

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims 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 not an offer to sell or the solicitation of an offer to buy any securities and neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever.

This announcement is not being issued in the United States of America and is not for publication or distribution in the United States. This announcement does not contain or constitute an offer to sell or a solicitation of any offer to buy securities in the United States. The securities referred to herein may not be offered or sold in the United States or to US persons unless the securities are registered under the US Securities Act of 1933, as amended (the "Securities Act"), or an exemption from the registration requirements of the Securities Act is available.



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)

**PLACING OF 3 PER CENT. CONVERTIBLE BONDS
DUE 2014 (WITH WARRANTS) BY GOLDEN MEDITECH COMPANY LIMITED
CONVERTIBLE INTO ORDINARY SHARES OF
GOLDEN MEDITECH COMPANY LIMITED**

Placing Agent

Geminis

Geminis Capital International Limited

The Company announces that on 30 April 2009 the Company entered into the Placing Agreement with the Placing Agent, whereby the Placing Agent has, subject to satisfaction (or waiver) of the conditions precedent of the Placing Agreement (as set out below), agreed to procure Placees, on a fully underwritten basis, to purchase and pay for the Initial Bonds to be issued by the Company in an aggregate principal amount of US\$10,000,000 at the issue price of 100% of the aggregate principal amount of the Initial Bonds on the terms and conditions of the Placing Agreement. Upon the closing of the Initial Bonds, the Company will issue, by way of bonus, US\$3,333,333.33 of Initial Warrants to the Placees to subscribe for the Shares of the Company.

In addition, the Company has granted to the Placing Agent the Option to require the Company to issue the Optional Bonds up to a further aggregate principal amount of US\$5,000,000, at the issue price of 100% of the aggregate principal amount of the relevant Optional Bonds, exercisable in whole or in part and from time to time, during the period of 365 days after the Closing Date. A further announcement will be issued by the Company if the Option is exercised by the Placing Agent.

Upon the closing of the Optional Bonds, the Company will, by way of bonus, issue up to US\$1,666,666.67 relevant Optional Warrants to the Placees to subscribe for the Shares of the Company.

The Initial Conversion Price for the Bonds is US\$0.1601 (equivalent to approximately HK\$1.241) per Share (subject to adjustment and reset as provided in the Conditions), representing a premium of approximately 12.8% to the average closing price of approximately HK\$1.100 per Share for the last 5 trading days up to and including 30 April 2009, being the date of the Placing Agreement. The Initial Exercise Price for the Warrants is US\$0.1747 (equivalent to approximately HK\$1.354) per Share, representing a premium of approximately 23.1% to the average closing price of approximately HK\$1.100 per Share for the last 5 trading days up to and including 30 April 2009.

For the use of proceeds in connection with the Placing, please refer to the section “Use of Proceeds” below.

Completion of the Placing Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Placing Agreement may be terminated under certain circumstances. Please refer to the paragraph headed “PLACING AGREEMENT” below for further information.

As the Placing Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

The Shares to be issued upon conversion or exercise of the Bonds or the Warrants will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting held on 10 September 2008.

No application will be made for the listing of the Bonds and the Warrants on the Stock Exchange or any other stock exchange. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares and the shares to be allotted and issued by the Company upon exercise of the Warrants.

PLACING AGREEMENT

Date: 30 April 2009

Parties:

Issuer: The Company

Placing Agent: Geminis Capital International Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent (and its ultimate beneficial owners) are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

Subject to the fulfilment of the conditions set out below under the section headed "Conditions Precedent of the Placing Agreement", the Placing Agent has agreed to procure Placees, on a fully underwritten basis, to purchase and pay for the Initial Bonds with an aggregate principal amount of US\$10,000,000 on the Closing Date at the issue price of 100% of the aggregate principal amount of the relevant Bonds. Upon the closing of the Initial Bonds, the Company will issue, by way of bonus, US\$3,333,333.33 of Initial Warrants to the Placees to subscribe for the Shares of the Company at the Initial Exercise Price (subject to adjustment).

The Placing Agent has been granted the Option which can be exercised in whole or in part and from time to time, during the period of 365 days after the Closing Date, to require the Company to issue up to a further US\$5,000,000 in aggregate principal amount of Optional Bonds, provided that any exercise of the Option in part must be for at least US\$1,000,000 principal amount of Optional Bonds to be purchased. Upon the closing of the Optional Bonds, the Company will, by way of bonus, issue up to US\$1,666,666.67 relevant Optional Warrants to the Placees to subscribe for the Shares of the Company at the Initial Exercise Price (subject to adjustment).

The Placee(s) shall be an independent institutional or private investor and the Placing Agent shall use all reasonable endeavours to ensure that the Placees and their ultimate beneficial owners shall be third parties independent of and not connected with the Company and the connected persons (as defined in the GEM Listing Rules) of the Company and shall not be parties acting in concert with any of the directors, chief executive or substantial shareholder(s) of the Company or any of its subsidiaries or their respective associates.

In the event there are less than 6 Placees, the Company will make a further announcement setting out the names and brief description of the Placees as required under the GEM Listing Rules.

The Placing Agent has agreed not to place any of the Bonds to any party who is engaged in a business substantially similar or directly related to the business carried on by the Group unless with the prior written consent of the Company.

Undertaking

The Company has, among other things, undertaken with the Placing Agent that the Company shall not and shall procure that no other member of the Group, will, or will announce an intention to, at any time during the period commencing from the date of the Placing Agreement and ending 180 days after the Closing Date:

- (1) directly or indirectly, issue, offer, sell, contract to issue, offer or sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) (i) any Shares or any securities convertible or exchangeable into or exercisable for Shares or (ii) any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares; or
- (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares,

Provided that the above restrictions shall not apply to: (1) the issue of the Bonds and the Warrants; or (2) the issue of Shares by the Company at a price above the Conversion Price; or (3) the issue of options under the share option schemes of the Company or the issue of Shares upon the exercise of options under such schemes.

Conditions Precedent of the Placing Agreement

The obligations of the Placing Agent to the placing and pay for the Initial Bonds on the Closing Date and for the Optional Bonds on each Optional Closing Date (as the case may be) are subject to, among other things, the following conditions precedent:

- (1) the Trust Deed, the agency agreement in relation to the Bonds and the warrant instrument constituting the Warrants (together, the “**Contracts**”), each in a form reasonably satisfactory to the Placing Agent, shall have been executed by all parties thereto on or prior to the Closing Date;
- (2) all the required government and/or regulatory approvals (including the GEM) having been obtained as necessary for the Company to issue and offer the Bonds and the Warrants and meet its obligations under the Placing Agreement, the Contracts, the Bonds and the Warrants;
- (3) the Company having obtained from the Stock Exchange approval for the listing of and permission to deal in the new Shares to be issued on conversion or exercise of the Initial Bonds or the Initial Warrants or the Optional Bonds or the Optional Warrants, as the case may be;

- (4) on or prior to the Closing Date, there shall have been delivered to the Placing Agent each in a form satisfactory to the Placing Agent, legal opinions and such other resolutions, consents, authorities and documents relating to the issue of the Bonds and the Warrants, as the Placing Agent may reasonably require;
- (5) at the Closing Date and each Optional Closing Date which is on or before 90 days after the Closing Date (as the case may be) (i) the representations and warranties of the Company provided under or pursuant to the Placing Agreement shall be accurate and correct in all material respects; and (ii) the Company shall have performed all of its obligations under the Placing Agreement in all material respects;
- (6) at the Closing Date and each Optional Closing Date there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the financial condition, operations, business, general affairs or properties of the Company or the Group, which, in the sole opinion of the Placing Agent, is adverse in a material respect, or the effect of which make it impracticable or inadvisable to proceed with the issuance or delivery of the Initial Bonds (and the Initial Warrants) or the Optional Bonds (and the Optional Warrants) on the terms and in the manner contemplated in the Placing Agreement;
- (7) on or prior to the Closing Date, there shall have been delivered to the Placing Agent certain documents and certificates as referred to in the Placing Agreement, each of which, where applicable, duly executed and in form and substance reasonably satisfactory to the Placing Agent;
- (8) on or prior to the Closing Date there shall have been delivered to the Placing Agent copies of all consents and approvals required in relation to the issue of the Bonds and the Warrants and the performance of its obligations under the Contracts, the Bonds and the Warrants;

- (9) the Placing Agent shall have been satisfied (in its sole discretion) with the results of its due diligence investigations on the Company and the Group; and
- (10) the Placing Agent shall have been satisfied (in its sole discretion) with the final forms of all documentation in relation to the issue of the Bonds and the Warrants as contemplated under the Placing Agreement, including the Contracts.

The Placing Agent, may at its discretion, waive compliance with the whole or any part of the above conditions (other than the conditions under (1), (2) and (3)).

Termination

The Placing Agent may, at any time prior to payment of the subscription monies for the Bonds to the Company on the Closing Date or the Optional Closing Date (as the case may be), terminate the Placing Agreement in, among other things, any of the following circumstances:

- (1) if there shall have come to the notice of the Placing Agent any material breach of, or any event rendering materially untrue or incorrect, any of the warranties and representations contained in the Placing Agreement or any failure to perform any of the Company's undertakings or agreements in the Placing Agreement in any material respect;
- (2) if there shall have occurred:
 - (i) any change, or any development involving a change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls; or
 - (ii) any change or development involving a change in taxation in the PRC, Cayman Islands or Hong Kong affecting the Company, the Shares or the Bonds or the Warrants or the issue or transfer thereof;
 - (iii) an outbreak or escalation of hostilities or act of terrorism;
 - (iv) any other calamity or crisis or any change in financial, political or economic conditions (including, but not limited to, an adverse change in credit markets in general) or currency exchange rates or controls,

- (v) a suspension or material limitation in trading in securities generally on the Stock Exchange and the stock exchanges of New York, London, Hong Kong and Shanghai, a suspension or material limitation in trading in the Shares on the Stock Exchange or a change in the general market conditions, or in the market for the Company's Shares, on the Stock Exchange;
- (vi) a general moratorium on commercial banking activities in New York, London, Hong Kong or Shanghai declared by the relevant authorities;
- (vii) any disruption of settlement of securities or clearance services on any stock exchanges of New York, London, Hong Kong or Shanghai; or
- (viii) any other events, change or development,

which would in the sole judgment of the Placing Agent make it impracticable or inadvisable to proceed with the issuance or delivery of the Initial Bonds (and the Initial Warrants) or the Optional Bonds (and the Optional Warrants), as the case may be, or would likely prejudice the dealings or trading of the Bonds or the Warrants or the Shares in the secondary market.

Upon the termination of the Placing Agreement (whether or not pursuant to the above provisions), the Placing Agreement shall be of no further effect and no party shall be under any liability to any other in respect of the Placing Agreement, except that the Company and the Placing Agent shall remain liable for any liability arising prior to such termination.

Completion

Subject to the foregoing, completion in respect of the Initial Bonds shall take place on or before the 30th Business Day after the date of the Placing Agreement (or such other later time or date, which shall be a time or date no later than 50 Business Days after the date of the Placing Agreement, as the Placing Agent shall determine) (the "**Closing Date**").

The Company shall as soon as possible after the Closing Date take all steps and actions necessary to clear the Bonds through Euroclear and Clearstream, Luxembourg.

If the Option is exercised, the issue of the Optional Bonds will complete on the relevant Optional Closing Date.

Initial Conversion Price and Initial Exercise Price

The Initial Conversion Price at US\$0.1601 (equivalent to approximately HK\$1.241) per Share represents:

- (1) a premium of approximately 18.2% to the closing price of HK\$1.050 per Share as quoted on the GEM on 30 April 2009, being the date of the Placing Agreement;
- (2) a premium of approximately 12.8% to the average closing price of approximately HK\$1.100 per Share as quoted on the GEM for the last 5 trading days up to and including 30 April 2009; and
- (3) a premium of approximately 10.6% to the average closing price of approximately HK\$1.122 per Share as quoted on the GEM for the last 10 trading days up to and including 30 April 2009.

The Initial Exercise Price at US\$0.1747 (equivalent to approximately HK\$1.354) per Share represents:

- (1) a premium of approximately 29.0% to the closing price of HK\$1.050 per Share as quoted on the GEM on 30 April 2009, being the date of the Placing Agreement;
- (2) a premium of approximately 23.1% to the average closing price of approximately HK\$1.100 per Share as quoted on the GEM for the last 5 trading days up to and including 30 April 2009; and
- (3) a premium of approximately 20.7% to the average closing price of approximately HK\$1.122 per Share as quoted on the GEM for the last 10 trading days up to and including 30 April 2009.

The Initial Conversion Price and the Initial Exercise Price have been set with reference to the recent trading prices of the Shares.

The Shares to be issued upon conversion or exercise of the Bonds or the Warrants will be issued and allotted by the Company pursuant to the general mandate granted to the Directors at the annual general meeting held on 10 September 2008.

Placing Commission and Expenses

The Company will pay to the Placing Agent an aggregate combined management and underwriting commission of 3% of the aggregate principal amount of the Bonds that are issued. If completion of the Initial Bonds occurs, the Company will reimburse the actual costs and expenses of the Placing Agent incurred in connection with the Placing up to a capped amount of US\$100,000.

PRINCIPAL TERMS OF THE BONDS

The terms and conditions of the Bonds are subject to final agreement between the Company and the Placing Agent, and will include the following principal terms:

Company

Golden Meditech Company Limited, a company incorporated with limited liability in the Cayman Islands, the shares of which are listed on the GEM.

Principal Amount

The aggregate principal amount of the Bonds (excluding the Optional Bonds) will be US\$10,000,000, or US\$15,000,000 if all the Optional Bonds are issued.

Issue Price

100% of the aggregate principal amount of the Bonds

Interest

The Bonds bear interest from the Issue Date or the Optional Issue Date at the rate of 3 per cent. per annum on the principal amount of the Bonds. Interest on the Initial Bonds and the Optional Bonds is payable semi-annually in arrears. The first interest payment date shall be the date which is 6 months after the Closing Date.

Default Interest

Where payment of any amount or delivery of any Shares in respect of any Bond is improperly withheld, refused or delayed, in which case such unpaid amount (or, in the case of Shares, an amount in U.S. dollars equal to the principal amount of Bonds falling due for redemption by delivery of Shares) will bear interest (both before and after judgment) from the date of default to the day on which all sums (or Shares and/or other securities) due in respect of such Bond up to but excluding that day are received by or on behalf of the relevant Bondholder at the rate equal to 6 per cent. per annum (For the avoidance of doubt, inclusive of the interest payable set out above under the paragraph "Interest").

Conversion Period

Subject to the Conditions, the Bonds may be converted at any time (1) in the case of the Initial Bonds, on and after the Issue Date up to the close of business (at the place where the certificate evidencing such Initial Bond is deposited for conversion) on the date which is 5 business days prior to the Maturity Date; (2) in the case of the Optional Bonds, on and after the relevant Optional Issue Date up to the close of business (at the place where the certificate evidencing such Optional Bond is deposited for conversion) on the date which is 5 business days prior to the Maturity Date; or (3) if such Bonds shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date which is 5 business days prior to the date fixed for redemption thereof.

Subject to the Conditions, if (a) the Company shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof; (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events of default referred to in the Conditions; or (c) any Bond is not redeemed on the Maturity Date in accordance with the Conditions, the conversion right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the principal agent or the trustee.

Conversion Price

(1) Initial Conversion Price

The Bonds will be convertible into Shares at the Initial Conversion Price of US\$0.1601 (equivalent to approximately HK\$1.241) per Share (subject to adjustment).

(Based on the Initial Conversion Price of US\$0.1601 (equivalent to approximately HK\$1.241):

- (i) assuming full conversion of the Initial Bonds, the Initial Bonds will be convertible into approximately 62,460,961 Shares, representing approximately 3.92% of the issued share capital of the Company as at the date of this announcement and approximately 3.77% of the enlarged issued share capital of the Company); and*

(ii) *assuming full conversion of the Bonds (including the Optional Bonds in full), the Bonds (including the Optional Bonds in full) will be convertible into approximately 93,691,442 Shares, representing approximately 5.88% of the issued share capital of the Company as at the date of this announcement and approximately 5.55% of the enlarged issued share capital of the Company)*

(2) Conversion Price Reset

Subject to the Conditions, if the Volume Weighted Average Price of the Shares for the period of 25 consecutive Trading Days (excluding the 5 Trading Days which have the highest Volume Weighted Average Prices (on a daily basis) within such period) immediately prior to each Reset Date (as defined below) (the “**Average Market Price**”) is less than the Conversion Price on the applicable Reset Date, the Conversion Price shall be adjusted on the applicable Reset Date so that the Average Market Price will become the adjusted Conversion Price with effect from the applicable Reset Date, provided that:

- (i) any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price shall not represent a discount of 20% or more to the benchmarked price of the Shares (as defined in Rule 17.42B of the GEM Listing Rules) (the “**Floor Price**”) (as adjusted in respect of consolidation and division of Shares only, but not any other applicable reset or adjustment provisions of the Conditions);
- (ii) the Conversion Price shall not be reduced below the then par value of the Shares unless under applicable law then in effect the Bonds could be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares; and
- (iii) any such adjustment to the Conversion Price shall only be a downward adjustment.

“**Reset Date**” means each of (i) the date that falls 6 months after the Issue Date; and (ii) each anniversary of the Issue Date before the Maturity Date.

(3) Alternative Conversion Price Rest

Subject to the Conditions, on the date (the “**Alternative Reset Date**”) 30 days prior to each Bondholder Put Date or the Maturity Date, the Company may, at its own discretion and subject to compliance with all applicable laws and the stock exchange regulations (including the GEM Listing Rules and shareholders approval requirements), elect to choose an alternative Conversion Price which is lower than the then Current Market Price as determined appropriate by the Company to stimulate Bondholders’ interest to exercise their Conversion Right (each an “**Alternative Conversion Price**”).

The Alternative Conversion Price will only be applicable during a period of 60 business days starting from the fifth business day after the Alternative Reset Date (the “**Alternative Conversion Period**”). The Company shall give Bondholders an Alternative Conversion Price reset notice (“**Alternative Reset Notice**”) as soon as practicable after the applicable Alternative Reset Date in accordance with Conditions.

“**Current Market Price**” per Share on any date means the average of the daily closing prices (converted into US\$) of the Shares for the ten consecutive Trading Days ending on and including the Trading Day immediately preceding such date.

(4) Adjustment of Conversion Price

The terms and conditions of the anti-dilution adjustment provisions are subject to final agreement between the Company and the Placing Agent, and are expected to include usual and customary provisions that the Conversion Price may be subject to adjustment for, among other things, (i) division, consolidation, and reclassification of Shares, (ii) dividend in Shares, (iii) scrip dividend, (iv) capital distribution, (v) rights issues or warrants to Shareholders, (vi) issues of rights or warrants for equity-related securities to Shareholders, (vii) other distributions to Shareholders, (viii) issue of convertible or exchangeable securities other than to Shareholders, (ix) modification of rights of conversion, (x) other issues of Shares, (xi) issue of equity-related securities, **(xii) tender or exchange offer (xiii) analogous events and modifications.**

Ranking of Conversion Shares

Conversion Shares will in all respects rank *pari passu* with the Shares in issue on the relevant conversion date (except for any right excluded by mandatory provisions of applicable law).

Transfer

No Bond shall be assigned or transferred to any party who is engaged in a business substantially similar or directly related to the business carried on by the Group unless with the prior written consent of the Company.

The Conditions also provide for certain closed periods and circumstances during or after which no Bondholder may require the transfer of a Bond to be registered.

Maturity

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Company will redeem each of the Bonds at 100 per cent. of its principal amount on the fifth anniversary of the Issue Date (the “**Maturity Date**”).

Redemption at the Option of the Bondholders

Subject to the Conditions, each Bondholder shall have the right (the “**Bondholder Put Option**”), at such Bondholder’s option, to require the Company to redeem in whole or in part such holder’s Bonds on each of the date which is 30 months and 42 months after the Issue Date (each, a “**Bondholder Put Date**”) at the Bondholder Put Redemption Amount.

To exercise the Bondholder Put Option, the holder of the relevant Bond must, among other thing, give notice of redemption, in accordance with the Conditions (the “**Bondholder Put Option Notice**”) by not less than 30 days nor more than 60 days before the Bondholder Put Date.

“**Bondholder Put Redemption Amount**” means an amount equal to the sum of (a) the aggregate principal amount of the relevant Bonds to be redeemed as at the relevant Bondholder Put Date, (b) the amount of interest accrued on the aggregate principal amount of such Bonds pursuant to the Conditions from the last interest payment date up to the relevant Bondholder Put Date, and (c) the additional amount of (simple) interest accrued on the principal amount of such Bonds commencing on the Issue Date (or, as the case may be, the Optional Issue Date) in respect of such Bonds and calculated at the rate of 8% per annum up to the Bondholder Put Date.

Redemption at the Option of the Company

Subject to the Conditions, if the Volume Weighted Average Price of the Shares for any period of 30 consecutive Trading Days after the second anniversary of the Issue Date (the “**Relevant Trading Period**”) is more than 170% of the then Conversion Price, the Company shall have the right (the “**Issuer Call Option**”), at the Company’s option, to redeem all and not some only of the Bonds (which have not been previously redeemed, converted or purchased and cancelled as of the relevant Issuer Call Date (as defined below)) on each Issuer Call Date at the Issuer Call Redemption Amount (as defined below).

To exercise the Issuer Call Option, the Company must give not less than 60 business days’ notice (before the relevant Issuer Call Date) (“**Notice Period**”) to the Bondholders in accordance with the Conditions (the “**Issuer Call Option Notice**”).

“**Issuer Call Date**” means the business day immediately after the expiration of the Notice Period;

“**Issuer Call Redemption Amount**” means an amount equal to the aggregate principal amount of the relevant Bonds to be redeemed as at the relevant Issuer Call Date;

Redemption for Taxation Reasons

Subject to the Conditions, at any time the Company may, having given not less than 30 days nor more than 60 days' notice to the Bondholders redeem all, and not some only, of the Bonds at their Early Tax Redemption Amount (as defined below) on the date fixed for redemption (“**Tax Redemption Date**”), if (i) the Company satisfies the Trustee in accordance with the Conditions that the Company has or will become obliged to pay additional tax amounts pursuant to certain provision of the Conditions as a result of any change in, or amendment to, laws or regulations, or any change in the general application or official interpretation of such laws or regulations, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Upon the expiry of any such notice, the Company will be bound to redeem the Bonds at their Early Tax Redemption Amount on the Tax Redemption Date.

If the Company gives a notice of redemption, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed and that the provisions of certain Condition regarding payment of such tax amounts by the Company shall not apply in respect of such Bond(s) which falls due after the relevant Tax Redemption Date whereupon no additional amounts shall be payable in respect thereof by the Company pursuant to such Condition.

“**Early Tax Redemption Amount**” shall mean an amount equal to the sum of (a) the aggregate principal amount of such Bonds as at the relevant date, (b) the amount of interest accrued on the aggregate principal amount of such Bonds pursuant to the Conditions from the last interest payment date up to the Tax Redemption Date, and (c) the additional amount of (simple) interest accrued on the principal amount of such Bonds commencing on the Issue Date (or, as the case may be, the Optional Issue Date) in respect of such Bonds and calculated at the rate of 8% per annum up to the Tax Redemption Date.

Form and Denomination

The Bonds will be in registered form and in denominations of US\$100,000 each or integral multiples thereof.

Status of the Bonds

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company

under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Conditions, at all times rank *pari passu* with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

Certain Covenants

The Conditions provide, among other things, the following covenants:

- (1) the Company will use the net proceeds received by it from the issue of the Bonds for the purpose of general working capital of the Group; and
- (2) the Company will also provide certain financial and restricted payment covenants under the Conditions, the terms and conditions of which are subject to final agreement between the Company and the Placing Agent.

Events of Default

In addition to certain usual and customary events which constitute events of defaults as set out in the Conditions, subject to the Conditions, the following, among others, also constitute events of defaults under the Bonds:

- (1) (a) Mr. Kam Yuen becomes neither the Chairman nor the Chief Executive Officer of the Company (other than normal retirement and becoming re-elected as a director at the same general meeting of the Company), or (b) Mr. Kam Yuen, together with his associates and affiliates (including trusts of which he is the founder or a beneficiary) ceases to hold, directly or indirectly, at least 15% of the Share Equivalents; (c) a person (other than Mr. Kam Yuen (and his associates and affiliates) shall become to have the power to appoint a majority of the directors of the Company;
- (2) the suspension of the Shares on the Stock Exchange or (if applicable) any relevant or alternative stock exchange (as provided in the Conditions) for a period exceeding 20 consecutive business days;
- (3) if the Volume Weighted Average Price for any 20 consecutive Trading Days is below 35 per cent. of the Initial Conversion Price.

Subject to the Conditions, if an event of default (as described in the Conditions) has occurred, the Trustee may, and if so requested in writing by the holder(s) of not less than 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an extraordinary resolution shall, give notice to the Company within 90 days of the occurrence (or of the Trustee being aware of the occurrence, if later) that:

- (1) the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount (subject as provided in the Conditions); or
- (2) the Conversion Price is to be reset, with immediate effect from the date such event of default has occurred (as determined by the Bondholders) (such date, the “**Default Settlement Date**”) to the higher of:
 - (i) Volume Weighted Average Price of the Shares for any 15 Trading Days selected by the Bondholders which falls within the Alternative Reset Period (and, interest on the Bonds pursuant to the Conditions shall, with immediate effect, be changed to 6 per cent. per annum, provided that no additional default interest under the Conditions shall be payable); and
 - (ii) the Floor Price.

“**Alternative Reset Period**” refers to the period which commences on the date which is 90 consecutive Trading Days prior to the Default Settlement Date and ends on the date which is 90 Trading Days after the Default Settlement Date.

Listing

No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

PRINCIPAL TERMS OF THE WARRANTS

The terms and conditions of the Warrants are subject to final agreement between the Company and the Placing Agent, and will include the following principal terms:

Company

Golden Meditech Company Limited, a company incorporated with limited liability in the Cayman Islands, the shares of which are listed on the GEM.

Amount of Exercise Money:

Total Initial Warrants Issue Size: US\$3,333,333.33 of Exercise Money

Total Optional Warrants Issue Size: US\$1,666,666.67 of Exercise Money

Issue Price: Not applicable.

Initial Exercise Price: US\$0.1747 (equivalent to approximately HK\$1.354) per Share (subject to adjustment). Subject to final agreement between the Company and the Placing Agent, it is expected that the Warrants will contain usual and customary anti-dilution adjustment provisions.

(Based on the Initial Exercise Price of US\$0.1747 (equivalent to approximately HK\$1.354) per Share:

- (i) assuming full exercise of the Initial Warrants, approximately 19,080,328 Shares will be issued upon the exercise of the Initial Warrants, representing approximately 1.2% of the issued share capital of the Company as at the date of this announcement and approximately 1.18% of the enlarged issued share capital of the Company); and*
- (ii) assuming full exercise of the Warrants (including the Optional Warrants in full), approximately 28,620,492 Shares will be issued upon the exercise of the Warrants (including the Optional Warrants in full), representing approximately 1.80% of the issued share capital of the Company as at the date of this announcement and approximately 1.76% of the enlarged issued share capital of the Company)*

Exercise Period: From date of issue up to the Maturity Date.

Transferability: Same restrictions as for the Bonds

Listing Rules: Subject to requirements of the GEM Listing Rules

Reset: Not Applicable

Restrictive Covenants: Similar restrictions as for the Bonds, where at least 20% of the Bonds are outstanding.

Listing of Warrants: Not Applicable

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the shares to be allotted and issued by the Company upon exercise of the Warrants.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF CONVERSION AND EXERCISE

Based on the Initial Conversion Price of US\$0.1601 (equivalent to approximately HK\$1.241) and the Initial Exercise Price of US\$0.1747 (equivalent to approximately HK\$1.354) per Share:

- (1) assuming full conversion and exercise of the Initial Bonds and the Initial Warrants, approximately 81,541,289 Shares will be issued, representing approximately 5.12% of the issued share capital of the Company as at the date of this announcement and approximately 4.87% of the enlarged issued share capital of the Company; and
- (2) assuming full conversion and exercise of the Bonds and the Warrants (including the Optional Bonds and the Optional Warrants in full), approximately 122,311,934 Shares will be issued, representing approximately 7.67% of the issued share capital of the Company as at the date of this announcement and approximately 7.13% of the enlarged issued share capital of the Company.

Assuming the Granted Options are not exercised and there are no other changes to the shareholding of the Company after the date of this announcement, the shareholding structure of the Company as a result of the Placing, to the best knowledge of the Directors, will be as follows:

Name of Shareholder	Existing (as at the date of this announcement)		Assuming the Initial Bonds and the Initial Warrants only are fully converted into Shares at the Initial Conversion Price and Initial Exercise Price		Assuming the Bonds and the Warrants (including the Optional Bonds and the Optional Warrants) are fully converted into Shares at the initial Conversion Price and Initial Exercise Price	
	No. of Shares	% of issued share capital of the Company (approximate)	No. of Shares	% of enlarged Issued share capital of the Company (approximate)	No. of Shares	% of enlarged Issued share capital of the Company (approximate)
Bio Garden (note 1)	372,084,000	23.34	372,084,000	22.21	372,084,000	21.68
Mr. Kent C. McCarthy	415,686,604	26.08	415,686,604	24.81	415,686,604	24.22
Public	806,151,021	50.58	806,151,021	48.11	806,151,021	46.97
Placee(s)*	<u>0</u>	<u>0.00</u>	<u>81,541,289</u>	<u>4.87</u>	<u>122,311,934</u>	<u>7.13</u>
Total	<u>1,593,921,625</u>	<u>100.00</u>	<u>1,675,462,914</u>	<u>100.00</u>	<u>1,716,233,559</u>	<u>100.00</u>

Notes:

(1) Bio Garden Inc. is an investment holding company incorporated in the British Virgin Islands. It was wholly-owned by certain discretionary trusts of which Mr. Kam Yuen was the founder.

* Assuming Placee(s) do not otherwise hold Shares

USE OF PROCEEDS

The estimated net proceeds of the Placing, based on the Initial Conversion Price of US\$0.1601 (equivalent to approximately HK\$1.241) and the Initial Exercise Price of US\$0.1747 (equivalent to approximately HK\$1.354):

(1) assuming the Initial Bonds are converted in full, and the Initial Warrants are not exercised, after deduction of commission and relevant expenses (amounting to approximately HK\$4,262,500), are approximately US\$9,450,000 (equivalent to approximately HK\$73,237,500) (The net price per Share to be issued is approximately US\$0.1513 (equivalent to approximately HK\$1.173));

- (2) assuming the Initial Bonds and the Optional Bonds are converted in full, and the Initial Warrants and the Optional Warrants are not exercised, after deduction of commission and relevant expenses (amounting to approximately HK\$5,425,000), are approximately US\$14,300,000 (equivalent to approximately HK\$110,825,000) (The net price per Share to be issued is approximately US\$0.1526 (equivalent to approximately HK\$1.183)); and
- (3) assuming all the Bonds and the Warrants are converted and exercised in full, after deduction of commission and relevant expenses (amounting to approximately HK\$5,425,000), are approximately US\$19,300,000 (equivalent to approximately HK\$149,575,000) (The net price per Share to be issued is approximately US\$0.1578 (equivalent to approximately HK\$1.223)).

The proceeds are currently intended to be used as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE PLACING

The Directors are of the view that although the issue of new Shares upon conversion or exercise of the Bonds or the Warrants will lead to a dilution effect on the shareholding of the Company, such fund raising activity will improve the liquidity of the Group while strengthening the capital base of the Company.

The Directors also consider that the issue of the Bonds and the Warrants, taken as a whole, is an appropriate means through which the Group can raise funds as it provides the Company with immediate funding without immediate further dilution of the shareholding of the existing shareholders of the Company notwithstanding that their shareholding interests will be diluted if the Bonds or the Warrants are converted or exercised. Further, if the Bonds or the Warrants are converted or exercised, it is contemplated that the capital base of the Company would be enlarged and strengthened, which might benefit the Group's future growth and development.

The terms and conditions of the Placing Agreement, (including the principal terms of the Bonds and the Warrants) were negotiated on an arm's length basis and agreed on normal commercial terms between the Company and the Placing Agent. The Initial Conversion Price and the Initial Exercise Price have been set with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Placing Agreement, (including the principal terms of the Bonds and the Warrants) are fair and reasonable and the entering into of the Placing Agreement for the placing of the Bonds and the Warrants is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PREVIOUS 12-MONTH PERIOD

The Company has not issued any securities in the previous 12-month period other than the issue of 60,000,000 Shares to institutional investors which was announced on 26 November 2008. The Company raised net proceeds (after deduction of related expenses) of HK\$51.5 million from the issue.

At the annual general meeting of the Company held on 10 September 2008, a general mandate was given to the Directors to allot, issue and deal with the Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of the resolution. Pursuant to the general mandate, the Company had the power to allot and issue up to 307,521,125 new Shares. The Company had previously used the general mandate on 26 November 2008 to issue and allot 60,000,000 Shares, and has the mandate to issue up to 247,521,125 new Shares as at the date of this announcement.

GENERAL

The Group is a healthcare provider in the PRC. The principal businesses and operations of the group consist of the medical device segment and the cord blood bank segment. The medical device segment is principally engaged in development, manufacture, sales and distribution of professional medical apparatus and personal health monitoring devices. The cord blood bank segment primarily provides collection, processing, and storage services for cord blood stem cells of newborn babies. It is currently one of the leading cord blood banks in the PRC and the single largest shareholder of Cordlife Ltd. (“**Cordlife**”) which has cord blood bank operations in various Asia Pacific countries and is listed on the Australia stock exchange. In addition to its medical device and cord blood bank segments, the Group also has investment in other healthcare project.

Completion of the Placing Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Placing Agreement may be terminated under certain circumstances. Please refer to the paragraph headed “PLACING AGREEMENT” above for further information.

As the Placing Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

A further announcement will be issued by the Company if the Option is exercised by the Placing Agent.

TERMS USED IN THIS ANNOUNCEMENT

Alternative Conversion Period	has the meaning as set out in the section “Principal Terms of the Bonds — Conversion Price”
Alternative Reset Notice	has the meaning as set out in the section “Principal Terms of the Bonds — Conversion Price”
Bio Garden	Bio Garden Inc is an investment holding company incorporated in the British Virgin Islands. It was wholly-owned by certain discretionary trusts of which Mr. Kam Yuen was the founder. Bio Garden is beneficially owned 372,084,000 Shares, representing 23.34% of the existing issued share capital of the Company as at the date of this announcement. Mr. Kam Yuen is an executive Director and the Chairman of the Board and a substantial Shareholder
Board	the board of directors of the Company
Bonds	the Initial Bonds and includes (where applicable) the Optional Bonds
Bondholder(s)	holder(s) of the Bonds from time to time
Bondholder Put Date	has the meaning as set out in the section “Principal Terms of the Bonds — Redemption at the Option of the Bondholders”
Business Day	a day other than a Saturday or Sunday on which commercial banks are open for business in London, New York, the PRC and Hong Kong
Conditions	the terms and conditions of the Bonds
Clearstream, Luxembourg	Clearstream Banking, société anonyme, incorporated under the laws of the Grand Duchy of Luxembourg or any successor securities clearing agency
Closing Date or Issue Date	the date on which the Initial Bonds are issued as set out in the section “Placing Agreement — Completion”

Company	Golden Meditech Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
Conversion Period	the period during which the Bondholder(s) have the right to convert their Bonds into Shares, as set out in the section “Principal Terms of the Bonds — Conversion Period”
Conversion Price	the price per Share at which the Bonds may be converted into Shares
Conversion Shares	Shares to be allotted and issued by the Company upon conversion of the Bonds
Directors	directors of the Company
Early Redemption Amount	an amount equal to the sum of (a) the principal amount of the Bonds as at the relevant date, (b) the amount of interest accrued on the principal amount of such Bonds pursuant to the Conditions from the last interest payment date up to the date of payment, and (c) the additional amount of (simple) interest accrued on the principal amount of such Bonds commencing on the Issue Date (or, as the case may be, the Optional Issue Date) in respect of such Bonds and calculated at the rate of 20% per annum up to the date of payment, less all amounts of default interests which have been paid on such Bonds pursuant to the Conditions and accrued but unpaid default interest shall no longer be payable
Exercise Money	in relation to any Warrant or Warrants, the amount in respect of such Warrant or Warrants which the Warrant holder is entitled to subscribe for Shares upon the exercise of the subscription rights represented thereby
Euroclear	Euroclear Bank S.A./N.V., as operator of the Euroclear System, or any successor securities clearing agency
Floor Price	has the meaning as set out in the section “Principal Terms of the Bonds — Conversion Price”
GEM	the Growth Enterprise Market of the Stock Exchange

GEM Listing Rules	the Rules Governing the Listing of Securities on GEM
Granted Option(s)	Options in respect of 140,476,245 Shares granted under the share option schemes of the Company as of the date of this announcement
Group	the Company and its subsidiaries
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Initial Bonds	the 3 per cent. Convertible Bonds due 2014 of an aggregate principal amount of US\$10,000,000 convertible into Shares
Initial Conversion Price	US\$0.1601 per Share, being the initial price per Share at which the Bonds may be converted into Shares
Initial Exercise Price	US\$0.1747 per Share, being the initial sum payable in respect of each new Share to which a holder of the Warrants will be entitled upon exercise of the subscription rights represented thereby
Initial Warrants	in relation to a Placee for the Initial Bonds, bonus Warrants for the units of US\$33,333.3333 of subscription rights, conferring rights entitling the registered holder(s) thereof to subscribe for Shares at an initial subscription price equal to the Initial Exercise Price (i.e. US\$0.1747 per Share) (subject to adjustment), in respect of each US\$100,000 principal amount of the Initial Bond placed to such Placee (i.e. Total Initial Warrants Issue Size: US\$3,333,333.33 of Exercise Money)
Maturity Date	the fifth anniversary of the Issue Date, which is the date on which the Bonds mature
Option	an option granted by the Company to the Placing Agent to require the Company to issue all or any of the Optional Bonds, exercisable during the period of 365 days after the Closing Date

Optional Bonds	the additional 3 per cent. Convertible Bonds due 2014 with an aggregate principal amount up to US\$5,000,000 to be issued by the Company upon the exercise of the Option by the Placing Agent
Optional Closing Date or Optional Issue Date	in relation to an Optional Bond, the date on which such Optional Bond is to be issued
Optional Warrants	in relation to a Placee for the Optional Bonds, bonus Warrants for the units of US\$33,333.3333 of subscription rights, conferring rights entitling the registered holder(s) thereof to subscribe for Shares at an initial subscription price equal to the Initial Exercise Price (i.e. US\$0.1747 per Share) (subject to adjustment), in respect of each US\$100,000 principal amount of the Optional Bond placed to such Placee. (i.e. Total Optional Warrants Issue Size: US\$1,666,666.67 of Exercise Money)
PRC or China	The People's Republic of China, excluding for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
Placee(s)	The purchaser(s) of the Bonds (with Warrants) procured by the Placing Agent
Placing Agent	Geminis Capital International Limited
Placing Agreement	a conditional Placing Agreement entered into between, the Company and the Placing Agent on 30 April 2009 in connection with the Placing
Placing	the placing and issue of the Initial Bonds with an aggregate principal amount of US\$10,000,000 (with Initial Warrants) and the Optional Bonds with up to an aggregate principal amount of US\$5,000,000 (with Optional Warrants) under the Placing Agreement
Share(s)	ordinary shares of HK\$0.10 each in the share capital of the Company
Shareholder(s)	holder(s) of the Shares

Stock Exchange	The Stock Exchange of Hong Kong Limited
Share Equivalents	Shares and any security or obligation which is convertible into or exchangeable or exercisable for Shares, including without limitation, the Bonds, the Warrants and other rights, options (including options under share option scheme(s) of the Company or warrants). For the purpose of calculating the number of Share Equivalents in issue or outstanding at any time, all Share Equivalents of the Company shall be counted on an as-converted basis into Shares
Trading Day	a day when the stock exchange on which the Shares are listed is open for business, but does not include a day when (a) no closing price for the Shares is/are reported or (b) no shares have been traded (bought or sold) on such day
Trust Deed	the trust deed to be entered into between the Company and the Trustee on or before the Closing Date, which constitutes the Bonds
Trustee	The trustee to be appointed as trustee under the Trust Deed in relation to the Bonds
United States or US	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
US\$	United States dollars, the lawful currency of the United States
Volume Weighted Average Price	(1) on a particular Trading Day, the volume weighted average trading price of the Shares on that Trading Day converted into U.S. dollars; and (2) for a period of multiple Trading Days, the volume weighted average trading price of Shares over the entire period which shall be calculated after converting each and all of the trading prices of the Share for each Trading Day within that period into U.S. dollars

Warrants the Initial Warrants and includes (where applicable) the
Optional Warrants

% per cent.

Unless otherwise specified, amounts denominated in US\$ and HK\$ have been translated, for the purpose of illustration only, in this announcement at the rate of US\$1.00 : HK\$7.75

By order of the Board
Golden Meditech Company Limited
Kam Yuen
Chairman

Hong Kong, 30 April 2009

As at the date of this announcement, the Board comprises 7 directors. The executive directors are KAM Yuen (Chairman), JIN Lu , LU Tian Long, and ZHENG Ting and the independent non-executive directors are CAO Gang, GAO Zong Ze and GU Qiao.

This announcement, for which the directors of the Company 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: (a) the information contained in this announcement 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 announcement misleading; and (c) 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.

This announcement will remain on the Stock Exchange websites at <http://www.hkgem.com> on the “Latest Company Announcements” page and at <http://www.hkex.com.hk> on the “Latest Listed Company Information” page for at least seven days from the date of its publication and on the Company’s website at <http://www.goldenmeditech.com>.