

**BEIJING TONG REN TANG CHINESE MEDICINE COMPANY LTD:  
IT SHOULD BE A SUCCESSFUL FLOTATION ...  
BECAUSE VESTED INTERESTS WILL MAKE IT SO**

The Share Offer of Beijing Tong Ren Tang Chinese Medicine Company Ltd () (Code: 8138, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) is a spin-off of Tong Ren Tang Technologies Company Ltd () (Code: 1666, Main Board, The Stock Exchange of Hongkong Ltd).

Tong Ren Tang Technologies (TRT Technologies) has been a publicly traded company since March 22, 2000, when it was first listed on The GEM, but transferred its listing to the Main Board in July of 2010.

It is, for all intents and purposes, a corporate entity whose majority shareholding is owned and controlled by the Government of the People's Republic of China (PRC) via China Beijing Tong Ren Tang (Holdings) Corporation ([ ]), that corporate entity, having been founded on August 17, 1992.

During the 13 years that TRT Technologies has been listed on The Stock Exchange of Hongkong Ltd, the company appears not to have done badly, at all, as the following printout from the 2012 Annual Report of this company indicates:

	2012	2011	2010	2009	2008
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>RESULTS</b>					
<i>Revenue</i>	<b>2,447,132</b>	<b>1,936,418</b>	<b>1,578,914</b>	<b>1,352,202</b>	<b>1,211,455</b>
<i>Profit before income tax</i>	<b>481,078</b>	<b>335,897</b>	<b>266,794</b>	<b>227,252</b>	<b>197,248</b>
<i>Income tax expense</i>	<b>(81,547)</b>	<b>(54,444)</b>	<b>(42,068)</b>	<b>(37,133)</b>	<b>(30,509)</b>
<i>Profit for the year</i>	<b>399,531</b>	<b>281,453</b>	<b>224,726</b>	<b>190,119</b>	<b>166,739</b>
<i>Profit attributable to:</i>					
<i>Owners of the Company</i>	<b>330,171</b>	<b>254,687</b>	<b>197,978</b>	<b>176,369</b>	<b>160,528</b>
<i>Non-controlling interests</i>	<b>69,360</b>	<b>26,766</b>	<b>26,748</b>	<b>13,750</b>	<b>6,211</b>
<b>ASSETS AND LIABILITIES</b>					
<i>Non-current assets</i>	<b>683,815</b>	<b>598,968</b>	<b>479,950</b>	<b>467,049</b>	<b>500,160</b>
<i>Current assets</i>	<b>2,485,131</b>	<b>2,218,911</b>	<b>1,699,132</b>	<b>1,463,918</b>	<b>1,295,022</b>
<b>TOTAL ASSETS</b>	<b>3,168,946</b>	<b>2,817,879</b>	<b>2,179,082</b>	<b>1,930,967</b>	<b>1,795,182</b>
<i>Non-current liabilities</i>	<b>57,479</b>	<b>57,324</b>	<b>30,288</b>	<b>16,104</b>	<b>13,250</b>
<i>Current liabilities</i>	<b>887,218</b>	<b>821,485</b>	<b>408,367</b>	<b>293,666</b>	<b>297,027</b>
<b>TOTAL LIABILITIES</b>	<b>944,697</b>	<b>878,809</b>	<b>438,655</b>	<b>309,770</b>	<b>310,277</b>
<i>Equity attributable to:</i>					

<i>Owners of the Company</i>	<b>1,936,038</b>	1,718,888	1,562,927	1,476,795	1,360,392
<i>Non-controlling interests</i>	<b>288,211</b>	220,182	177,500	144,402	124,513
<b><i>TOTAL EQUITY</i></b>	<b>2,224,249</b>	1,939,070	1,740,427	1,621,197	1,484,905'

The above statistics are incontrovertible and so one must assume that the spinoff of Beijing Tong Ren Tang Chinese Medicine Company Ltd (TRT Chinese Medicine) has been carefully considered and carefully vetted.

For certain, TRT Technologies and/or the PRC Government do not want any hiccoughs, somewhere down the road due to this flotation.

### **The Flotation**

TRT Chinese Medicine is Offering 200 million, 50-cent Shares at an Indicative Share Price Range of between \$HK2.59 and \$HK3.04.

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