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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 IN RELATION TO DEEMED  
DISPOSAL OF A NON-WHOLLY OWNED SUBSIDIARY**

The Board announces that on 24 June 2015, Tianjin Alpha, all its founding equityholders (including the Company) entered into the Agreement with the Investors, pursuant to which the Investors agreed to make the Capital Contribution of RMB14 million (equivalent to approximately HK\$17.5 million) to Tianjin Alpha, of which RMB3.5 million (equivalent to approximately HK\$4.4 million) are allocated to registered capital.

After the Capital Contribution, the Company's equity interest in Tianjin Alpha is reduced from 50.16% to 38.84%, but the Company remains as the single largest equityholder without any changes to the composition of the board of directors of Tianjin Alpha and with the chairman of the board of directors of Tianjin Alpha as well as the legal representative of Tianjin Alpha still being appointed by the Company according to the Articles of Association of Tianjin Alpha. In addition, on the even date, Jinnasen signed an undertaking in the form of a supplemental agreement in favour of the Company warranting to act in concert with and act according to the decision of the Company in voting at equityholders' meeting and management of Tianjin Alpha until 30 September 2015. The format of the Undertaking which aimed to provide contractual control of Tianjin Alpha by the Company was approved by the auditors of the Company, thus Tianjin Alpha remains as a subsidiary of the Company upon completion of the Agreement.

## **LISTING RULES IMPLICATIONS**

As Tianjin Alpha remains as a subsidiary of the Company after the Capital Contribution, all the applicable percentage ratios (as defined in the GEM Listing Rules) of the transaction under the Agreement are less than 5%. The Undertaking expires on 30 September 2015, although the Company still actually controls Tianjin Alpha including its board of directors and management, it could not warrant that it will continue to have control of it thereafter, thus Tianjin Alpha may cease to be a subsidiary of the Company depending on the final review of the position of the Company's control of Tianjin Alpha at the year end of 2015 by the auditors of the Company. In this regard, the Capital Contribution may constitute a deemed disposal of interests in Tianjin Alpha under the GEM Listing Rules and the applicable percentage ratios (as defined in the GEM Listing Rules) exceed 5% but are less than 25% which renders the Capital Contribution to be a discloseable transaction of the Company under the GEM Listing Rules.

## **THE AGREEMENT**

Tianjin Alpha, all its founding equityholders (including the Company) entered into the Agreement with the Investors, pursuant to which the Investors agreed to make the Capital Contribution of RMB14 million to Tianjin Alpha, particulars of which are set out as follows:

**Date:** 24 June 2015

**Parties**

- (i) Tianjin Alpha
- (ii) all founding equityholders of Tianjin Alpha (including the Company)
- (iii) the Investor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Investors are Independent Third Parties.

After execution of the Agreement, parties to the Agreement have assisted Tianjin Alpha to complete the approval procedure of change of equityholders in the relevant government bureau.

### **The Capital Contribution**

Pursuant to the Agreement, the Investors agreed to inject an aggregate amount of RMB14 million (HK\$17.5 million) to Tianjin Alpha, of which RMB3.5 million (equivalent to approximately HK\$4.4 million) are allocated to its registered capital and the balance of RMB10.5 million (equivalent to approximately HK\$13.1 million) to its capital reserve.

## Change in the Equityholding Structure

The change in the equityholding structure of Tianjin Alpha following the Capital Contribution is set out as below:

Equityholder(s) of Tianjin Alpha	Increase of registered capital (RMB)	Equity interest in Tianjin Alpha prior to the Capital Contribution (%)	Equity interest in Tianjin Alpha after the Capital Contribution (%)
the Company		50.16%	38.84%
Jinnasen		45.31%	35.08%
the remaining founding equityholder		4.53%	3.51%
the Investors	14,000,000	—	22.57%
Total		<u>100%</u>	<u>100%</u>

After completion of the Agreement, Tianjin Alpha is held as to 38.84% by the Company, 35.08% by Jinnasen and 22.57% by the Investors. Among the Investors, the highest equity interest being held by one single investor is 6.45%, while the others are all holding less than 5%.

Accordingly, the Company's equity interest in Tianjin Alpha is reduced from 50.16% to 38.84%, but the Company remains as the single largest equityholder of Tianjin Alpha without any change to the composition of the board of directors of Tianjin Alpha and with the chairman of the board of directors of Tianjin Alpha as well as the legal representative of Tianjin Alpha still being appointed by the Company according to the Articles of Association of Tianjin Alpha.

As at the date of this Announcement, Tianjin Alpha has no plan to change its composition of board of directors, its chairman, its legal representative as well as the related articles in the Articles of Association governing the board of directors of Tianjin Alpha.

## UNDERTAKING

On the even date, Jinnasen signed an undertaking in the form of a supplemental agreement in favour of the Company warranting to act in concert with and act according to the decision of the Company in voting at equityholders' meeting and management of Tianjin Alpha until 30 September 2015.

The format of the Undertaking which aimed to provide contractual control of Tianjin Alpha by the Company has approved by the auditors of the Company, thus it is certain that Tianjin Alpha remains as a subsidiary of the Company upon completion of the Capital Contribution.

## **GENERAL INFORMATION AND FINANCIAL INFORMATION OF TIANJIN ALPHA**

Tianjin Alpha was incorporated in the PRC on 15 August 1994 with a registered capital of RMB12 million (equivalent to approximately HK\$15 million). 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.

According to the audited accounts of Tianjin Alpha, the financial information of Tianjin Alpha is set out as below:

- (i) the Loss before taxation and Loss after taxation of Tianjin Alpha for the year ended 31 December 2014 were approximately RMB2,754,958 and RMB2,614,497;
- (ii) the Profit before taxation and Profit after taxation of Tianjin Alpha for the year ended 31 December 2013 were approximately RMB6,301,205 and RMB4,821,578;
- (iii) the net assets of Tianjin Alpha was approximately RMB42,542,566 and RMB39,928,069 respectively as at 31 December 2013 and 31 December 2014

## **USE OF FUNDS FROM THE CAPITAL INJECTION**

The fund received from the Investors will be wholly utilized as general working capital of Tianjin Alpha and for business development.

The Directors are of the view that the terms of the Agreement are on normal commercial terms, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As the Undertaking expires on 30 September 2015, although the Company still actually controls Tianjin Alpha including its board of directors and management, it could not warrant that it will continue to have control of it thereafter, thus Tianjin Alpha may cease to be a subsidiary of the Company thereafter depending on the final review of the position of the Company's control of Tianjin Alpha at the year end of 2015 by the auditors of the Company. Thus the Capital Contribution may constitute a deemed disposal of interests in Tianjin Alpha under the GEM Listing Rules with the applicable percentage ratios (as defined in the GEM Listing Rules) exceeding 5% but less than 25%, which renders the Capital Contribution to be a discloseable transaction of the Company under the GEM Listing Rules.

## **THE DEEMED DISPOSAL AND THE FINANCIAL IMPACT**

After the expiry of the Undertaking, i.e. starting from 1 October 2015, Jinnasen is no longer under any contractual obligation to act in concert with and vote according to instructions of the Company, thus the Company may no longer warrant that it will continue to have control of Tianjin Alpha and Tianjin Alpha may cease to be a subsidiary of the Company and the Agreement may constitute a deemed disposal of interests in Tianjin Alpha under the Listing Rules.

As at the date of this announcement, Tianjin Alpha is deemed subsidiary of the Company and its financial results being consolidated into the financial statements of the Group, whilst thereafter, the investment in Tianjin Alpha may be accounted for as investment in associate by using equity method depending on the final review of the position of the Company's control of Tianjin Alpha at the year end of 2015 by the auditors of the Company. As Tianjin Alpha was making loss before taxation and loss after taxation for the year ended 31 December 2014, deconsolidation of Tianjin Alpha into the financial statements of the Group may not have any adverse effect on the financial position of the Group.

## **GENERAL**

The principal activities of the Group are 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.

## **DEFINITIONS**

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

"Agreement"	the capital increase agreement dated 24 June 2015 entered into among Tianjin Alpha, Tianjin Alpha's founding equityholders (including the Company and Jinnasen) and the Investors in respect of RMB14 million capital injection by the Investors
"Board"	the Board of Directors
"Capital Contribution"	the capital contribution made by the Investors pursuant to the terms and conditions of the Agreement
"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
"Director(s)"	the director(s) of the Company
"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

“Investors”	7 individual independent third parties whom are all PRC citizens
“Jinnasen”	Tianjin Jinnasen Technology Development Co. Ltd. (天津市津納森科技發展有限公司), the second largest equityholder of Tianjin Alpha which is a limited company incorporated in the PRC
“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 HealthCare Products Co., Ltd (天津阿爾發保健品有限公司) which is incorporated in the People’s Republic of China with limited liability
“Undertaking”	The undertaking dated 24 June 2015 signed by Jinnasen in the form of a supplemental agreement in favour of the Company warranting to act in concert with and act according to the decision of the Company

By order of the Board  
**Tianjin TEDA Biomedical Engineering Company Limited**  
**Sun Li**  
*Chairman*

Tianjin, the PRC  
30 September 2015

*As at the date of this announcement, the Board comprises of three executive Directors, being Ms. Sun Li, Mr. Hao Zhihui and Mr. Wang Shuxin,; three non-executive Directors, being Mr. Feng Enqing, Mr. Ou Linfeng and Mr. Chen Yingzhong, 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 “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 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](http://www.bioteda.com).*