



天津泰达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)



2023
Interim Report



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This report, 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 report 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 report misleading.



HIGHLIGHTS

- Consolidated turnover of the Group for the six months ended 30 June 2023 amounted to RMB185,915,928 representing a decrease of 9.40% as compared to the same period of last year (30 June 2022: RMB205,210,475).
- Consolidated gross profit of the Group for the six months ended 30 June 2023 amounted to RMB6,848,825, representing a decrease of 33.96% as compared to the same period of last year (30 June 2022: RMB10,370,957).
- Loss attributable to equity owners of the Company for the six months ended 30 June 2023 was RMB11,250,040 (30 June 2022: loss of RMB13,248,062); loss per share of the Company was RMB0.594 cents (30 June 2022: loss per share of RMB0.699 cents).
- The Board does not recommend the payment of dividends for the six months ended 30 June 2023.

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 2023, together with the comparative figures of the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

| | Notes | (Unaudited) For the six months ended 30 June | | (Unaudited) For the three months ended 30 June | |
|------------------------------------|-------|--|---------------|--|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | RMB | RMB | RMB | RMB |
| Revenue | 2 | 185,915,928 | 205,210,475 | 99,494,994 | 116,014,946 |
| Cost of Sales | | (179,067,103) | (194,839,518) | (95,698,748) | (111,133,769) |
| Gross Profit | | 6,848,825 | 10,370,957 | 3,796,246 | 4,881,177 |
| Other expenses and net loss/income | | (415,762) | 257,971 | (335,674) | 231,403 |
| Selling and distribution costs | | (5,277,328) | (8,118,740) | (2,244,200) | (3,855,427) |
| R&D and administrative expenses | | (13,773,232) | (12,242,150) | (6,909,114) | (5,620,254) |
| Finance costs | 3 | (1,521,452) | (3,330,598) | (739,915) | (2,588,007) |
| (Loss)/profit before taxation | | (14,138,949) | (13,062,558) | (6,432,657) | (6,951,108) |
| Income tax | 4 | 41,394 | (146,275) | 42,118 | (146,275) |
| (Loss)/profit for the period | | (14,097,555) | (13,208,833) | (6,390,539) | (7,097,383) |
| Attributable to: | | | | | |
| Owners of the Company | | | | | |
| – (Loss)/profit for the period | 5 | (11,250,040) | (13,248,062) | (5,373,431) | (7,204,518) |
| Non-controlling interests | | | | | |
| – (Loss)/profit for the period | | (2,847,515) | 39,229 | (1,017,108) | 107,135 |
| Loss per share – Basic (RMB) | | 0.594 cents | 0.699 cents | 0.284 cents | 0.380 cents |

**CONDENSED CONSOLIDATED BALANCE SHEET**

| | | 30 June 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|---|----------|---|---|
| | Notes | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 75,923,750 | 78,761,728 |
| Goodwill | | 5,528,000 | 5,528,000 |
| Intangible asset | | 5,670,000 | 6,545,500 |
| Interest in an associate | | – | – |
| Prepaid land lease payments | | – | – |
| Prepayments and other receivables | | – | – |
| Amount due from an associate | | – | – |
| Right-of-use assets | | 51,743,075 | 53,286,428 |
| Total non-current assets | | 138,864,825 | 144,121,656 |
| Current assets | | | |
| Inventories | | 97,612,532 | 74,004,250 |
| Trade and bills receivables | 7 | 20,359,441 | 31,866,638 |
| Prepayments and other receivables | 8 | 61,312,181 | 77,654,553 |
| Amount due from an associate | | – | – |
| Financial assets at fair value through profit or loss | | – | 352,729 |
| Other financial assets | | 945,025 | 2,340,000 |
| Cash and bank balances | | 7,483,330 | 6,856,413 |
| Assets held for sale | | – | – |
| Total current assets | | 187,712,509 | 193,074,583 |
| Total assets | | 326,577,334 | 337,196,239 |

| | | 30 June 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|---|-----------|---|---|
| | Notes | | |
| Current liabilities | | | |
| Trade payables | 9 | 9,971,806 | 20,723,475 |
| Contract liabilities | | 85,816,381 | 73,559,830 |
| Other payables and accruals | 10 | 62,680,416 | 60,059,379 |
| Amount due to a director | | – | – |
| Amount due to a shareholder | | – | – |
| Amount due to non-controlling interests | | – | – |
| Lease liabilities | | 3,978,742 | 3,978,742 |
| Current tax liabilities | | 2,338,578 | 3,127,847 |
| Loan from a related party | | 100,000 | 100,000 |
| Bank borrowings | | 56,700,000 | 56,700,000 |
| Total current liabilities | | 221,585,923 | 218,249,273 |
| Net current assets | | (33,873,414) | (25,174,690) |
| Total assets less current liabilities | | 104,991,411 | 118,946,966 |
| Non-current liabilities | | | |
| Bank and other borrowings | | – | – |
| Lease liabilities | | 35,233,613 | 35,233,613 |
| Total non-current liabilities | | 35,233,613 | 35,233,613 |
| Net Assets | | 69,757,798 | 83,713,353 |
| Capital and reserves attributable to owners of the Company | | | |
| Share capital | 11 | 189,450,000 | 189,450,000 |
| Reserves | | (128,025,485) | (116,775,445) |
| Equity attributable to owners of the Company | | 61,424,515 | 72,674,555 |
| Non-controlling interests | | 8,333,283 | 11,038,798 |
| Total equity | | 69,757,798 | 83,713,353 |

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

| | For the six months ended | |
|---|---------------------------------|--------------------|
| | 30 June | |
| | 2023 | 2022 |
| | (Unaudited) | (Unaudited) |
| | RMB | RMB |
| Cash flows from operating activities | | |
| Cash used in operating activities | 3,102,287 | (18,428,270) |
| Interests received | 392,412 | 278,764 |
| Income tax paid | 17,509 | (101,017) |
| Interests paid | (1,597,022) | (3,386,473) |
| Net cash used in operating activities | 1,915,186 | (21,636,996) |
| Cash flows from investing activities | | |
| Purchases of property, plant and equipment | (1,288,270) | (3,198,037) |
| Payment of construction in progress | – | – |
| Sales of property, plant and equipment | – | – |
| Interest received | – | – |
| Purchase of subsidiaries | – | – |
| Net cash used in investing activities | (1,288,270) | (3,198,037) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issue of shares | – | – |
| Capital injection from a minority shareholder | – | – |
| Proceeds from short-term/long-term bank borrowings | 30,000,000 | 30,000,000 |
| Repayment of short-term bank borrowings | (30,000,000) | (26,400,000) |
| Net cash used in financing activities | – | 3,600,000 |
| NET DECREASE IN CASH AND BANK BALANCES | 626,916 | (21,235,033) |
| CASH AND BANK BALANCES AT THE BEGINNING OF THE PERIOD | 6,856,413 | 26,439,100 |
| CASH AND BANK BALANCES AT THE END OF THE PERIOD | 7,483,329 | 5,204,067 |

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 three months ended 30 June 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 after any allowance and discounts and is analysed as follows:

| | For the six months ended 30 June | | For the three months ended 30 June | |
|---------------------------------------|-------------------------------------|-------------|---------------------------------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | RMB | RMB | RMB | RMB |
| Fertilizer products | 181,559,688 | 204,948,641 | 95,314,481 | 115,861,734 |
| Elderly care and health care services | 4,356,240 | 261,834 | 280,513 | 153,211 |
| | 185,915,928 | 205,210,475 | 95,594,994 | 116,014,945 |

3. FINANCE EXPENSE

| | For the six months ended 30 June | | For the three months ended 30 June | |
|---|-------------------------------------|-----------|---------------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | RMB | RMB | RMB | RMB |
| Interest expense on bank loans and bank charges | 1,521,452 | 3,330,598 | 739,916 | 2,588,007 |
| | 1,521,452 | 3,330,598 | 739,916 | 2,588,007 |

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% (2022: 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% (2022: 15%).

Hongkong Teda Biomedical Investment Limited is subject to Hong Kong profits tax calculated at the rate of 16.5% (2022: 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 (2022: Nil).

(b) Income tax expense

| | For the six months ended 30 June | |
|---------------------|----------------------------------|-----------------|
| | 2023 RMB'000 | 2022 RMB'000 |
| Current Tax | | |
| Hong Kong | Nil | Nil |
| Other Jurisdictions | (41) | 146 |

The income tax charge in Hong Kong is Nil for the period ended 30 June 2023 (June 2022: Nil) as the Company did not carry on any business in Hong Kong during the period. The income tax charge in the PRC is RMB-41,394 for the period ended 30 June 2023 (June 2022: RMB146,275).

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

| | For the six months ended 30 June | |
|--|----------------------------------|-----------------|
| | 2023 RMB'000 | 2022 RMB'000 |
| (Loss)/profit before income tax expense | (14,139) | (13,248) |
| Tax calculated at the EIT rate of 25% | (3,535) | (3,312) |
| Tax rate differential | (418) | (412) |
| Effect of tax holiday exemption | – | – |
| Effect of the tax losses on consolidation | 3,912 | 3,870 |
| Tax effect of expenses that are not deductible in determining taxable profit | – | – |
| Tax expense for the period | (41) | 146 |

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 | |
|---|----------------------------------|---------------|
| | 2023 RMB | 2022 RMB |
| Loss for the purpose of basic loss per share | (11,250,040) | (13,248,062) |
| Number of shares | | |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 1,894,500,000 | 1,894,500,000 |

6. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately RMB461,949 (2022: RMB1,428,453) 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 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|------------------------------------|---|---|
| Trade receivables | 114,810,843 | 126,318,040 |
| Less: allowance for doubtful debts | (94,451,402) | (94,451,402) |
| | 20,359,441 | 31,866,638 |
| Bills receivables | - | - |
| Trade receivable, net | 20,359,441 | 31,866,638 |

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

| | 30 June 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|-----------------------------------|---|---|
| Within 3 months | 8,660,250 | 10,619,705 |
| Over 3 months but within 6 months | 6,678,821 | 12,852,425 |
| Over 6 months | 5,020,370 | 8,394,508 |
| | 20,359,441 | 31,866,638 |

8. PREPAYMENTS AND OTHER RECEIVABLES

| | 30 June 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|------------------------------------|---|---|
| Other receivables | 21,604,050 | 23,287,851 |
| Less: allowance for doubtful debts | (10,048,190) | (10,048,190) |
| | 11,555,860 | 13,239,661 |
| Deposits and prepayments | 49,756,321 | 64,414,892 |
| | 61,312,181 | 77,654,553 |

9. TRADE PAYABLES

The aging analysis of trade payable is as follows:

| | 30 June 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|-----------------------------------|---|---|
| Within 3 months | 2,176,421 | 3,109,173 |
| Over 3 months but within 6 months | 2,417,915 | 3,223,887 |
| Over 6 months | 5,377,470 | 14,390,415 |
| | 9,971,806 | 20,723,475 |

10. OTHER PAYABLES, ACCRUALS AND CONTRACT LIABILITIES

| | 30 June 2023 (Unaudited) RMB | 31 December 2022 (Audited) RMB |
|--|---|---|
| Other payables | 43,186,348 | 40,732,441 |
| Accruals | 762,380 | 595,250 |
| Advance received | 13,705,652 | 13,705,652 |
| Considerations for the acquisition of a subsidiary | 2,206,900 | 2,206,900 |
| Payables to Social Welfare Fund | 2,819,136 | 2,819,136 |
| | 62,680,416 | 60,059,379 |

11. SHARE CAPITAL

| | 30 June 2023 | | 31 December 2022 | |
|--------------------------------|----------------------|-----------------------------|---------------------|-----------------------------|
| | Number of shares | Nominal value RMB'000 | Number of shares | Nominal value RMB'000 |
| Registered | 1,894,500,000 | 189,450 | 1,894,500,000 | 189,450 |
| 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 | 1,197,000,000 | 119,700 | 1,197,000,000 | 119,700 |
| | 1,894,500,000 | 189,450 | 1,894,500,000 | 189,450 |

12. CAPITAL COMMITMENTS

As of 30 June 2023, 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 2022: RMB0).

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (June 2022: Nil).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | | Share premium | | Surplus reserve | | Capital reserve | | Other reserve | | Accumulated losses | | 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 | 3,717,696 | 3,717,696 | 2,541,404 | 2,541,404 | (19,382,403) | (19,382,403) | (378,969,580) | (350,863,515) | 100,780,620 | 100,780,620 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net profit attributable to equity holders of the Company for the three months ended 31 March | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,876,609) | (6,043,544) | (5,876,609) | (6,043,544) |
| Balance as at 31 March | 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) | (384,846,189) | (356,907,059) | 66,797,946 | 94,737,076 |
| Net profit attributable to equity holders of the Company for the three months ended 30 June | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (5,373,431) | (7,204,518) | (5,373,431) | (7,204,518) |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at 30 June | 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) | (390,219,620) | (364,111,577) | 61,424,515 | 87,532,558 |

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 period under review, the economic recovery after the epidemic was not as expected and market demand and consumption were relatively sluggish. In addition, the price of compound fertilizer raw materials continued to rise sharply during the epidemic. After the epidemic, the supply of compound fertilizer raw materials was sufficient and transportation resumed normal, resulting in the price of compound fertilizer raw materials continued to fall sharply. In order to secure its share in the market, the compound fertilizer company adopted various promotional methods, which resulted in a relatively large decline in sales and gross profit margin, and the compound fertilizer sales and gross profit margin of the Group were also affected considerably. 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' (頤爸媽康復輔具租賃旗艦店), 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 2023, the Group achieved total turnover of RMB185,915,928, representing a year-on-year decrease of 9.40% during the period under review (30 June 2022: RMB205,210,475). The consolidated gross profit of the Group was RMB6,848,825, representing a year-on-year decrease of 33.96% during the period under review (30 June 2022: RMB10,370,957). The consolidated operating gross profit margin of the Group was 3.68% (30 June 2022: the consolidated gross profit margin was 5.05%), which was primarily due to the below expectations of economy recovery in China after the epidemic, while market consumption and demand also remained stagnant during the upper half of the Year. In addition, the purchase price of main raw materials within the fertilizer industry continued to drop sharply. In order to ensure its own business volume and market share will not shrink accordingly, the Group has adopted measures such as price guarantee and profit-sharing sales strategy, which brought larger impacts on its turnover and gross profit margin.

Selling and distribution costs

For the six months ended 30 June 2023, selling and distribution costs of the Group were RMB5,277,328. During the period under review, selling and distribution costs decreased by 35.00% as compared to the same period of last year (30 June 2022: RMB8,118,740), which was primarily due to the decline in market prices as well as sluggish market demand affected the Group's sales results of the compound fertilizer business, resulting in a decrease of sales team business commission and other marketing expenses accordingly, which brought to a decrease in selling and distribution costs as compared to the same period of last year.

Research and development and administrative expenses

For the six months ended 30 June 2023, research and development and administrative expenses of the Group were RMB13,773,232, representing an increase of 12.51% as compared to the same period of last year (30 June 2022: RMB12,242,150).

Finance costs

For the six months ended 30 June 2023, finance costs of the Group were RMB1,521,452, representing a decrease of 54.32% as compared to the same period of last year (30 June 2022: RMB3,330,598), 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 2023, loss attributable to equity owners of the Company was RMB11,250,040 (30 June 2022: loss of RMB13,248,062); loss per share of the Company was RMB0.594 cents (30 June 2022: loss per share of RMB0.699 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 2023, the bank and cash balance of the Group were approximately RMB7,483,330 (31 December 2022: RMB6,856,413), short-term borrowings were RMB56,700,000 (31 December 2022: RMB56,700,000). The short-term borrowings mainly provided by various banks in the PRC were denominated in RMB and at fixed annual interest rates ranging from 4.42% to 6.80% (31 December 2022: ranging from 4.43% to 6.82%). As of 30 June 2023, the total assets of the Group were approximately RMB326,577,334 (31 December 2022: RMB337,196,239), with total current liabilities of approximately RMB221,585,923 (31 December 2022: RMB218,249,273), shareholders' interests of RMB61,424,515 (31 December 2022: RMB72,674,555) and minority interests of approximately RMB8,333,283 (31 December 2022: RMB11,038,798).

As of 30 June 2023, the consolidated asset debt ratio of the Group, which is the ratio between total liabilities and total assets, was 0.79 (31 December 2022: 0.75). The gearing ratio of the Group, which is the ratio between total bank borrowings and total assets, was 0.17 (31 December 2022: 0.17). The current ratio of the Group, which is the ratio between current assets and current liabilities, was 0.85 (31 December 2022: 0.88).

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 June 2023, the Group and the Company had contingent liabilities amounting to RMB0 (31 December 2022: 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 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.

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

As at 30 June 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 | | | | | | Total | Percentage of issued share capital |
|--|----------|--------|-------------------------|-------|-------------|--------|---|
| | Personal | Family | Corporate | Other | | | |
| Ms. Sun Li | - | - | 300,000,000 (Note 1) | - | 300,000,000 | 15.83% | |
| Mr. He Xin | - | - | 300,000,000 (Note 2) | - | 300,000,000 | 15.83% | |

Note 1: Out of these shares, 180,000,000 shares are held by Shenzhen Xiangyong 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 Fertilizers, 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 Fertilizers. 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 Fertilizers, respectively. All of the shares represent domestic shares.

Save as disclosed in this paragraph, as of 30 June 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.

* For identification purpose only

SUBSTANTIAL SHAREHOLDERS

As at 30 June 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:

| 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 (Note) | 9.63% |
| Xiangyong Investment | Beneficial owner | 180,000,000 (Note) | 9.50% |
| Guangdong Jiamei Ecological Technology Co., Ltd. | Beneficial owner | 180,000,000 (Note) | 9.50% |
| Lvye Fertilisers | Beneficial owner | 120,000,000 (Note) | 6.33% |

Note 1: All of the shares represent domestic shares.

Save as disclosed above, as at 30 June 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 six months ended 30 June 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 report, 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 interim results and the interim report of the Group for the six months ended 30 June 2023.

SHARE OPTION SCHEME

The Company had not approved any new share option scheme during the period ended 30 June 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 first half of 2023.

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 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 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. 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 Joint 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 Joint Chief Executive Officer and Mr. Qin Wenhua as the Joint 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 2023.

By order of the Board

Tianjin TEDA Biomedical Engineering Company Limited

Sun Li

Chairman

Tianjin, the PRC,
10 August 2023

As at the date of this report, 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 Li Xudong, Wang Yongkang and Gao Chun.

This report 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 report will also be published on the website of the Company at www.bioteda.com.