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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 tenancy agreement with Tianjin TEDA International Incubator, a substantial shareholder of the Company, as lessor on 23 April 2008 and 12 February 2009 respectively in respect of the same premise and the annual rental payment for the financial years ended/to be ended 31 December 2008 and 31 December 2009 was/will be RMB219,177 and RMB326,268 respectively.

Tianjin Alpha HealthCare Products Co., Ltd, a non-wholly owned subsidiary of the Company as lessee entered into a tenancy agreement with TTII as lessor on 28 July 2008 for a term of two years and the rental payment for the year ended 31 December 2008 and the year to be ended 31 December 2009 was and will be RMB1,491,120. Alpha started renting the building from the year of 2000 and was exempted from payment of rents until 31 December 2007.

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. The Company has noted its non-compliance with Rule 20.47 when the Tenancy Agreements were entered into, which was entirely due to inadvertence. The Company would comply strictly with Rule 20.45 and Rule 20.46 in its forthcoming annual report and thereafter.

**(1) THE TENANCY AGREEMENT**

Date: 23 April 2008 and 12 February 2009

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: each for a period of 1 year from 1 January 2008 to 31 December 2008 and 1 January 2009 to 31 December 2009

Rent: RMB261,014 for the financial year ended 31 December 2008 and RMB326,268 for the financial year to be ended 31 December 2009

**(2) THE TENANCY AGREEMENT**

Date: 28 July 2008

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: For a period of 2 years from 1 January 2008 to 31 December 2009

Rent: annual rent of RMB1,491,120

The Company and Alpha started renting Premises A2 and D3 from the year of 2002 and 2000 respectively. From the year of 2000 to 31 December 2007, Alpha was exempted from rental payment for Premises D3 under governmental preferential policies as Alpha is categorized as a high technology enterprise by the government of Tianjin Economic – Technological Development Area.

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. In addition, the Company was of the view that it would not be economical for the Company and Alpha to relocate its premises to other location when the rental exemption period expired as it would also incur additional relocation expenses.

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. When Alpha was no longer exempted from rental payment under the governmental preferential policies starting from 1 January 2008, the Tenancy Agreements brought the Company under R.20.34(1) as the aggregate rental payments payable by the Group to TTII were approximately RMB1,752,134 and RMB1,817,388 for the year ended 31 December 2008 and the year to be ended 31 December 2009 respectively 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.

The Company has noted its non-compliance with Rule 20.47 in the year of 2008 and 2009 in view of the above transactions under the Tenancy Agreements. However, the same was entirely due to inadvertence when Alpha was no longer exempted from rental payment under the governmental preferential policies on 1 January 2008. The Company would comply strictly with Rule 20.45 and Rule 20.46 in its forthcoming annual report and thereafter.

In addition, the Company will comply with the annual review requirements under Rules 20.37 and 20.38 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 23 April 2008 and 12 February 2009 entered into between the Company and TTII and the tenancy agreement dated 28 July 2008 entered into between Alpha and TTII                                     |
| “TTII ”              | Tianjin TEDA International Incubator, holder of 200,000,000 domestic shares of the Company, which represents 21.05% of the issued share capital of the Company  |
| “%”                  | per cent.   |

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

Tianjin, the PRC  
30 March 2009

*As at the date of this announcement, the Board comprises of two executive Directors, being Mr. Wang Shuxin 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 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.*