

# **China Gamma Group Limited**

中國伽瑪集團有限公司

[For Immediate Release]

## **中國人民解放軍軍事醫學科學院 (The Academy of Military Medical Sciences)\* entered into Cooperation Agreement with China Gamma Group Limited**

(20 December 2009, Hong Kong) China Gamma Group Limited ( or the “Group”; SEHK: 164) today announced that, the Group has through its wholly-owned subsidiary, Top Field Technology Limited (“Top Field”), 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”) with a view to extending the availability of irradiation technologies and facilities in China.

The cooperation with the Academy is made with the following key objectives:

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

The term of the cooperation agreement is 10 years. During this period, the Academy will provide research resources and support to the healthy and robust growth of the Group’s irradiation related business. Furthermore, both the Academy and Top Field agreed not to engage in similar kinds of cooperation with any third parties during the term of the cooperation agreement.

Major responsibilities of the Academy include 1) assisting the Group in enhancing availability of quality gamma ray irradiation services across China; 2) arousing the general public’s recognition of pasteurization and sterilization by means of gamma ray technologies; 3) providing research, technical and consulting supports to the Group for broadening its scope of services arising from gamma ray technologies; and 4) giving advice and support to the Group in maintaining and improving the quality control and safety system of its facilities.

With the partnership with the Academy, the Group is well positioned to extend its geographical coverage of its gamma ray related business by establishing the most advanced, sizable and the safest gamma ray irradiation facilities across China in future so as to satisfy the increasing demand for better food and medical safety standards.

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## The Academy

Founded in 1951, the Academy is one of the top research institutions in China with international reputation and successful track records in advanced irradiation research. It is one of the leading institutions in the areas of medical and irradiation research in China.

## Top Field

Top Field is a wholly-owned subsidiary of the Company which focused on irradiation services in China. In September 2009, the Group 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 淄博利源高科輻照技術有限公司 (Zibo Liyuan Gamma Ray Technologies Co. Limited)\* which has gamma ray facilities setup in Zibo City, Shandong Province, the PRC. Thereafter, the Group has taken steps to improve on the facilities in Zibo by increasing its irradiation capacity and improving on its logistics and storage capabilities to satisfy the expected substantial increase in demand from 2010 going forward. Furthermore, the Group has also engaged Mr. Lu Dun Zhu, a leading expert in irradiation technologies in The Chinese Academy of Sciences, as the Group's senior advisor and consultant in October 2009.

Mr. Gregory Ho, the Executive Director of Group said, "It is an honour for our Group to have a 10-year partnership with the Academy of Military Medical Sciences. The Academy is one of the most authoritative and top research institutions in China with a long and successful research and applications track records. With the enormous support and resources of the Academy, our Group is fully confident that we can extend the availability of irradiation facilities for the benefits of the Chinese people and business sectors across China in the coming years. Both the Academy and ourselves share a common goal of improving the public health and living standard for the benefits of Chinese people and business sectors. Furthermore, we will seek to extend the scope of gamma ray applications to service the Chinese community, including industrial and other applications. We have strong confidence in expediting the rolling out of our gamma ray technologies applications business across China and become a leading participant in the industry in the near future."

Mr. Ho added, "Our current focus is on food and medical safety and hygiene which is always one of the major spearheading policies of most governments in the world. Currently, there is a continual increasing demand for food pasteurization and medical product sterilization utilizing gamma ray technologies as a result of the strict import standards on import goods, especially food and medical products, imposed by developed countries. The implementation of Food Safety Regulations in China adopted in 2009, which imposes stringent measures on food safety, will undoubtedly trigger another significant demand for gamma ray technologies processing in domestic markets. Furthermore, there are many other commercial applications for gamma ray technologies. We strongly believe that with the support of the Academy, the Group can extend its scope of service and enhance our business substantially in the coming future. "

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\* *The unofficial English transliterations or translations are for identification purposes only.*

This press release is issued by PR Concepts Asia Limited for and on behalf of China Gamma Group Limited. For further enquiries, please contact:

Mr. Ip Mun Lam / Ms Eliza Li

Mobile: 9840 2744 / 9726 4497

E-mail: ip@prconcept.com / eliza@prconcept.com