



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)



2023  
Third Quarterly  
Report



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

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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

- For the nine months ended September 30, 2023, the Group achieved a comprehensive turnover of RMB305,231,488, an increase of 0.08% year on year (September 30, 2022: RMB304,972,430).
- For the nine months ended September 30, 2023, the combined gross profit was RMB11,500,176, an increase of 2.79% year on year with last year (September 30, 2022: RMB11,188,179).
- For the nine months ended September 30, 2023, the loss of the owners of the Company was RMB17,294,189 (September 30, 2022: loss of RMB21,627,090); the Company made a loss of RMB0.913 per share (September 30, 2022: loss of RMB1.142 per share).
- The Board does not recommend paying a dividend for the nine months ended September 30, 2023.

## THIRD QUARTER RESULTS (UNAUDITED)

Tianjin Teda Biomedical Engineering Co., Ltd. (“the company”) of the board (the “board”) readily announced that the company and its subsidiaries (hereinafter collectively referred to as the “group”) as of September 30, 2023, nine months of unaudited third quarter results, together with the comparison of the same period in 2022 is as follows:

### BRIEF COMPREHENSIVE PROFIT AND LOSS ACCOUNT

	Notes appended to a book	(Unaudited) Nine months ended on September 30th		(Unaudited) Three months ended on September 30th	
		In 2023, Renminbi	In 2022, Renminbi	In 2023, Renminbi	In 2022 Renminbi
Continuing business					
Turnover	2	<b>305,231,488</b>	304,972,430	<b>119,315,560</b>	99,761,955
Cost of marketing		<b>(293,731,312)</b>	(293,784,251)	<b>(114,664,209)</b>	(98,944,733)
Gross profit		<b>11,500,176</b>	11,188,179	<b>4,651,351</b>	817,222
Other expenses and net losses		<b>(467,568)</b>	2,905,191	<b>(51,806)</b>	2,647,218
Sales and distribution costs		<b>(6,956,908)</b>	(9,368,063)	<b>(1,679,579)</b>	(1,249,323)
Research and development and administrative expenses		<b>(21,541,186)</b>	(22,477,429)	<b>(7,767,955)</b>	(10,235,279)
Financing cost		<b>(2,538,214)</b>	(4,100,365)	<b>(1,016,762)</b>	(769,767)
Impairment loss of intangible assets		-	-	-	-
Profit before tax/(loss)		<b>(20,003,700)</b>	(21,852,487)	<b>(5,864,751)</b>	(8,789,929)
Income tax	3	<b>41,394</b>	(146,275)	-	-
Profit/(loss)		<b>(19,962,306)</b>	(21,998,762)	<b>(5,864,751)</b>	(8,789,929)
The following persons shall be responsible for the following:					
The owner of the company					
- Margin/(loss)		<b>(17,294,189)</b>	(21,627,090)	<b>(6,044,149)</b>	(8,379,028)
Non-holding interest					
- Margin/(loss)		<b>(2,668,117)</b>	(371,672)	<b>179,398</b>	(410,901)
Profit per share/(loss) (RMB)	4	<b>(0.913) points</b>	(1.142) points	<b>(0.319) points</b>	(0.443) points

Notes appended to a book:

## 1. REPORTING OF THE BENCHMARK AND ACCOUNTING POLICIES

The financial statements are prepared in accordance with historical cost practices and in accordance with the disclosure provisions of Hong Kong Financial Reporting Standards, Hong Kong generally accepted Accounting Principles, the Hong Kong Companies Ordinance and the Stock Exchange GEM Securities Listing Rules (the "GEM Listing Rules"). During this period, the Group adopted the Hong Kong CPA Institute issued all new accounting rules and revised Hong Kong Financial Reporting Standards ("Hong Kong FRS") and the Hong Kong accounting standards ("Hong Kong accounting Standards") (generally referred to as the "Hong Kong Financial Reporting Standards"). The application of the new Hong Kong FRS has no material impact on the Group's unaudited operating performance and financial position. The financial statements are prepared on the going concern basis and under the assumption that the Group will continue its going concern. Whether the Group can continue to operate depends on the successful operation of the Group in the future. Therefore, the Directors have prepared their unaudited quarterly results for the nine months ended 30 September 2023 in accordance with the going concern benchmark. The main accounting policies adopted are consistent with the accounting policies used in the preparation of the Group's annual financial statements for the year ended December 31, 2022.

## 2. INCOME

The gain is also the Group gain, indicating the invoice value (excluding any subsidy and discount) as follows:

	Nine months ended on September 30th		Three months ended on September 30th	
	In 2023, Renminbi	In 2022, Renminbi	In 2023, Renminbi	In 2022, Renminbi
Fertilizer products	<b>296,564,295</b>	303,458,927	<b>115,004,607</b>	98,510,286
Elderly care and health care services	<b>8,667,193</b>	1,513,503	<b>4,310,953</b>	1,251,669
	<b>305,231,488</b>	304,972,430	<b>119,315,560</b>	99,761,955

### 3. EARNINGS BEFORE INTEREST TAXES DEPRECIATION AND AMORTIZATION

#### (a) Corporate Income Tax (the "Corporate Income Tax")

According to the Chinese income tax rules and regulations, the income tax of the Company and its subsidiaries of the Group is calculated at the statutory rate of 25% (2022: 25%), except the following companies.

According to China's tax laws and regulations, Guangdong Welfare Dragon Hefei Co., Ltd. is recognized as a high-tech enterprise and is entitled to a preferential tax rate of 15% (2022: 15%).

The Hong Kong Teda Biological Investment Company Limited is calculated at the Hong Kong gains tax rate of 16.5% (2022: zero).

Shu Ju Ku Greater China, Ltd. ("SJKGC") is an exempt company incorporated in the Cayman Islands (number 308468). Therefore, the profit is tax exemption (2022: none).

#### (b) Income tax expenses

	Nine months ended on September 30th	
	In 2023, RMB1,000	In 2022, RMB1,000
Spot tax		
Hong Kong	zero	zero
Other jurisdictions	(41)	146

Since the Company did not conduct any business in Hong Kong for the period ended September 30, 2023, the Hong Kong income tax expenditure for the period was zero (September 2022: zero). Chinese income tax expenses for the period ended September 30, 2023 were RMB-41,394 (September 2022: RMB146,275).

The reconciliation of the expenses for the period is as follows:

	Nine months ended on September 30th	
	In 2023, RMB1,000	In 2022, RMB1,000
Profit except before income tax expenses/(loss)	<b>(20,004)</b>	(21,852)
Tax items calculated at the corporate income tax rate of 25%	<b>(5,001)</b>	(5,462)
Tax rate difference	<b>(156)</b>	(168)
The impact of the tax exemption period	–	–
Comprehensively calculate the impact of tax losses	<b>5,116</b>	5,776
Determine the tax impact of non-deductible expenses for taxable benefits	–	–
During the period of tax expenses	<b>(41)</b>	146

#### 4. EARNINGS PER SHARE

Basic earnings per share for the owner of the Company from the going concern and discontinued operations are calculated based on the following data:

	Nine months ended on September 30th	
	In 2023, RMB1,000	In 2022, RMB1,000
Profit margin/(loss)	<b>(17,294)</b>	(21,627)
<b>Number of shares</b>		
Calculate the weighted average of common shares of basic earnings per share	<b>1,894,500</b>	1,894,500

## DIVIDEND

The Board does not recommend paying an interim dividend for the nine months ended September 30, 2023 (September 30, 2022: None).

## COMPREHENSIVE TABLE OF EQUITY CHANGES

	Capital stock		Share premium		Earned surplus reserve		Capital reserve		Other reserves		Cumulative profit of (loss)		amount to	
	In 2023	In 2022	In 2023	In 2022	In 2023	In 2022	In 2023	In 2022	In 2023	In 2022	In 2023	In 2022	In 2023	In 2022
	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi	Renminbi
Balance on January 1st	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 shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Three months ended on March 31st	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The equity holders of the Company shall make the net profit	-	-	-	-	-	-	-	-	-	-	(5,876,609)	(6,043,544)	(5,876,609)	(6,043,544)
Balance on March 31st	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
Three months ended on June 30th	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The equity holders of the Company shall make the net profit	-	-	-	-	-	-	-	-	-	-	(5,373,431)	(7,204,518)	(5,373,431)	(7,204,518)
Issue shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance on June 30	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
Three months ended on September 30th	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The equity holders of the Company shall make the net profit	-	-	-	-	-	-	-	-	-	-	(6,044,149)	(8,379,028)	(6,044,149)	(8,379,028)
Issue shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance on September 30	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)	(396,263,769)	(372,490,605)	55,380,366	79,153,530



## 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.

### Financial Review

For the nine months ended on September 30, 2023, The total operating turnover of the Group is RMB305,231, four hundred and eighty-eight yuan, Year-on-year growth of 0.08% compared with last year (September 30, 2022: RMB304,972, four hundred and thirty yuan); The combined gross profit of the Group is RMB11, 500, one hundred and seventy-six yuan, Year-on-year growth of 2.79% (September 30, 2022: RMB11, 188, one hundred and seventy-nine yuan); The group's combined operating gross profit margin is 3.76%, Year-on-year growth of 0.09% compared with last year (September 30, 2022: consolidated gross margin of 3.67%). For the nine months ended September 30, 2023, the Group's sales and distribution costs were RMB6,956,908, down 25.74% year on year (September 30, 2022: RMB9,368,063); RD and administrative expenses were RMB21,541,186, down 4.17% year on year (September 30, 2022: RMB22,477,429). During the review period, the financing cost of the Group was RMB2,538,214, a decrease of 38.10% from last year (September 30, 2022: RMB4,100,365). For the nine months ended September 30, 2023, the loss attributable to the owners of the Company was RMB17,294,189 (September 30, 2022: RMB2,21,627,090), and the Company made a loss of RMB0.913 cents per share, compared with a loss of RMB1.142 cents per share in the same period last year.

## ASSET COLLATERAL AND CONTINGENT LIABILITIES

On September 30, 2023, the Group and the Company had contingent liabilities of RMB0 (December 31, 2022: RMB0) guaranteeing the mortgage of bank loans granted by their subsidiaries.

## PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2023, the Group and the Company had contingent liabilities amounting to RMB nil (30 September 2022: RMB nil) 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 primarily 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 "sun rise 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.

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

As at 30 September 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 (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 Fertilisers Company Limited ("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 Shenzhen Xiangyong Investment Company Limited ("Xiangyong Investment") and 120,000,000 shares are held by Dongguan Lvye Fertilisers Company Limited ("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 September 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 30 September 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 capital
Tianjin Economic and Technological Development Area State Asset Operation Company	Beneficial owner	182,500,000 (Note)	9.63%
Shenzhen Xiangyong Investment Company Limited	Beneficial owner	180,000,000 (Note)	9.50%
Guangdong Jiamei Ecological Technology Co., Ltd.	Beneficial owner	180,000,000 (Note)	9.50%
Dongguan Luye Fertilisers Company Limited	Beneficial owner	120,000,000 (Note)	6.33%

Note: All of the shares represent domestic shares.

Save as disclosed above, as at 30 September 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 nine months ended 30 September 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 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. 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 third quarterly results and the third quarterly report of the Group for the nine months ended 30 September 2023.

## SHARE OPTION SCHEME

The Company had not approved any new share option scheme during the period ended 30 September 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 30 September 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 30 September 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, except for Code provision C.2.1 (which provides that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same person at the same time), the Company had complied with all the provisions of the Code during the period under review.

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, stability of operations and the establishment of the DTC (Direct to Consumer) platform. 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.

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

Tianjin, the PRC  
9 November 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 Ximing and Li Xueying; 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 and remain on the website of the Company at [www.bioteda.com](http://www.bioteda.com).*