

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of **Tianjin TEDA Biomedical Engineering Company Limited**.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Tianjin TEDA Biomedical Engineering Company Limited**, you should at once hand this circular to the purchasers or the transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchasers or the transferees.

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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) PROPOSED PLACING OF NEW SHARES
AND
(2) PROPOSED GRANTING OF A SPECIFIC MANDATE
AND
(3) PROPOSED AMENDMENTS OF ARTICLES OF ASSOCIATION
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Placing Agent in relation to the Placing



Notices convening the EGM (as defined in this circular) of the shareholders of the Company and the Class Meetings (as defined in this circular) of the holders of Domestic Shares (as defined in this circular) and the holders of H Shares (as defined in this circular) to be held at 9th Floor, Block A2, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, the People's Republic of China at 9:30 a.m., 10:00 a.m. and 10:30 a.m. respectively on 10 July 2012, are set out on pages 22 to 30 of this circular.

Whether or not you are able to attend the meetings, you are reminded to complete the forms of proxy enclosed with this circular, in accordance with the instructions printed thereon and send the relevant forms of proxy to the registered office of the Company at No. 12 Tai Hua Road, The 5th Avenue, TEDA, Tianjin, the People's Republic of China (for the holders of Domestic Shares), or to the office of the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares) as soon as practicable and in any event not later than 24 hours before the respective time appointed for the holding of the separate Class Meetings of the holders of H Shares and the holders of Domestic Shares and the EGM. Completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the meetings or at any adjourned meetings should you so wish.

Reply slips for each of the EGM and the separate Class Meetings have also been enclosed. You are reminded to complete and sign the relevant reply slips (if you are entitled to attend the relevant meetings) and return the signed slips to the registered office of the Company as detailed above (for the holders of Domestic Shares), or the office of the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited as detailed above (for the holders of H Shares) on or before 19 June 2012 in accordance with the instructions printed thereon.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

24 May 2012

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:

“Articles”	the Articles of Association of the Company
“associate”	has the meaning as defined in the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks generally are open for business in Hong Kong
“Class Meetings”	separate meetings of the holders of H Shares and Domestic Shares to be convened and held to consider and, if thought fit, to approve, among other things, (i) the transaction contemplated under the Placing Agreement; (ii) the proposed granting of the Specific Mandate; and (iii) the proposed amendments of the Articles
“Company”	Tianjin TEDA Biomedical Engineering Company Limited, a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed and traded on GEM (Stock Code: 8189)
“Completion”	completion of the Placing pursuant to the Placing Agreement
“Completion Date”	the latter of the Business Day following the satisfaction of all the conditions for Completion or such other date as the Company (for itself and on behalf of TTII) and the Placing Agent shall agree
“CSRC”	中國證券監督管理委員會 (China Securities Regulatory Commission), the regulatory body responsible for the supervision and regulation of the PRC national securities market
“Director(s)”	director(s) of the Company
“Domestic Shares”	the domestic invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are subscribed for in RMB

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, (i) the transactions contemplated under the Placing Agreement; (ii) the proposed granting of the Specific Mandate; and (iii) the proposed amendments of the Articles
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, modified or supplemented from time to time
“Group”	the Company and its subsidiaries
“H Shares”	the overseas listed foreign invested shares of nominal value of RMB0.10 each in the share capital of the Company, which are listed on GEM and subscribed for and traded in HK\$
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Initial Payment”	the initial payment of HK\$150,000 the Company shall pay to the Placing Agent upon signing the Placing Agreement
“Latest Practicable Date”	21 May 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Division”	The Listing Division, The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 June 2012 or such later date as the Company (for itself and on behalf of TTII) and the Placing Agent may agree
“New H Shares”	not more than 175,000,000 new H Shares to be issued under the Placing at the Placing Price
“New Placing H Share(s)”	one or more Shares of the New H Shares and the Sale H Shares, the total number of New Placing H Shares not to exceed 192,500,000

DEFINITIONS

“Notice”	a written notice the Company (for itself and on behalf of TTII) shall serve to the Placing Agent upon fulfilment of all the conditions of the Placing Agreement (excluding conditions (a) and (e)) enclosing copy of all the consents and approvals obtained by the Company (for itself and on behalf of TTII) and written confirmation by Social Security Fund and TTII in respect of whether to sell the Sale H Shares certified as true by a Director
“Placee(s)”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the New Placing H Shares pursuant to the Placing Agreement
“Placing”	the possible placing of the New Placing H Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Guosen Securities (HK) Capital Co., Ltd, a corporation licensed to carry on business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 17 February 2012 entered into between the Company (for itself and on behalf of TTII) and the Placing Agent in relation to the Placing
“Placing Price”	the placing price per New Placing H Share as referred to in the paragraph headed “Placing Price” of this circular
“PRC”	the People’s Republic of China, but for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Sale H Shares”	not more than 17,500,000 new H Shares to be converted from equal number of the Domestic Shares held by TTII equivalent to 10% of the proceeds from placing the New H Shares pursuant to the requirements under the State-owned Shares Reduction Regulations for purchase at the Placing Price under the Placing in the event that the Social Security Fund decides not to hold such Shares itself or to be registered in the name of the Social Security Fund in the event that it decides to hold them

DEFINITIONS

“SASAC”	國務院國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the State Council of the PRC)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, modified or supplemented from time to time
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of Share(s)
“Social Security Fund”	全國社會保障基金理事會 (National Council for Social Security Fund, the PRC)
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the EGM and the Class Meetings to issue the New Placing H Shares and to convert Domestic Shares into Sale H Shares for the Placing
“State-owned Shares Reduction Regulations”	減持國有股籌集社會保障資金管理暫行辦法 (the Provisional Administrative Measures for the Reduction of State-owned Shares and the Raising of the Social Security Fund) promulgated by 國務院 (the State Council of the PRC) on 12 June 2001
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TTII”	Tianjin TEDA International Incubator, a state-owned enterprise incorporated in the PRC with limited liability and one of the promoters of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Shuxin (*Chairman*)
Mr. Hao Zhihui
Mr. Zhang Chunsheng

Non-executive Directors:

Mr. Feng Enqing
Mr. Xie Guangbei
Mr. Ou Linfeng

Independent non-executive Directors:

Mr. Guan Tong
Mr. Wu Chen
Mr. Cao Kai

Registered Office:

No. 12 Tai Hua Road
The 5th Avenue
TEDA
Tianjin
PRC

24 May 2012

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED PLACING OF NEW SHARES
AND
(2) PROPOSED GRANTING OF A SPECIFIC MANDATE
AND
(3) PROPOSED AMENDMENTS OF ARTICLES OF ASSOCIATION
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 17 February 2012, the Directors announced that on 17 February 2012 (after trading hours), the Company (for itself and on behalf of TTII) and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, not more than 192,500,000 H Shares at the Placing Price.

LETTER FROM THE BOARD

The Placing is conditional upon satisfaction of all the conditions which include, among other things, the passing of a resolution by the Shareholders to approve the transactions contemplated under the Placing Agreement and the Specific Mandate at the EGM and the Class Meetings.

The purpose of this circular is to provide you with, among other things, (i) details regarding the Placing and (ii) a notice convening the EGM and the Class Meetings.

Investors should be aware that the Placing is subject to the fulfilment of a number of conditions which are more particularly set out in the paragraph headed “Conditions of the Placing Agreement” below. There is no assurance that any of the conditions of the Placing Agreement will be fulfilled and therefore the Placing may or may not proceed at all. Investors should therefore exercise caution when dealing in H Shares.

THE PLACING AGREEMENT

Date: 17 February 2012 (after trading hours)

Issuer and Vendor: The Company (for itself and on behalf of TTII)

Placing Agent: The Placing Agent

The Company (for itself and on behalf of TTII) conditionally agreed to appoint the Placing Agent and the Placing Agent conditionally agreed to place not more than 192,500,000 New Placing H Shares on a best efforts basis. The Placing is subject to the conditions described in the paragraph headed “Conditions of the Placing Agreement” below.

The Placing Agent and its ultimate beneficial owners are not connected person (as defined in the GEM Listing Rules) of the Company and are third parties independent of and not connected with any of the connected persons of the Company.

Placees

The Placing Agent has agreed to place the New Placing H Shares, on a best efforts basis, to not fewer than six Placees who and whose ultimate beneficial owners will not be, according to information provided by the Company (for itself and on behalf of TTII), connected persons (as defined in the GEM Listing Rules) of the Company and will be independent of, according to information provided by the Company (for itself and on behalf of TTII), the Company and its connected persons (as defined in the GEM Listing Rules).

The Company (for itself and on behalf of TTII) and the Placing Agent will ensure that no Placee will become a substantial Shareholder (as defined under the GEM Listing Rules) immediately after the Placing.

LETTER FROM THE BOARD

The New Placing H Shares

The total number of New Placing H Shares will not exceed 192,500,000 comprising the New H Shares and the Sale H Shares converted from equal number of the Domestic Shares held by TTII in the event that the Social Security Fund decides not to hold such Domestic Shares itself. The New H Shares comprise not more than 175,000,000 new H Shares which represent (i) approximately 12.32% of the existing issued share capital of the Company; and (ii) approximately 10.97% of the issued share capital of the Company as enlarged by the Placing. The Sale H Shares comprise not more than 17,500,000 new H Shares which represent (i) approximately 1.23% of the existing issued share capital of the Company; and (ii) approximately 1.1% of the issued share capital of the Company as enlarged by the Placing.

Pursuant to the State-owned Shares Reduction Regulations, a number of state-owned shares in a joint stock company equivalent to 10% of the proceeds from issuing new shares under each fund raising activity of the joint stock company should be transferred to the Social Security Fund. As TTII is a state-owned enterprise and pursuant to the State-owned Shares Reduction Regulations, TTII is required to transfer to the Social Security Fund a number of Domestic Shares held by it equivalent to 10% of the proceeds from issuing and placing the New H Shares by the Company. In the event that the Social Security Fund decides not to hold the Domestic Shares to be transferred to it, the Company will be authorized to convert such Domestic Shares into H Shares and to appoint the Placing Agent as placing agent to place them pursuant to the Placing Agreement. The sale proceeds of the Sale H Shares will be paid to the Social Security Fund. In the event that the Social Security Fund decides to hold such Domestic Shares, these Domestic Shares will be converted into H Shares on a one-for-one basis (as common practice for tradability as confirmed by the legal adviser to the Company as to PRC laws) and registered in the name of the Social Security Fund. The completion of the placing of the New H Shares are not conditional on the completion of the placing the Sale H Shares. And the Completion will not be affected whether the Social Security Fund decides to hold the Shares or to sell them. The Company will issue an announcement upon the conversion of Domestic Shares into H Shares.

Ranking of the New Placing H Shares

The New Placing H Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Domestic Shares and H Shares in issue on the date of allotment and issue of the New Placing H Shares.

Application for listing

Application will be made by the Company to the Listing Division for the grant of the listing of, and permission to deal in, the New Placing H Shares.

LETTER FROM THE BOARD

Placing Price

The Placing Price will be in cash. Upon the receipt by the Placing Agent of the Notice served by the Company (for itself and on behalf of TTII), the Placing Price shall be determined by agreement between the parties to the Placing Agreement and shall not be, unless otherwise agreed between the parties:

- (a) at a discount of more than 15% to the higher of:
 - (1) the closing price of H Shares on the date on which the Placing Price is agreed; and
 - (2) the average closing price of H Shares during the 5 consecutive trading days immediately prior to the date on which the Placing Price is agreed.
- (b) less than the par value of the H Shares.
- (c) less than the net asset value per Share disclosed in the latest management accounts certified by a Director and provided to the Placing Agent by the Company on the date on which the Placing Price is agreed.

The 15% discount has been determined after arm's length negotiations between the Company (for itself and on behalf of TTII) and the Placing Agent. The Directors expect that it would take relatively long duration to obtain the approval from the CSRC of the issue of the New Placing H Shares and for the Completion to occur. During such long period, there may be fluctuation in trading price of the Shares. Therefore, the Directors consider that it will be in the best interest of the Shareholders to fix the Placing Price according to the prevailing market conditions at the time of actual placing. Since the Placing Price will have to be agreed by the Company, the Directors will ensure that the Placing Price will be determined in accordance with the above pricing mechanism at an appropriate timing taking account of prevailing trading price of the Shares and market conditions so as to maximize the interests of the Shareholders. Accordingly, the Directors believe that the terms of the Placing Agreement in respect of the Placing Price are fair and reasonable and in the interests of the Shareholders as a whole. The Board will make an announcement once the Placing Price is fixed pursuant to the GEM Listing Rules. The Company and the Placing Agent have agreed that the Placing Price will be fixed prior to applying for listing of the New Placing H Shares and the Company will apply for the grant of the listing of, and permission to deal in, the New Placing H Shares in strict accordance with the GEM Listing Rules and the requirements of the Stock Exchange.

Placing Costs

The Company (for itself and on behalf of TTII) shall be responsible for the Placing Agent's commission and all costs, fees and expenses incurred in relation to the Placing. The commission payable to the Placing Agent by the Company (for itself and on behalf of TTII) shall be 1.5 per cent. of the amount equal to the Placing Price multiplied by the total number of New Placing H Shares.

LETTER FROM THE BOARD

The Company upon signing the Placing Agreement shall pay an Initial Payment of HK\$150,000 to the Placing Agent which amount shall not be refundable in any event and, without limiting the generality of the foregoing, irrespective of whether or not the Placing is terminated or completed, and as a fee separate and in addition to all other moneys payable to the Placing Agent pursuant to the Placing Agreement.

Conditions of the Placing Agreement

Completion of the Placing Agreement is conditional upon:

- (a) the Stock Exchange granting listing of and permission to deal in the New Placing H Shares;
- (b) the CSRC granting the approval of the issue of the New Placing H Shares;
- (c) the obtaining of the approval of the issue of the New Placing H Shares, the Placing Agreement and the transactions contemplated thereby and the conversion into not more than 17,500,000 new H Shares from equal number of Domestic Shares held by TTII equivalent to 10% of the proceeds from placing the New H Shares by a special resolution of the Shareholders at the EGM and the approvals thereof by special resolutions of holders of the Domestic Shares and the H Shares at the Class Meetings conducted in accordance with the Articles;
- (d) TTII having been granted the approval of its shareholding reduction pursuant to the State-owned Shares Reduction Regulations by SASAC and having properly converted equal number of Domestic Shares into the Sale H Shares in the event that the Social Security Fund decides not to hold such Domestic Shares itself;
- (e) the parties to the Placing Agreement reaching an agreement on the Placing Price;
- (f) all the representations and warranties given under the Placing Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Placing Agreement and Completion;
- (g) without limiting the generality of condition (f), TTII being the beneficial owner of the Domestic Shares from which the Sale H Shares are to be converted and the Company having the necessary power and authority and having obtained all necessary consents and approvals to enter into the Placing Agreement on behalf of TTII and to convert equal number of the Domestic Shares held by TTII into the Sale H Shares and to sell the Sale H Shares and the Placing Agreement constituting valid and legally binding and enforceable obligations of the Company on behalf of TTII; and

LETTER FROM THE BOARD

- (h) the obtaining of all other consents and approvals required for the Placing and the performance of the Placing Agreement from the relevant regulatory authorities in Hong Kong, the PRC and/or any other relevant jurisdictions, if applicable.

The Company will secure the necessary approval by the Board and the Shareholders at the EGM and the Class Meetings in compliance with the PRC laws, the Memorandum and Articles of Association of the Company and the GEM Listing Rules for conditions (c) above in view of the advice by the legal adviser to the Company as to PRC laws.

The condition (d) above represents the approval by SASAC and such approval is required irrespective of whether the Social Security Fund decides to hold the Domestic Shares to be transferred from TTII. The consents and approvals required under condition (h) comprise the following:

- (i) the approval by SASAC of the transfer by TTII of part of its Domestic Shares to the Social Security Fund to comply with State-owned Shares Reduction Regulations;
- (ii) the consent by the Social Security Fund of the transfer by TTII of part of its Domestic Shares to the Social Security Fund (or sale of the Sale H Shares, as the case may be);
- (iii) the approval by the Ministry of Environmental Protection or its competent local branch at provincial level of the compliance with the environmental protection laws and regulations by the Company;
- (iv) the approval by CSRC of the Placing (which includes issue of the New H Shares, conversion of the Domestic Shares to be transferred by TTII into and issue of Sale H Shares); and
- (v) confirmation by the Stock Exchange that it has no further comments on the draft of this circular.

If the foregoing conditions are not fulfilled on or prior to the Long Stop Date, the Placing Agreement shall terminate and none of the parties to the agreement shall have any claim against the others for any costs or losses (save for any prior breaches of the Placing Agreement). There is no provision in the Placing Agreement that allows waiver of any of the foregoing conditions. The Company (for itself and on behalf of TTII) and the Placing Agent have agreed that the Company (for itself and on behalf of TTII) shall serve a Notice to the Placing Agent upon fulfilment of all the foregoing conditions (excluding conditions (a) and (e)) enclosing copy of all the consents and approvals obtained by the Company (for itself and on behalf of TTII) and written confirmation by Social Security Fund and TTII in respect of whether to sell the Sale H Shares certified as true by a Director. The Company will apply for the grant of the listing of, and permission to deal in, the New Placing H Shares in strict accordance with the GEM Listing Rules and the requirements of the Stock Exchange.

LETTER FROM THE BOARD

The legal adviser to the Company as to PRC laws advises that the following approval or consent in respect of the Placing has to be obtained in the following sequence under PRC laws and regulations:

1. the Board and the Shareholders in general meeting approve the Placing (which includes transactions contemplated therein in relation to transfer of Domestic Shares by TTII) in accordance with PRC laws, Memorandum and Articles of Association of the Company and the GEM Listing Rules;
2. SASAC approves the transfer by TTII of part of its Domestic Shares to the Social Security Fund to comply with State-owned Shares Reduction Regulations;
3. the Social Security Fund issues written consent confirming that the Company be authorized to register those Domestic Shares to be transferred from TTII under the name of the Social Security Fund or to convert those Shares into H Shares and sell them under the Placing and pay the proceeds to the Social Security Fund; and
4. the CSRC grants the approval of the Placing (which includes issue of the New H Shares, conversion of the nature of the Domestic Shares into and issue of Sale H Shares).

In addition, the legal adviser to the Company as to PRC laws further advises that the approval by the Ministry of Environmental Protection or its competent local branch at provincial level is required for the Placing in respect of the compliance by the Company with the environmental protection laws and regulations.

As advised by the legal adviser to the Company as to PRC laws, after the SASAC approves the share reduction by TTII, the Social Security Fund will only issue a confirmation letter to decide whether or not to hold such Sale H Shares and to state in the event of not holding them its agreement that the Company will sell them. In the latter case, the Social Security Fund will authorize the Company to make necessary arrangement for the sale of the Sale H Shares. The conversion of the Domestic Shares into Sale H Shares may be implicitly authorized because for sale of the Domestic Shares, they have to be converted into H Shares (so the decision to sell implies the authorization of conversion). TTII and the Company are therefore obliged to finish all the related works and proceedings in accordance with applicable laws and regulations.

If the Social Security Fund decides to hold the Domestic Shares to be transferred from TTII, it is common practice that these Shares be converted into H Shares and registered under the name of Social Security Fund. The Placing of the New H Shares will not be affected. The completion of the placing of the New H Shares is not conditional on the completion of placing the Sale H Shares.

The Placing Agent will procure purchasers on a best effort basis and out of the H Shares which the Placing Agent is able to sell, an appropriate number of H Shares will be attributed respectively to the Company and the Social Security Fund in the ratio in compliance with the State-owned Shares Reduction Regulations.

LETTER FROM THE BOARD

As advised by the legal adviser to the Company as to PRC laws, if TTII has been granted the approval by SASAC and Social Security Fund confirms whether to hold the Domestic Shares to be transferred from TTII, the legal and beneficial owner of these Shares will be the Social Security Fund upon actual occurrence of the Placing. In the absence of either the aforesaid approval and confirmation or the actual occurrence of the Placing, these Shares remain legally and beneficially owned by TTII. In the event that the Social Security Fund decides to sell the Sale H Shares, the sale proceeds will belong to Social Security Fund.

As at the Latest Practicable Date none of the above conditions have been fulfilled.

Termination

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 12:00 noon on the Completion Date, in the absolute opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (a) any material breach of any of the representations and warranties set out in Placing Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of 3 or more trading days (other than in connection with the Placing); or
- (c) any of the following events:
 - (i) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iv) a change or development involving a prospective change in taxation in Hong Kong, the PRC, or other relevant jurisdictions or the implementation of exchange controls which shall or might materially and adversely affect the Company or its present or prospective shareholders in their capacity as such; or

LETTER FROM THE BOARD

- (v) any change or deterioration in the conditions of local, national or international securities markets occurs which, in the absolute opinion of the Placing Agent, is likely to adversely affect the success of, or makes it inexpedient or inadvisable to proceed with, the Placing; or
- (d) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to 12:00 noon on the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a breach by the Company (for itself and on behalf of TTII) of any other provision of the Placing Agreement,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company or TTII by giving notice in writing to the Company (for itself and on behalf of TTII), provided that such notice is received prior to 12:00 noon on the Completion Date. Subject to the foregoing provisions on termination, the Placing Agreement shall terminate one year from the date of its execution if Completion does not occur before expiration of that period unless otherwise agreed by the parties. In the event that the Placing Agent so terminates the Placing Agreement or the Placing Agreement terminates one year from the date of its execution, all obligations of each of the parties under the Placing Agreement, save for clauses on payment of fees, commissions and expenses, indemnity and no claim against the Placing Agent or a sub-placing agent, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reasons for the Placing

The Group is principally engaged in the research and development and commercialization of fertilizer products and medical and health products.

As mentioned in the interim report of the Company for the six months ended 30 June 2011, the chemical fertilizer industry is greatly influenced by the international food prices and the PRC government's policies on agriculture, rural areas and farmers. As a result of the intense food supply worldwide, the primary goal of the PRC's farming industry during the "Twelfth Five Year" period is to safeguard the food of the country, and in the coming five years, helping farmers to increase their income continuously at a fast pace will remain the primary target of the PRC government. In No. 1 Document 2011 issued by the PRC central government, the focus was still on the issue of agriculture, rural areas and farmers, pointing that investment in the construction of infrastructure facilities in the rural areas would substantially increase, hence, this certainly sets an important foundation for a stable chemical fertilizer market.

LETTER FROM THE BOARD

Although the current compound fertilizers industry possesses a larger room for development in the PRC, the competition is keen. With its own edges and bottoming on the characteristics of the changing market, the Group will adopt an active and efficient marketing strategy and keep expanding and consolidating the channels in the markets by leveraging on its developed new types of fertilizers such as slow release chemical fertilizers and soil conditioner, to further enlarge its market share.

As a result of the rapid development of the PRC's economy, the increase in residents' income, change of people's life style and the rising education level, the demand for medical and health products has been increasing. As diabetes is one of the most common diseases in the PRC, we believe that it would likely become a country with the highest demand for blood sugar controlling products and sugar-free products. There has been an upward momentum of sugar-free food products in the food industry. The trend of consumption shows a development from the coast to inland areas, from the south to north, from economically developed regions to economically undeveloped region and from special groups of consumers to the public, and we believe sugar-free food products would likely become a major driver for market growth in the food industry for a long period in the future.

According to our plan, while the Group's medical and health products are providing healthy and abundant food to diabetes patients, the Group intends to capitalize on the influence of the Group's "Alpha" brand to progressively expand to sugar-free food products, and to keep the growth in the sales of its medical and health products by satisfying the consumption needs of the general public according to the trend of development of sugar-free food products.

With the rapid growth of the Group, the repositioning in the market, the expansion of new distribution channels, the development of new products, the enhancement of its brands and improving the logistic and communication networks, the Group will have a need for raising funds to meet its intense capital requirements.

The Directors consider that notwithstanding that the Placing will result in the dilution of the existing shareholding interest of the Shareholders, the Placing represents an opportunity to raise capital for the Company to enhance the general working capital base and to develop the business of the Group.

The Directors, including the independent non-executive Directors, consider that the terms of the Placing Agreement are fair and reasonable and that placing of New Placing H Shares is in the interest of the Company and the Shareholders as a whole.

Use of proceeds

On the assumption that all the 192,500,000 New Placing H Shares were placed under the Placing with an indicative placing price of approximately HK\$0.51 per New Placing H Share (being the higher of (i) the closing price of H Shares on 21 May 2012, HK\$0.59; and (ii) the average closing price of the H Share as quoted on GEM for the 5 consecutive trading days ended on 18 May 2012, HK\$0.6; with a discount of 15%), the gross proceeds of placing the New H Shares and the Sale H Shares would be approximately

LETTER FROM THE BOARD

HK\$89,250,000 and HK\$8,925,000 respectively. After deducting the Initial Payment, placing commission and all related costs, fees and expenses estimated to be approximately HK\$2,400,000, the net proceeds of placing the New H Shares and the Sale H Shares would be approximately HK\$87,063,000 and HK\$8,706,300 respectively. The amount remittable to the Social Security Fund for the sale of the Sale H Shares would therefore be approximately HK\$8,706,300.

The net indicative placing price per New Placing H Share would be HK\$0.4975 which represents a discount of 22.51% to the benchmarked price being the higher of:

- (1) the closing price of HK\$0.61 on the date of the Placing Agreement; and
- (2) the average closing price of HK\$0.642 in the 5 trading days immediately prior to the earlier of:
 - (a) the date of announcement of the Placing;
 - (b) the date of the Placing Agreement; and
 - (c) the date on which the Placing Price is fixed assumed to be 21 May 2012.

INVESTORS SHOULD NOTE THAT THE FINAL AMOUNT OF FUNDS TO BE RAISED UNDER THE PLACING MAY VARY FROM THE ABOVE ESTIMATE DEPENDING ON THE ACTUAL NUMBER OF SHARES PLACED AND THE ACTUAL PLACING PRICE AND WILL ONLY BE ASCERTAINED UPON COMPLETION OF THE PLACING WHICH WILL BE ON A BEST EFFORT BASIS.

It is intended the net proceeds from the Placing will be applied as follows:

- (i) as to approximately 60% for the consolidation of the distribution channels and expansion of marketing network of the Group's compound fertilizer and sugar-reducing and sugar-free health products;
- (ii) as to approximately 15% for strengthening the brand development of the Group's compound fertilizer and health foods;
- (iii) as to approximately 10% for the research and development of new products; and
- (iv) as to approximately 15% for the general working capital of the Group, as a supplement to the cash flow for raw material acquisition.

Fund raising activities in the past twelve months

The Company has not conducted any fund raising activities in the past twelve months before the Latest Practicable Date.

LETTER FROM THE BOARD

Effects on shareholding structure

The changes of the shareholding structure of the Company as a result of the Placing, assuming that all of the 192,500,000 New Placing H Shares are subscribed or purchased in full, and the shareholding of Domestic Shares other than of TTII remains unchanged are as follows:

	As at the Latest Practicable Date		Upon completion of the Placing	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
<i>Domestic Shares</i>				
TTII	200,000,000	14.08	182,500,000	11.44
Gu Hanqing	14,000,000	0.99	14,000,000	0.88
Wenguang Media	12,000,000	0.85	12,000,000	0.75
Wuhuan Building	10,000,000	0.70	10,000,000	0.63
Xie Kehua	9,000,000	0.63	9,000,000	0.56
Xiangyong Investment	180,000,000	12.68	180,000,000	11.29
Zhinong Fertilizers	170,000,000	11.97	170,000,000	10.66
Lvye Fertilizers	120,000,000	8.45	120,000,000	7.52
	<hr/>		<hr/>	
Subtotal	715,000,000	50.35	697,500,000	43.73
<i>H Shares</i>				
Public Shareholders	705,000,000	49.65	705,000,000	44.20
Places	–	–	192,500,000	12.07
	<hr/>		<hr/>	
Total:	<u>1,420,000,000</u>	<u>100.00</u>	<u>1,595,000,000</u>	<u>100.00</u>

LETTER FROM THE BOARD

The changes of the shareholding structure of the Company as a result of the Placing, assuming that the Social Security Fund decides to hold the Shares in the form of H Shares transferred to it by TTII and that all of the 175,000,000 New H Shares are subscribed in full, and the shareholding of Domestic Shares other than of TTII remains unchanged are as follows:

	As at the Latest Practicable Date		Upon completion of the Placing	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
<i>Domestic Shares</i>				
TTII	200,000,000	14.08	182,500,000	11.44
Gu Hanqing	14,000,000	0.99	14,000,000	0.88
Wenguang Media	12,000,000	0.85	12,000,000	0.75
Wuhuan Building	10,000,000	0.70	10,000,000	0.63
Xie Kehua	9,000,000	0.63	9,000,000	0.56
Xiangyong Investment	180,000,000	12.68	180,000,000	11.29
Zhinong Fertilizers	170,000,000	11.97	170,000,000	10.66
Lvye Fertilizers	120,000,000	8.45	120,000,000	7.52
	715,000,000	50.35	697,500,000	43.73
<i>H Shares</i>				
Public Shareholders	705,000,000	49.65	705,000,000	44.20
Social Security Fund	0	0.00	17,500,000	1.10
Places	–	–	175,000,000	10.97
	–	–	175,000,000	10.97
Total:	1,420,000,000	100.00	1,595,000,000	100.00

Implications under the GEM Listing Rules

TTII is a stated-owned substantial Shareholder holding 14.08% of the existing issued share capital of the Company. TTII is involved in the Placing only to the extent of transferring some of the Domestic Shares it currently owns to the Social Security Fund to comply with State-owned Shares Reduction Regulations. If the Placing is to occur and the Sale H Shares are sold, the proceeds will be remitted to the Social Security Fund. If the Social Security Fund decides to hold the Domestic Shares to be transferred from TTII, the Social Security Fund will be registered in the register of members. Therefore, TTII's role is a transient one and it will not take part in the Placing for pecuniary gain. Based on the foregoing, the connected transactions requirements of the GEM Listing Rules do not apply.

LETTER FROM THE BOARD

SPECIFIC MANDATE

The issue of New H Shares and the conversion of Domestic Shares into and the issue of the Sale H Shares will be subject to the Specific Mandate to be sought from the Shareholders at the EGM and the Class Meetings.

PROPOSED AMENDMENTS TO THE ARTICLES

The existing capital structure of the Company is set out in the Articles. The provisions in the Articles concerning the capital structure of the Company are as follows:

1. Article 20 sets out the total issued share capital of the Company and the respective number of the Domestic Shares and the H Shares; and
2. Article 23 sets out the existing total issued share capital of the Company.

If the Placing proceeds, the capital structure of the Company will be altered upon Completion. Accordingly, the Directors will seek from the Shareholders at the EGM and the Class Meetings the approval and authority to amend the Articles to reflect the new capital structure of the Company as a result of the number of New H Shares to be issued and the number of Domestic Shares to be cancelled as a result of conversion into Sale H Shares under the Placing.

The proposed amendments are set out as follows.

1. Article 20 of Chapter 3 “Shares and Registered Capital”:

Original

“Following several capital enlargement after its establishment, the Company has issued 1,420,000,000 ordinary shares, including 715,000,000 domestic invested shares that accounted for 50.35% of the total amount of ordinary shares in issue by the Company and 705,000,000 overseas listed foreign invested shares that accounted for 49.65% of the total amount of ordinary shares in issue by the Company.

The share capital structure of the Company is as follows: 1,420,000,000 ordinary shares, in which 715,000,000 shares are issued in the form of domestic invested shares, of which 200,000,000 shares held by Tianjin TEDA International Incubator, the promoter, 180,000,000 shares held by Shenzhen Xiangyong Investment Company Limited, 170,000,000 shares held by Shandong Zhinong Fertilizers Company Limited, 120,000,000 shares held by Dongguan Luye Fertilizers Company Limited, 14,000,000 shares held Gu Hanqing, the promoter, 12,000,000 shares held by Guangzhou Wenguang Media Company Limited, 10,000,000 shares held by Beijing Zhongxing Wuhuan Building Materials Company Limited and 9,000,000 shares held by Xie Kehua, the promoter and 705,000,000 shares held by shareholders of overseas listed foreign invested shares.”

LETTER FROM THE BOARD

Proposed amendment in the event that the Social Security Fund decides not to hold the Shares to be transferred to it by TTII, all of the 192,500,000 New Placing H Shares are subscribed or purchased in full and the shareholding of Domestic Shares other than of TTII remains unchanged:

“Following several capital enlargement after its establishment, the Company has issued 1,595,000,000 ordinary shares, including 697,500,000 domestic invested shares that accounted for 43.73% of the total amount of ordinary shares in issue by the Company and 897,500,000 overseas listed foreign invested shares that accounted for 56.27% of the total amount of ordinary shares in issue by the Company.

The share capital structure of the Company is as follows: 1,595,000,000 ordinary shares, in which 697,500,000 shares are issued in the form of domestic invested shares, of which 182,500,000 shares held by Tianjin TEDA International Incubator, the promoter, 180,000,000 shares held by Shenzhen Xiangyong Investment Company Limited, 170,000,000 shares held by Shandong Zhinong Fertilizers Company Limited, 120,000,000 shares held by Dongguan Lvyue Fertilizers Company Limited, 14,000,000 shares held Gu Hanqing, the promoter, 12,000,000 shares held by Guangzhou Wenguang Media Company Limited, 10,000,000 shares held by Beijing Zhongxing Wuhuan Building Materials Company Limited and 9,000,000 shares held by Xie Kehua, the promoter and 897,500,000 shares held by shareholders of overseas listed foreign invested shares.”

Proposed amendment in the event that the Social Security Fund decides to hold the Shares to be transferred to it by TTII, all of the 175,000,000 New H Shares are subscribed in full and the shareholding of Domestic Shares other than of TTII remains unchanged:

“Following several capital enlargement after its establishment, the Company has issued 1,595,000,000 ordinary shares, including 715,000,000 domestic invested shares that accounted for 44.83% of the total amount of ordinary shares in issue by the Company and 880,000,000 overseas listed foreign invested shares that accounted for 55.17% of the total amount of ordinary shares in issue by the Company.

The share capital structure of the Company is as follows: 1,595,000,000 ordinary shares, in which 715,000,000 shares are issued in the form of domestic invested shares, of which 182,500,000 shares held by Tianjin TEDA International Incubator, the promoter, 180,000,000 shares held by Shenzhen Xiangyong Investment Company Limited, 170,000,000 shares held by Shandong Zhinong Fertilizers Company Limited, 120,000,000 shares held by Dongguan Lvyue Fertilizers Company Limited, 14,000,000 shares held Gu Hanqing, the promoter, 12,000,000 shares held by Guangzhou Wenguang Media Company Limited, 10,000,000 shares held by Beijing Zhongxing Wuhuan Building Materials Company Limited, 9,000,000 shares held by Xie Kehua, the promoter and 17,500,000 shares held by National Council for Social Security Fund and 880,000,000 shares held by shareholders of overseas listed foreign invested shares.”

LETTER FROM THE BOARD

2. Article 23 of Chapter 3 “Shares and Registered Capital”:

Original

“The registered capital of the Company will increase to RMB142,000,000 after the completion of capital increase in domestic shares. The registered capital of the Company shall be registered with the administration authority for Industry and Commerce and filed with the regulatory authority for the examination and approval of companies as authorised by the State Council and the securities regulatory authority under the State Council.”

Proposed amendment:

“The registered capital of the Company will increase to RMB159,500,000 after the completion of capital increase. The registered capital of the Company shall be registered with the administration authority for Industry and Commerce and filed with the regulatory authority for the examination and approval of companies as authorised by the State Council and the securities regulatory authority under the State Council.”

As the text of the proposed amended Article 20 of Chapter 3 “Shares and Registered Capital” will depend on the number of Shares to be actually placed, subject to obtaining the approval and authority to make the proposed amendments to the Articles as described above, the Directors will amend the Articles accordingly based on the actual number of Shares placed.

SHAREHOLDERS’ MEETINGS

The EGM and the Class Meetings will be convened and held to consider and, if thought fit, to approve, among other things, (i) the transactions contemplated under the Placing Agreement; (ii) the proposed granting of the Specific Mandate; and (iii) the proposed amendments of the Articles. Any vote of Shareholders at the EGM and the Class Meetings will be taken by poll.

As no Shareholders (save for TTII) or their respective associates has any interests in the Placing, no Shareholders (save for TTII) is required to abstain from voting at the EGM and the Class Meetings under the GEM Listing Rules. TTII is a substantial Shareholder holding 14.08% of the existing issued share capital of the Company. As the Company on behalf of TTII may procure the Placing Agent to sell the Sale H Shares pursuant to the Placing Agreement, TTII has a material interest in the Placing. TTII and its associates will abstain from voting at the EGM and the Class Meetings.

Notices of the EGM, the Class Meeting of the holders of Domestic Shares, the Class Meeting of the holders of H Shares to be held at 9:30 a.m., 10:00 a.m. and 10:30 a.m. respectively on 10 July 2012 at 9th Floor, Block A2, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, the People’s Republic of China, are set out on pages 22 to 30 of this circular.

LETTER FROM THE BOARD

The respective reply slips and forms of proxy for use at each of the EGM and the Class Meetings are enclosed. Whether or not you are able to attend (if you are so entitled to) the meetings, you are requested to complete the enclosed reply slips and form of proxy in accordance with the instructions printed thereon and return them to the registered office of the Company at No. 12 Tai Hua Road, The 5th Avenue, TEDA, Tianjin, the People's Republic of China (for the holders of Domestic Shares), or the office of the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of H Shares) as soon as possible and in any event for the reply slips, on or before 19 June 2012 and the proxy forms not later than 24 hours before the respective time appointed for holding the relevant meeting. Completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the meetings or at any adjourned meetings should you so wish.

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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 circular 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 circular misleading.

LANGUAGE

This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text prevails.

RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the Placing Agreement are fair and reasonable and that the Placing is in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of all the resolutions to be proposed at the EGM and the relevant Class Meeting.

Yours faithfully,
By order of the Board
Wang Shuxin
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of the holders of domestic invested shares (“**Domestic Shares**”) of nominal value of RMB0.10 each and the holders of foreign invested shares (“**H Shares**”) of nominal value of RMB0.10 each in Tianjin TEDA Biomedical Engineering Company Limited (the “**Company**”) will be held at 9th Floor, Block A2, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, the People’s Republic of China (the “**PRC**”) on 10 July 2012 at 9:30 a.m. to consider and, if thought fit, pass the following resolutions:

AS SPECIAL RESOLUTIONS

1. “**THAT:**
 - (a) the conditional placing agreement entered into on 17 February 2012 between the Company (for itself and on behalf of Tianjin TEDA International Incubator (“**TTII**”) and Guosen Securities (HK) Capital Co., Ltd as placing agent (the “**Placing Agent**”), pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, not more than 192,500,000 H Shares (the “**Placing Shares**”), on the terms and subject to the conditions therein (the “**Placing Agreement**”, a copy of which has been produced at this Meeting and marked “A” and initialled by the chairman of this Meeting for the purpose of identification), the transactions contemplated thereunder or incidental to or in connection with the Placing Agreement, and all actions taken or to be taken by the Company pursuant to it as described in the circular to the shareholders of the Company (“**Shareholders**”) dated 24 May 2012 (the “**Circular**”, a copy of which has been produced to this Meeting and marked “B” and initialled by the chairman of this Meeting for the purpose of identification), be and are hereby generally and unconditionally approved, ratified and confirmed;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) conditional upon The Listing Division of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares, the directors of the Company (“**Directors**”) be and are hereby specifically authorised to allot and issue not more than 175,000,000 new H Shares (the “**New H Shares**”) and to convert into and to issue (and sell on behalf of TTII through the Placing Agent) not more than 17,500,000 new H Shares (the “**Sale H Shares**”) from equal number of Domestic Shares held by TTII equivalent to 10% of the proceeds from placing the New H Shares (the “**Specific Mandate**”), in accordance with the terms and conditions of the Placing Agreement, and that the New H Shares shall, when allotted and issued, and the Sale H Shares shall, when converted from equal number of Domestic Shares, be credited as fully paid and rank pari passu in all respects with all other shares of the Company in issue on the date of such allotments and issues or conversion; and
- (c) the Directors be and are hereby generally and unconditionally authorised to do all such acts and things, including but not limited to agreeing with the Placing Agent on the placing price and the total number of respectively the New H Shares, Sale H Shares and the Placing Shares to be placed, and to sign and execute all such other or further documents and to take all such steps, in such manners or sequences or timing, which, in the opinion of the Directors, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, and/or the transactions contemplated by, the Placing Agreement and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of the Directors, in the interest of the Company and its Shareholders as a whole.”

2. “**THAT:**

subject to completion pursuant to the Placing Agreement (“**Completion**”), the Directors be and is hereby authorised to apply the proceeds from the placing in such manner as more particularly described under the paragraph headed “Use of proceeds” of the Circular.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. “THAT:

subject to Completion, the Directors be and is hereby authorised to make such amendments to articles 20 and 23 of the articles of association of the Company as it thinks fit so as to increase the registered share capital and to modify the capital structure of the Company for the purpose of implementing and/or giving effect to the terms of, and/or the transactions contemplated by, the Placing Agreement.”

By order of the board of directors of
Tianjin TEDA Biomedical Engineering Company Limited
Wang Shuxin
Chairman

Tianjin, the PRC

24 May 2012

Notes:

1. Any shareholders of the Company entitled to attend and vote at the meeting mentioned above is entitled to appoint one or more proxies to attend and vote at the meeting on his/her/its behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company.
2. In order to be valid, the proxy form of the holder of H Shares and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at Computershare Hong Kong Investor Services Limited of Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (the “**Company’s H Share Registrar**”) not less than 24 hours before the time for holding the meeting or any adjourned meeting.
3. In order to be valid, the proxy form of the holder of Domestic Shares and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the registered address of the Company not less than 24 hours before the time for holding the meeting or any adjourned meeting.
4. Shareholders of the Company or their proxies shall produce documents of their proof of identity when attending the meeting.
5. The register of the shareholders of the Company will be closed from 11 June 2012 to 10 July 2012 (both days inclusive), during which no transfer of shares will be registered. As regards the holders of H Shares and in order to ascertain the entitlement to attendance at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar not later than 8 June 2012 at 4:00 p.m. for registration.
6. Shareholders of the Company who intend to attend the meeting mentioned above should complete and deliver to the registered address of the Company (for the holders of Domestic Shares) or the office of the Company’s H Share Registrar (for the holders of H Shares) the enclosed reply slip by 19 June 2012. Further details are set out in the reply slip and explanation thereto.
7. Completion and delivery of the proxy form will not preclude a member from attending and voting in person at the meeting if the member so desires and has delivered a valid reply slip for extraordinary general meeting, and in such event, the proxy form shall be deemed to be revoked.
8. The registered address of the Company and the contact details of the Company are as follows:

No. 12 Tai Hua Road, The 5th Avenue, TEDA, Tianjin, the PRC
Fax No.: (8622) 5981 6909



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)

NOTICE OF CLASS MEETING OF THE HOLDERS OF DOMESTIC SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting of the holders of domestic invested shares ("**Domestic Shares**") of nominal value of RMB0.10 each in Tianjin TEDA Biomedical Engineering Company Limited (the "**Company**") will be held at 9th Floor, Block A2, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, the People's Republic of China (the "**PRC**") on 10 July 2012 at 10:00 a.m. (or immediately after the conclusion or adjournment of the extraordinary general meeting of the holders of Domestic Shares and foreign invested shares ("**H Shares**") of nominal value of RMB0.10 each of the Company which has been convened to be held at the same place and on the same date) to consider and, if thought fit, pass the following resolutions:

AS SPECIAL RESOLUTIONS

1. **"THAT:**
 - (a) the conditional placing agreement entered into on 17 February 2012 between the Company (for itself and on behalf of Tianjin TEDA International Incubator ("**TTII**") and Guosen Securities (HK) Capital Co., Ltd as placing agent (the "**Placing Agent**"), pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, not more than 192,500,000 H Shares (the "**Placing Shares**"), on the terms and subject to the conditions therein (the "**Placing Agreement**", a copy of which has been produced at this Meeting and marked "A" and initialled by the chairman of this Meeting for the purpose of identification), the transactions contemplated thereunder or incidental to or in connection with the Placing Agreement, and all actions taken or to be taken by the Company pursuant to it as described in the circular to the shareholders of the Company ("**Shareholders**") dated 24 May 2012 (the "**Circular**", a copy of which has been produced to this Meeting and marked "B" and initialled by the chairman of this Meeting for the purpose of identification), be and are hereby generally and unconditionally approved, ratified and confirmed;

NOTICE OF CLASS MEETING OF THE HOLDERS OF DOMESTIC SHARES

- (b) conditional upon The Listing Division of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares, the directors of the Company (“**Directors**”) be and are hereby specifically authorised to allot and issue not more than 175,000,000 new H Shares (the “**New H Shares**”) and to convert into and to issue (and sell on behalf of TTII through the Placing Agent) not more than 17,500,000 new H Shares (the “**Sale H Shares**”) from equal number of Domestic Shares held by TTII equivalent to 10% of the proceeds from placing the New H Shares (the “**Specific Mandate**”), in accordance with the terms and conditions of the Placing Agreement, and that the New H Shares shall, when allotted and issued, and the Sale H Shares shall, when converted from equal number of Domestic Shares, be credited as fully paid and rank pari passu in all respects with all other shares of the Company in issue on the date of such allotments and issues or conversion; and
- (c) the Directors be and are hereby generally and unconditionally authorised to do all such acts and things, including but not limited to agreeing with the Placing Agent on the placing price and the total number of respectively the New H Shares, Sale H Shares and the Placing Shares to be placed, and to sign and execute all such other or further documents and to take all such steps, in such manners or sequences or timing, which, in the opinion of the Directors, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, and/or the transactions contemplated by, the Placing Agreement and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of the Directors, in the interest of the Company and its Shareholders as a whole.”

2. “**THAT:**

subject to completion pursuant to the Placing Agreement (“**Completion**”), the Directors be and is hereby authorised to apply the proceeds from the placing in such manner as more particularly described under the paragraph headed “Use of proceeds” of the Circular.”

NOTICE OF CLASS MEETING OF THE HOLDERS OF DOMESTIC SHARES

3. “**THAT:**

subject to Completion, the Directors be and is hereby authorised to make such amendments to articles 20 and 23 of the articles of association of the Company as it thinks fit so as to increase the registered share capital and to modify the capital structure of the Company for the purpose of implementing and/or giving effect to the terms of, and/or the transactions contemplated by, the Placing Agreement.”

By order of the board of directors of
Tianjin TEDA Biomedical Engineering Company Limited
Wang Shuxin
Chairman

Tianjin, the PRC

24 May 2012

Notes:

1. Any shareholders of the Company entitled to attend and vote at the meeting mentioned above is entitled to appoint one or more proxies to attend and vote at the meeting on his/her/its behalf in accordance with the articles of association of the Company. A proxy needs not be a shareholder of the Company.
2. In order to be valid, the proxy form of the holder of Domestic Shares and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at Company’s registered address not less than 24 hours before the time for holding the meeting or any adjourned meeting.
3. Shareholders of the Company or their proxies shall produce documents of their proof of identity when attending the meeting.
4. The register of the shareholders of the Company will be closed from 11 June 2012 to 10 July 2012 (both days inclusive), during which no transfer of shares will be registered.
5. Shareholders of the Company who intend to attend the meeting mentioned above should complete and deliver to the the Company’s Registered Office the enclosed reply slip by 19 June 2012. Further details are set out in the reply slip and explanation thereto.
6. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and has delivered a valid reply slip for class meeting of the holders of Domestic Shares, and in such event, the proxy form shall be deemed to be revoked.
7. The registered address of the Company and the contact details of the Company are as follows:

No. 12 Tai Hua Road, The 5th Avenue, TEDA, Tianjin, the PRC
Fax No.: (8622) 5981 6909

NOTICE OF CLASS MEETING OF THE HOLDERS OF H SHARES



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)

NOTICE OF CLASS MEETING OF THE HOLDERS OF H SHARES

NOTICE IS HEREBY GIVEN THAT a class meeting of the holders of foreign invested shares ("**H Shares**") of nominal value of RMB0.10 each in Tianjin TEDA Biomedical Engineering Company Limited (the "**Company**") will be held at 9th Floor, Block A2, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, the People's Republic of China (the "**PRC**") on 10 July 2012 at 10:30 a.m. (or immediately after the conclusion or adjournment of the class meeting of the holders of domestic invested shares ("**Domestic Shares**") of nominal value of RMB0.10 each of the Company which has been convened to be held at the same place and on the same date) to consider and, if thought fit, pass the following resolutions:

AS SPECIAL RESOLUTIONS

1. **"THAT:**
 - (a) the conditional placing agreement entered into on 17 February 2012 between the Company (for itself and on behalf of Tianjin TEDA International Incubator ("**TTII**") and Guosen Securities (HK) Capital Co., Ltd as placing agent (the "**Placing Agent**"), pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, not more than 192,500,000 H Shares (the "**Placing Shares**"), on the terms and subject to the conditions therein (the "**Placing Agreement**", a copy of which has been produced at this Meeting and marked "A" and initialled by the chairman of this Meeting for the purpose of identification), the transactions contemplated thereunder or incidental to or in connection with the Placing Agreement, and all actions taken or to be taken by the Company pursuant to it as described in the circular to the shareholders of the Company ("**Shareholders**") dated 24 May 2012 (the "**Circular**", a copy of which has been produced to this Meeting and marked "B" and initialled by the chairman of this Meeting for the purpose of identification), be and are hereby generally and unconditionally approved, ratified and confirmed;

NOTICE OF CLASS MEETING OF THE HOLDERS OF H SHARES

- (b) conditional upon The Listing Division of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares, the directors of the Company (“**Directors**”) be and are hereby specifically authorised to allot and issue not more than 175,000,000 new H Shares (the “**New H Shares**”) and to convert into and to issue (and sell on behalf of TTII through the Placing Agent) not more than 17,500,000 new H Shares (the “**Sale H Shares**”) from equal number of Domestic Shares held by TTII equivalent to 10% of the proceeds from placing the New H Shares (the “**Specific Mandate**”), in accordance with the terms and conditions of the Placing Agreement, and that the New H Shares shall, when allotted and issued, and the Sale H Shares shall, when converted from equal number of Domestic Shares, be credited as fully paid and rank pari passu in all respects with all other shares of the Company in issue on the date of such allotments and issues or conversion; and
- (c) the Directors be and are hereby generally and unconditionally authorised to do all such acts and things, including but not limited to agreeing with the Placing Agent on the placing price and the total number of respectively the New H Shares, Sale H Shares and the Placing Shares to be placed, and to sign and execute all such other or further documents and to take all such steps, in such manners or sequences or timing, which, in the opinion of the Directors, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, and/or the transactions contemplated by, the Placing Agreement and to agree to such variation, amendments or waiver or matters relating thereto as are, in the opinion of the Directors, in the interest of the Company and its Shareholders as a whole.”

2. “**THAT:**

subject to completion pursuant to the Placing Agreement (“**Completion**”), the Directors be and is hereby authorised to apply the proceeds from the placing in such manner as more particularly described under the paragraph headed “Use of proceeds” of the Circular.”

NOTICE OF CLASS MEETING OF THE HOLDERS OF H SHARES

3. “**THAT:**

subject to Completion, the Directors be and is hereby authorised to make such amendments to articles 20 and 23 of the articles of association of the Company as it thinks fit so as to increase the registered share capital and to modify the capital structure of the Company for the purpose of implementing and/or giving effect to the terms of, and/or the transactions contemplated by, the Placing Agreement.”

By order of the board of directors of
Tianjin TEDA Biomedical Engineering Company Limited
Wang Shuxin
Chairman

Tianjin, the PRC

24 May 2012

Notes:

1. Any shareholders of the Company entitled to attend and vote at the meeting mentioned above is entitled to appoint one or more proxies to attend and vote at the meeting on his/her/its behalf in accordance with the articles of association of the Company. A proxy needs not be a shareholder of the Company.
2. In order to be valid, the proxy form of the holder of H Shares and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (the “**Company’s H Share Registrar**”) not less than 24 hours before the time for holding the meeting or any adjourned meeting.
3. Shareholders of the Company or their proxies shall produce documents of their proof of identity when attending the meeting.
4. The register of the shareholders of the Company will be closed from 11 June 2012 to 10 July 2012 (both days inclusive), during which no transfer of shares will be registered. As regards the holders of H Shares and in order to ascertain the entitlement to attendance at the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s H Share Registrar not later than 8 June 2012 at 4:00 p.m. for registration.
5. Shareholders of the Company who intend to attend the meeting mentioned above should complete and deliver to the office of the Company’s H Share Registrar the enclosed reply slip by 19 June 2012. Further details are set out in the reply slip and explanation thereto.
6. Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and has delivered a valid reply slip for class meeting of the holders of H Shares, and in such event, the proxy form shall be deemed to be revoked.
7. The registered address of the Company and the contact details of the Company are as follows:

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