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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)

(1) MAJOR TRANSACTION IN RELATION TO THE ENTERING INTO OF THE SUPPLEMENTAL LEASE AGREEMENT

(2) DISCLOSEABLE AND MAJOR TRANSACTIONS IN RELATION TO THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

(3) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

(1) THE SUPPLEMENTAL LEASE AGREEMENT

On 1 May 2020, Guangdong Fulilong (a direct wholly-owned subsidiary of the Company) as lessee and Guangdong Lvzhou as lessor entered into the Supplemental Lease Agreement, pursuant to which the lease term for the rental of three production lines and the related machineries and equipment in Dongguan, the PRC for the manufacturing of fertiliser products shall be extended for a period of ten years from 1 November 2020 to 31 October 2030.

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement requires the Group to recognise the right-of-use assets in its consolidated financial statements. Therefore, the transaction contemplated under the Supplemental Lease Agreement will be regarded as an acquisition of asset pursuant to Rule 19.04(1)(a) of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) in respect of the recognition of right-of-use assets under the Supplemental Lease Agreement exceeds 25% but is less than 100%, such recognition constituted a major transaction of the Company and should have been subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

(2) THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Group made a total of 15 subscriptions of wealth management products offered by Bank of Weifang, BOC and ICBC, respectively, between 8 January 2020 and 17 December 2020 with the aggregate subscription amount being RMB110 million.

As each of the applicable percentage ratios for the subscription of the BOC Wealth Management Product on 31 July 2020 is less than 5%, such subscription did not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) for the subscriptions of the (i) Bank of Weifang Wealth Management Product on 11 November 2020; and (ii) ICBC Wealth Management Product on 11 November 2020, 13 November 2020 and 8 December 2020, respectively, exceeds 5% but is less than 25%, each of such subscriptions, on a standalone basis, constituted a discloseable transaction of the Company and should have been subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) for the subscription of the ICBC Wealth Management Product on 13 November 2020, after aggregating with the amount invested in such product which has not been redeemed as at 13 November 2020 pursuant to Rule 19.22 of the GEM Listing Rules exceeds 25% but is less than 100%, such subscription constituted a major transaction of the Company and should have been subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) for the subscriptions of the ICBC Wealth Management Product on (i) 12 November 2020 after aggregating with the amount invested in such product which has not been redeemed as at 12 November 2020; (ii) 27 November 2020 after aggregating with the amount invested in such product which has not been redeemed as at 27 November 2020; and (iii) 8 December 2020 after aggregating with the amount invested in such product which has not been redeemed as at 8 December 2020, pursuant to Rule 19.22 of the GEM Listing Rules, exceeds 5% but is less than 25%, each of such subscriptions constituted a discloseable transaction of the Company and should have been subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

(3) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2020

As at 31 December 2020, the Company's investment in the ICBC Wealth Management Product amounted to RMB21 million, the value of which is approximately 5.33% of its total assets. In addition to the information provided in the Annual Report, the Company would like to inform the Shareholders and potential investors of the Company additional information in relation to such investment during the year ended 31 December 2020 pursuant to Rule 18.41(4A) of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the relevant resolutions in relation to the Supplemental Lease Agreement and the transaction contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Supplemental Lease Agreement and the transaction contemplated thereunder. As such, no Shareholder is required to abstain from voting at the EGM in respect of the resolution for approving the Supplemental Lease Agreement and the transaction contemplated thereunder.

A circular containing, among other things, further details of the Supplemental Lease Agreement and the transaction contemplated thereunder is expected to be despatched to the Shareholders on or before 11 June 2021, so as to allow sufficient time for the preparation of the aforesaid information for inclusion in the circular.

INTRODUCTION

On 1 May 2020, Guangdong Fulilong (a direct wholly-owned subsidiary of the Company) as lessee and Guangdong Lvzhou as lessor entered into the Supplemental Lease Agreement, pursuant to which the lease term for the rental of three production lines and the related machineries and equipment in Dongguan, the PRC for the manufacturing of fertiliser products shall be extended for a period of ten years from 1 November 2020 to 31 October 2030.

During the period from 8 January 2020 to 17 December 2020, the Group made a total of 15 subscriptions of wealth management products offered by Bank of Weifang, BOC and ICBC, respectively, with the aggregate subscription amount being RMB110 million.

Details of the abovementioned transactions are set out below.

(1) THE SUPPLEMENTAL LEASE AGREEMENT

Background

On 5 February 2018, Guangdong Fulilong (a direct wholly-owned subsidiary of the Company) as lessee and Guangdong Lvzhou as lessor entered into the Lease Agreement (which has amended, replaced and superseded the original lease agreement dated 1 April 2017), the major terms of which are as follows:—

Lease assets:	Three production lines and the related ancillary machineries and equipment in the manufacturing plant located at Hongwuwo Village, Hongmei Town, Dongguan City, Guangdong Province, the PRC* (廣東省東莞市洪梅鎮洪屋渦村)
Term:	From 1 April 2017 to 31 December 2022
Rental:	To be determined based on the monthly production of fertilisers by Guangdong Fulilong at RMB46 per ton
Payment terms:	Guangdong Fulilong shall settle the monthly rental to Guangdong Lvzhou before the 10th day of each month
Renewal:	Should Guangdong Fulilong intend to renew the lease term upon its expiry, it shall give Guangdong Lvzhou one month's notice in advance. Both Guangdong Fulilong and Guangdong Lvzhou shall enter into a new lease agreement upon the renewal request is being accepted by Guangdong Lvzhou.
Penalty:	Should Guangdong Fulilong fail to pay the rental to Guangdong Lvzhou on time, Guangdong Fulilong shall pay Guangdong Lvzhou, on a daily basis, an amount equivalent to 0.05% of the monthly rental

On 8 October 2018, Guangdong Fulilong and Guangdong Lvzhou entered into a supplemental agreement to the Lease Agreement to shorten the expiry date of the lease term under the Lease Agreement to 31 October 2019.

On 8 October 2019, Guangdong Fulilong and Guangdong Lvzhou entered into a further supplemental agreement to the Lease Agreement (as amended and supplemented by a supplemental agreement dated 8 October 2018) to extend the lease term under the Lease Agreement for one year from 1 November 2019 to 31 October 2020.

On 1 May 2020, Guangdong Fulilong and Guangdong Lvzhou entered into the Supplemental Lease Agreement, the major terms of which are set out below.

Major terms of the Supplemental Lease Agreement

Subject matter: To extend the lease term under the Lease Agreement (as amended and supplemented by two supplemental agreements dated 8 October 2018 and 8 October 2019) for a period of ten years from 1 November 2020 to 31 October 2030

Rental: To be determined based on the monthly production of fertilisers by Guangdong Fulilong at RMB46 per ton. Should the annual production of fertilisers be less than 150,000 tons in total, Guangdong Fulilong shall settle the rental amount as if 150,000 tons of fertilisers have been produced during the year.

Except for the terms which have been amended and supplemented as stated above, all other terms under the Lease Agreement shall remain effective and in full force.

Basis of determination of rental

The rental under the Supplemental Lease Agreement was determined after arm's length negotiations between Guangdong Fulilong and Guangdong Lvzhou after having taken into account the prevailing market rates for comparable premises in similar locations in the PRC and the existing rental under the Lease Agreement.

Reasons for and benefits of the entering into of the Supplemental Lease Agreement

The Group is principally engaged in the biological compound fertiliser business, which mainly includes manufacturing of multiple series of biological compound fertiliser products under the brand of "Fulilong" for facilitation of balanced growth of grains, fruit and vegetables. In order to expand such business by producing more types of fertiliser products to fit the needs of different customers, the Group decided to rent three production lines and the related ancillary machineries and equipment from Guangdong Lvzhou for the production of compound fertiliser by prilling tower process and bulk blending fertiliser.

The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Supplemental Lease Agreement are on normal commercial terms and in the ordinary and usual course of the business of the Group, and the terms of the Supplemental Lease Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The right-of-use assets

The value of the right-of-use assets recognised by the Company under the Supplemental Lease Agreement amounted to approximately RMB37.4 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Supplemental Lease Agreement in accordance with HKFRS 16.

GEM Listing Rules implications

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement requires the Group to recognise the right-of-use assets in its consolidated financial statements. Therefore, the transaction contemplated under the Supplemental Lease Agreement will be regarded as an acquisition of asset pursuant to Rule 19.04(1)(a) of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) in respect of the recognition of right-of-use assets under the Supplemental Lease Agreement exceeds 25% but is less than 100%, such recognition constituted a major transaction of the Company and should have been subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

(2) THE SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

During the period from 8 January 2020 to 14 December 2020, the Group made a total of 15 Subscriptions offered by the Banks during the course of its business operations. The key terms of the Wealth Management Products (including products which had been fully redeemed and still remain effective as at the date of this announcement) are set out in the tables below.

A. Bank of Weifang

The Group made seven subscriptions of the Bank of Weifang Wealth Management Product with an aggregate subscription amount of approximately RMB41 million between 8 January 2020 and 14 December 2020, all of which have been fully redeemed as at the date of this announcement. Details of such subscriptions are set out as follows:–

Parties	Subscription date	Name of product	Principal subscription amount (RMB)	Full redemption date	Redemption	Type of product and risk rating	Early termination	Investment scope
Shandong Fulilong and Bank of Weifang	8 January 2020	Bank of Weifang No.9783 Wealth Management Product*	4,000,000	28 February 2020	Full or partial redemption can be made during the investment period of product	Non-principal guaranteed with floating return; regarded by Bank of Weifang as a low risk product	Bank of Weifang has the right of early termination	The product mainly invests in fixed return assets, financial assets and instruments with high credit rating and liquidity, including but not limited to bank deposits, interbank deposits, bonds, bond-backed securities, asset-backed notes, repurchases, brokers' income certificate.
	21 February 2020	(濰坊銀行9783號理財產品)	2,000,000	30 March 2020				
	19 March 2020		3,000,000	30 March 2020				
	11 November 2020		24,500,000	10 December 2020				
	7 December 2020		1,500,000	10 December 2020				
	10 December 2020		3,000,000	14 December 2020				
	14 December 2020		3,000,000	16 December 2020				

The annualised rate of return of the Bank of Weifang Wealth Management Product for the seven days prior to the date of this announcement is approximately 2.5177%.

B. BOC

The Group made one subscription of the BOC Wealth Management Product with the subscription amount of approximately RMB1 million on 31 July 2020, which remains effective as at the date of this announcement. Details of such subscription is set out as follows:–

Parties	Subscription date	Name of product	Principal subscription amount (RMB)	Redemption	Type of product and risk rating	Early termination	Investment scope
Shanghai Muling and BOC	31 July 2020	Bank of China Wealth Management Product* (中國銀行理財產品)	1,000,000	Full or partial redemption can be made during the investment period of product	Non-principal guaranteed with floating return; regarded by BOC as a low to medium risk product	N/A	The product mainly invests in (i) treasury bonds, local treasury bonds, central bank bills; (ii) instruments which are credited as investment grade such as company bonds, corporate bonds, commercial papers, medium term note, asset-backed securities, private placement notes, wealth management financing instruments; (iii) savings at banks, negotiable certificate of deposit, repurchase of bonds, money market funds, short-term wealth management funds; and (iv) financial derivatives based on bonds tradable on interbank market and/or stock exchanges.

The annualised rate of return of the BOC Wealth Management Product for the seven days prior to the date of this announcement is approximately 3.0190%.

C. ICBC

The Group made seven subscriptions of the ICBC Wealth Management Product with an aggregate subscription amount of approximately RMB68 million between 17 February 2020 and 8 December 2020, all of which have been fully redeemed as at the date of this announcement. Details of such subscriptions are set out as follows:–

Parties	Subscription date	Name of product	Principal subscription amount (RMB)	Full redemption date	Redemption	Type of product and risk rating	Early termination	Investment scope
Shandong Fulilong and ICBC	17 February 2020	Industrial and Commercial Bank of China	2,000,000	28 February 2020	Full or partial redemption can be made during the investment period of product	Non-principal guaranteed with floating return; regarded by ICBC as a low to medium risk product	ICBC has the right of early termination	The product targets at assets with high liquidity, such as bonds, deposits, money market funds, bankers' acceptance bills and credit assets such as debt-financing investment, equity-financing investment, etc.
	13 March 2020	No.188091 Wealth Management Product* (中國工商銀行188091號理財產品)	2,000,000	1 April 2020				
	11 November 2020		29,000,000	8 December 2020				
	12 November 2020		6,000,000	18 December 2020				
	13 November 2020		14,000,000	21 January 2021 ^{Note 1}				
	27 November 2020		5,000,000	25 January 2021 ^{Note 2}				
	8 December 2020		10,000,000	27 January 2021 ^{Note 3}				

Notes:

1. The Group partially redeemed RMB8,000,000 on 28 December 2020. As at 31 December 2020, RMB6,000,000 remained effective in the ICBC Wealth Management Product.
2. The Group has made partial redemption of its investment in the ICBC Wealth Management Product during the year ended 31 December 2020. As at 27 November 2020, RMB37,500,000 remained effective in the ICBC Wealth Management Product.
3. The Group has made partial redemption of its investment in the ICBC Wealth Management Product during the year ended 31 December 2020. As at 8 December 2020, RMB30,500,000 remained effective in the ICBC Wealth Management Product.

The annualised rate of return of the ICBC Wealth Management Product for the seven days prior to the date of this announcement is approximately 2.6028%.

Basis of determination of the subscription amount of the Wealth Management Products

The Directors (including the independent non-executive Directors) confirmed that the subscription amount and terms of each of the Subscriptions were determined after arm's length negotiations between the Group and Bank of Weifang, BOC and ICBC (as the case may be) after having taken into account the financial status of such relevant subsidiaries of the Company, the risk rating of the relevant Wealth Management Products and the right to fully or partially redeem the Wealth Management Products during the investment period of the relevant products.

Reasons for and benefits of the Subscriptions

Having considered that the Wealth Management Products (i) are low to medium risk products as they are offered and managed by the Banks in the PRC; (ii) aim for investment targets with high liquidity and credit rating; and (iii) that such products do not have specified maturity dates (i.e. the Group can fully or partially redeem the amount invested in the products whenever it wishes with such redeemed amount credited to its bank account on the same day), the Group considered the Subscriptions to be a reasonable and effective use of its temporary idle funds which would enhance the overall capital gain of the Group and is in line with its treasury management, hence had made the Subscriptions during the year ended 31 December 2020.

The Directors (including the independent non-executive Directors) are of the view that the Subscriptions are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GEM Listing Rules implications

As each of the applicable percentage ratios for the subscription of the BOC Wealth Management Product on 31 July 2020 is less than 5%, such subscription did not constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) for the subscriptions of the (i) Bank of Weifang Wealth Management Product on 11 November 2020; and (ii) ICBC Wealth Management Product on 11 November 2020, 13 November 2020 and 8 December 2020, respectively, exceeds 5% but is less than 25%, each of such subscriptions, on a standalone basis, constituted a discloseable transaction of the Company and should have been subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) for such subscription of the ICBC Wealth Management Product on 13 November 2020, after aggregating with the amount invested in such product which has not been redeemed as at 13 November 2020 pursuant to Rule 19.22 of the GEM Listing Rules exceeds 25% but is less than 100%, such subscription constituted a major transaction of the Company and should have been subject to the notification, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratio(s) for the subscriptions of the ICBC Wealth Management Product on (i) 12 November 2020 after aggregating with the amount invested in such product which has not been redeemed as at 12 November 2020; (ii) 27 November 2020 after aggregating with the amount invested in such product which has not been redeemed as at 27 November 2020; and (iii) 8 December 2020 after aggregating with the amount invested in such product which has not been redeemed as at 8 December 2020, pursuant to Rule 19.22 of the GEM Listing Rules, exceeds 5% but is less than 25%, each of such subscriptions constituted a discloseable transaction of the Company and should have been subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

(3) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the Annual Report of the Company for the year ended 31 December 2020 published on the websites of the Stock Exchange and the Company on 29 March 2021.

In addition to the information provided in the Annual Report, the Company would like to further inform the Shareholders and potential investors of the Company additional information in relation to significant investments held by the Company during the year ended 31 December 2020 pursuant to Rule 18.41(4A) of the GEM Listing Rules.

The Group made seven subscriptions of the ICBC Wealth Management Product with an aggregate subscription amount of approximately RMB68 million between 17 February 2020 and 8 December 2020. For details of such subscriptions, please refer to the paragraph headed “(2) The Subscriptions of Wealth Management Products – C. ICBC” in this announcement.

As at 31 December 2020, the fair value of the ICBC Wealth Management Product is RMB21 million, amounting to approximately 5.33% relative to the Company's total assets. The fair value of such wealth management product is determined by reference to the unquoted market price from bank at the end of the reporting period.

During the year ended 31 December 2020, the Group has had unrealised gain of approximately RMB50,000 in its investment in the ICBC Wealth Management Product.

The subscriptions of the ICBC Wealth Management Product were carried out by the Group for short-term treasury management purpose. Having considered the factors outlined in the paragraph headed “(2) The Subscriptions of Wealth Management Products – Reasons for and benefits of the Subscriptions” in this announcement, the Group considered that the subscriptions of the ICBC Wealth Management Product would benefit the Group from maximising the use of its temporary idle funds and enhance its overall return.

The above additional information does not affect other information contained in the Annual Report. Save as disclosed above, all other information in the Annual Report remain unchanged.

REMEDIAL ACTIONS

Due to the misunderstanding and misinterpretation of the GEM Listing Rules that the abovementioned transactions would not have fallen within the ambit of Chapter 18 and Chapter 19 of the GEM Listing Rules, the Company failed to comply with the relevant requirements under Chapter 18 and Chapter 19 of the GEM Listing Rules in a timely manner. The Company deeply regrets such failure and would like to stress that it has no intention to withhold any information relating to any of the above transactions from disclosure to the public.

Considering that the relevant subscription of the ICBC Wealth Management Product was made on 13 November 2020 and had been fully redeemed as at the date of this announcement, even though such transaction would have been subject to the Shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules, the Company considers that it might not be meaningful to convene a Shareholders’ meeting for approval and ratification purposes and intends not to despatch any circular or convene any extraordinary general meeting of the Company for the purpose of approving or ratifying the subscription of the ICBC Wealth Management Product made on 13 November 2020.

To ensure timely disclosure of future subscription(s) of wealth management product(s), the Company plans to take the following measures:–

- (a) with the assistance of its legal advisers, the Company further understands the implication of the relevant GEM Listing Rules, including the definitions of “significant investments” under Rule 18.41(4A), “transaction” under Rule 19.04, and a wealth management product. The Company will remind the responsible staff, senior management and Directors and strengthen their understanding to the subject matter to avoid delay in disclosure for future subscriptions of wealth management products should such obligation arise;

- (b) the Company will circulate a detailed guideline relating to significant investments and notifiable transactions under the GEM Listing Rules and offer more regular trainings to the responsible staff, senior management and Directors in order to strengthen and reinforce their existing knowledge relating to significant investment and notifiable transactions, as well as their ability to identify potential issues at an early stage;
- (c) the Company will strengthen the coordination and reporting arrangements for significant investments and notifiable transactions among its subsidiaries and emphasise the importance of compliance with the GEM Listing Rules; and
- (d) the Company will work more closely with its legal advisers on compliance issues and shall, as and when appropriate, consult other professional advisers before entering into any potential significant investment(s) and/or notifiable transaction(s). If necessary, the Company may also consult the Stock Exchange on the proper treatment of the proposed significant investment and/or transaction.

Going forward, the Company will strictly comply with the internal control procedures of its subscriptions on wealth management products and make appropriate disclosure in a timely manner to ensure compliance with the GEM Listing Rules.

GENERAL INFORMATION OF THE PARTIES TO THE TRANSACTIONS

The Group

The Group is principally engaged in two sectors: (i) biological compound fertiliser business, which principally includes multiple series of biological compound fertiliser products under the brand of “Fulilong” used for the facilitation of balanced growth of grains, fruit and vegetables; and (ii) 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.

Each of Guangdong Fulilong, Shandong Fulilong and Shanghai Muling is a company established in PRC with limited liability and a subsidiary of the Company. Both Guangdong Fulilong and Shandong Fulilong principally engage in the research, development, manufacturing and sales of biological compound fertilisers. Shanghai Muling principally engages in the provision of elderly care consulting, advisory, management and assessment services and research and development of elderly care business.

Guangdong Lvzhou

Guangdong Lvzhou is a company established in the PRC with limited liability and principally engages in the manufacturing and sales of various fertiliser products.

As at the date of this announcement, Guangdong Lvzhou is owned as to 94.6667% and 5.3333% by Shenzhen Steady Investment Development Co., Ltd.* (深圳市穩健投資發展有限公司) and Mr. Yang Zhuo (楊焯先生), respectively. Shenzhen Steady Investment Development Co., Ltd.* (深圳市穩健投資發展有限公司) is in turn owned as to 76% and 24% by Mr. Zhang Songhong (張松鴻先生) and Ms. Yang Liqing (楊麗卿女士), respectively.

Bank of Weifang

Bank of Weifang is a state-owned commercial bank in the PRC, which offers deposit, loans, international settlement, credit guarantee, bill discounting, wealth management, rural finance, and other services for enterprises and individuals.

BOC

BOC is a licensed bank established under the laws of the PRC and principally engages in the provision of corporate and personal banking and other financial services. Its A shares and H shares are listed on the Shanghai Stock Exchange (stock code: 601988) and the Main Board of the Stock Exchange (stock code: 3988), respectively.

ICBC

ICBC is a licensed bank established under the laws of the PRC and principally engages in the provision of corporate and personal banking and other financial services. Its A shares and H shares are listed on the Shanghai Stock Exchange (stock code: 601398) and the Main Board of the Stock Exchange (stock code: 1398), respectively.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of Guangdong Lvzhou, Bank of Weifang, BOC and ICBC and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the relevant resolutions in relation to the Supplemental Lease Agreement and the transaction contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Supplemental Lease Agreement and the transaction contemplated thereunder. As such, no Shareholder is required to abstain from voting at the EGM in respect of the resolution for approving the Supplemental Lease Agreement and the transaction contemplated thereunder.

A circular containing, among other things, further details of the Supplemental Lease Agreement and the transaction contemplated thereunder is expected to be despatched to the Shareholders on or before 11 June 2021, so as to allow sufficient time for the preparation of the aforesaid information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Annual Report”	the annual report of the Company for the year ended 31 December 2020
“Bank of Weifang”	Bank of Weifang Co., Ltd (濰坊銀行股份有限公司), a state-owned commercial bank in the PRC
“Bank of Weifang Wealth Management Product”	the Bank of Weifang No.9783 Wealth Management Product* (濰坊銀行9783號理財產品) offered by Bank of Weifang and subscribed by the Group, details of which are set out in the paragraph headed “(2) Subscriptions of the Wealth Management Products – A. Bank of Weifang” in this announcement
“Banks”	Bank of Weifang, BOC and ICBC
“Board”	the board of Directors
“BOC”	Bank of China Ltd (中國銀行股份有限公司), a licensed bank established under the laws of the PRC
“BOC Wealth Management Products”	the Bank of China Wealth Management Product* (中國銀行理財產品) offered by BOC and subscribed by the Group, details of which are set out in the paragraph headed “(2) Subscriptions of the Wealth Management Products – B. BOC” in this announcement

“Company”	Tianjin TEDA Biomedical Engineering Company Limited (天津泰達生物醫學工程股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on GEM of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, to approve, among other things, the Supplemental Lease Agreement and the transaction contemplated thereunder
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guangdong Fulilong”	Guangdong Fulilong Compound Fertilizers Factory Co., Ltd.* (廣東福利龍複合肥有限公司), a company established in the PRC with limited liability and a directly wholly-owned subsidiary of the Company
“Guangdong Lvzhou”	Guangdong Lvzhou Ecology Engineering Co., Ltd.* (廣東綠洲生態工程有限公司), a company established in the PRC with limited liability
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a licensed bank established under the laws of the PRC
“ICBC Wealth Management Products”	the Industrial and Commercial Bank of China No.188091 Wealth Management Product* (中國工商銀行188091號理財產品) offered by ICBC and subscribed by the Group, the details of which are set out in the paragraph headed “(2) Subscriptions of the Wealth Management Products – C. ICBC” in this announcement

“Lease Agreement”	the lease agreement dated 5 February 2018 and entered into between Guangdong Fulilong and Guangdong Lvzhou for the rental of three production lines and the related ancillary machineries and equipment in the manufacturing plant located at Hongwuwo Village, Hongmei Town, Dongguan City, Guangdong Province, the PRC* (廣東省東莞市洪梅鎮洪屋渦村)
“Macau”	Macau Special Administrative Region of the PRC
“percentage ratio(s)”	has the meaning ascribed to it in the GEM Listing Rules
“PRC”	the People’s Republic of China, which for the sole purpose of this announcement, shall exclude Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Fulilong”	Fulilong (Shandong) Fertilisers Co., Ltd* (福利龍(山東)化肥有限公司), a company established in the PRC and a non-wholly owned subsidiary of the Company
“Shanghai Muling”	Shanghai Muling Elderly Care Investment Management Company Ltd.* (上海睦齡養老投資管理有限公司), a company established in the PRC and a non-wholly owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription(s)”	subscription(s) of the Wealth Management Products by the Group
“Supplemental Lease Agreement”	the supplemental lease agreement dated 1 May 2020 and entered into between Guangdong Fulilong and Guangdong Lvzhou for extension of the lease term under the Lease Agreement (as amended and supplemented by two supplemental agreements dated 8 October 2018 and 8 October 2019)

“Wealth Management Products”

the Bank of Weifang Wealth Management Product, the BOC Wealth Management Product and the ICBC Wealth Management Product

“%”

per cent.

By order of the Board

Tianjin TEDA Biomedical Engineering Company Limited

Sun Li

Chairman

Tianjin, the PRC

21 May 2021

As at the date of this announcement, the executive Directors are Sun Li, Hao Zhihui and He Xin; the non-executive Directors are Cao Aixin and Li Ximing; the independent non-executive Directors are Li Xudong, Wang Yongkang and Gao Chun.

This announcement, for which the directors are willing to collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief that the information contained in this announcement is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page on the GEM website at www.hkgem.com for at least seven days from the date of its posting. This announcement will also be published and remain on the website of the Company at www.bioteda.com.