriated to reserves and is not distributable to shareholders of the Company. The year 2000 was the first profitable year of the Company for EIT purposes. According to the approval from Beijing High-technology Industrial Development District Tax Bureau, the Company is entitled to full exemption from EIT for 2001. For the period ended 31 March 2001, the EIT exempted amounting to approximately RMB4,207,000 was transferred to the tax reserve.

The reconciliation of the statutory tax rate to the effective tax rate is as follows:

	For the three months ended 31 March			
	2001		2000	
	RMB'000		RMB'000	
Accounting profit	28,050	100%	27,023	100%
	=====	=====	=====	=====
Tax as statutory tax rate of the Company	4,207	15%	8,917	33%
Effect on tax benefit of being a high-technology enterprise	(4,207)	(15%)	-	-
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Tax expenses	-	0%	8,917	33%
	=====	=====	=====	=====

Tax expenses

during the corresponding period in 2000, the Company was in the early stage of incorporation and has not obtain the profit tax registration certificate, the EIT of the Company for the corresponding period in 2000 was paid through the Company's parent company. Tongrentang Ltd. subject to a tax rate of 33%

There was no significant deferred taxation for the peroid, as there were no significant temporary differences.

4. Earnings per share

The calculation of the basic earnings per share for the period ended 31 March 2001 was based on the net profit of approximately RMB28,050,000 (2000: RMB18,106,000) divided by the weighted average number of shares issued during the period of 182,800,000 shares (2000:110,000,000 shares, being the number of shares issued immediately after the Restructuring).

Diluted earnings per share is not presented for the periods ended 31 March 2001 and 2000 as there were no potential dilutive potential shares in existence during the relevant periods and as the end of relevant periods.