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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)

DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF 25% EQUITY INTEREST IN
TIANJIN ALPHA HEALTHCARE PRODUCTS CO., LTD.

THE ACQUISITION

On 17 June 2011, the Company and the Vendor entered into the Acquisition Agreement pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the Equity Interest at the Consideration of RMB4,600,000 (equivalent to approximately HK\$5,540,000) in cash. The Equity Interest represents 25% of the registered capital of Alpha while the remaining 75% of the registered capital is owned by the Company. Upon completion, Alpha will become a directly wholly-owned subsidiary of the Company.

GEM LISTING RULES IMPLICATION

As certain of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

The Vendor, a natural person, is currently a substantial shareholder holding 25% equity interests of Alpha which is a directly non wholly-owned subsidiary of the Company. Accordingly he is a connected person of the Company and the entering into the Acquisition Agreement constitutes a connected transaction for the Company under Rule 20.13(1)(a) of the GEM Listing Rules. However, as each or all of the applicable percentage ratios (other than the profits ratio) calculated under the GEM Listing Rules with respect to the Acquisition is less than 25% and the Consideration is less than HK\$10,000,000, the Acquisition is only subject to the reporting and announcement requirements as set out in Rule 20.32 of the GEM Listing Rules and is exempt from the independent Shareholders' approval requirements.

SUMMARY OF THE ACQUISITION AGREEMENT

Date: 17 June 2011 (after trading hours)

Parties:

Purchaser: The Company

Vendor: Mr. Zhang Guangjie (張光杰)

The Vendor is the registered owner of 25% equity interest in Alpha, the remaining 75% equity interest of which is owned by the Company, thus it is a directly non wholly-owned subsidiary of the Company.

Assets to be acquired

The Equity Interest, representing 25% of the registered capital of Alpha.

Consideration and payment terms

Pursuant to the Acquisition Agreement, the Consideration of RMB4,600,000 (equivalent to approximately HK\$5,540,000) shall be settled in cash within 60 days after Completion. The Consideration was determined by the Vendor and the Company after arm's length negotiation between the Company and the Vendor with reference to the asset valuation of RMB19,260,000 (equivalent of approximately HK\$23,200,000) of Alpha. The Company intends to satisfy the payment of the Consideration by internal resources.

The Directors (including all the independent non-executive Directors) consider that the terms of the acquisition agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions precedent

Completion is subject to each of the following conditions being satisfied in all respects:

- (i) the shareholders of Alpha approving the Acquisition and the relevant amendments to the articles of association of Alpha;
- (ii) the Acquisition being approved by the Board;
- (iii) all consents (if necessary) and all filings with any relevant governmental or regulatory authorities and other relevant third parties in the PRC which are required or appropriate for the entering into and the implementation of this Acquisition Agreement having been given or made; and
- (iv) the Acquisition Agreement being duly executed by the Company and the Vendor.

If the above conditions have not been fulfilled within six months after the date of the Acquisition Agreement or such later date as the Vendor and the Company may agree in writing, the Acquisition Agreement shall cease and determine and neither party shall have any obligations toward each other.

Completion

Completion of the Acquisition Agreement shall take place upon fulfillment of all of the conditions precedent or at such other time as the Parties may agree in writing. Upon Completion, Alpha will become a directly wholly-owned subsidiary of the Company.

INFORMATION OF ALPHA

Alpha is principally engaged in research, development, manufacture and distribution of diabetic health food and related products in the PRC. The diversified product range includes a series of diabetic health care products, such as sugar reducing health foods developed in various forms such as noodles, flour, biscuits, etc.; and a series of sugar-free products beneficial to the health of human body, such as sugar-free drinks, sugar-free moon-cakes, etc.

Set out below is the financial information of Alpha based on its audited financial statements prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants as consolidated in the Group's financial statements for the year ended 31 December 2010.

	Year ended 31 December 2010 (Audited) RMB'000	Year ended 31 December 2009 (Audited) RMB'000
Turnover	83,010	74,916
Profit /(loss) before taxation	6,289	1,271
Profit /(loss) for the year	5,300	752
	As at 31 December 2010 (Audited) RMB'000	As at 31 December 2009 (Audited) RMB'000
Total assets	56,129	36,565
Total liabilities	39,147	24,883
Net asset/(liabilities)	16,982	11,682

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the research and development and commercialization of biological compound fertilizer products as well as medical health products in the PRC.

The Group currently owns 75% equity interest in Alpha. As Alpha is at the stage of profit growth, upon completion of the Acquisition, Alpha will become a wholly-owned subsidiary of the Company and the Company will be able to capture 100% of the turnover and net profit generated by Alpha. In addition, the Acquisition provides a good opportunity for the Group to consolidate its control in Alpha.

IMPLICATION OF THE ACQUISITION UNDER THE GEM LISTING RULES

As certain of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition of the Equity Interest under the Acquisition Agreement and all the transactions contemplated thereunder
“Acquisition Agreement”	the conditional sale and purchase agreement dated 17 June 2011 entered into between the Company and the Vendor in respect of the Acquisition
“Alpha”	Tianjin Alpha Healthcare Products Co., Ltd. (天津阿爾發保健品有限公司), a company incorporated in the PRC and its registered capital is held as to 75% by the Company and 25% by the Vendor
“Board”	the board of directors of the Company

“Company”	Tianjin TEDA Biomedical Engineering Company Limited (天津泰達生物醫學工程股份有限公司), a company incorporated in the PRC and the issued Shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms of the Acquisition Agreement
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	RMB4,600,000 (equivalent approximately to HK\$5,540,000), being the consideration payable by the Company to the Vendor under the Acquisition Agreement
“Directors”	directors of the Company
“Equity Interest”	RMB900,000 (equivalent approximately to HK\$1,080,000) in the registered capital of Alpha, representing 25% of the total registered capital of Alpha
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holder of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Zhang Guangjie (張光杰先生), the registered owner of the Equity Interest
“%”	per cent

For the purpose of this announcement, unless otherwise specified, conversions of RMB into Hong Kong dollars are based on the approximate exchange rate of RMB0.83 to HK\$1.00.

By order of the Board
Wang Shuxin
Chairman

Tianjin, the PRC
17 June 2011

As at the date of this announcement, the Board comprises two executive Directors, being Mr. Wang Shuxin and Mr. Hao Zhihui; two non-executive Directors, being Mr. Feng Enqing and Mr. Xie Guangbei and three independent non-executive Directors, being Mr. Cao Kai, Mr. Wu Chen and Mr. Guan Tong.

This announcement, for which the directors of the Company 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The announcement will remain on the GEM website at <http://www.hkgem.com> at the Latest Company Announcements” page for 7 days from the date of its publication.