
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Golden Meditech Company Limited (the “Company” and, together with its subsidiaries, the “Group”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



GOLDEN MEDITECH COMPANY LIMITED

金衛醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8180)

PROPOSALS FOR

(1) RE-ELECTION OF RETIRING DIRECTORS

AND

(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

A letter from the Chairman of the Company is set out on pages 1 to 3 of this circular. A notice convening the annual general meeting (the “AGM” or the “Meeting”) of the shareholders of the Company (the “Shareholders”) to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 3 September 2007 at 10:00 a.m. is set out on pages 120 to 123 of the annual report of the Company for the financial year ended 31 March 2007 (the “2006/2007 Annual Report”).

A form of proxy for the AGM is enclosed with the 2006/2007 Annual Report. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited (the “Branch Registrar”), at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the Meeting. The completion and return of a form of proxy will not preclude you from attending and voting at the Meeting in person.

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market (the “GEM”) of the Stock Exchange 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at <http://www.goldenmeditech.com>.

29 June 2007

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the GEM website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

LETTER FROM THE CHAIRMAN



GOLDEN MEDITECH COMPANY LIMITED

金衛醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8180)

Executive Directors:

Mr. KAM Yuen (*Chairman*)
Ms. JIN Lu
Mr. LU Tian Long
Ms. ZHENG Ting

Independent Non-executive Directors:

Prof. CAO Gang
Mr. GAO Zong Ze
Prof. GU Qiao

Registered office:

Appleby Corporate Services (Cayman) Limited
P.O. Box 1350 GT, Clifton House
75 Fort Street, George Town
Grand Cayman, Cayman Islands
British West Indies

*Head office and principal place of
business in the PRC:*

Room 11, 7/F
Tower E1, Beijing Oriental Plaza
No. 1 East Chang An Ave.
Dong Cheng District
Beijing, 100738 China

Principal place of business in Hong Kong:

48/F
Bank of China Tower
1 Garden Road
Central
Hong Kong

29 June 2007

*To the Shareholders and
for information only, optionholders*

Dear Sir or Madam,

**PROPOSALS FOR
(1) RE-ELECTION OF RETIRING DIRECTORS
AND
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM involving (1) the re-election of retiring Directors and (2) the general mandates to allot, issue and deal with additional shares of HK\$0.1 each in the share capital of the Company (the "Shares") and to repurchase Shares.

LETTER FROM THE CHAIRMAN

(1) RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 108 of the Articles, Ms. ZHENG Ting (Executive Director), Prof. CAO Gang (Independent Non-Executive Director) and Mr. GAO Zong Ze (Independent Non-Executive Director) shall retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

Particulars on each of the retiring Directors as required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules are set out in Appendix II of this circular. Save as disclosed in Appendix II, there are no other matters that need to be brought to the attention of the Shareholders or other information that should be disclosed under rule 17.50(2) of the GEM Listing Rules in relation to the re-election of the retiring Directors.

(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 13 September 2006, the then Shareholders passed resolutions granting general mandates to the Directors to allot, issue, and deal with and repurchase Shares respectively. These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution to give the Directors a general and unconditional mandate to allot, issue, and deal with additional securities of the Company (including, inter alia, offers, agreements, options, warrants or similar rights in respect thereof) not exceeding twenty per cent. of the aggregate nominal value of the Company's issued share capital as at the date of passing the relevant resolution (being 304,444,901 Shares on the basis that the Shares in issue as at the date of the AGM is 1,522,224,507 Shares) for the period from the close of the AGM until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Issue Mandate");
- an ordinary resolution to give the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase such number of Shares not exceeding ten per cent. of the aggregate nominal value of the Company's issued share capital as at the date of passing the relevant resolution for the period from the close of the AGM until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Repurchase Mandate"); and
- conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution to authorise the Directors to exercise the powers to allot, issue, and deal with additional securities under the Issue Mandate by adding those Shares repurchased by the Company pursuant to the Repurchase Mandate.

The explanatory statement providing the requisite information regarding the Repurchase Mandate as required to be sent to Shareholders under the GEM Listing Rules is set out in Appendix I to this circular.

LETTER FROM THE CHAIRMAN

AGM AND POLL PROCEDURES

The full text of the resolutions in relation to the granting of the Issue Mandate and the Repurchase Mandate is set out on pages 120 to 123 of the 2006/2007 Annual Report. No Shareholder is required to abstain from voting on any of the resolutions to be proposed at the AGM. Shareholders should note that the English text of the proposed resolutions contained in the notice convening the AGM shall prevail over the Chinese text.

Details of the poll procedures are set out in Appendix III to this circular.

RECOMMENDATION

The Directors consider that the proposed resolutions regarding the re-election of retiring Directors and the granting of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the proposed resolutions.

Yours faithfully,
KAM Yuen
Chairman

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

This is the explanatory statement required by Rule 13.08 of the GEM Listing Rules to be given to all Shareholders relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 1,522,224,507 Shares in issue as at 26 June 2007, the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”) and assuming no further Shares will be issued or repurchased by the Company before the AGM, could result in up to 152,222,450 Shares being repurchased by the Company during the period from the passing of the resolution relating to the Repurchase Mandate up to the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; and (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles and the applicable laws of the Cayman Islands.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts as contained in the 2006/2007 Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS AND CONNECTED PERSONS

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Directors and their respective associates has a present intention, in the event that the Repurchase Mandate is approved and exercised, to sell Shares to the Company. No

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved and exercised.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association of the Company and the Articles and the applicable laws of the Cayman Islands.

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

According to the registers maintained by the Company pursuant to Sections 336 and 352 of the Securities and Futures Ordinance (the "SFO"), as at the Latest Practicable Date, the following interests in the Shares and underlying Shares were recorded:

Name of Shareholders	No. of Shares	No. of underlying Shares held under equity derivatives
Bio Garden Inc. (<i>Note</i>)	433,916,000	—
Mr. KAM Yuen	433,916,000 (corporate interest)	63,206,245 (beneficial owner)

Note: As at the Latest Practicable Date, Bio Garden Inc., a company incorporated in the British Virgin Islands, was wholly-owned by Mr. KAM Yuen. The corporate interest disclosed under Mr. KAM Yuen represents his deemed interest in the Shares by virtue of his interest in Bio Garden Inc.

Therefore, as at the Latest Practicable Date, according to the registers maintained by the Company pursuant to Sections 336 and 352 of the SFO, Bio Garden Inc. and Mr. KAM Yuen (by virtue of his interest in Bio Garden Inc.) were interested in approximately 28.51% of the existing issued share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate (if so approved), their interests will be increased to approximately 31.67% of the existing issued share capital of the Company and accordingly, they would be obliged to make a mandatory offer under rule 26 of the Takeovers Code in this respect.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

As at the Latest Practicable Date, Mr. KAM Yuen had beneficial interest in 63,206,245 underlying Shares in respect of an option (the “Kam Share Option”) granted by the Company under the share option scheme approved by the Shareholders at the extraordinary general meeting held on 30 March 2005 (the “Effective Date”). Pursuant to the terms of the Kam Share Option, up to 20% of the Kam Share Option may be exercised after 6 months from the Effective Date and up to 60% of the Kam Share Option may be exercised after 18 months from the Effective Date. Up to 100% of the Kam Share Option may be exercised after 30 months from the Effective Date, but before the close of business on the business date immediately preceding 4 March 2015.

In the event that the Directors exercise in full the Repurchase Mandate (if so approved) and on the basis of 63,206,245 Shares are issued under the Kam Share Option, the total interests of Bio Garden Inc. and Mr. KAM Yuen in the issued share capital of the Company would be increased from approximately 28.51% to approximately 34.69% and such increase would give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code.

However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations. The Directors will not exercise the Repurchase Mandate to such an extent that the number of listed Shares in the hands of the public will fall below the prescribed 25% as determined by the Stock Exchange.

8. SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
June, 2006	2.400	1.850
July, 2006	2.325	1.970
August, 2006	2.200	1.850
September, 2006	2.150	1.800
October, 2006	2.430	2.000
November, 2006	2.720	2.250
December, 2006	3.360	2.410
January, 2007	3.450	2.830
February, 2007	3.430	2.980
March, 2007	3.540	2.880
April, 2007	3.410	2.900
May, 2007	3.830	3.350
June, 2007 (up to the Latest Practicable Date)	4.800	3.600

APPENDIX II PARTICULARS CONCERNING RETIRING DIRECTORS

In relation to the re-election of retiring Directors as referred to in item no. 3 of the notice convening the AGM, Ms. ZHENG Ting, Prof. CAO Gang and Mr. GAO Zong Ze retire by rotation in accordance with Article 108 of the Articles. All retiring Directors, being eligible, offer themselves for re-election at the AGM.

The following are the particulars of the above mentioned retiring Directors as required to be disclosed under rule 17.50(2) of the GEM Listing Rules:

Ms. ZHENG Ting

Ms. ZHENG Ting, aged 34, is an executive Director and a director of certain members of the Company, namely China Stem Cells Holdings Limited, Beijing Jingjing Medical Equipment Co., Ltd., Beijing Jiachenhong Biological Technologies Co., Ltd., Beijing Qijieyuan Pharmaceutical Technology Development Co., Ltd., Qi Jie Yuan Medicine Holding (HK) Ltd., Shanghai Baisuihang Pharmaceutical Co., Ltd. and Guangzhou Tianhe Nuoye Biological Technologies Co., Ltd. (廣州市天河諾業生物工程有限公可). Ms. Zheng has extensive experience in finance and corporate development. She joined the Group in September 2001 and is responsible for the Group's financial and internal control systems, as well as major corporate development activities. She graduated from the Chinese People's University, the PRC in 1996.

Currently, Ms Zheng does not hold any directorship in other listed companies. She had been a director of China Medical Technologies, Inc., a company listed on the NASDAQ in the United States, until 31 May 2006.

Ms. Zheng does not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as defined in the GEM Listing Rules).

As at the Latest Practicable Date, Ms. Zheng was interested (within the meaning of Part XV of the SFO) in 2,000,000 underlying Shares in respect of share options granted under the share option scheme of the Company. Such share options were granted to Ms. Zheng by the Company on 4 March 2005 at an exercise price of HK\$1.6 per Share. Ms. Zheng was also interested (within the meaning of Part XV of the SFO) in 30,000 underlying shares of China Stem Cells Holdings Limited ("CSC"), a subsidiary of the Company, in respect of share options granted under the share option scheme of CSC. Such share options were granted to Ms. Zheng by CSC on 21 September 2006 at an exercise price of HK\$450.0 per CSC share.

Ms. Zheng has entered into a service contract with the Company, commencing on 1 April 2005, which will continue until terminated by either party giving to the other not less than 90 days' notice in writing. Subject to Ms. Zheng's service contract, after her re-election at the AGM, Ms. Zheng will continue to serve on the Board until she becomes due to retire by rotation again in accordance with the Articles. Pursuant to Ms. Zheng's service contract, she is entitled to an annual salary of HK\$650,000 and an annual discretionary bonus of such amount as determined at the sole discretion of the Company's board of Directors. A discretionary bonus of HK\$2,000,000 for the year ended 31 March 2007 has been approved by the remuneration committee of the Company and paid to Ms. Zheng.

APPENDIX II PARTICULARS CONCERNING RETIRING DIRECTORS

Prof. CAO Gang

Prof. CAO Gang, aged 62, was appointed as an independent non-executive Director in September 2004. He is also the chairman of the audit committee and a member of the remuneration committee of the Company. Prof. Cao is a professor of accountancy. He qualified as one of the first group of registered accountants in the PRC in 1983 and is currently the Vice-president of the Beijing Society of Accountants.

Prof. Cao is currently an independent director of Beijing Urban & Rural Trade Centre Company Limited (北京城鄉貿易中心股份有限公司), a joint stock company listed in the PRC. He had been the chairman of the supervisory committee of Nuoan Fund, listed in the PRC, until April 2007.

Prof. Cao does not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as defined in the GEM Listing Rules). As at the Latest Practicable Date, Prof. Cao did not have any interest in the Shares within the meaning of Part XV of the SFO.

Prof. Cao has entered into a service contract with the Company for a term of one year commencing on 23 September 2004 and will continue thereafter until terminated by either party giving to the other not less than 30 days' notice in writing. Subject to Prof. Cao's service contract, after his re-election at the AGM, Prof. Cao will continue to serve on the Board until he becomes due to retire by rotation again in accordance with the Articles. Pursuant to Prof. Cao's service contract, he is entitled to an annual director's fee of HK\$60,000. A discretionary bonus in the amount of HK\$180,000 was also paid to Prof. Cao for the year ended 31 March 2007.

Mr. GAO Zong Ze

Mr. Gao, aged 67, was appointed as an independent non-executive Director in September 2001. He is also a member of the audit committee and the chairman of the remuneration committee of the Company. Mr. Gao is a qualified lawyer in the PRC and is also a National Committee member of China's Chinese People's Political Consultative Conference. Mr. Gao graduated from the Graduate School of the China Academy of Social Sciences, the PRC in 1981.

Mr. Gao is currently an independent non-executive director of Tianjin Capital Environmental Protection Company Limited, a company listed on the Shanghai Stock Exchange and the Stock Exchange, and an independent director of HL Corp (Shenzhen) (深圳信隆實業股份有限公司) which is listed on the Shenzhen Stock Exchange. Mr. Gao had been an independent non-executive director of Huaneng Power International, Inc., a company listed on the Stock Exchange, the New York Stock Exchange and the Shanghai Stock Exchange, until 11 May 2005. He had also been an independent director of Shanxi Zhangze Power Co., Ltd., a company listed on the Shenzhen Stock Exchange, until 15 July 2006.

Mr. Gao does not have any relationship with any Directors, senior management or substantial or controlling Shareholders (as defined in the GEM Listing Rules). As at the Latest Practicable Date, Mr. Gao did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Gao has entered into a service contract with the Company for a term of one year commencing on 28 December 2004 and will continue thereafter until terminated by either party giving to the other not less than 30 days' notice in writing. Subject to Mr. Gao's service contract, after his re-election at the AGM, Mr. Gao will continue to serve on the Board until he becomes due to retire by rotation again in accordance with the Articles. Pursuant to Mr. Gao's service contract, he is entitled to an annual director's fee of HK\$60,000. A discretionary bonus in the amount of HK\$380,000 was also paid to Mr. Gao for the year ended 31 March 2007.

The emoluments of the Directors are determined with reference to the Directors' duties and responsibilities, the Company's performance as well as remuneration benchmark in the industry and the prevailing market conditions.

Articles 72, 74 and 75 of the Articles set out the procedures under which a poll may be demanded.

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the applicable rules of the stock exchange in the Relevant Territory* or a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of the meeting; or
- (b) by at least 5 Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that rights.

If a poll is demanded as aforesaid, it shall (subject as hereinafter provided) be taken in such manner as the Chairman of the meeting directs. No notice need to be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is the earlier.

Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

* *Relevant Territory means Hong Kong or such other territory as the Directors may from time to time decide if the issued ordinary shares are listed on a stock exchange in such territory.*