

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

This announcement is for information purposes only and does not constitute an invitation or solicitation of an offer to acquire, purchase or subscribe for securities or an invitation to enter into an agreement to do any such things, nor is it calculated to invite any offer to acquire, purchase or subscribe for any securities.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The securities referred to herein will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)), except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act. No public offering of securities is to be made by the Company (as defined herein) in the United States.



BIOSTIME INTERNATIONAL HOLDINGS LTD.

合生元國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1112)

ISSUANCE OF US\$200,000,000 7.25% SENIOR NOTES DUE 2021

This announcement is made by Biostime International Holdings Ltd. (the “**Company**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 23 January 2017 in respect of the Proposed Senior Notes Offering (the “**Previous Announcement**”). Capitalised terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Previous Announcement.

On 23 January 2017, the Company entered into the Purchase Agreement with Goldman Sachs in connection with the issue of US\$200,000,000 7.25% Senior Notes due 2021.

The gross proceeds of the Senior Notes Issue will be US\$209 million. The proceeds of the Senior Notes Issue are expected to be used, together with the Company's cash on hand, to fund the Swisse Minority Acquisition.

Approval in-principle has been received for the listing and quotation of the Senior Notes on the Official List of the SGX-ST. Such approval in-principle is not to be taken as an indication of the merits of the Company, its subsidiaries, or the Senior Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. No listing of the Senior Notes has been, or will be, sought in Hong Kong.

The Senior Notes Issue is subject to satisfaction of certain conditions set out in the Purchase Agreement. Shareholders and potential investors are urged to exercise caution when dealing in the shares and other securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Previous Announcement. Capitalised terms used and not otherwise defined in this announcement have the meanings ascribed to them in the Previous Announcement.

THE PURCHASE AGREEMENT

The Board is pleased to announce that on 23 January 2017, the Company entered into the Purchase Agreement with Goldman Sachs in connection with the issue of US\$200,000,000 7.25% Senior Notes due 2021.

Date: 23 January 2017

Parties to the Purchase Agreement

- (a) the Company as the issuer of the Senior Notes;
- (b) the Subsidiary Guarantors as guarantors of the Senior Notes; and
- (c) Goldman Sachs as the purchaser of the Senior Notes.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Goldman Sachs is an independent third party and not a connected person of the Company.

Principal terms of the Senior Notes

The following is a summary of certain provisions of the Senior Notes and the Indenture. This summary is not complete and is qualified in its entirety by reference to provisions of the documents relating to the Senior Notes.

Issuer	Biostime International Holdings Ltd. (合生元國際控股有限公司)
Initial Subsidiary Guarantors	British Virgin Islands, Cayman Islands, Hong Kong and Australia subsidiaries of the Issuer which are: Biostime International Investment Limited, Biostime Hong Kong Limited, Biostime Healthy (BVI) Limited, Biostime Healthy (Cayman) Limited, Biostime Healthy II (BVI) Limited, Biostime Healthy Hong Kong Limited, Biostime Healthy Australia Investment Pty Ltd, Biostime Healthy Australia Pty Ltd, Biostime Healthy Australia Holdings Pty Ltd, Swisse Wellness Group Pty Ltd, SWG Holdco Pty Ltd and Swisse Wellness Pty Ltd.
Securities Ratings	Ba3 by Moody's Investor Services, Inc. BB- by Standard & Poor's Ratings Services
Offering Type	The Senior Notes will only be offered and sold in an institutional offering to qualified institutional buyers in the United States in reliance on Rule 144A under the U.S. Securities Act and outside the United States in reliance on Regulation S.
Status	Senior Subordinated
Principal Amount	US\$200,000,000
Denomination	US\$200,000 and integral multiples of US\$1,000 in excess thereof
Maturity Date	21 June 2021
Issue Price	104.50%
Interest	The Senior Notes will bear interest from and including 21 December 2016 at a rate of 7.25% per annum, payable semi-annually in arrears.

Ranking of the Senior Notes

The Senior Notes are:

- general secured obligations of the Company;
- secured by the Collateral;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Senior Notes;
- subordinated to all existing and future secured indebtedness of the Company that is secured on a first-priority basis by assets that secure the Senior Notes on a junior ranking basis or secured by assets of the Company that do not secure the Senior Notes (including PRC assets and PRC share pledges), to the extent of the value of the assets securing such indebtedness;
- guaranteed by the Subsidiary Guarantors on a senior subordinated basis, subject to certain limitations; and
- effectively subordinated to all existing and future obligations of the non-Subsidiary Guarantor subsidiaries of the Company.

Collateral

The Senior Notes will be secured by:

- an escrow charge over the Escrow Account; and
- on a second-ranking basis by a floating charge over the assets of the Company (other than any assets located in the PRC or Capital Stock of subsidiaries) (collectively, the “*Collateral*”).

Events of Default

Events of default with respect to the Senior Notes include, among others, failure to pay principal, interest or additional amounts.

Covenants

The Senior Notes, the Indenture governing the Senior Notes and the Guarantees for the Senior Notes will limit the Company's ability and the ability of its Restricted Subsidiaries to, among other things, incur or guarantee additional indebtedness and issue certain preferred stock, make investments or other specified restricted payments; pay dividends or make other distributions or repurchase or redeem its Capital Stock, issue or sell Capital Stock of Restricted Subsidiaries, create liens on assets to secure indebtedness, guarantee indebtedness of the Company or Restricted Subsidiaries, transfer or sell assets, enter into, renew or extend certain transactions with shareholders or affiliates, enter into agreements that restrict the Company's Restricted Subsidiaries' ability to pay dividends, enter into sale and leaseback transactions, impair the security interests in respect of the Collateral and enter into unrelated businesses and merge or consolidate with or into another company.

Optional Redemption

On or after 21 June 2018, the Company may on any one or more occasions redeem all or any part of the Senior Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Senior Notes redeemed, to (but not including) the applicable redemption date, if redeemed during the twelve-month period beginning on 21 June of the years indicated below (subject to the rights of holders of Senior Notes on the relevant Record Date to receive interest on the relevant Interest Payment Date).

Period	Redemption Price
2018	103.6250%
2019	101.8125%
2020 and thereafter	100.0000%

The Company may at its option redeem the Senior Notes, in whole but not in part, at any time prior to 21 June 2018, at a redemption price equal to 100% of the principal amount of the Senior Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

At any time prior to 21 June 2018, the Company may at its option, on any one or more occasions, redeem up to 40% of the aggregate principal amount of the Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in one or more equity offerings or of common stock of the SWG IPO Entity in a Qualifying SWG IPO at a redemption price of 107.25% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, *provided* that at least 60% of the aggregate principal amount of the Senior Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the equity offering or the Qualifying SWG IPO, as the case may be.

Listing

Approval in-principle has been received for the listing and quotation of the Senior Notes on the Official List of the SGX-ST. Such approval in-principle is not to be taken as an indication of the merits of the Company, its subsidiaries, or the Senior Notes.

Governing Law

New York law

Initial Purchaser

Goldman Sachs

Trustee

HSBC Bank USA, National Association

Use of proceeds for the Senior Notes Issue

The gross proceeds of the Senior Notes Issue will be US\$209 million. The proceeds of the Senior Notes Issue are expected to be used, together with the Company's cash on hand, to fund the Swisse Minority Acquisition.

Listing and rating

Approval in-principle has been received for the listing and quotation of the Senior Notes on the Official List of the SGX-ST. Such approval in-principle is not to be taken as an indication of the merits of the Company, its subsidiaries, or the Senior Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. No listing of the Senior Notes has been, or will be, sought in Hong Kong.

The Senior Notes are expected to receive a rating of Ba3 by Moody's Investors Service and BB- by Standard and Poor's Ratings Services.

GENERAL

Reference is made to the Previous Announcement, which contained an extract of certain corporate and financial information regarding the Group, which included certain information that has not previously been made public.

The Senior Notes Issue is subject to satisfaction of certain conditions set out in the Purchase Agreement. Shareholders and potential investors are urged to exercise caution when dealing in the shares and other securities of the Company.

DEFINITIONS

“Applicable Premium”	applicable premium with respect to a Note at any redemption date as defined under the Offering Memorandum
“Board”	the board of Directors
“Capital Stock”	Capital stock as defined under the Offering Memorandum
“Company”	Biostime International Holdings Ltd. (合生元國際控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Subsidiary Guarantors
“HK\$”	Hong Kong dollar, the official currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement entered into between, <i>inter alia</i> , the Company, the Subsidiary Guarantors as guarantors and the Trustee dated 21 June 2016, pursuant to which the Senior Notes will be issued
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offering Memorandum”	offering memorandum in connection with the Senior Notes

“Original Issue Date”	21 June 2016
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“Purchase Agreement”	the agreement dated 23 January 2017 entered into between the Company, the Subsidiary Guarantors and Goldman Sachs in relation to the Senior Notes Issue
“Qualifying SWG IPO”	a transaction or series of related transactions upon the consummation of which a SWG IPO Entity has its ordinary shares listed on an internationally recognized stock exchange and as further defined under the Offering Memorandum
“Regulation S”	Regulation S under the U.S. Securities Act
“Restricted Subsidiaries”	all of the Company’s subsidiaries except for any Unrestricted Subsidiary
“Senior Notes”	the 7.25% senior notes due 2021 in the aggregate principal amount of US\$200,000,000 to be issued by the Company
“Senior Notes Issue”	the issue of the Senior Notes by the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the subsidiaries of the Company incorporated outside of the PRC which are expected to provide a guarantee for the payment of the Senior Notes, including Biostime International Investment Limited, Biostime Hong Kong Limited, Biostime Healthy (BVI) Limited, Biostime Healthy (Cayman) Limited, Biostime Healthy II (BVI) Limited, Biostime Healthy Hong Kong Limited, Biostime Healthy Australia Investment Pty Ltd, Biostime Healthy Australia Pty Ltd, Biostime Healthy Australia Holdings Pty Ltd, Swisse Wellness Group Pty Ltd, SWG Holdco Pty Ltd and Swisse Wellness Pty Ltd.

“SWG IPO Entity”	Biostime Healthy Australia Holdings Pty Ltd or its successor and as further defined under the Offering Memorandum
“Swisse Minority Acquisition”	the indirect acquisition of 17% of Swisse shares held by minority shareholders by the Company to take place shortly following the closing of the offering pursuant to the Share Sale Agreement
“Trustee”	HSBC Bank USA, National Association
“United States”	United States of America
“Unrestricted Subsidiary”	any subsidiary of the Company designated pursuant to the Indenture that will not be subject to the restrictive covenants in the Indenture
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollar, the lawful currency of the United States

By Order of the Board
Biostime International Holdings Limited
Mr. Luo Fei
Chairman

Hong Kong, 24 January 2017

As at the date of this announcement, the executive Director of the Company is Mr. Luo Fei; the non-executive Directors of the Company are Dr. Zhang Wenhui, Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang; and the independent non-executive Directors of the Company are Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun.