

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

## **China Gamma Group Limited**

**中國伽瑪集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 164)**

### **ENTERING INTO A COOPERATION AGREEMENT AND RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Top Field Technology Limited, a wholly-owned subsidiary of the Company, entered into a Cooperation Agreement with 中國人民解放軍軍事醫學科學院 (The Academy of Military Medical Sciences)\* (the "Academy") on 18 December 2009, pursuant to which Top Field can gain support from the Academy, one of the top research institutions in gamma ray irradiation applications in China, for further developing its gamma ray technologies and applications with a common goal of enhancing the public health and living standard and making available irradiation services across China for the benefits of the Chinese people and business sectors.

#### **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:53 a.m. on 18 December 2009 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 21 December 2009.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that Top Field Technology Limited, a wholly-owned subsidiary of the Company, and the Academy entered into a Cooperation Agreement on 18 December 2009, pursuant to which Top Field can gain support from the Academy, one of the top research institutions in gamma ray irradiation applications in China, for further developing its gamma ray technologies and applications with a common goal of enhancing the public health and living standard and making available irradiation services across China for the benefits of the Chinese people and business sectors.

#### **THE COOPERATION AGREEMENT**

**Date** : 18 December 2009

**Parties:**

Party A : the Academy  
Representative: 放射與輻射醫學研究所 (Institute of Radiation Medicine)\*

Party B : Top Field Technology Limited, a wholly-owned subsidiary of the Company

**Term** : 10 years from the date of the Cooperation Agreement (further extension will be subject to mutual agreement)

**Scope of cooperation**

- To promote the safe use of irradiation technologies in the improvement of the quality of life of people in China;
- To increase and accelerate the availabilities and deployment of irradiation technologies and facilities in China; and
- To develop and extend the scope of application of irradiation technologies in China for the benefits of the Chinese people and business sectors.

With the above objectives, the cooperation will first focus on the areas of food safety and medical product sterilization. Thereafter, the cooperation will seek to enhance the versatile applications of gamma ray irradiation technologies, and to promote the applications of irradiation technologies services across China for the benefits of the Chinese people and business sectors.

**The Academy's principal responsibilities include:**

- assisting Top Field in enhancing availability of quality gamma ray irradiation services across China;
- supporting Top Field on arousing the general public's recognition of pasteurization and sterilization by means of gamma ray technologies, thereby giving further impetus for the industry to prosper;
- providing research, technical and consulting supports to Top Field for broadening its scope of services arising from gamma ray technologies and further improving its business management; and
- providing advice and support to Top Field in maintaining and improving the quality control and safety system of its facilities.

**Top Field's principal responsibilities include:**

- by leveraging the support of the Academy, to establish advanced, sizable, and safe gamma ray irradiation facilities with the broadest range of applications across China;

- making available gamma ray irradiation facilities setups to the Academy for research purpose; and
- launching marketing and positioning strategies for the rolling out of the Academy's research results of gamma ray technologies and applications across China.

Each of the Academy and Top Field undertakes not to engage in similar kinds of cooperation with any third parties during the term of the Cooperation Agreement.

### **Service Fee:**

The service fee payable to the Academy will be based on the number of gamma ray facilities setups in the PRC by the Group. For the first year the fee will be RMB500,000 (equivalent to approximately HK\$568,000), which will be increased by RMB300,000 (equivalent to approximately HK\$341,000) per year per each additional gamma ray facilities setup. In addition, further fee will be payable to the Academy based on the extent of improvement on the Group's facilities and the scope of the Group's irradiation applications as a result of the provision of research applications by the Academy.

### **INFORMATION ON THE ACADEMY**

The Academy is one of the top research institutions in China and one of the top research institutions in gamma ray applications in the PRC. It was founded in 1951 and is principally engaged in medical related research for China including advanced irradiation application. To the best knowledge, information and belief of the Directors having made reasonable enquiries, the Academy is an Independent Third Party.

### **INFORMATION ON TOP FIELD**

Top Field was incorporated in Hong Kong and is a wholly-owned subsidiary of the Company which has, in September 2009, entered into a proposed acquisition of 80% interests in a company principally engaged in the cold pasteurization of food and sterilization of medical products utilizing advanced gamma ray technologies in Zibo City, Shandong Province, the PRC.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE COOPERATION AGREEMENT**

The Group is principally engaged in property development and investments, trading of building materials and provision of renovation services, and securities trading and investment. In September 2009, the Group has determined to diversify its business into cold pasteurization of food and sterilization of medical products utilizing advanced gamma ray technologies in China by entering into a proposed acquisition of 80% shareholding interests in 淄博利源高科辐照技术有限公司 (Zibo Liyuan Gamma Ray Technologies Co. Limited)\* which has gamma ray facilities setup in Zibo City, Shandong Province, the PRC, details of which were disclosed in the Company's announcement dated 11 September 2009.

In light of the strict import standards on imported goods, especially food and medical products, upheld by most developed countries, the Board believes that there is a continual strong demand for food cold pasteurization and medical products sterilization by gamma ray

technologies. In addition, the Board is also convinced that with the implementation of the Food Safety Regulations in the PRC in 2009, which imposes strict standards on food safety inland and which will take substantive effect in the coming years, another significant demand for food cold pasteurization by gamma ray technologies will arise in domestic markets.

To cope with the demand in the coming future and with a view to widening the scope of services delivered by gamma ray technologies and applications, the Group believes that through the Cooperation Agreement with the Academy, which is one of the top research institutions in China and one of the top research institutions in gamma ray applications with a long and successful research and applications track records, many hurdles in future development of gamma ray technologies and applications can be overcome. The Group is committed to implementing business development strategies in conjunction with the industry growth and the relevant government policy on gamma ray technologies and applications related development, extending marketing and sales force, widening scope of service as well as further improving operations quality control and safety. Depending on market situation, the Group will make investments in further upgrade of existing irradiation facilities, acquisition or development of new irradiation facilities if such opportunities arise. By entering into the Cooperation Agreement, the Group is also dedicated to arousing the general public's recognition of pasteurization and sterilization by utilizing gamma ray technologies and achieving the ultimate goal of contributing to enhancement of people's quality of life and making available irradiation services across China for the benefits of the Chinese people and business sectors.

The Board considers that it is in the best interest of the Company and its shareholders as a whole to enter into the Cooperation Agreement. Pairing with one of the top research institutions in gamma ray applications, the Board is full of confidence in extending the Group's capability in expediting the rolling out of its gamma ray technologies applications business across China and becoming a significant contributor to the industry.

Further announcement(s) will be made if and when appropriate in accordance with the Listing Rules.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 10:53 a.m. on 18 December 2009 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 21 December 2009.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Academy”	中國人民解放軍軍事醫學科學院 (The Academy of Military Medical Sciences)*
“Board”	the board of Directors
“Company”	China Gamma Group Limited, a company incorporated in

	Bermuda, with limited liability and the issued Shares of which are listed on the Stock Exchange
“Cooperation Agreement”	the cooperation agreement entered into between the Academy and Top Field dated 18 December 2009
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and the connected persons (as defined under the Listing Rules) of the Company, and not a connected person (as defined under the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top Field”	Top Field Technology Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

By order of the Board  
**China Gamma Group Limited**  
**Ho Chi Ho**  
*Executive Director*

Hong Kong, 18 December 2009

*As at the date of this announcement, the executive Director of the Company is Mr. Ho Chi Ho; the non-executive Directors of the Company are Mr. Ma Kwok Hung, Warren and Mr. Chow Siu Ngor; and the independent non-executive Directors of the Company are Mr. Wong Hoi Kuen, Edmund, Mr. Chan Chi Yuen and Mr. Hung Hing Man.*

*For the purpose of this announcement, unless otherwise specified, conversions of Renminbi into Hong Kong dollars are based on the approximate exchange rate of HK1.00 to RMB0.8804, for the purposes of illustration only. No representation is made that any amount in Hong Kong dollars or Renminbi could have been or could be converted at the above rate or at any other rates.*

*\* the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*