

## IMPORTANT

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**If you are in any doubt** as to the action to be taken, you should immediately 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 purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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 RESPECT OF DISPOSAL OF AN ASSOCIATE

*This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the day of its posting.*

1 September 2008

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)  
OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
(THE “EXCHANGE”)**

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 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.

## DEFINITIONS

*In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:*

“Asset Valuation Report”	An asset valuation report on Xingfu dated 30 June 2008 issued by a qualified asset valuation company in Beijing, the PRC
“associate”	has the meaning as defined in the GEM Listing Rules
“Board”	the board of Directors (including the independent non-executive Directors)
“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)
“Completion”	completion of the Equity Transfer Agreement
“Directors”	the directors of the Company
“Equity Transfer Agreement”	the conditional equity transfer agreement entered into between Fulilong as the vendor and the Purchaser on 13 August 2008 for the disposal of 40% equity interest in Xingfu
“Fulilong”	Guangdong Fulilong Compound Fertilizers Co., Limited; a wholly owned subsidiary 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person or entity which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Company and the connected persons (as defined in the GEM Listing Rules) of the Company

## DEFINITIONS

“Latest Practicable Date”	28 August 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Purchaser”	Shaanxi Xinghua Chemistry Company Limited (陝西興化化學股份有限公司), a limited liability company incorporated in the PRC
“SFO”	the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) as amended, supplemented and/or modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisors”	the supervisors of the Company
“Xingfu”	Shaanxi Xing Fu Fertilizer Company Limited (陝西興福肥業有限公司), a limited liability company incorporated in the PRC and is owned as to 40% by Fulilong and 60% by the Purchaser
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

*For the purpose of this circular, conversion of HK\$ into RMB is calculated by using the exchange rate of HK\$1.00 = RMB0.878. Such exchange rate is used for the sole purpose of illustration and does not constitute a representation that any amounts have been, could have been or may be exchanged at this or any other exchange rates of at all.*

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. Xie Kehua  
Mr. Zhang Songhong

*Non-executive Directors:*

Mr. Feng Enqing  
Mr. Xie Guangbei  
Mr. Wang Xiaofa

*Independent non-executive Directors:*

Professor Xian Guoming  
Mr. Wu Chen  
Mr. Guan Tong

*Registered Office:*

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

1 September 2008

*To: Shareholders*

Dear Sir/Madam,

**DISCLOSEABLE TRANSACTION  
IN RESPECT OF DISPOSAL OF AN ASSOCIATE**

**A. INTRODUCTION**

On 14 August 2008, the Board announced that Guangdong Fulilong Compound Fertilizers Co., Limited (廣東福利龍複合肥有限公司) entered into the Equity Transfer Agreement on 13 August 2008, pursuant to which, it has agreed to dispose of 40% equity interests in Shaanxi Xing Fu Fertilizer Company Limited (陝西興福肥業有限公司) to Shaanxi Xinghua Chemistry Company Limited (陝西興化化學股份有限公司), at a cash consideration of RMB21,927,960 (approximately HK\$24,974,897). The Purchaser is a PRC company listed on the Shenzhen Stock Exchange and is an Independent Third Party to the Company.

The disposal of the 40% equity interests in Xingfu by Fulilong constitutes a discloseable transaction to the Company pursuant to Chapter 19 of the GEM Listing Rules.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details of the Equity Transfer Agreement and other information as required by the GEM Listing Rules.

### B. THE EQUITY TRANSFER AGREEMENT

- Date : 13 August 2008
- Vendor : Guangdong Fulilong Compound Fertilizers Co., Limited (廣東福利龍複合肥有限公司), a wholly-owned subsidiary of the Company
- Purchaser : Shaanxi Xinghua Chemistry Company Limited (陝西興化化學股份有限公司), a PRC company listed on the Shenzhen Stock Exchange. The Purchaser is principally engaged in production, process, wholesale and retail of synthetic ammonia, nitric acid, ammonium nitrate, porous ammonium nitrate, special gas and iron power and production and sale of compound fertilizer and complex fertilizer. The Purchaser and its ultimate beneficial owners are Independent Third Parties.
- Asset disposed of : 40% equity interests in Shaanxi Xing Fu Fertilizer Company Limited (陝西興福肥業有限公司), an associate of the Company
- Terms : Fulilong shall sell and the Purchaser shall purchase 40% equity interests in Xingfu on and subject to the terms and conditions contained in the Equity Transfer Agreement.

### Conditions Precedent and Completion

The obligations of Fulilong and the Purchaser to consummate the transaction contemplated under the Equity Transfer Agreement are conditional upon the followings:

1. the Equity Transfer Agreement being approved by the board of directors of Fulilong and the Purchaser;
2. the Equity Transfer Agreement being approved by the board of directors and members of Xingfu;
3. completion of the registration procedure of the transaction in the local Business Administrative Bureau;

## LETTER FROM THE BOARD

4. compliance of disclosure requirements by the Company and the Purchaser; and
5. completion of the reporting procedures of the Asset Valuation Report, the Equity Transfer Agreement and other document in relation to the transaction with the relevant State-owned Assets Supervision and Administration Department.

As at the Latest Practicable Date, conditions precedent no. 1 and 2 set out above have been satisfied and the others are still in progress.

Upon Completion, Fulilong and the Company will not hold any equity interest in Xingfu and Xingfu will then cease to be an associate of the Company.

### **Consideration**

The consideration under the Equity Transfer Agreement, RMB21,927,960 (approximately HK\$24,974,897), is determined on an arm's length basis between the parties to the Equity Transfer Agreement and with reference to the Asset Valuation Report issued by an Independent Third Party. The Asset Valuation Report signifies that Xingfu had a net asset value of RMB53,368,900 as at 30 June 2008. The consideration was paid within 5 working days after the date of the Equity Transfer Agreement.

Based on the net proceeds of RMB21,927,960 and the net asset value of RMB53,368,900 of Xingfu as at 30 June 2008 set out in the Asset Valuation Report, the equity interests in Xingfu were disposed at a premium of 2.72%. As a result, the gain of the transaction is expected to be RMB580,400. The Directors believe that the consideration under the Equity Transfer Agreement is fair and reasonable and it is in the best interests of the Company and its shareholders as a whole to dispose of Xingfu. The net proceeds will be used as working capital of Fulilong.

### **C. INFORMATION ON XINGFU**

Xingfu is a company established in the PRC on 25 May 2004 and is directly owned as to 40% and 60% by Fulilong and the Purchaser respectively. The registered capital of Xingfu is RMB50,000,000, of which RMB20,000,000 (40%) was contributed by Fulilong. It is principally engaged in production and sale of compound fertilizers, complex fertilizers, chemical fertilizers, bio-fertilizers, plant fertilizers, animal manure, plant growth regulators etc.

## LETTER FROM THE BOARD

The audited net asset value of Xingfu was approximately RMB50,748,900 and RMB47,706,900 as at 31 December 2006 and 2007 respectively. The following table shows the audited results of Xingfu and its contribution to the Group for two financial years ended on 31 December 2007:

	<b>For the year ended 31 December 2006 (Audited) RMB</b>	<b>For the year ended 31 December 2007 (Audited) RMB</b>
Turnover	142,845,000	75,089,000
(Loss)/profit before tax and minority interest	410,000	(3,297,000)
(Loss)/profit after tax and minority interest	410,000	(3,297,000)
The Group's share of results/(loss) of Xingfu	163,849	(1,318,912)
The Group's Interest in Xingfu (interests in an associate)	20,299,553	18,980,641

As set forth above, it is noted that Xingfu recorded a substantial decrease in turnover and was suffering from loss of RMB3,297,000 before as well as after tax and minority interest for the year ended 31 December 2007, thus the Group had to share its loss of RMB1,318,912 which resulted in a reduction of the Group's income as represented by the Group's share of results of Xingfu. The Board is of the view that disposal of Xingfu will have positive impact on the Group's earnings as the Group will cease to share its negative net operating results. However, disposal of Xingfu will have minimal effect on the Group's assets and liabilities as the Xingfu was disposed at a slight premium.

Xingfu has prepared its accounts in accordance with the PRC Accounting and Auditing Standards. The Group has accounted for its interest in Xingfu using the equity method of accounting in accordance with the Hong Kong Financial Reporting Standards and has recorded its portion of Xingfu's net operating results as share of profit/loss of associate. The Group will continue with such accounting treatment in respect of its interest in Xingfu until completion of the disposal.

#### **D. REASON FOR AND THE BENEFITS OF THE DISPOSAL**

Xingfu is an associate, rather than a subsidiary, of Fulilong, which is the Company's wholly-owned subsidiary, thus apart from making contribution to the investment gain of the Group, it will not generate any turnover growth for the Group. Regarding the operating results of Xingfu since its incorporation, it had suffered from accumulated loss for the past three financial years. Although Xingfu recorded its first profit in 2008, the return for the Group's investment is still far from expected, and is lower than the utilization cost of the Group's capital. In light of Xingfu's current operating position and future prospect analysis, as well as considering the Group's current operation strategies, the Board is of the view that the disposal of Xingfu will enable the Group to concentrate its owned assets on the business that coincides with the Group's strategy. It can also help the Group to



## LETTER FROM THE BOARD

focus on its owned compound fertilizer production base in Guangdong and Shandong, so as to maintain its growth in turnover, expand its earning and maximize the return to shareholders.

In addition, disposal of Xingfu will also cease its financial burden on the Group and the Group can shift more resources to the development of biology compound fertilizer and medical health products which the Group has advantages at marketing, expertise and specialized technologies. Accordingly, the Board believes that the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of both the Company and its shareholders as a whole.

### **E. DISCLOSEABLE TRANSACTION**

The disposal of the entire equity interests in Xingfu by the Group constitutes a discloseable transaction to the Company pursuant to Chapter 19 of the GEM Listing Rules.

### **F. GENERAL AND OTHER INFORMATION OF THE GROUP**

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

Your attention is also drawn to the additional information set out in the appendix to this circular for other information of the Group.

Yours faithfully,  
By order of the Board  
**Wang Shuxin**  
*Chairman*

## 1. 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and Supervisors' interests and short positions in shares, underlying shares and debentures

As of the Latest Practicable Date, the interests of the directors and the supervisors of the Company and their respective associates in the Company and its associated corporations (within the meaning of Part XV of the SFO) were as follows:-

*Long position in ordinary shares of RMB0.1 each in the Company:*

Director	Number of Shares held and nature of interests				Total	Percentage of the issued share capital
	Personal <i>(note)</i>	Family	Corporate	Other		
Xie Kehua	9,000,000	-	-	-	9,000,000	1.47%

*Note:* All represented domestic shares

Save as disclosed in this paragraph, as at the Latest Practicable Date, none of the Directors or the supervisors of the Company had any interest in any securities and underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) or otherwise notified

to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

**(b) Substantial shareholders**

As at the Latest Practicable Date, the following persons (other than the Directors and the supervisors of the Company) had interests and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

*Long position in ordinary shares of RMB0.1 each in the Company:*

Name of Shareholders	Capacity	Number of ordinary shares	Percentage of the issued share capital
Tianjin TEDA International Incubator	Beneficial owner	234,000,000 (Note)	38.36%

*Notes:* All represented domestic shares

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the supervisors of the Company) who had an interest and short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO and/or were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company and any other member of the Group.

**3. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates competes or may compete with the business of the Group or has or may have any other conflicts or interests with the Group required to be disclosed pursuant to the GEM Listing Rules.

#### 4. LITIGATION

None of the members of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors or the Company to be pending or threatened by or against any member of the Group.

#### 5. SERVICE CONTRACTS

Each of the Directors and the Supervisors has entered into a service contract with the Company for a term of three years commencing from 1 January 2008.

#### 6. PARTICULARS OF THE DIRECTORS AND SUPERVISORS

The particulars of the existing Directors and Supervisors are set out as follows:-

##### Executive Directors

**Mr. Wang Shuxin**, aged 44, is the Chairman of the Board and has been appointed as an executive Director since 2000 and is responsible for the Company's strategic planning and business development. Mr. Wang was instrumental in the establishment of Tianjin TEDA International Incubator (天津泰達國際創業中心) ("TTII") in April 1996 and has been the legal representative of Tianjin TEDA Institute of Biomaterials and Medical Engineering (天津開發區泰達生物材料與醫學工程研究所) ("IBME") since January 1998. Mr. Wang graduated from Tianjin University (天津大學) in 1988 with a master's degree in Organic Chemical Engineering (有機化工專業). In February 1999, he obtained a postgraduate qualification in accounting from Tianjin University of Finance and Economics (天津財經大學). In 1997, Mr. Wang participated in the commercialization of the technology relating to clinical catheters. He subsequently became involved in the establishment of IBME in January 1998 and received one of the Ten Outstanding Youth awards (十大傑出青年) in 1998. In 1999, Mr. Wang led the establishment of an enterprise postdoctoral research workstation in Tianjin Economic Technological Development Area (天津經濟技術開發區). Mr. Wang has been the supervisor of TTII since 1996 and has held the position of Chairman of TTII since December 1997.

**Mr. Xie Kehua**, aged 52, has been appointed as an executive Director since 2000. He is the director and general manager of Tianjin Alpha Health Care Products Co., Ltd. (天津阿爾發保健品有限公司) ("Alpha"). Mr. Xie graduated from Chinese Traditional Medicine Department of Heilongjiang Institute of Commerce (黑龍江商學院中藥系) in July 1982 with a bachelor degree. Mr. Xie was appointed as the chief engineer of the Chinese Medicine Factory (中藥制藥廠) under the Tianjin Chinese Medicine Group (天津中藥集團) and was the supervisor of Hangzhou Wanaha Group Research and Development Centre (杭州娃哈哈集團科研開發中心). He was awarded the Best Scholar of New Products (新品狀元) and became leader of the Initiation of Technology Development (新品開發帶頭人) in 1992 and was further recognized as a senior engineer in 1995. Mr. Xie was appointed as one of the first directors and the first manager of Alpha in August 1994. Mr. Xie is interested in 9,000,000 (approximately 1.47%) domestic shares of the Company.

**Mr. Zhang Songhong**, aged 46, has been appointed as an executive Director since June 2006. He received his education in the PRC and worked in various governmental authorities in Shenzhen, China during the period from September 1985 to December 1995. Since the end of 2005, Mr. Zhang has been appointed as a director of Fulilong. He was the CEO of the Company from 4 January 2006 to 10 August 2006.

#### **Non-executive Directors**

**Mr. Feng Enqing**, aged 50, graduated from Tianjin Industrial University (天津工業大學) in 1982 with a degree in textile chemical engineering (紡織化學工程) and joined TTII as the project manager in 1996. He was previously the supervisor and chief engineer of Tianjin Xingang Textile Manufacture (天津新港紡織廠). Mr. Feng is a director of Alpha and the chief engineer of TTII. He joined the Company as a non-executive Director since September 2000.

**Mr. Xie Guangbei**, aged 54, graduated from Nankai University in 1993 with a master's degree in Economics. In 1998, he was granted a MBA degree from Rensselaer Polytechnic Institute in Troy, New York, US. He is the investment and financial consultant of the Office of Residential Property Commercialization headed by the Ministry of Construction. He is also the vice chairman and president of Tianjin Securities Investment Consulting Company Limited (天津證券投資諮詢有限公司). He was an engineer of the Business Department of China Shizheng Huabei College of Design (中國市政華北設計院計劃經營處), director and deputy general manager and senior engineer of Tianjin Eastern International Engineering Consultancy (天津東方國際工程諮詢). He joined the Company as an independent Supervisor in November 2000 and has been redesignated as a non-executive Director since November 2003.

**Mr. Wang Xiaofa**, aged 43, is an economist. He graduated from Liaoning Finance College (遼寧財經學院) with a bachelor degree in Economics in 1985 and obtained a Master degree in Economics from North-East Finance University (東北財經大學) in 1996. He specializes in infrastructure finance and securities investment and he has been an assistant general manager of Beijing Guoyuan Investment Consulting Company (北京國元投資諮詢公司) from 2000. Mr. Wang Xiaofa was an independent Supervisor from 12 September 2006 to 31 December 2007 and has been redesignated as a non-executive Director since 1 January 2008.

#### **Independent Non-executive Directors**

**Professor Xian Guoming**, aged 57, is a professor of Nankai University (南開大學) and the tutor of candidates pursuing the doctoral degree. He is the head of the Teda Faculty of Nankai University, and the director of Research Center of Multi-national Corporations of Nankai University. Professor Xian also acts as the deputy secretary of China Academy of Global Economics, and as an independent director of Yifangda Funds Management Company and Nankai Gede Co., Ltd. He specializes

in research on international investments by multi-national corporations. Professor Xian has been appointed as an independent non-executive Director since August 2001.

**Mr. Guan Tong**, aged 40, graduated from the Enterprise Management Faculty (企業管理系) of Nankai University (南開大學) of China in 1993. He was appointed as an accountant of Tianjin Zhonghuan Industrial and Development Company (天津中環實業開發公司) from 1991 to 1997 and as a Financial Manager of Tianjin LG Electronic Company Limited (天津LG電子有限公司) from 1997 to 1999. Mr. Guan became a qualified PRC Certified Public Accountant in July 2001 and a PRC qualified valuer in October 2003. During the period from 1999 to 2004, Mr. Guan worked with Tianjin Tiandi Certified Public Accountants (天津天地會計師事務所) involving in audit work of various types of domestic and foreign investment enterprises and in asset valuation. He also participated in the auditing work of a private enterprise in Tianjin which was applying for its shares to be listed on the Singapore Exchange Securities Trading Limited in Singapore. Since September 2004, Mr. Guan has worked with Tianjin Star Point Certified Public Accountants (天津起點會計師事務所) as audit manager. Mr. Guan has been appointed as an independent non-executive Director since September 2005.

**Mr. Wu Chen**, aged 64, graduated from the Chemical Engineering Department of Tianjin College of Engineering in 1970. He was awarded the second prize of excellent scientific and technological achievements – N.P. compound fertilizer project in 1982. In April 1990 and December 1991, Mr. Wu was respectively awarded the second and the third prizes by Tianjin Nanjiao District People’s Government and Validation Committee of National Spark Award (國家星火獎評審委員會) for his contributions in the transformation of compound fertilizer production line and the development of series of compound fertilizer products. In addition, he was recognized as the senior engineer by the Tianjin Engineering, Technological and Chemical Professional Senior Qualification Review Committee (天津市工程技術化工專業高級資格評審委員會) and given a certificate by Tianjin Municipal Personnel Bureau (天津人事局) in April 1996. Mr. Wu Chen has been appointed as an independent non-executive Director since September 2006.

### Supervisors

**Mr. Zhao Tingying**, aged 33, graduated from the Accounting Department of Tianjin University of Finance and Economics (天津財經大學) with a bachelor’s degree in Economics in 1998. He joined TTII, the controlling shareholder of the Company, in July 1998 as the financial supervisor of TTII’s Planning and Finance Department, and assumed the posts of financial supervisor, investment supervisor and investment manager after joining the Company in May 2001. In September 2004, Mr. Zhao was appointed as the director and vice general manager of Shandong TEDA Bioengineering Co., Ltd., a subsidiary of the Company, and has been appointed as a Supervisor since February 2007.

**Mr. Yuan Wei**, aged 58, graduated from the Tianjin School of Chinese Traditional Medicine (天津中藥學校) in 1975. He previously held the position of head of quality control at the Tianjin Chinese Medicine Plant (中藥製藥廠) before joining Alpha in August 1994. He is currently the administrative officer (辦公室主任) of Alpha. Mr. Yuan Wei has been appointed as a Supervisor since September 2000.

### Independent Supervisors

**Mr. Gao Xianbiao**, aged 47, graduated from the Agricultural Soil Department (土壤農化系) of Shandong Agricultural University (山東農業大學) in 1982. He has got a technical post of researcher since December 1999. He was the deputy chief and the chief of Soil and Fertilizer Research Institute of Shandong Academy of Agricultural Science (山東省農業科學院土壤肥料研究所) during the periods from October 1997 to October 1999 and from October 1999 to December 2004 respectively. Since December 2004, he has been the chief of Tianjin Soil and Fertilizer Research Institute (天津市土壤肥料研究所) (now known as Tianjin Agricultural Resource and Environmental Research Institute (天津市農業資源和環境研究所)). During the period from December 1995 to October 2000, Mr. Gao was granted with a number of the Science and Technology Progress Awards (科學技術進步獎) in Shandong Province.

**Mr. Zhao Kuiying**, aged, 40, is an economist. He graduated from Nankai University (南開大學) with a bachelor degree in Finance in 1990 and subsequently obtained a master degree in Economics from Tianjin University of Finance and Economics (天津財經大學). He specializes in financial management and analysis. He was positioned in various posts in branches of the Agricultural Bank of China from 1990 to 2000 and China CITIC Bank from 2000 and has been the head of a branch office of China CITIC Bank in Tianjin since August 2005.

## 7. MISCELLANEOUS

- (a) The registered office of the Company is situated at No. 12 Tai Hua Road, The 5th Avenue, TEDA, Tianjin, PRC. The head office and principal place of office of the Company in the PRC and in Hong Kong are situated at (i) 9th Floor, Block A2, Tianda High-Tech Park, No. 80 The 4th Avenue, TEDA, Tianjin, PRC; and ii) 24/F, Euro Trade Centre, Nos. 13-14 Connaught Road, Central, Hong Kong respectively while the Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (b) The company secretary and qualified accountant of the Company is Mr. Ng Ka Kuen, Raymond (吳嘉權先生) who is a member of the Hong Kong Institute of Certified Public Accountant and the compliance officer of the Company is Mr. Wang Shuxin (王書新先生) who is a senior engineer in the profession of Organic Chemical Engineering (有機化工專業) and also the chairman of the Board and an executive Director.



- (c) The Company has established an audited committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, half-year reports and quarterly reports and to provide advice and comments thereon to the Board and supervise the financial reporting process and internal control system of the Company. As at the Latest Practicable Date, the audit committee has three members comprising all the independent non-executive Directors, namely, Professor Xian Guoming, Wu Chen and Mr. Guan Tong.
- (d) Save as disclosed in this circular, none of the Directors and Supervisors is interested in any assets which have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2007, the date of which the latest published audited accounts of the Company were made up.
- (e) The Directors believe that there has been no material adverse change in the financial or trading position or prospects of the Company or its subsidiaries since 31 December 2007.