



天津泰達生物醫學工程股份有限公司  
**Tianjin TEDA Biomedical Engineering Company Limited**  
*(a joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock code: 8189)

## **ANNOUNCEMENT ON FIRST QUARTERLY RESULTS FOR 2023**

### **CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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*This announcement, for which the directors of Tianjin TEDA Biomedical Engineering Company Limited (“the Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no matters the omission of which would make any statement herein or this announcement misleading.*

## **HIGHLIGHTS**

- Consolidated turnover of the Group for the three months ended 31 March 2023 amounted to RMB86,420,934, representing a decrease of 3.11% as compared to the same period of last year (31 March 2022: RMB89,195,530).
- Consolidated gross profit of the Group for the three months ended 31 March 2023 amounted to RMB3,052,579, representing a decrease of 44.40% as compared to the same period of last year (31 March 2022: RMB5,489,781).
- Loss attributable to equity owners of the Company for the three months ended 31 March 2023 was RMB5,876,609 (31 March 2022: loss of RMB6,043,544); loss per share of the Company was RMB0.310 cents; while loss per share for the same period of last year was RMB0.319 cents.
- The Board does not recommend the payment of dividends for the three months ended 31 March 2023.

## QUARTERLY RESULTS (UNAUDITED)

The board of directors (the “Board”) of Tianjin TEDA Biomedical Engineering Company Limited (the “Company”) is pleased to announce the unaudited quarterly results of the Company and its subsidiaries (hereafter collectively referred to as the “Group”) for the three months ended 31 March 2023, together with the comparative figures of the corresponding period in 2022 as follows:

		<b>(Unaudited)</b>	
		<b>For the three months</b>	
		<b>ended 31 March</b>	
		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b>RMB</b>	<b>RMB</b>
Revenue	2	<b>86,420,934</b>	89,195,530
Cost of sales		<b><u>(83,368,355)</u></b>	<u>(83,705,749)</u>
Gross profit		<b>3,052,579</b>	5,489,781
Other income and net loss		<b>(80,088)</b>	26,569
Selling and distribution costs		<b>(3,033,129)</b>	(4,263,313)
R&D and administrative expenses		<b>(6,864,118)</b>	(6,621,896)
Finance costs		<b><u>(781,536)</u></b>	<u>(742,591)</u>
Loss before taxation		<b>(7,706,292)</b>	(6,111,450)
Income tax	3	<b><u>(724)</u></b>	<u>–</u>
<b>Loss for the period</b>		<b><u>(7,707,016)</u></b>	<u>(6,111,450)</u>
<b>Attributable to:</b>			
Owners of the Company		<b><u>(5,876,609)</u></b>	<u>(6,043,544)</u>
Non-controlling interests		<b><u>(1,830,407)</u></b>	<u>(67,906)</u>
Loss per share – Basic ( <i>RMB</i> )	4	<b><u>(0.310) cents</u></b>	<u>(0.319) cents</u>

Notes:

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with Hong Kong Financial Reporting Standards, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). In the current period, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) (collectively “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants which are relevant to its operations and effective for accounting periods beginning on or after 1 January 2011. The application of the new HKFRSs has had no material impact on the Group’s unaudited results of operations and financial position. The financial statements have been prepared on a going concern basis, assuming that the Group will continue to operate as a going concern. The validity of the Group’s ability to continue as a going concern depends on the success of the Group’s future operations. Consequently, the Directors have prepared the unaudited quarterly results for the three months ended 31 March 2023 on the going concern basis. The principal accounting policies adopted are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2022.

## 2. REVENUE

Revenue, which is also the Group’s revenue, represents the invoiced value of goods sold to customers (net of any allowance and discounts) and is analysed as follows:

	For the three months ended 31 March	
	2023	2022
	RMB	RMB
Fertilizer products	86,245,207	89,086,907
Elderly care and health care services	<u>175,727</u>	<u>108,623</u>

## 3. INCOME TAX

### (a) Enterprise income tax (“EIT”)

Pursuant to the income tax rules and regulations of the PRC, the income tax of the Company and subsidiaries of the Group is calculated based on the statutory tax rate of 25% (2022: 25%), except for the following subsidiaries.

Guangdong Fulilong Compound Fertilizers Co., Ltd. is recognized as a high and new-tech enterprise according to the PRC tax regulations and is entitled to a preferential tax rate of 15% (2022: 15%).

Pursuant to the rules and regulations of the Cayman Islands, the Group’s subsidiaries incorporated in the Cayman Islands are not subject to any income tax. The Group’s subsidiaries incorporated in Hong Kong are not liable for profits tax as they did not have any assessable income arising in Hong Kong during the period (2022: nil).

(b) **Income tax expense**

	<b>For the three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Current Tax		
Hong Kong	Nil	Nil
Other Jurisdictions	<u>1</u>	<u>–</u>

The income tax charge in Hong Kong is nil for the three months ended 31 March 2023 (first quarter 2022: Nil) as the Company did not conduct any business in Hong Kong during the period. The PRC income tax expense is RMB724 for the three months ended 31 March 2023 (first quarter 2022: Nil).

The expense for the period can be reconciled to the profit shown in the the income statement as follows:

	<b>For the three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Loss before income tax expense	(9,221)	(6,111)
Tax calculated at the EIT rate of 25%	(2,305)	(1,528)
Tax rate difference	166	253
Effect of tax holiday exemption	–	–
Effect of the tax losses on consolidation	2,138	1,275
Tax effect of expenses that are not deductible in determining taxable profit	–	–
Tax expense for the period	<u>1</u>	<u>–</u>

**4. LOSS PER SHARE**

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	<b>For the three months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b><i>RMB</i></b>	<b><i>RMB</i></b>
Loss for the purpose of basic earnings per share	(5,876,609)	(6,043,544)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>1,894,500,000</u>	<u>1,894,500,000</u>

## DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2023 (first quarter 2022: Nil).

## MOVEMENT OF RESERVES

	Share Capital		Share premium		Accumulated Losses		Capital reserve		Surplus reserve		Other reserve		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as at 1 January	189,450,000	189,450,000	275,317,438	275,317,438	(378,969,580)	(350,863,515)	2,541,404	2,541,404	3,717,696	3,717,696	(19,382,403)	(19,382,403)	72,674,555	100,780,620
Loss attributable to equity holders of the Company for the three months ended 31 March	-	-	-	-	(5,876,609)	(6,043,544)	-	-	-	-	-	-	(5,876,609)	(6,043,544)
Issue of new shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March	<u>189,450,000</u>	<u>189,450,000</u>	<u>275,317,438</u>	<u>275,317,438</u>	<u>(384,846,189)</u>	<u>(356,907,059)</u>	<u>2,541,404</u>	<u>2,541,404</u>	<u>3,717,696</u>	<u>3,717,696</u>	<u>(19,382,403)</u>	<u>(19,382,403)</u>	<u>66,797,946</u>	<u>94,737,076</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## Business Review

Currently, the Group is principally engaged in two industry sectors: on one hand, it is the biological compound fertiliser business, which principally includes multiple series of biological compound fertiliser products that are used for the facilitation of balanced growth of grains, fruit and vegetables. On the other hand, it is the elderly care and health care business, which principally includes the comprehensive layout of elderly care services integrating medical services and elderly care services, and operation and management business that have strong demand with focus on the public with complete or partial disability or dementia. Such business mainly includes nationwide operation management development of elderly care institutions (service facilities), integration of elderly care service resources, supervision and consultancy on elderly care service management and other related elderly care service businesses, and establishing its own elderly care institutions or elderly communities at the right time.

## Financial Review

For the three months ended 31 March 2023, the Group achieved a consolidated turnover of RMB86,420,934, representing a decrease of 3.11% as compared to the same period of last year (31 March 2022: RMB89,195,530), the consolidated gross profit of the Group was RMB3,052,579, representing a decrease of 44.40% as compared to the same period of last year (31 March 2022: RMB5,489,781), and the consolidated gross profit margin of the Group was 3.53%, representing a decrease of 2.62% as compared to the same period of last year (31 March 2022: the consolidated gross profit margin was 6.15%).

For the three months ended 31 March 2023, loss attributable to the owners of the Company was RMB5,876,609 (31 March 2022: loss of RMB6,043,544); and loss per share of the Company was RMB0.310 cents as compared to loss per share of RMB0.319 cents of the same period in the previous year.

## PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2023, the Group and the Company had contingent liabilities amounting to RMB Nil (31 December 2022: RMB Nil) which was related to the guarantee provided by the Group and the Company in securing the bank loans granted to its subsidiaries.

## **EXPOSURE TO FOREIGN CURRENCY RISK**

The Group has relatively low foreign currency risk since all the sales of the Group are domestic sales in China denominated in Renminbi and all payables to suppliers are also denominated in Renminbi.

## **TREASURY POLICIES**

The Group's bank borrowings are denominated in Renminbi and are usually renewed for one year upon maturity. Any surplus cash will be placed as deposits with the licensed banks in China.

## **FUTURE OUTLOOK**

The chemical fertilizer industry is the basic industry of the national economy because chemical fertilizer is an important means of production for agricultural production and operation. The implementation of supply-side structural reform eliminated industry oversupply and backward capacity, environmental protection policy tightened to force enterprises to improve their level of production process, compound fertilizer and upstream raw materials industry has shown effective improvement in the over-capacity situation, industry concentration has increased significantly, the supply and demand tends to balance after the industry adjustment, the industry presents a positive and healthy development trend. The downstream planting industry has basically passed the policy adjustment period after experiencing changes such as planting structure adjustment and grain destocking. Currently, the grain planting industry is running smoothly with grain prices rising steadily. The compound fertilizer industry has already entered a transformation and development stage after a period of rapid industry development and adjustment. At the same time, compound fertilizer companies actively seek for transformation and business upgrade through product structure adjustments in order to reach the next level of competition in development stage. Under the backdrop of the global COVID-19 pandemic, imported inflation and the Russian-Ukrainian war, prices of compound fertilizer raw materials increased significantly since 2020, which became the major impact to the compound fertilizer industry. In the long run, however, prices of raw materials will return to normal gradually and become stable due to the dual impacts of market supply and demand as well as policy regulations. The Company will strengthen marketing management, adjust product structure according to market demand, promote the production of compound fertilizers with high efficiency and intelligence, and strive to increase the market share.



In January 2023, the National Bureau of Statistics released the population statistics as of the year end of 2022, with the population of aged 60 and above in China reached 280,000,000, accounting for 19.8%. Among which, the population of aged 65 and above reached 210,000,000, accounting for 14.9%. China's aging population is becoming increasingly prominent and has become an inevitable social issue. In the meantime, China is facing the reality of a declining birth rate. Low birth rate and aging population have formed a distinct "population scissors", showing the impending issue of aging population in China. With the continuous deepening of the aging population in China and the government's emphasis on elderly care services, the elderly care service industry has become one of the "sunrise industries" with the greatest potential. For the elderly care business, in the current stage, the Group mainly operates under the asset-light operation model to provide management and consultation services to other elderly care institutions and elderly care realties and at the same time cooperate with world-leading elderly care institutions and to constantly enhance its own professional ability of elderly nursing. In addition, the Group will continue to expand the elderly care products and assistive equipment business. Currently, the Group has developed the assistive equipment rental as well as the food businesses for the elderly. Looking ahead, the Group will broaden its categories of elderly food, elderly daily necessities and other business, striving to become a profit growth point for the Company.

## **SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 March 2023, the interests of the directors and supervisors of the Company and their respective associates in the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) were as follows:

Long position in ordinary shares of RMB0.1 each in the Company:

Directors/Supervisors/ Executive Officers	Personal	Family	Corporate	Other	Total	Percentage of issued share capital
Ms. Sun Li	–	–	300,000,000 <i>(Note 1)</i>	–	300,000,000	15.83%
Mr. He Xin	–	–	300,000,000 <i>(Note 2)</i>	–	300,000,000	15.83%

*Note 1:* Out of these shares, 180,000,000 shares are held by Xiangyong Investment and 120,000,000 shares are held by Lvye Fertilisers. Ms. Sun Li is the beneficial owner of Beijing Yingguxinye Investment Co., Ltd. ("Yingguxinye") holding its 15% equity interest, while Yingguxinye holds 100% equity interest in Xiangyong Investment and Lvye Fertilisers, respectively. All of the shares represent domestic shares.

*Note 2:* Out of these shares, 180,000,000 shares are held by Xiangyong Investment and 120,000,000 shares are held by Lvye Fertilisers. Mr. He Xin is the beneficial owner of Beijing Yingguxinye Investment Co., Ltd. ("Yingguxinye") holding its 10% equity interest, while Yingguxinye holds 100% equity interest in Xiangyong Investment and Lvye Fertilisers, respectively. All of the shares represent domestic shares.

Save as disclosed in this paragraph, as of 31 March 2023, none of the Directors, the Supervisors or other chief executives of the Company had interest in any securities and underlying shares and debentures of the Company or any of its associated corporations, which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

## **DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES**

At no time during the period under review was the Company, its subsidiaries or its holding companies a party to any arrangement which enables the directors and the supervisors of the Company or their respective spouses or children under 18 years of age, to gain profit through acquiring the shares of the Company.

## **SUBSTANTIAL SHAREHOLDERS**

As at 31 March 2023, the following persons (other than the Directors and the Supervisors of the Company) had interests and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long position in ordinary shares of RMB0.1 each in the Company:

<b>Names of shareholders</b>	<b>Capacity</b>	<b>Number of ordinary shares</b>	<b>Percentage of issued capital</b>
Tianjin Economic and Technological Development Area State Asset Operation Company (“State Asset Operation”)	Beneficial owner	182,500,000 (Note)	9.63%
Shenzhen Xiangyong Investment Company Limited (“Xiangyong Investment”)	Beneficial owner	180,000,000 (Note)	9.50%
Guangdong Jiamei Ecological Technology Co., Ltd. (“Guangdong Jiamei”)	Beneficial owner	180,000,000 (Note)	9.50%
Dongguan Lvye Fertilisers Company Limited (“Lvye Fertilisers”)	Beneficial owner	120,000,000 (Note)	6.33%

*Note:* All of the shares represent domestic shares.

Save as disclosed above, as at 31 March 2023, the Directors of the Company were not aware of any other person (other than the Directors and the Supervisors of the Company) who had an interest and short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company.

## **COMPETING INTERESTS**

During the three months ended 31 March 2023, none of the Directors, the supervisors, or the management shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) competes or may compete with the business of the Group or has or may have any other conflicts of interest with the Group required to be disclosed pursuant to the GEM Listing Rules.

## **AUDIT COMMITTEE**

The Company has established an audit committee and formulated the written terms of reference for the audit committee in compliance with the GEM Listing Rules and by reference to the “Guidelines for The Establishment of An Audit Committee” published by the Hong Kong Institute of Certified Public Accountants. The audit committee provides an important link between the Board and the Company’s auditor in matters coming within the scope of the Group’s audit. The primary duties of the committee are to review and supervise the financial reporting process of the Group. It also reviews the effectiveness of the external audit, internal controls and risk evaluation. As at the date of this announcement, the audit committee of the Company comprises three independent non-executive Directors, namely Mr. Li Xudong, Mr. Wang Yongkang and Ms. Gao Chun, among whom, Mr. Li Xudong has been appointed as the chairman of the committee due to his professional qualifications in accounting and auditing experience.

The audit committee has reviewed the first quarterly results and the first quarterly report of the Group for the three months ended 31 March 2023.

## **SHARE OPTION SCHEME**

The Company had not approved any new share option scheme during the period ended 31 March 2023.

## **MANAGEMENT CONTRACTS**

No contracts concerning the management or administration of the whole or any substantial part of the business of the Company were entered or existed during the period ended 31 March 2023.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

The Company did not redeem any of its shares during the period under review. Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares during the period ended 31 March 2023.

## **CORPORATE GOVERNANCE PRACTICES**

The Board and the management of the Company have always endeavored to apply the code provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 15 of the GEM Listing Rules to the internal operations of the Group. The corporate governance principles on which the Company is complying emphasize an efficient board of directors and sound internal control, as well as the transparency presented to all of the shareholders. The Directors are of the view that the Company had complied with all the provisions of the Code during the period under review.

By order of the Board

**Tianjin TEDA Biomedical Engineering Company Limited**

**Sun Li**

*Chairman*

Tianjin, the PRC, 10 May 2023

*As at the date of this announcement, the executive directors of the Company are Ms. Sun Li and Mr. He Xin; the non-executive directors of the Company are Mr. Cao Aixin, Dr. Li Ximing and Ms. Li Xueying; the independent non-executive directors of the Company are Mr. Li Xudong, Mr. Wang Yongkang and Ms. Gao Chun.*

*This announcement will remain at the "Latest Listed Company Information" page on the GEM website at <http://www.hkgem.com> for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at [www.bioteda.com](http://www.bioteda.com).*