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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)**

**ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTIONS**

**SUMMARY**

The Company as lessee entered into a new tenancy agreement with Tianjin TEDA International Incubator, a substantial shareholder of the Company, as lessor on 2 June 2010 and the annual rental payment for the financial year to be ended 31 December 2010 will be RMB326,268.

Tianjin Alpha HealthCare Products Co., Ltd, a non-wholly owned subsidiary of the Company as lessee entered into a new tenancy agreement with TTII as lessor on 2 June 2010 and the annual rental payment for the financial year to be ended 31 December 2010 will be RMB1,789,344.

As TTII is a controlling shareholder of the Company, it is also a connected person of the Company within the meaning of the GEM Listing Rules, thus the Tenancy Agreements constitute continuing connected transactions for the Company under the GEM Listing Rules. Given that the relevant Percentage Ratios of the transactions on an aggregate basis are all less than 2.5% on an annual basis, the Tenancy Agreements fall within the threshold for exempted continuing connected transaction under Rule 20.34 of the GEM Listing Rules and are subject to the reporting and announcement requirements under Rules 20.45 to 20.47 of the GEM Listing Rules and exempted from independent Shareholders' approval requirements.

**(1) THE TENANCY AGREEMENT**

Date : 2 June 2010

Tenant : the Company

Landlord : Tianjin TEDA International Incubator, a substantial shareholder of the Company

Location : 9th Floor, Block A2, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, PRC. (“Premises A2”)

Area : approximately 604 square meters

Term : a period of 1 year to be ended on 31 December 2010

Rent : annual rent of RMB326,268 which is the same as the annual rent for the year ended 31 December 2009

## **(2) THE TENANCY AGREEMENT**

Date : 2 June 2010

Tenant : Tianjin Alpha HealthCare Products Co., Ltd, a non-wholly owned subsidiary of the Company

Landlord : Tianjin TEDA International Incubator, a substantial shareholder of the Company

Location : Block D3, Tianda High-Tech Park, No. 80, The 4th Avenue, TEDA, Tianjin, PRC (“Premises D3”)

Area : approximately 4,970 square meters

Term : a period of 1 year to be ended on 31 December 2010

Rent : annual rent of RMB1,789,344

The Company and Alpha started renting the Premises A2 and D3 from TTII from the year of 2002 and 2000 respectively. The terms of the Tenancy Agreements were reached after arm’s length negotiation and were on normal commercial terms. The rents of Premises A2 and D3 under the Tenancy Agreements for the relevant years were determined by reference to the market rental rate of office premises of comparable quality in Tianda High-Tech Park of Tianjin.

The Directors (including the independent non-executive Directors) consider that the Tenancy Agreements were entered into in the ordinary and usual course of business of the Group and the terms thereof are normal commercial terms, and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **GENERAL**

TTII is a substantial shareholder of the Company, thus a connected person of the Company within the meaning of the GEM Listing Rules, as such the Tenancy Agreements constitute continuing connected transactions for the Company under the GEM Listing Rules. The Tenancy Agreements brought the Company under R.20.34(1) as the aggregate rental payments payable by the Group to TTII will be approximately RMB2,115,621 for the year to be ended 31 December 2010 and the relevant Percentage Ratios of the transactions under the Tenancy Agreements on an aggregate

basis are all less than 2.5% on an annual basis. As a result, the Tenancy Agreements fall within the threshold for exempted continuing connected transaction under Rule 20.34 of the GEM Listing Rules and are subject to the reporting and announcement requirements under Rules 20.45 to 20.47 of the GEM Listing Rules, but are exempted from independent Shareholders' approval requirements.

In addition, the Company will comply with the annual review requirements under Rules 20.37 to 20.40 of the GEM Listing Rules in respect of the transactions contemplated under the Tenancy Agreements.

## **GENERAL INFORMATION**

The Group is principally engaged in the research and development and commercialization of biological fertilizer products and medical health products. On the other hand, TTII is principally engaged in investment in high technology enterprises, provision of technical consultation services, leasing of premises, financial consultation, business information consultation and property transaction agency service.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Alpha”	Tianjin Alpha HealthCare Products Co., Ltd, a non-wholly owned subsidiary of the Company
“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)
“Directors”	the directors (including the independent non-executive directors) of the Company
“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
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong Special Administrative Region

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Tenancy Agreements”	the tenancy agreement dated 2 June 2010 entered into between the Company and TTII and the tenancy agreement dated 2 June 2010 entered into between Alpha and TTII
“TTII”	Tianjin TEDA International Incubator, holder of 200,000,000 domestic shares of the Company, which represents 14.08% of the issued share capital of the Company
“%”	per cent.

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

Tianjin, the PRC  
2 June 2010

*As at the date of this announcement, the Board comprises of three executive Directors, being Mr. Wang Shuxin, Mr. Hao Zhihui and Mr. Xie Kehua; 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 of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.*

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