

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 49.84% EQUITY INTERESTS IN A SUBSIDIARY

On 31 August 2014 (after trading hours), the Company entered into the Agreement with the Purchasers, pursuant to which the Company has agreed to sell and the Purchasers have agreed to purchase a 49.84% equity interest in Tianjin Alpha at a consideration of RMB22,000,000 (equivalent to approximately HK\$27,759,600). As at the date of this announcement, the Tianjin Alpha is a direct wholly-owned subsidiary of the Company.

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 31 August 2014 (after trading hours), the Company entered into an agreement with the Purchasers for the disposal of an aggregate 49.84% equity interest in Tianjin Alpha.

Vendor: the Company

Purchaser A: to acquire 45.31% equity interest of Tianjin Alpha at RMB20,000,000 (equivalent to approximately HK\$25,236,000) which is payable in cash. Purchaser A is a company engaging in electronic information technology, research and development of production technology of food, and mechanical equipment technology.

Purchaser B: to acquire 4.53% equity interest of Tianjin Alpha at RMB2,000,000 (equivalent to approximately HK\$2,523,600) which is payable in cash.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, both Purchasers and their respective ultimate beneficial owners are Independent Third Parties.

Summary of terms: After execution of the Agreement, parties to the Agreement will assist Tianjin Alpha to apply for approval of change of equityholders in relevant government bureau. After obtaining the said approval, all the equityholders of Tianjin Alpha will form a new board of directors of Tianjin Alpha according to their respective percentage of equity interest in Tianjin Alpha.

Pursuant to the terms of the Agreement, Purchaser A shall pay the Company not less than 50% of the consideration payable by it within 5 days after the date of this Agreement and both Purchasers shall duly settle the whole consideration within 20 days after the date of the Agreement. The Company shall within 5 business days after receiving the Consideration repay all debts owing to Tianjin Alpha. In addition, after completion of the transfer, the Company shall continue to provide any existing guarantees to the Company.

The Company also grants the Purchasers the right to require the Company to buy back all or part of the transferred equity after 31 December 2015 upon fulfillment of certain conditions at a consideration to be determined by reference to the amount the Purchasers have invested in Tianjin Alpha together with accrued interest.

After completion of the Disposal, the Company will still hold 50.16%, i.e. the majority equity interest in Tianjin Alpha and Tianjin Alpha will remain as a subsidiary of the Company.

CONSIDERATION

The total interest attributable to the owner of Tianjin Alpha, i.e. the Company, as valued by an independent asset valuer as at 31 December 2013 is RMB44,143,200 (equivalent to approximately HK\$55,699,890). Thus the interest attributable to the 49.84% equity interest of Tianjin Alpha is approximately RMB22,000,000. The Consideration was arrived after arm's length negotiations between the Company and the Purchasers with reference to the said asset valuation.

INFORMATION OF TIANJIN ALPHA

Tianjin Alpha was incorporated in the PRC on 15 August 1994 with a registered capital of RMB3,600,000 (equivalent to approximately HK\$4,542,480) and wholly owned by the Company. Tianjin Alpha is engaged in the production, marketing and sale of diabetic healthcare products with the function of regulating the blood sugar level and sugar free products beneficial to health of human body.

The following table summarises the audited financial results of Tianjin Alpha prepared in accordance with the applicable PRC financial reporting standards for the two financial years ended 31 December 2013:

	31 December 2013	31 December 2012
	<i>(RMB)</i>	<i>(RMB)</i>
Turnover	96,880,010	89,350,335
Net asset value	41,563,443	26,731,027
Net profit before taxation	8,033,676	7,025,124
Net profit after taxation	6,432,415	5,156,515

As a result of the Disposal, subject to further audit procedures to be performed by the auditor of the Company, the Company is expected to record an unaudited equity of RMB1,836,072 (equivalent to approximately HK\$2,316,756) on Disposal as (i) the unaudited asset value of Tianjin Alpha attributable to 49.84% equity interest as at 30 June 2014 was approximately RMB20,163,928 (equivalent to approximately HK\$25,442,844); and (ii) the consideration was at RMB22,000,000 (equivalent to approximately HK\$27,759,600).

REASONS FOR AND BENEFITS OF THE DISPOSAL

The proceeds of the Disposal will be wholly utilized to repay debts owing by the Company to Tianjin Alpha. The repayment of debts by the Company to Tianjin Alpha will lower the asset debt ratio as well as financial risk of Tianjin Alpha. Tianjin Alpha intends to use the repayment for building of a new factory to support the increasing demand of its products and for working capital. Upon completion of the new factory, the production capacity of Tianjin Alpha will be expanded and Tianjin Alpha will be in greater demand for cash flow to support product marketing and sale targets.

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.

GENERAL

The Group is mainly engaged in two sectors: biological compound fertilizer products, including series of biological compound fertilizer products under the brand of “Fulilong” used for the promotion of balanced growth of grains and fruit and vegetables, and health care products, including series of health care products under the brand of “Alpha”, covering diabetic healthcare products with the function of regulating the blood sugar level and sugar free products beneficial to the health of human body.

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 31 August 2014 entered into between the Company and the Purchasers;
“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”	RMB22,000,000, of which RMB20,000,000 is payable by Purchaser A and RMB2,000,000 is payable by Purchaser B;
“Director(s)”	the director(s) of the Company;
“Disposal”	disposal of a 49.84% equity interest in Tianjin Alpha pursuant to the terms of 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;
“Purchaser A”	Tianjin Jinnasen Technology Development Co. Ltd. (天津市津納森科技發展有限公司), a limited company incorporated in the People’s Republic of China with limited liability;
“Purchaser B”	Tang Huiyue (唐慧月), a PRC citizen;

“Purchasers”	Purchaser A and Purchaser B;
“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;
“Tianjin Alpha”	Tianjin Alpha Health-Care Products Co., Ltd (天津阿爾發保健品有限公司), a wholly-owned subsidiary of the Company incorporated in the People’s Republic of China with limited liability.

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

Tianjin, the PRC
1 September 2014

As at the date of this announcement, the Board comprises of three executive Directors, being Mr. Wang Shuxin, Mr. Hao Zhihui and Mr. Chen Yingzhong; 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. Peter K. S. Chan. 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 of the Company, 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 posting. This announcement will also be published and remains on the website of the Company at www.bioteda.com.