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## **GOLDEN MEDITECH HOLDINGS LIMITED**

**金衛醫療集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 00801)**

### **ISSUE OF CONVERTIBLE NOTES**

This announcement is made by the Company pursuant to Rule 13.28 of the Listing Rules.

#### **ISSUE OF CONVERTIBLE NOTES**

The Board is pleased to announce that after trading hours, on 22 October 2014, the Company (as issuer) and the Investor (as subscriber) entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to issue, and the Investor has conditionally agreed to subscribe for, the Convertible Notes of an aggregate principal amount of US\$20 million (equivalent to approximately HK\$155 million).

The Convertible Notes will bear interest at the rate of 5% per annum and are initially convertible into 110,714,285 new Conversion Shares (representing approximately 6.05% of the enlarged issued share capital of the Company) at any time before the Maturity Date falling on the third anniversary of the Issue Date. A summary of the principal terms and conditions of the Convertible Notes is set out in this announcement.

As a condition precedent to the Investor completing the Subscription, the Guarantors, each being a subsidiary of the Company, shall execute the Deeds of Guarantee in favour of the Investor to guarantee, among other things, the due and punctual observance and performance by the Obligors of all of their obligations under the Transaction Documents.

The estimated net proceeds from the Subscription of approximately HK\$149 million will be used by the Group solely for its general working capital.

#### **GENERAL**

Closing of the Subscription Agreement is conditional upon, among others, the Listing Committee of HKSE having granted the approval for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Notes. The Conversion Shares will be issued and allotted under the General Mandate granted to the Directors by the Shareholders. As at the date of this announcement, save for the proposed issue of the Conversion Shares upon exercise of the conversion rights attached to Convertible Notes, the Company has not utilised the General Mandate.

No application will be made for the listing of any of the Convertible Notes on HKSE or any other stock exchange.

**None of the Convertible Notes have been offered or sold, or may be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.**

**Shareholders and potential investors should note that the Subscription Agreement is subject to conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and Warrants.**

After trading hours, on 22 October 2014, the Company (as issuer) and the Investor (as subscriber) entered into the Subscription Agreement pursuant to which the Company has conditionally agreed to issue, and the Investor has conditionally agreed to subscribe for, the Convertible Notes of an aggregate principal amount of US\$20 million (equivalent to approximately HK\$155 million).

A summary of the principal terms of the Subscription Agreement and the principal terms and conditions of the Convertible Notes is set out below:

## **THE SUBSCRIPTION AGREEMENT**

### **Date:**

22 October 2014

### **Parties:**

Issuer: The Company; and

Investor: Gem Power International Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Investor and its indirect holding company, CCB International (Holdings) Limited, are third parties independent of the Company and its connected persons.

### **Aggregate amount of the Convertible Notes to be subscribed:**

Subject to fulfillment of the Conditions, the Investor has agreed to subscribe for the Convertible Notes in an aggregate principal amount of US\$20 million (equivalent to approximately HK\$155 million).

### **Conditions precedent to the Subscription Agreement:**

Closing shall take place on a date no later than three (3) Business Days after the fulfillment or waiver of the Conditions, which include, among other things, the followings:

1. The delivery to the Investor of a certified copy of the approval from the Listing Committee of HKSE for the listing of, and permission to deal in, the Conversion Shares.
2. The warranties as listed in the Subscription Agreement being true, correct, accurate, complete and not misleading when made, and continuing to be true, correct, accurate, complete and not misleading up to the Closing Date.

3. The Company and each Guarantor having performed and complied with all covenants, agreements, obligations and conditions contained in the Transaction Documents that are required to be performed or complied with by it on or before the Closing and having obtained and delivered to the Investor all approvals necessary to complete the transactions contemplated thereby and under the other Transaction Documents.
4. There being no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or governmental authority in effect precluding or prohibiting consummation of any part of the transactions contemplated under the Transaction Documents.
5. There having not, since the date of the Subscription Agreement, been any adverse change to the condition (financial or otherwise), results of operations, assets, regulatory status, business and prospects of the Group or the financial markets or economic conditions in general that has had a material adverse effect.
6. The Investor being satisfied with the results of the due diligence in relation to the Group including business and operation, financial, tax, regulatory and legal aspects of the members of the Group taken as a whole.
7. Mr. Kam being and remaining as an executive Director and the Chairman of the Company.
8. Bio Garden being and remaining as the single largest shareholder of the Company.
9. The Company being and remaining as the legal and beneficial owner of at least 30,681,266 shares of CCBC.
10. The Company being and remaining the single largest shareholder of CCBC.
11. The Kam Family Trusts being and remaining the ultimate beneficial owners of 100% of the issued share capital of Bio Garden and the trustees of the Kam Family Trusts being and remaining the only legal owners of 100% of the issued share capital of Bio Garden.

If the Conditions are not fulfilled or waived by the Investor on or before 21 November 2014, the Investor may, at its option, without prejudice to its rights:

- (a) defer the Closing to a later date;
- (b) proceed to the Closing in respect of subscription of the Convertible Notes so far as practicable but subject to such conditions as the Investor may determine at its sole discretion; or
- (c) terminate the Subscription Agreement.

**Closing:**

Upon Closing, the Investor shall pay the subscription price of US\$20 million (equivalent to approximately HK\$155 million) into the designated bank account of the Company by wire transfer in immediately available US\$ funds.

**USE OF PROCEEDS**

The aggregate gross proceeds from the Subscription are expected to be US\$20 million (equivalent to approximately HK\$155 million). The net proceeds from the Subscription, after the deduction of commission and other related expenses, are estimated to be approximately HK\$149 million which will be used by the Group solely for its general working capital.

**GUARANTEES**

As a condition precedent to the Investor completing the Subscription, the Guarantors, each being a subsidiary of the Company, shall execute the Deeds of Guarantee in favour of the Investor to guarantee, among other things, the due and punctual observance and performance by the Obligor of all of their obligations under the Transaction Documents.

**TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES**

- Issuer** : The Company
- Guarantee** : The Guarantors will guarantee the performance or observance of or compliance with any obligations, covenants, undertakings or other terms under any of the Transaction Documents by the Obligor.

<b>Principal amount</b>	:	Convertible Notes due 2017 in an aggregate principal amount of US\$20 million (equivalent to approximately HK\$155 million).
<b>Issue price</b>	:	100% of the principal amount of the Convertible Notes.
<b>Ranking of Convertible Notes</b>	:	The Convertible Notes will (subject to any obligations preferred by mandatory provisions of law) rank at least pari passu with all other present and future direct, unconditional and unsubordinated obligations of the Company.
<b>Interest</b>	:	5% per annum on the outstanding principal amount of the Convertible Notes, which shall be payable in arrears semi-annually from the Issue Date until the date on which the Convertible Notes are redeemed.
<b>Handling Fee</b>	:	A handling fee at the rate of 1% per annum on the outstanding principal amount of the Convertible Notes from the Issue Date until the date on which the Convertible Notes are redeemed, which shall be due and payable in cash by the Company to the Noteholder(s) as follows: <ul style="list-style-type: none"> <li>(a) for the period of the first six months commencing from the Issue Date (which is equal to the amount of US\$100,000) shall be due and payable on the Issue Date; and thereafter,</li> <li>(b) for the remaining term of the Convertible Notes shall be due and payable in arrears semi-annually.</li> </ul>
<b>Additional payment</b>	:	Noteholder(s) will be entitled to an annual additional payment representing the excess amount of dividends, if any, declared by the Company during the Conversion Period on the same number of Shares as the underlying Conversion Shares in respect of the outstanding Convertible Notes over the accrued interest on the Convertible Notes.
<b>Maturity date</b>	:	The date falling on the third anniversary of the Issue Date (the “ <b>Maturity Date</b> ”).

- Redemption upon maturity** : The Company shall redeem on the Maturity Date all the outstanding principal amount of the Convertible Notes in an amount equal to the sum of the aggregate principal amount of the Convertible Notes then outstanding plus a premium representing an internal rate of return of 12% per annum on the principal amount of the Convertible Notes together with all accrued and outstanding interest, payment and fee, if any.
- Redemption upon event of default** : Upon the occurrence of an event of default, the Noteholder shall be entitled to require the Convertible Notes to be redeemed in an amount equal to the sum of the aggregate principal amount of the Convertible Notes then outstanding plus a premium representing an internal rate of return of 18% per annum on the principal amount of the Convertible Notes together with all accrued and outstanding interest, payment and fee, if any.
- Early redemption by the Noteholder(s)** : Unless previously redeemed, converted or cancelled, the Noteholder may, at its option and at any time prior to five (5) Business Days before the second anniversary of the Issue Date request the Company to redeem the Convertible Notes in whole or in part on the second anniversary of the Issue Date (“**Early Redemption Date**”) in an amount equal to the sum of the outstanding principal amount of the Convertible Notes to be redeemed, all accrued and outstanding interest, payment and fee (if any), and a premium representing an internal rate of return of 12% per annum on the relevant principal amount, calculated from the Issue Date to the Early Redemption Date.
- Conversion period** : The period commencing from Issue Date up to and including the Maturity Date (the “**Conversion Period**”).
- Conversion Price** : Initially at HK\$1.40 per Conversion Share, subject to adjustments.

**Adjustments to  
Conversion  
Price**

: The Conversion Price will be subject to adjustment for, among other things,

- (a) consolidation or subdivision of Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;
- (d) the Company offers to Shareholders new Shares for subscription by way of rights, or grants to Shareholders any options or warrants to subscribe for new Shares, at a price per new Share which is less than 95% of the market price at the date of the announcement of the terms of the offer or grant;
- (e) the Company issues wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights to acquire or subscribe for new Shares and the total effective consideration per new Share initially receivable for such securities is less than 95% of the market price at the date of the announcement of the terms of issue of such securities;
- (f) the rights of conversion or exchange or subscription attached to any such securities are modified so that the total effective consideration per Share initially receivable for such securities shall be less than 95% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription;
- (g) the Company issues wholly for cash any new Shares at a price per Share which is less than 95% of the market price at the date of the announcement of the terms of such issue;

- (h) the Company shall issue Shares for the acquisition of any asset at a total effective consideration (i.e. consideration being paid for such new Shares by the Company on acquisition of the relevant asset without deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof) per Share which is less than 95% of the market price at the date of the announcement of the terms of such issue; and
- (i) the Company or the Noteholder determines that an adjustment should be made to the Conversion Price and an adjustment shall only be made if the approved accountant is so requested to make such a determination.

**Conversion Shares to be issued under the Convertible Notes** : Based on the initial Conversion Price of HK\$1.40 per Conversion Share at the exchange rate of HK\$7.75 per US\$1.00, a total of 110,714,285 Conversion Shares will be issued upon full conversion of the principal amount of the Convertible Notes, representing approximately 6.05% of the enlarged issued share capital of the Company.

**Certain specific performance obligations which constitute an event of default** : For so long as any of the Convertible Notes or any part of it remain outstanding, an event of default shall include but not limited to the following:

- (a) Mr. Kam ceases to be an executive Director and the Chairman of the Company;
- (b) the Company ceases to be the single largest shareholder of CCBC;
- (c) the Company ceases to be the legal and beneficial owner of at least 30,681,266 shares of CCBC;
- (d) Bio Garden ceases to be the single largest shareholder of the Company;
- (e) the Kam Family Trusts cease to be the ultimate beneficial owners of all the issued shares in Bio Garden; or

(f) the trustees of the Kam Family Trusts cease to be the only legal owners of all the issued shares in Bio Garden.

- Ranking of Conversion Shares** : Conversion Shares issued upon conversion shall be fully paid, free from any liens, charges, pre-emptive rights, third party rights or any other encumbrance and rank pari passu in all respects with all other Shares in issue on the date of conversion and the holder shall be entitled in respect of its Conversion Shares to all dividends, and other distributions the record date for which falls on a date on or after the conversion notice.
- Listing** : No application will be made for the listing of any of the Convertible Notes on HKSE or any other stock exchange.
- Transferability** : The Convertible Notes are freely transferrable (in whole or in part) by the Noteholder to any person subject to compliance with all applicable laws and provided that no transfer shall be made to a connected person of the Company, or to a person who is or whose affiliates are competitor(s) of any of the Group's business.

## **THE CONVERSION PRICE**

The initial Conversion Price is HK\$1.40 per Conversion Share and represents:

- (i) a premium of approximately 12.00% over the closing price of HK\$1.25 per Share as quoted on HKSE on the Last Trading Day;
- (ii) a premium of approximately 15.70% over the average closing price of HK\$1.21 per Share as quoted on HKSE for the 5 trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 15.32% over the average closing price of HK\$1.214 per Share as quoted on HKSE for the last 10 trading days up to and including the Last Trading Day; and

(iv) a discount of approximately 46.56% to the Group's audited consolidated net assets value per Share as at 31 March 2014 of approximately HK\$2.62 (based on a total of 1,717,990,367 Shares as at the date of the Subscription Agreement and the Group's audited consolidated net assets value attributable to Shareholders of approximately HK\$4,493 million as at 31 March 2014).

The Conversion Price was determined after arm's length negotiation between the Company and the Investor with reference to the recent trading prices of the Shares on HKSE. The Directors are of the view that the Conversion Price is fair and reasonable and in the interests of the Company and Shareholders as a whole.

The net issue price, after deduction of the relevant expenses, is approximately HK\$1.35 per Conversion Share.

#### **ISSUE OF THE CONVERSION SHARES UNDER THE GENERAL MANDATE**

Based on the principal amount of US\$20 million (equivalent to approximately HK\$155 million) of Convertible Notes and the initial Conversion Price of HK\$1.40 per Conversion Share, the Company will issue 110,714,285 Conversion Shares upon exercise of the conversion right attached to the Convertible Notes, representing:

- (i) approximately 6.44% of the issued share capital of the Company as at the date of the Subscription Agreement; and
- (ii) approximately 6.05% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares upon full conversion of the Convertible Notes (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares since the date of the Subscription Agreement up to the date of full conversion of the Convertible Notes).

The Conversion Shares will be issued and allotted under the General Mandate granted to the Directors by the Shareholders at the Company's annual general meeting held on 19 September 2014 to issue, allot and deal with not more than 343,590,489 Shares.

As at the date of this announcement, save for the proposed issue of the Conversion Shares upon exercise of the conversion rights attached to Convertible Notes, the Company has not utilised the General Mandate.

As such, the issue of the Convertible Notes and the Conversion Shares upon the exercise of the conversion rights attached to the Convertible Notes will not be subject to Shareholders' approval.

Application will be made by the Company to the Listing Committee of HKSE for the granting of the approval for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Convertible Notes.

## **INFORMATION ON THE GROUP**

The Group is China's leading integrated-healthcare device and service operator, and the first medical device enterprise that was publicly listed outside of the PRC on HKSE. The Group is involved in five different businesses, namely (i) the medical devices business; (ii) the cord blood storage business, which is listed, through the Company's subsidiary, CCBC, on the NYSE; (iii) the hospital management business; (iv) the medical insurance administration business; and (v) the Chinese herbal medicine business.

## **INFORMATION ON THE INVESTOR**

The Investor is a limited liability company incorporated in the British Virgin Islands. It is indirectly and wholly-owned by CCB International (Holdings) Limited ("CCBI"). CCBI is an investment services flagship which is indirectly and wholly-owned by China Construction Bank Corporation, a joint-stock company incorporated in the PRC and listed on the Main Board of the Stock Exchange (stock code: 0939) and the Shanghai Stock Exchange (stock code: 601939).

## **REASONS FOR THE ISSUE OF THE CONVERTIBLE NOTES**

The Directors consider that the issue of Convertible Notes represents an opportunity to raise additional funds for the Company's general working capital.

The Directors also consider that the issue of the Convertible Notes is an appropriate means through which the Company can raise funds as it provides the Company with immediate funding without immediate dilution of the interests of the existing Shareholders notwithstanding that their interests will be diluted if the Convertible Notes are converted in the future. In addition, upon conversion of the Convertible Notes, it is contemplated that the capital base of the Company would be enlarged and strengthened, which might benefit the future growth and development of the Group's business.

Taking into account of the above, the Directors consider that the terms and conditions of the Subscription Agreement and the Convertible Notes were negotiated on an arm's length basis and agreed on normal commercial terms between the Company and the Investor. The Directors also consider that the terms and conditions of the Subscription Agreement and the Convertible Notes were fair and reasonable and the entering into of the Subscription Agreement and the issue of the Convertible Notes would be in the interests of the Company and its shareholders as a whole.

## FINANCIAL EFFECT OF THE ISSUE OF THE CONVERTIBLE NOTES

Upon the issue of the Convertible Notes, the total assets and total liabilities of the Group will be increased by an amount equal to the principal amount of the Convertible Notes.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 1,717,990,367 Shares in issue. Set out below are the shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after full conversion of the Convertible Notes at the initial Conversion Price of HK\$1.40 per Conversion Share (assuming that there is no change in the issued share capital of the Company other than the issue of the Conversion Shares since the date of the Subscription Agreement up to the date of full conversion of the Convertible Notes):

	As at the date of this announcement		Immediately after full conversion of the Convertible Notes	
	No. of Shares	Approximate percentage (%)	No. of Shares	Approximate percentage (%)
Bio Garden <sup>(Note 1)</sup>	360,650,000	20.99	360,650,000	19.72
New Horizon Capital Partners III Ltd. (“New Horizon”) <sup>(Note 2)</sup>	308,325,900	17.95	308,325,900	16.86
Investor	—	—	110,714,285	6.05
Public Shareholders <sup>(Note 3)</sup>	<u>1,049,014,467</u>	<u>61.06</u>	<u>1,049,014,467</u>	<u>57.37</u>
Total	<u>1,717,990,367</u>	<u>100.00</u>	<u>1,828,704,652</u>	<u>100.00</u>

### Notes:

1. Bio Garden is an investment holding company incorporated in the BVI. It was wholly-owned by certain discretionary trusts of which Mr. Kam was the founder.
2. These Shares were held through Hope Sky Investments Limited and Top Strength Holdings Limited, which are wholly-owned by New Horizon Capital III, L.P.; and New Horizon is a controller of New Horizon Capital III, L.P..
3. These Shares were held by the public Shareholders.

## EQUITY FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST TWELVE MONTHS

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of proceeds as stated in the announcement</b>	<b>Actual use of proceeds</b>
19 November 2013	Open Offer	HK\$560 million	Approximately HK\$315 million will be used to settle outstanding debts and approximately HK\$245 million as general working capital (including repayment of the remaining balance of the outstanding debts in future years).	Approximately HK\$363 million was used to settle outstanding debts and approximately HK\$197 million was used for the general working capital of the existing development projects.

Save as disclosed above, the Company has not conducted any equity fund raising activity during the past twelve (12) months immediately preceding the date of this announcement.

### **GENERAL**

This announcement is made by the Company pursuant to Rule 13.28 of the Listing Rules.

**None of the Convertible Notes have been offered or sold, or may be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.**

**Shareholders and potential investors should note that the Subscription Agreement is subject to conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and Warrants.**

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Bio Garden”	Bio Garden Inc., a company incorporated in the BVI with limited liability which is wholly-owned by certain discretionary trusts of which Mr. Kam is the founder as at the date of this announcement
“Board”	the board of Directors
“Business Day(s)”	a day on which commercial banks in Hong Kong are generally open for business other than Saturday and Sunday or a public holiday, or a day on which commercial banks do not open for business owing to a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal being in force in Hong Kong
“BVI”	the British Virgin Islands
“CCBC”	China Cord Blood Corporation, a company incorporated in the Cayman Islands with limited liability, a non wholly-owned subsidiary of the Company and whose shares are listed on the NYSE
“China Bright”	China Bright Group Company Limited (華興創控股有限公司), a company incorporated under the laws of Hong Kong with limited liability
“Closing”	completion of the Subscription as contemplated under the Subscription Agreement
“Closing Date”	the date on which the Company agrees to issue the Convertible Notes, being a day within three (3) Business Days after all the conditions precedent are satisfied (or waived) or such later date as the Company and the Investor may agree
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), as amended from time to time

“Company”	Golden Meditech Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of HKSE
“Conditions”	the conditions precedent to Closing, the principal ones of which are summarised in the paragraph headed “Conditions precedent to the Subscription Agreement” under the section headed “The Subscription Agreement” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the initial conversion price of the Convertible Notes, being HK\$1.40 per Conversion Share subject to adjustments
“Conversion Share(s)”	(an) ordinary share(s) of par value of HK\$0.20 each (or such other amount as such ordinary share(s) may be divided or consolidated or converted into) in the share capital of the Company issued upon conversion of the Convertible Notes
“Convertible Notes”	the 5% redeemable convertible notes due 2017 in an aggregate principal amount of US\$20 million (equivalent to approximately HK\$155 million) convertible into Shares to be issued by the Company as contemplated under the Subscription Agreement
“Deed(s) of Guarantee”	the deeds of guarantee to be executed by the Guarantors in favour of the Investor to guarantee the due and punctual observance and performance by the Obligor(s) of all of their obligations under the Transaction Documents
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company on 19 September 2014 to allot, issue and deal with not more than 343,590,489 Shares
“GM Hospital Group”	GM Hospital Group Limited, a company incorporated under the laws of BVI with limited liability
“GM Hospital Management”	GM Hospital Management Company Limited (金衛醫院管理有限公司), a company incorporated under the laws of Hong Kong with limited liability

“GM Hospital Investment Ventures”	GM Hospital Investment Ventures Company Limited (金衛醫院投資有限公司), a company incorporated under the laws of Hong Kong with limited liability
“Golden Meditech Stem Cells (BVI)”	Golden Meditech Stem Cells (BVI) Company Limited (Company No. 546917), a company incorporated under the laws of BVI with limited liability
“Group”	the Company and its subsidiaries
“Guarantors”	collectively GM Hospital Group, GM Hospital Management, GM Hospital Investment Ventures, Golden Meditech Stem Cells (BVI) and China Bright, and a “Guarantor” means any one of them
“HKSE”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	Gem Power International Limited, a company incorporated under the laws of BVI with limited liability
“Issue Date”	the date when the Convertible Notes are issued by the Company to the Investor
“Kam Family Trusts”	any trust of which the beneficiaries or discretionary objects consists of Mr. Kam, his spouse, parents, grand-parents, siblings, children and grand-children only
“Last Trading Day”	22 October 2014, being the date of the Subscription Agreement and the last trading day of the Shares on HKSE before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on HKSE
“Mr. Kam”	Mr. Kam Yuen, an executive Director and Chairman of the Company
“Noteholder(s)”	holder(s) of any amount of the Convertible Notes from time to time
“NYSE”	the New York Stock Exchange, Inc. or any successor thereto

“Obligors”	means the Company, GM Hospital Group, GM Hospital Management, GM Hospital Investment Ventures, Golden Meditech Stem Cells (BVI) and China Bright and an “Obligor” means any one of them
“Open Offer”	the open offer on the basis of one new ordinary share of the Company of HK\$0.10 each (offer share) for every two ordinary shares of the Company of HK\$0.10 each held by eligible Shareholders, at the subscription price of HK\$0.50 per offer share payable in full on application
“PRC” or “China”	the People’s Republic of China excluding, for the purposes of this Announcement, the Special Administrative Regions of Hong Kong and Macao and the territory of Taiwan
“Share(s)”	(an) ordinary share(s) of par value of HK\$0.20 each (or such other amount as such ordinary share(s) may be divided or consolidated or converted into) in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of (an) issued Share(s) from time to time
“Subscription”	the proposed subscription by the Investor of the Convertible Notes as contemplated under the Subscription Agreement
“Subscription Agreement”	the convertible notes subscription agreement dated 22 October 2014 and entered into between the Company and the Investor in relation to the Subscription
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Transaction Documents”	means (i) the Subscription Agreement, (ii) the Convertible Notes as represented by the note certificate (together with the terms and conditions of the Convertible Notes), (iii) the Deeds of Guarantee, and (iv) any deeds of adherence, other agreements, instruments, certificates executed or entered into by any or all of the Company and the Guarantors pursuant to or in connection with any of the foregoing
“United States” or “U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States

“Warrant(s)” the warrant(s) of the Company carrying subscription rights which are exercisable during the period from 31 July 2014 to 30 July 2015 to subscribe for a total of 310,689,390 new Shares of the Company at an initial subscription price of HK\$1.40 per Share (subject to adjustment)

“%” per cent.

*In this announcement, amounts in US\$ have been converted into HK\$ and vice-versa at the rates of US\$1= HK\$7.75 for illustration purposes only. These translations shall not be taken as a representation that any amounts in US\$ or HK\$ have been or could have been or can be converted at the aforementioned rate or at any other rate or at all.*

By Order of the Board  
**Golden Meditech Holdings Limited**  
**Kam Yuen**  
*Chairman*

Hong Kong, 22 October 2014

*As at the date of this announcement, the Board comprises 8 Directors. The executive Directors are Mr. KAM Yuen (Chairman), Mr. LU Tian Long, Mr. KONG Kam Yu and Mr. YU Kwok Kuen, Harry, the non-executive Director is Ms. ZHENG Ting and the independent non-executive Directors are Prof. CAO Gang, Mr. FENG Wen, and Prof. GU Qiao.*