

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/yyyy)	Last Corresponding Period (dd/mm/yyyy)
	from 01/01/2001	from 01/01/2000
	to 30/06/2001	to 30/06/2000
	RMB'000	RMB'000
Turnover	252,090	174,974
Profit/(Loss) from Operations	41,156	41,149
Finance cost	-4,241	1,149
Share of Profit/(Loss) of Associates	0	0
Share of Profit/(Loss) of Jointly Controlled Entities	0	0
Profit/(Loss) after Taxation & MI	45,397	26,800
% Change Over the Last Period	69.39	%
EPS / (LPS) - Basic	RMB0.248	RMB0.243
- Diluted	N/A	N/A
Extraordinary (ETD) Gain/(Loss)	0	0
Profit (Loss) after ETD Items	45,397	26,800
2nd Q Dividend per Share (specify if with other options)	Nil	Nil
B/C Dates for 2nd Q Dividend	N/A	N/A bdi.
Payable Date	N/A	
B/C Dates for AGM/SGM	N/A	N/A bdi.
Other Distribution for Current Period	Nil	
B/C Dates for Other Distribution	N/A	N/A bdi.

(bdi: both days inclusive)

Remarks :

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

Signature :

Name :

Title :

Edward Choi

Company Secretary

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. 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 Growth Enterprise Market of the Stock Exchange of Hong Kong Limited ("GEM") on 31 October 2000. In preparing for the listing of the Company's H shares, Beijing Tongrentang Company Limited ("Tongrentang Ltd.") 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 the 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 periods in prior year are solely for comparative purposes. The principal accounting policies adopted in preparing the unaudited results conform with 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 six months ended 30th June	
	2001	2000
	RMB'000	RMB'000
Sales of Medicine		
Domestic	235,174	170,967
Overseas	11,691	3,926
Agency fee income - domestic	5,225	81
	-----	-----
	252,090	174,974
	=====	=====

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 approval as a high-technology enterprise on 29 August 2000 and therefore will be exempted from EIT for three years starting from the first profitable year and a 50% reduction in the following three years. However, an amount equal to the exempted EIT has to be appropriated to reserves as tax reserve and is not distributable by 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 a full exemption from EIT for the period from June to December 2000 and for the year of 2001. For the period ended 30 June 2001, the EIT exempted amounting to approximately RMB9,362,000 has been transferred to the tax reserve.

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

	For the six months ended 30th June	
	2001	2000
	RMB'000	RMB'000
Accounting profit	45,397	40,000
	-----	-----
The statutory tax rate	15%	33%
Tax at the statutory rate	6,810	13,200
Adjustment on EIT	2,552	-
Effect on tax benefit of being high-technology enterprise	(9,362)	-
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Tax expenses	-	13,200
	=====	=====

During January to May of 2000, the Company was in the early stage of incorporation and has not obtained the tax registration certificate, the EIT of the Company during that period in 2000 was paid through the Company's parent company, Tongrentang Ltd., subject to a tax rate of 33%. The Company obtained the tax registration certificate in June 2000, the applicable EIT rate for June 2000 was 33%. The tax paid for June 2000 has been refunded.

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

4. Earnings per share

The calculation of the basic earnings per share for the six months ended 30 June 2001 was based on the net profit of approximately RMB45,397,000 (2000: RMB26,800,000) 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 six months ended 30 June 2001 and 2000 as there were no potential dilutive potential shares in existence during the relevant periods and as at the end of relevant periods.