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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 TRANSACTION  
DISPOSAL OF FIXED ASSETS**

On 7 November 2011, the Vendor entered into an agreement with the Purchaser for the sale and purchase of the Fixed Assets at an aggregate consideration of RMB18,535,200. Pursuant to the terms of the Agreement, the Disposal is scheduled to be completed within 90 business days from the date of the Agreement.

As the applicable percentage ratios (as defined in the GEM Listing Rules) of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules.

**THE AGREEMENT**

On 7 November 2011, the Vendor entered into a binding agreement with the Purchaser for the disposal of the Fixed Assets.

**SUMMARY OF TERMS OF THE AGREEMENT**

Vendor: Guangdong Fulilong Compound Fertilizers Co., Ltd. (廣東福利龍複合肥有限公司), a wholly owned subsidiary of the Company.

Purchaser: Wufang Economic Cooperation, Xiansha District, Gaobu Town (高埗鎮洗沙區五坊經濟合作社), an entity of rural economic cooperation established in the People's Republic of China. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are the Independent Third Parties.

Summary of terms: Pursuant to the terms of the Agreement, the Purchaser will purchase the Fixed Assets from the Vendor at a total consideration of RMB18,535,200. Upon deducting a sum of RMB54,134, being the unsettled rental and other expenses payable by the Vendor to the Purchaser, an initial deposit of RMB3,696,213.20 will be paid to the Vendor by the Purchaser within 5 days upon signing of the Agreement. The balance of the Consideration in the sum of RMB14,784,852.80 will be payable by the Purchaser to the Vendor within 30 days upon signing of the Agreement. The Disposal is scheduled to be completed within 90 business days from the date of the Agreement.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

On 25 June 1996, the Vendor (as a transferee) and the Purchaser (as a transferor) entered into an agreement for sale and purchase of the Land and the Building at an aggregate consideration of RMB4,176,800. The Purchaser was under an obligation to obtain the certificate of land use right (土地使用權證) and transfer the title to the Vendor for the purpose of perfecting the transfer of the Land and the Building. As at the date of this announcement, the Purchaser has failed to obtain the certificate of land use right of the Land or transfer the same to the Vendor.

In light of the time lapsed for perfecting the transfer of the Land and the legal constraints countered by the Vendor and the Purchaser in completing the same, the Vendor and the Purchaser entered into the Agreement, pursuant to which, the Purchaser agreed to buy back the Land and the Building from the Vendor at an aggregate consideration of RMB5,605,500 as compensation with reference to the valuation result of the Land and the Building. In addition, the Purchaser also agreed to purchase the Machineries at a consideration of RMB12,929,700, being the value of the Machineries with reference to a valuation report. The total consideration of the sale and purchase of the Fixed Assets under the Agreement is therefore RMB18,535,200.

Details of the Land, the Building and the Machineries are set out below:

1. The Land, comprising a piece of land where the Building was constructed and an idle area of 8.46 Chinese Mu, is located at Wufang Anliangwei, Xiansha District, Gaobu Town, Dongguan City, Guangdong Province (廣東省東莞市高埗鎮洗沙區五坊暗良尾).
2. The Building is a four-storey industrial building constructed on the Land with a construction area of approximately 6,500 square metres. The Vendor purchased the Land and the Building from the Purchaser at a consideration of RMB4,176,800 in June 1996.
3. The Machineries, which include several production lines, 11 power generators and some other production machines being attached to the Building and owned by the Vendor, are pending elimination with an assessed market value of RMB12,929,700.

The net profits before taxation and after taxation attributable to the Fixed Assets were RMB169,688 and RMB147,554 respectively for the financial year ended 31 December 2010 and RMB411,826 and RMB412,614 respectively for the financial year ended 31 December 2009.

The Consideration was arrived after arm's length negotiations between the Vendor and the Purchaser and by reference to the market value of similar properties in similar locations and the valuation of the Machineries prepared by a professional valuer. The Disposal is expected to realise a profit of approximately RMB4,161,996 based on the consideration of RMB18,535,200 minus the book value of the Fixed Assets of RMB14,373,204 as at 31 August 2011. The Directors are of the view that the terms of the Agreement including the Consideration are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The proceeds from the Disposal shall be applied towards the Group's working capital pending further investment opportunities. However, no such opportunities have been identified at the moment.

## **GENERAL**

The principal activities of the Group are manufacture and sales of fertilizer products and medical and health products.

As the applicable percentage ratios (as defined in the GEM Listing rules) of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following terms have the meanings set out below:

“Agreement”	the sale and purchase agreement dated 7 November 2011 entered into between the Vendor and the Purchaser;
“Building”	a four-storey industrial building with a construction area of 6,500 square metres constructed on the Land purchased by the Vendor from the Purchaser under a land and building transfer agreement dated 25 June 1996;
“Company”	Tianjin TEDA Biomedical Engineering Company Limited, a joint stock company incorporated in the People's Republic of China with limited liability and the shares of which are listed on the GEM board of the Stock Exchange;

“Consideration”	RMB18,535,200;
“Director(s)”	the director(s) of the Company;
“Disposal”	disposal of the Fixed Assets pursuant to the terms of the Agreement;
“Fixed Assets”	the Land, the Building and the Machinery being sold by the Vendor to the Purchaser under the Agreement;
“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;
“Independent Third Party(ies)”	party(ies) who are third parties independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company;
“Land”	A piece of land upon which the Building was constructed and with an idle area of 8.46 Chinese Mu located at Wufang Anliangwei, Xiansha District, Gaobu Town, Dongguan City, Guangdong Province (廣東省東莞市高埗鎮洗沙區五坊暗良尾) purchased by the Vendor from the Purchaser under a land and building transfer agreement dated 25 June 1996;
“Machinery(ies)”	the machinery(ies) owned by the Vendor and attached to the Building pending elimination;
“Purchaser”	Wufang Economic Cooperation, Xiansha District, Gaobu Town (高埗鎮洗沙區五坊經濟合作社), an entity of rural economic cooperation established in the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;
“Shareholders”	the shareholders of the Company;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“Vendor”

Guangdong Fulilong Compound Fertilizers Co., Ltd. (廣東福利龍複合肥有限公司), a wholly-owned subsidiary of the Company incorporated in the People’s Republic of China with limited liability.

By order of the Board of  
**Tianjin TEDA Biomedical Engineering Company Limited**  
**Wang Shuxin**  
*Chairman*

Tianjin, the People’s Republic of China  
8 November 2011

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

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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.*

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