



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 HALF-YEARLY RESULTS FOR 2024

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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 six months ended 30 June 2024 amounted to RMB211,568,049 representing an increase of 16.24% as compared to the same period of last year (30 June 2023: RMB185,915,928).
- Consolidated gross profit of the Group for the six months ended 30 June 2024 amounted to RMB12,115,570, representing an increase of 76.90% as compared to the same period of last year (30 June 2023 RMB6,848,825).
- Loss attributable to equity owners of the Company for the six months ended 30 June 2024 was RMB4,123,183 (30 June 2023: loss of RMB11,250,040); loss per share of the Company was RMB0.218 cents (30 June 2023: loss per share of RMB0.594 cents).
- The Board does not recommend the payment of dividends for the six months ended 30 June 2024.

HALF-YEARLY RESULTS (UNAUDITED)

The board of directors (the “Board”) of Tianjin TEDA Biomedical Engineering Company Limited (the “Company”) is pleased to announce the unaudited half-yearly results of the Company and its subsidiaries (hereafter collectively referred to as the “Group”) for the six months ended 30 June 2024, together with the comparative figures of the corresponding period in 2023 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		(Unaudited)	
		For the six months	
		ended 30 June	
		2024	2023
	<i>Notes</i>	RMB	RMB
Revenue	2	211,568,049	185,915,928
Cost of Sales		<u>(199,452,479)</u>	<u>(179,067,103)</u>
Gross Profit		12,115,570	6,848,825
Other expenses and net loss/income		(50,195)	(415,762)
Selling and distribution costs		(7,053,114)	(5,277,328)
R&D and administrative expenses		(8,559,614)	(13,773,232)
Finance costs	3	<u>(1,977,660)</u>	<u>(1,521,452)</u>
(Loss)/profit before taxation		(5,525,013)	(14,138,949)
Income tax	4	<u>–</u>	<u>41,394</u>
(Loss)/profit for the period		<u><u>(5,525,013)</u></u>	<u><u>(14,097,555)</u></u>
Attributable to:			
Owners of the Company			
– (Loss)/profit for the period	5	<u>(4,123,183)</u>	<u>(11,250,040)</u>
Non-controlling interests			
– (Loss)/profit for the period		<u>(1,401,830)</u>	<u>(2,847,515)</u>
Loss per share – Basic (RMB)		<u><u>0.218 cents</u></u>	<u><u>0.594 cents</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

		30 June	31 December
		2024	2023
		(Unaudited)	(Audited)
	<i>Notes</i>	RMB	RMB
Non-current assets			
Property, plant and equipment	6	70,605,308	73,627,007
Goodwill		–	–
Intangible asset		–	–
Interest in an associate		–	–
Prepaid land lease payments		–	–
Prepayments and other receivables		–	–
Amount due from an associate		–	–
Right-of-use assets		39,044,741	39,309,032
		<hr/>	<hr/>
Total non-current assets		109,650,049	112,936,039
		<hr/>	<hr/>
Current assets			
Inventories		80,256,705	90,456,549
Trade and bills receivables	7	9,809,154	8,776,649
Prepayments and other receivables	8	92,137,344	70,420,103
Amount due from an associate		–	–
Financial assets at fair value through profit or loss		–	–
Other financial assets		–	–
Cash and bank balances		18,199,595	5,934,322
Assets held for sale		–	14,754,304
		<hr/>	<hr/>
Total current assets		200,402,798	190,341,927
		<hr/>	<hr/>
Total assets		310,052,847	303,277,966
		<hr/>	<hr/>

		30 June	31 December
		2024	2023
		(Unaudited)	(Audited)
	<i>Notes</i>	RMB	RMB
Current liabilities			
Trade payables	9	10,358,643	16,106,709
Contract liabilities		83,146,848	86,526,298
Other payables and accruals	10	51,997,572	47,464,251
Amount due to a director		–	–
Amount due to a shareholder		–	–
Amount due to non-controlling interests		–	–
Lease liabilities		1,498,976	1,498,976
Current tax liabilities		–	–
Loan from a related party		–	10,075,911
Bank borrowings		77,170,000	55,170,000
		<u>224,172,039</u>	<u>216,842,145</u>
Total current liabilities		<u>224,172,039</u>	<u>216,842,145</u>
Net current assets		<u>(23,769,241)</u>	<u>(26,500,218)</u>
Total assets less current liabilities		<u>85,880,808</u>	<u>86,435,821</u>
Non-current liabilities			
Bank and other borrowings		14,890,000	9,920,000
Lease liabilities		10,375,252	10,375,252
Deferred tax liabilities		1,561,084	1,561,084
Total non-current liabilities		26,826,336	21,856,336
Net Assets		<u>59,054,472</u>	<u>64,579,485</u>
Capital and reserves attributable to owners of the Company			
Share capital	11	189,450,000	189,450,000
Reserves		(143,621,875)	(139,498,692)
Equity attributable to owners of the Company		45,828,125	49,951,308
Non-controlling interests		13,226,347	14,628,177
Total equity		<u>59,054,472</u>	<u>64,579,485</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	<i>RMB</i>	<i>RMB</i>
Cash flows from operating activities		
Cash used in operating activities	9,981,857	3,102,287
Interests received	21,750	392,412
Income tax paid	–	17,509
Interests paid	<u>(1,959,592)</u>	<u>(1,597,022)</u>
Net cash used in operating activities	<u>8,044,015</u>	<u>1,915,186</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(613,742)	(1,288,270)
Payment of construction in progress	(135,000)	–
Sales of property, plant and equipment	–	–
Interest received	–	–
Purchase of subsidiaries	<u>–</u>	<u>–</u>
Net cash used in investing activities	<u>(748,742)</u>	<u>(1,288,270)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	–	–
Capital injection from a minority shareholder	–	–
Proceeds from short-term/long-term bank borrowings	15,000,000	30,000,000
Repayment of short-term bank borrowings	<u>(10,030,000)</u>	<u>(30,000,000)</u>
Net cash used in financing activities	<u>4,970,000</u>	<u>–</u>
NET DECREASE IN CASH AND BANK BALANCES	12,265,273	626,916
CASH AND BANK BALANCES		
AT THE BEGINNING OF THE PERIOD	<u>5,934,322</u>	<u>6,856,413</u>
CASH AND BANK BALANCES AT THE END OF THE PERIOD	<u><u>18,199,595</u></u>	<u><u>7,483,329</u></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 (“HKAS”) (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 six months ended 30 June 2024 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 2023.

2. REVENUE

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

	For the six months ended 30 June	
	2024	2023
	RMB	RMB
Fertilizer products	211,314,827	181,559,688
Elderly care and health care services	253,222	4,356,240
	<u>211,568,049</u>	<u>185,915,928</u>

3. FINANCE EXPENSE

	For the six months ended 30 June	
	2024	2023
	RMB	RMB
Interest expense on bank loans and bank charges	1,977,660	1,521,452
	<u>1,977,660</u>	<u>1,521,452</u>

4. TAXATION

(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% (2023: 25%), except for the following companies.

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% (2023: 15%).

Hongkong Teda Biomedical Investment Limited is subject to Hong Kong profits tax calculated at the rate of 16.5% (2023: 16.5%).

Shu Ju Ku Greater China, Ltd. is an exempted company limited by shares incorporated in Cayman Islands (registration number: 308468). Therefore, it is exempted from profits tax (2023: Nil).

(b) Income tax expense

	For the six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current Tax		
Hong Kong	Nil	Nil
Other Jurisdictions	<u> -</u>	<u> (41)</u>

The income tax charge in Hong Kong is Nil for the period ended 30 June 2024 (June 2023: Nil) as the Company did not carry on any business in Hong Kong during the period. The income tax charge in the PRC is Nil for the period ended 30 June 2024 (June 2023: RMB-41,394).

The charge for the period can be reconciled to the profit per the income statement as follows:

	For the six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/profit before income tax expense	<u>(5,525)</u>	<u>(14,139)</u>
Tax calculated at the EIT rate of 25%	(1,381)	(3,535)
Tax rate differential	–	(418)
Effect of tax holiday exemption	–	–
Effect of the tax losses on consolidation	1,381	3,912
Tax effect of expenses that are not deductible in determining taxable profit	<u>–</u>	<u>–</u>
Tax expense for the period	<u><u>–</u></u>	<u><u>(41)</u></u>

5. LOSS PER SHARE

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

	For the six months ended 30 June	
	2024	2023
	<i>RMB</i>	<i>RMB</i>
Loss for the purpose of basic loss per share	<u>(4,123,183)</u>	<u>(11,250,040)</u>
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u><u>1,894,500,000</u></u>	<u><u>1,894,500,000</u></u>

6. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately RMB158,738 (2023: RMB461,949) on the acquisition of property, plant and equipment.

7. TRADE AND BILLS RECEIVABLES

The Group's trade receivable relates to sales of goods to third party customers. The Group performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral on trade receivable.

	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	RMB	RMB
Trade receivables	103,808,029	102,165,062
Less: allowance for doubtful debts	(93,998,875)	(93,388,413)
	9,809,154	8,776,649
Bills receivables	—	—
Trade receivable, net	9,809,154	8,776,649

The aging analysis of trade receivable, current assets is as follows:

	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	RMB	RMB
Within 3 months	1,605,621	1,605,621
Over 3 months but within 6 months	3,975,823	3,793,045
Over 6 months	4,227,710	3,377,983
	9,809,154	8,776,649

8. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2024 (Unaudited) RMB	31 December 2023 (Audited) RMB
Other receivables	30,503,288	21,141,470
Less: allowance for doubtful debts	<u>(12,899,730)</u>	<u>(11,755,153)</u>
	17,603,558	9,386,317
Deposits and prepayments	<u>74,533,786</u>	<u>61,033,786</u>
	<u>92,137,344</u>	<u>70,420,103</u>

9. TRADE PAYABLES

The aging analysis of trade payable is as follows:

	30 June 2024 (Unaudited) RMB	31 December 2023 (Audited) RMB
Within 3 months	3,003,122	3,003,122
Over 3 months but within 6 months	1,082,910	1,622,910
Over 6 months	<u>6,272,611</u>	<u>11,480,677</u>
	<u>10,358,643</u>	<u>16,106,709</u>

10. OTHER PAYABLES, ACCRUALS AND CONTRACT LIABILITIES

	30 June 2024 (Unaudited) RMB	31 December 2023 (Audited) RMB
Other payables	22,719,639	19,913,118
Loans from the seller	6,593,100	6,593,100
Accruals	3,589,531	2,469,531
Advance received	13,986,652	13,379,852
Considerations for the acquisition of a subsidiary	2,206,900	2,206,900
Payables to Social Welfare Fund	2,901,750	2,901,750
	<u>51,997,572</u>	<u>47,464,251</u>

11. SHARE CAPITAL

	30 June 2023		31 December 2022	
	Number of shares	Nominal value RMB '000	Number of shares	Nominal value RMB '000
Registered	<u>1,894,500,000</u>	<u>189,450</u>	<u>1,894,500,000</u>	<u>189,450</u>
Issued and fully paid				
Domestic shares of RMB0.1 each	697,500,000	69,750	697,500,000	69,750
H shares of RMB0.1 each	<u>1,197,000,000</u>	<u>119,700</u>	<u>1,197,000,000</u>	<u>119,700</u>
	<u>1,894,500,000</u>	<u>189,450</u>	<u>1,894,500,000</u>	<u>189,450</u>

12. CAPITAL COMMITMENTS

As of 30 June 2024, the Group had no significant capital commitments which were not provided for in the condensed consolidated financial statements of the Group.

13. CONTINGENT LIABILITIES

The Company guaranteed the banking facilities granted to certain of its subsidiaries amounting to RMB0 (June 2023: RMB0).

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024(June 2023: Nil).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital		Share premium		Surplus reserve		Capital reserve		Other reserve		Accumulated losses		Total	
	2023 RMB	2022 RMB	2023 RMB	2022 RMB	2023 RMB	2022 RMB	2023 RMB	2022 RMB	2023 RMB	2022 RMB	2023 RMB	2022 RMB	2023 RMB	2022 RMB
Balance as at 1 January	189,450,000	189,450,000	275,317,438	275,317,438	3,717,696	3,717,696	2,541,404	2,541,404	(19,382,403)	(19,382,403)	(401,692,827)	(378,969,580)	49,951,308	72,674,555
Net profit attributable to equity holders of the Company for the six months ended 30 June	0	0	0	0	0	0	0	0	0	0	(4,123,183)	(11,250,040)	(4,123,183)	(11,250,040)
Issue of shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 30 June	<u>189,450,000</u>	<u>189,450,000</u>	<u>275,317,438</u>	<u>275,317,438</u>	<u>3,717,696</u>	<u>3,717,696</u>	<u>2,541,404</u>	<u>2,541,404</u>	<u>(19,382,403)</u>	<u>(19,382,403)</u>	<u>(405,816,010)</u>	<u>(390,219,620)</u>	<u>45,828,125</u>	<u>61,424,515</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 which 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.

Compound Fertilizer Business

During the review period, the market price of the main raw materials of compound fertilizer fluctuated in a large range, among which the price in the first quarter decreased, and the price of the main raw materials in the second quarter rose more than expected. After reaching the peak in the first half of the year, the market price of the main raw materials retreated in a narrow range. Based on the above expectations, the Group raised funds from various sources and stored a large amount of low-price raw materials at the end of last year and the beginning of this year, providing corresponding guarantee for the Group to expand the profit space of its main business in the first half of this year. With the industry safety environmental regulatory policy, as well as the first half of the supply side disturbance, compound fertilizer industry backward capacity accelerating exit, industry concentration in continuous ascension. The Group strengthened its marketing and sales management in accordance with the market conditions and made timely adjustments to its product structure in response to market demand, and its compound fertilizer business progressed steadily. In addition, the Group strengthened the management of raw materials to ensure safe production while effectively reducing the risk of price fluctuations in the procurement of raw materials.

THE ELDERLY HEALTH-CARE BUSINESS

Firstly, the Group mainly operates under the asset-light operation model to provide management and consultation services to other elderly care institutions and elderly care communities, and will establish its own elderly care institutions or elderly care communities at the right time. During the period under review, the elderly care institutions under entrusted management by Shanghai Ruifu of the Group enhanced elderly care service trainings and continued to improve the quality of elderly care services in a bid to provide high-quality elderly care services.

In addition, the elderly health care products and equipment business has been proactively promoted. The Group has started its assistive equipment rental business since 2019, set up its assistive equipment rental outlets in several sub-districts and towns in Shanghai, and has opened a store on JD.COM named ‘Yibama Rehabilitation Assistive Equipment Rental Flagship Store’, which aims to provide a convenient assistive equipment rental service to the partial or complete disability for a better and healthy living of the elderly. During the period under review, the Group continued to expand the elderly health care products and equipment business, and customized its food business for the elderly. Looking ahead, the Group will focus on the elderly care business to broaden its categories of food, health care and other assistive products for the elderly, so as to provide the elderly with a comprehensive range of assistive health care products.

Financial Review

Turnover, gross profit and gross profit margin

For the six months ended 30 June 2024, the Group achieved total turnover of RMB211,568,049, representing a year-on-year increase of 16.24% during the period under review (30 June 2023: RMB185,915,928). The consolidated gross profit of the Group was RMB12,115,570, representing a year-on-year increase of 76.90% during the period under review (30 June 2023: RMB6,848,825). The consolidated operating gross profit margin of the Group was 5.73% (30 June 2023: the consolidated gross profit margin was 3.68%), The main reason is that based on the forecast of market price fluctuations in the first half of the year, the Group stored a large amount of low-price raw materials at the end of last year and the beginning of this year, providing corresponding guarantee for the expansion of the gross profit space of the main business in this period. At the same time, the group has adopted a variety of marketing methods, and strengthened the incentive policy for the sales team, and also promoted the steady growth of its own turnover.

Selling and distribution costs

For the six months ended 30 June 2024, selling and distribution costs of the Group were RMB7,053,114. During the period under review, selling and distribution costs increase of 33.65% as compared to the same period of last year (30 June 2023: RMB5,277,328), This is mainly due to the significant increase in the revenue scale of the group compared with the same period of last year, which is reflected in the corresponding significant increase of marketing expenses and sales team business commission.

Research and development and administrative expenses

For the six months ended 30 June 2024, research and development and administrative expenses of the Group were RMB8,559,614, representing a decreased by 37.85% as compared to the same period of last year (30 June 2023: RMB13,773,232).

Finance costs

For the six months ended 30 June 2024, finance costs of the Group were RMB1,977,660, representing an increase of of 29.99% as compared to the same period of last year (30 June 2023: RMB1,521,452), the details of which are set out in the notes enclosed to the accounts.

Loss for the period

For the six months ended 30 June 2024, loss attributable to equity owners of the Company was RMB4,123,183 (30 June 2023: loss of RMB11,250,040); loss per share of the Company was RMB0.218 cents (30 June 2023: loss per share of RMB0.594 cents).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the period under review, the Group's main source of finance was generated from banking facilities granted by various banks in the PRC. As of 30 June 2024, the bank and cash balance of the Group were approximately RMB18,199,595 (31 December 2023: RMB5,934,322), short-term borrowings were RMB77,170,000 (31 December 2023: RMB55,170,000). The short-term borrowings mainly provided by various banks in the PRC were denominated in RMB and at fixed annual interest rates ranging from 2.90% to 5.50% (31 December 2023: ranging from 3.30% to 6.80%). As of 30 June 2024, the total assets of the Group were approximately RMB310,052,847 (31 December 2023: RMB303,277,966), with total current liabilities of approximately RMB224,172,039 (31 December 2023: RMB216,842,145), shareholders' interests of RMB59,054,472 (31 December 2023: RMB64,579,485) and minority interests of approximately RMB13,226,347 (31 December 2023: RMB14,628,177).

As of 30 June 2024, the consolidated asset debt ratio of the Group, which is the ratio between total liabilities and total assets, was 0.81 (31 December 2023: 0.79). The gearing ratio of the Group, which is the ratio between total bank borrowings and total assets, was 0.30 (31 December 2023: 0.22). The current ratio of the Group, which is the ratio between current assets and current liabilities, was 0.89 (31 December 2023: 0.88).

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2024, the Group and the Company had contingent liabilities amounting to RMB0 (31 December 2023: RMB0), which were 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. 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 2024, the National Bureau of Statistics released the population statistics as of the year end of 2023, with the population of aged 60 and above in China reached 300,000,000, accounting for 21.1%. Among which, the population of aged 65 and above reached 220,000,000, accounting for 15.4%. 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.

DIRECTORS' AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, 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 Shenzhen iangyong Investment Company Limited* (“Xiangyong Investment”), and 120,000,000 shares are held by Dongguan Lvye Fertilizers Company Limited* (“Lvye Fertilizers”), 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 30 June 2024, 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 30 June 2024, 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:

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

Note 1: All of the shares represent domestic shares.

Save as disclosed above, as at 30 June 2024, 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 six months ended 30 June 2024, 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 Ms. Tu Xiangzhen, Mr. Wang Yongkang and Ms. Gao Chun, among whom, Ms. Gao Chun 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 interim results and the interim report of the Group for the six months ended 30 June 2024.

SHARE OPTION SCHEME

The Company had not approved any new share option scheme during the period ended 30 June 2024.

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 first half of 2024.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less strict than the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company has also made specific enquiry of all directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the directors during the period under review.

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 first half of 2024.

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 except A.2.1 of the Code, which stipulates that the roles of the chairman and the chief executive should be separated and should not be performed by the same individual.

On 6 September 2022, the Board of the Company resolved to redesignate Ms. Sun Li from Chief Executive Officer to Joint Chief Executive Officer and Mr. Qin Wenhua was appointed as Joint Chief Executive Officer of the Company. On 26 March 2024, Mr. Qin Wenhua resigned as Joint Chief Executive Officer of the Company, and Ms. Sun Li was transferred from the position as Joint Chief Executive Officer to Chief Executive Officer. As Ms. Sun Li is unable to fully satisfy the requirements of Code Provision C.2.1 by serving as both with Chairman of the Board and the Chief Executive Officer of the Company, the Board considers that it is in the best interest of the Company to have Ms. Sun Li as both the Chairman of the Board and the Chief Executive Officer at this stage as it is conducive to maintaining the continuity of the Company's policies and stability of operations. The Company will endeavor to comply with Code provision A.2.1 as soon as possible to enhance the transparency and independence of its corporate governance.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

By order of the Board
Tianjin TEDA Biomedical Engineering Company Limited
Sun Li
Chairman

Tianjin, the PRC,
30 August 2024

As at the date of this announcement, the executive directors of the Company are Sun Li and He Xin; the non-executive directors of the Company are Cao Aixin, Li Xueying and Li Ximing; the independent non-executive directors of the Company are Tu Xiangzhen, Wang Yongkang and 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.