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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)

**PROPOSED ISSUE OF DOMESTIC SHARES
PROPOSED SPECIFIC MANDATE
AND
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION**

PROPOSED ISSUE OF DOMESTIC SHARES

On 12 June 2009, the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Company agreed to allot and issue a total of 470,000,000 new Domestic Shares to the Subscribers at RMB0.1023 (HK\$0.116) per Subscription Share.

The Subscription Agreement will be completed within 60 days upon fulfillment of the following conditions: (a) the obtaining of the necessary approval of the Shareholders at the Class Meetings for the Subscription Agreement, the issue of the Subscription Shares under a Specific Mandate and the transactions contemplated thereunder; (b) full compliance with disclosure requirements under GEM Listing Rules; and (c) the obtaining of all necessary consents and approvals of the relevant regulatory authorities in the PRC.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company also proposes to amend the Articles of Association of the Company to reflect and update the description on the shareholding structures of the Company after completion of the Subscription.

THE EGM

The Class Meetings and the EGM will be convened to consider and, if thought fit, approve, among other things, the Subscription, the Specific Mandate, the amendment to the Articles and to authorise the Board to determine and deal with at its discretion and with full authority matters relating thereto.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Subscribers and their ultimate shareholders are third parties independent of the Company and are not connected persons and none of them and their respective associates has any direct or indirect interest in the securities of the Company as at the date of this announcement.

The Company will despatch to the Shareholders a circular together with notices of the EGM and the Class Meetings as soon as practicable. Such circular will contain, among other things, further information on the Subscription, the Specific Mandate, amendments to the Articles and notices of the EGM and the Class Meetings.

Investors should be aware that the Subscription and the Specific Mandate may or may not be approved by the Shareholders at the EGM and the Class Meetings. In addition, the Subscription is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed "Conditions of the Subscription Agreement". There is no assurance that any of the conditions will be fulfilled, and therefore the Subscription may or may not proceed and complete. The investors are advised to exercise caution when dealing in the H Shares.

PROPOSED ISSUE OF DOMESTIC SHARES

The Subscription Agreement

On 12 June 2009, the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Company agreed to allot and issue a total of 470,000,000 Subscription Shares to the Subscribers at RMB0.1023 (HK\$0.116) each, i.e. (i) 180,000,000 new Domestic Shares to Xiangyong Investment at the consideration of RMB18,405,720 (HK\$20,880,000); (ii) 170,000,000 new Domestic Shares to Zhinong Fertilizers at the consideration of RMB17,383,180 (HK\$19,720,000); and (iii) 120,000,000 new Domestic Shares to Lvye Fertilizers at the consideration of RMB12,270,480 (HK\$13,920,000).

The Subscription Shares

The Subscription Shares to be issued and allotted by the Company pursuant to the Subscription Agreement represent:

- (a) approximately 49.47% of the existing issued share capital of the Company;
- (b) approximately 191.84% of the existing Domestic Shares in issue; and

- (c) approximately 65.73% of the total Domestic Shares in issue as enlarged by the issue of the Subscription Shares.
- (d) approximately 33.10% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

Subscription Price

The Subscription Price of RMB0.1023 (equivalent to HK\$0.116) per Subscription Share was arrived at after arm's length negotiation between the Company and the Subscribers with reference to (i) the net asset value per share of the Company; (ii) the issue price per each H share of the Company for the placing completed in December 2008; and (iii) the closing trading price for H Shares of the Company which is HK\$0.23 as at the Last Trading Day as well as the unlisted nature and limitation on trading of the Domestic Shares. The Subscription Price represents:

- (a) a discount of approximately 49.57% to the closing price of HK\$0.23 per H Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a discount of approximately 47.18% to the average closing price of HK\$0.2196 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and
- (c) a discount of approximately 46.00% to the average closing price of HK\$0.2148 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

Ranking of the Subscription Shares

The Subscription Shares will rank pari passu with the existing Domestic Shares and H Shares in all respects.

Conditions of the Subscription Agreement

The Subscription Agreement will take effect upon fulfillment of the following conditions:

- (a) the obtaining of the necessary approvals of the Shareholders at the Class Meetings for the Subscription Agreement, the issue of the Subscription Shares under a Specific Mandate and the transactions contemplated thereunder;
- (b) full compliance with disclosure requirements under GEM Listing Rules; and
- (c) the obtaining of all necessary consents and approvals of the relevant regulatory authorities in the PRC, including the approval by the relevant local Commission of Commerce if applicable.

It is expected that completion of the Subscription will take place in the second half of 2009.

Completion

Completion of the Subscription Agreement shall take place within 60 days after satisfaction of the above conditions precedent, whereupon the Subscribers shall pay the aggregate Subscription Price in cash.

Termination

The Subscribers is not entitled to terminate the Subscription Agreement without obtaining written consent of the Company.

INFORMATION OF THE SUBSCRIBERS

Xiangyong Investment, is a limited liability company established in the PRC with a current registered capital of RMB1.8 million and is beneficially owned by Cao Aixin as to 55% and Hu Yuejun as to 45%. Xiangyong Investment is principally engaged in setting up investment enterprises, domestic trading and economic information consultation.

Zhinong Fertilizers, is a limited liability company established in the PRC with a current registered capital of RMB5 million and is wholly beneficially owned by Chen Yingzhong. Zhinong Fertilizers is principally engaged in chemical fertilizer retailing.

Lvye Fertilizers, is a limited liability company established in the PRC with a current registered capital of RMB1 million and is wholly beneficially owned by Zhang Xiaohong. Lvye Fertilizers is principally engaged in in sale of compound fertilizer, mixed fertilizer, chemical fertilizer, biological fertilizer, organic fertilizer and plant fertilizer.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Subscribers and their ultimate shareholders are third parties independent of the Company and are not connected persons and none of them and their respective associates has any direct or indirect interest in the securities of the Company as at the date of this announcement.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The Company placed an aggregate of 374,000,000 H Shares on 16th December 2008 to not less than six independent professional, institutional and/or individual investors, at the placing price of HK\$0.115 per H Share and raised a total of RMB34,368,900 (approximately HK\$39,100,000). The net proceeds from the placing of the said H Shares have been applied in (1) the production of compound fertilizer and construction of new production lines; (2) investment in Shandong TEDA Bio-Engineering Co., Ltd., a subsidiary of the Company, to capture the huge demand of compound fertilizers in Shandong province; and (3) the general working capital of the Group.

SHAREHOLDING STRUCTURE BEFORE AND IMMEDIATELY AFTER THE SUBSCRIPTION

For reference and illustrative purposes only, assuming that (i) the maximum number of the Subscription Shares, that is, 470,000,000 new Domestic Shares, are issued; and (ii) there are no other changes in respect of the shareholding structure of the Company prior to the completion of the Subscription, the share capital and the shareholding structure of the Company immediately before and after completion of the Subscription will be as follows:

Holder of Domestic Shares or H Shares	Immediately before the completion of the Subscription		Immediately after the completion of Subscription	
Domestic Shares				
TTII	200,000,000	21.06%	200,000,000	14.08%
Gu Hanqing	14,000,000	1.47%	14,000,000	0.99%
Wenguang Media	12,000,000	1.26%	12,000,000	0.85%
Wuhuan Building	10,000,000	1.05%	10,000,000	0.70%
Xie Kehua	9,000,000	0.95%	9,000,000	0.63%
Xiangyong Investment	Nil	N/A	180,000,000	12.68%
Zhinong Fertilizers	Nil	N/A	170,000,000	11.97%
Lvye Fertilizers	Nil	N/A	120,000,000	8.45%
Subtotal	245,000,000	25.79%	715,000,000	50.35%
H Shares Public	<u>705,000,000</u>	<u>74.21%</u>	<u>705,000,000</u>	<u>49.65%</u>
Total	<u>950,000,000</u>	<u>100%</u>	<u>1,420,000,000</u>	<u>100%</u>

REASONS FOR THE SUBSCRIPTION AND PROPOSED USE OF PROCEEDS

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

As the operation scale is increasing, the Group has to face various issues in development such as reserve for development of new research technology and new products, limitations in production capacity as well as lack of liquidity in the market. The influence accumulated over years in our industry and specialised markets has empowered the Group to attract certain well-experienced potential investors in the industry. After careful research and consideration, the Group is of the view that, seizing opportunities to invite, actively cultivating and introducing certain suitable investors in the industry to the Company will enable the Group to ease the liquidity tension as well as enrich our market experience and information in the industry, stabilise and broaden our market networks, and further expand our market share.

Despite of the dilutive effect of the Subscription, having considered factors including (i) the Subscription gives the Company an opportunity to introduce quality investors; (ii) time required for and procedural complexities involved in other fund raising activities; (iii) finance and administrative costs which may be incurred in other means of fund raising; and (iv) the amount of fund that is expected to be raised under the Subscription, the Company considers that the Subscription is appropriate in the circumstances.

Based on the 470,000,000 Subscription Shares to be issued under the Subscription, the total fund as well as the net proceeds to be raised is RMB48,059,380 (approximately HK\$54,520,000) whilst the net price per each Domestic Share is the same as the Subscription Price.

It is intended that the net proceeds will be applied as the general working capital of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company also proposes to amend the Articles of Association of the Company to reflect and update the description on the shareholding structures of the Company after completion of the Subscription.

THE EGM

The Subscription Shares will be issued pursuant to the Specific Mandate. The Class Meetings and the EGM will be convened to consider and, if thought fit, approve, among other things, the Subscription, the grant of the Specific Mandate, the amendment to the Articles and to authorise the Board to determine and deal with at its discretion and with full authority, matters relating thereto.

The Company will despatch to the Shareholders a circular, together with notices of the EGM and the Class Meetings as soon as practicable. Such circular will contain, among other things, further information on the Subscription, the Specific Mandate and notices of the EGM and the Class Meetings.

Investors should be aware that the Subscription and the Specific Mandate may or may not be approved by the Shareholders at the EGM and the Class Meetings. In addition, the Subscription is subject to the satisfaction of a number of conditions which are more particularly set out in the section headed “Conditions of the Subscription Agreement”. There is no assurance that any of the conditions will be fulfilled. and therefore the Subscription may or may not proceed and complete. The investors are advised to exercise caution when dealing in the H Shares.

DEFINITIONS

In this announcement, the following terms 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
“Class Meetings”	separate meetings of the holders of H Shares and Domestic Shares
“Company”	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 established in the PRC with limited liability on 8 September 2000 whose H shares are listed and traded on GEM (Stock Code: 8189)
“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
“Directors”	the directors (including the independent non-executive directors) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving, among other things, the Subscription and the Specific Mandate
“GEM”	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“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\$
“Last Trading Date”	12 June 2009, being the last trading date of the H Shares on the Stock Exchange prior to the publication of this announcement

“Lvye Fertilizers”	東莞市綠野化肥有限公司 (Dongguan Lvye Fertilizers Company Limited), a company established in the PRC with limited liability
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholders”	holders of the Domestic Shares and the H Shares
“Shares”	Domestic Shares and H Shares
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the EGM and the Class Meetings to issue the Subscription Shares
“Subscribers”	Xiangyong Investment, Zhinong Fertilizers and Lvye Fertilizers
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreement
“Subscription Agreement”	the capital injection agreement dated 12 June 2009 entered into between the Company and the Subscribers in relation to the Subscription
“Subscription Price”	the price of RMB0.1023 (HK\$0.116) per Subscription Share
“Subscription Shares”	470,000,000 new Domestic Shares with an aggregate nominal value of RMB47,000,000 to be allotted and issued by the Company to the Subscribers pursuant to the Subscription Agreement
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TTII”	天津泰達國際創業中心 (Tianjin TEDA International Incubator), a stated-owned enterprise and one of the promoters of the Company
“Wenguang Media”	廣州市文廣傳媒有限公司 (Guangzhou Wenguang Media Company Limited), a company established in the PRC with limited liability
“Wuhuan Building”	北京中興五環建築材料有限公司 (Beijing Zhongxing Wuhuan Building Materials Company Limited), a company established in the PRC with limited liability

“Xiangyong Investment”	深圳市翔永投資有限公司 (Shenzhen Xiangyong Investment Company Limited), a company established in the PRC with limited liability
“Zhinong Fertilizers”	山東知農化肥有限公司 (Shandong Zhinong Fertilizers Company Limited), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

Unless otherwise specified, translation of RMB into HK\$ in this announcement is made, for illustration purpose only, at the rate of approximately RMB1.00 = HK\$0.8815.

By order of the Board
Wang Shuxin
Chairman

Tianjin, the PRC
12 June 2009

As at the date of this announcement, the Board comprises of three executive Directors, being Mr. Wang Shuxin, Mr. Xie Kehua and Mr. Hao Zhihui; three non-executive Directors, being Mr. Feng Enqing, Mr. Xie Guangbei and Mr. Wang Xiaofa and three independent non-executive Directors, being Professor Xian Guoming, Mr. Wu Chen and Mr. Guan Tong.

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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

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 publication.