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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**

**Placing Agent in relation to the Placing**



**THE PLACING**

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.

The 192,500,000 New Placing H Shares under the Placing represent (i) approximately 13.56% of the existing issued share capital of the Company; and (ii) approximately 12.07% of the issued share capital of the Company as enlarged by the Placing on the assumption that all the 192,500,000 New Placing H Shares are issued under the Placing.

The Placing Price will be in cash. Upon the receipt by the Placing Agent of the Completion 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. 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. 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.

On the assumption that all the 192,500,000 New Placing H Shares are issued under the Placing with an indicative placing price of approximately HK\$0.5457 per New Placing H Share (being the average closing price of the H Share as quoted on GEM for the 5 consecutive trading days ended on 16 February 2012 with a discount of 15%), the gross proceeds of the Placing would amount to approximately HK\$95,400,000 after deducting the amount due to TTII for the sale of Sale H Shares and the net proceeds due to the Company from the Placing are estimated to be approximately HK\$93,000,000 after deducting the Initial Payment, the placing commission and all related costs, fees and expenses.

**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.**

The net proceeds from the Placing are intended to be applied (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.

## **THE SPECIFIC MANDATE**

The issue of New Placing H Shares and the conversion of Domestic Shares into 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 OF ASSOCIATION OF THE COMPANY**

The Articles of Association of the Company will be amended subject to the Shareholders' approval at the EGM, to reflect the changes in the number of the issued Domestic and H Shares.

The Placing is conditional upon satisfaction of all the conditions which include, among other things, (i) 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; and (ii) the GEM Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the New Placing H Shares.

A circular containing, among other things, (i) details regarding the Placing and (ii) a notice convening the EGM and the class meetings, will be dispatched to the Shareholders as soon as possible.

**The Placing is subject to the satisfaction of the conditions precedent which are more particularly set out in the paragraph headed "Conditions of the Placing Agreement" below. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the 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 is not a connected person (as defined in the GEM Listing Rules) 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 individual Placee will become a substantial Shareholder (as defined under the GEM Listing Rules) immediately after the Placing.

## **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 new shares issued 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 New H Shares to be issued and placed by the Company. TTII has authorized the Company, in the event that the Social Security Fund decides not to hold the Shares to be transferred to it but to sell them instead, to directly convert such Domestic Shares into H Shares and to appoint the Placing Agent as placing agent for the purpose of procuring, on a best efforts basis, as agent of the Company and TTII, purchasers for such converted Sales 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.

## **Placing Price**

The Placing Price will be in cash. Upon the receipt by the Placing Agent of the Completion 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. 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. 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.

## **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.

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 New H Shares in the event that the Social Security Fund decides not to hold such Domestic Shares itself 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 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 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 Sale H Shares 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
- (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.

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). The Company (for itself and on behalf of TTII) shall serve a Completion Notice to the Placing Agent upon fulfilment of all the foregoing conditions (excluding condition (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.

As at the date of this announcement, the approval from the CSRC for the issue of the New Placing H Shares as mentioned in condition (b) above and the approval of the shareholding reduction as mentioned in condition (d) above have not been obtained.



## 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
  - (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.

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 are issued under the Placing with an indicative placing price of approximately HK\$0.5457 per New Placing H Share (being the average closing price of the H Share as quoted on GEM for the 5 consecutive trading days ended on 16 February 2012 with a discount of 15%), the gross proceeds of the Placing would amount to approximately HK\$95,400,000 after deducting the amount due to TTII for the sale of Sale H Shares and the net proceeds from the Placing due to the Company are estimated to be approximately HK\$93,000,000 after deducting the Initial Payment, the placing commission and all related costs, fees and expenses.

**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.

## Fund raising activities in the past twelve months

The Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

## 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:

	<b>As at the date of this announcement</b>		<b>Upon completion of the Placing</b>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</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
Subtotal	<u>715,000,000</u>	<u>50.35</u>	<u>697,500,000</u>	<u>43.73</u>
<i>H Shares</i>				
Public Shareholders	705,000,000	49.65	705,000,000	44.20
Places	<u>–</u>	<u>–</u>	<u>192,500,000</u>	<u>12.07</u>
Total:	<u>1,420,000,000</u>	<u>100.00</u>	<u>1,595,000,000</u>	<u>100.00</u>

## SPECIFIC MANDATE

The issue of not more than 192,500,000 New Placing H Shares and the conversion of Domestic Shares into 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.

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.

## **EGM**

As no Shareholders (save for TTII) or their respective associates has any interests in the Placing (other than through their interests in the Company), no Shareholders (save for TTII) is required to abstain from voting at the EGM and the class meetings under the GEM Listing Rules. TTII will abstain from voting at the EGM and the class meetings.

## **GENERAL**

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

A circular containing, among other things, further details of the Placing and a notice convening the EGM and the class meetings will be dispatched by the Company to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

## **Definitions**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Articles”	the Articles of Association of the Company
“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
“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

“Completion 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 condition (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
“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
“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 Committee”	the listing committee of GEM
“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
“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
“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 announcement
“PRC”	the People’s Republic of China, but for the purpose of this announcement, 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 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 Domestic Shares itself
“SASAC”	中國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 中國國務院 (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.

By Order of the Board  
**Wang Shuxin**  
 Chairman

Tianjin, the PRC

17 February 2012

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

*This announcement, 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*