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GOLDEN MEDITECH HOLDINGS LIMITED

金衛醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 801)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

I. SECOND SUPPLEMENTAL AGREEMENT TO THE SHARE PURCHASE AND SUBSCRIPTION AGREEMENT; AND II. EXERCISE OF PUT OPTION BY CHINA FUND

Reference is made to the announcements of the Company dated 20 August 2010 and 26 August 2010 in relation to, among other things, the Share Purchase and Subscription Agreement pursuant to which the Company had granted to China Fund the Put Option to the effect that if either of the Exercise Conditions is fulfilled, China Fund is entitled to require the Company to repurchase the Put Option Shares.

SECOND SUPPLEMENTAL AGREEMENT AND EXERCISE OF PUT OPTION BY CHINA FUND

The Board would like to announce that on 16 November 2012, the Company and China Bright, a non wholly-owned subsidiary of the Company, entered into the Second Supplemental Agreement with China Fund to revise certain terms of the Share Purchase and Subscription Agreement. On the same date, China Fund served on the Company the Put Option Notice pursuant to which the Company is required to purchase the Put Option Shares from China Fund on the terms of the Share Purchase and Subscription Agreement, as amended by the Second Supplemental Agreement.

As one of the applicable percentage ratios for the Transaction exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company and is, therefore, subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcements of the Company dated 20 August 2010 and 26 August 2010 (collectively, the “**Announcements**”) in relation to, among other things, the share purchase and subscription agreement dated 20 August 2010 (the “**SPS Agreement**”) entered into by the Company and China Bright Group Co. Limited (“**China Bright**”), a non wholly-owned subsidiary of the Company, with The China Fund, Inc. (“**China Fund**”), which was subsequently amended by a supplemental agreement dated 26 August 2010 entered into among the parties (the “**First Supplemental Agreement**”). Unless the context otherwise requires, terms defined in the Announcements shall have the same meanings when used herein.

BACKGROUND

Pursuant to the SPS Agreement, as amended by the First Supplemental Agreement (together, the “**Share Purchase and Subscription Agreement**”), the Company had granted to China Fund the Put Option to the effect that if (i) a Qualified IPO is not completed within the Relevant Period expiring on 26 August 2012; or (ii) any IPO other than a Qualified IPO is completed within the Relevant Period (the “**Exercise Conditions**”), China Fund is entitled to require the Company to repurchase the 14,665,617 ordinary shares of HK\$0.01 each in the share capital of China Bright held by it (the “**Put Option Shares**”) at the aggregate consideration of HK\$232,889,998 as set out in the Share Purchase and Subscription Agreement (the “**Original Exercise Price**”), subject to and on the terms of the Share Purchase and Subscription Agreement. According to the Share Purchase and Subscription Agreement, if either of the Exercise Conditions is fulfilled, China Fund may at any time prior to the 90th day immediately after the last day of the Relevant Period expiring on 26 August 2012 serve a put option notice (the “**Put Option Notice**”) on the Company, following which, the Company shall purchase and China Fund shall sell all Put Option Shares. The transfer of all the Put Option Shares shall be completed by the parties and payment of the Original Exercise Price shall be made by the Company to China Fund on the fifth Business Day immediately following the date of the Put Option Notice.

SECOND SUPPLEMENTAL AGREEMENT

The Board would like to announce that on 16 November 2012, the Company, China Bright and China Fund entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) to revise certain terms of the Share Purchase and Subscription Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, China Fund and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

A summary of the major amendments under the Second Supplemental Agreement is set out as follows:

Deferred consideration payments

Pursuant to the Second Supplemental Agreement, (1) HK\$116,444,999, representing 50% of the Original Exercise Price (the "**First Instalment**") shall be payable by the Company to China Fund on 16 November 2012, and (2) the remaining balance of the Original Exercise Price together with interest thereon from 17 November 2012 up to 16 November 2013 shall be payable by the Company to China Fund by two (2) equal instalments (respectively, the "**Second Instalment**" and "**Third Instalment**") on or before 16 May 2013 and 16 November 2013, respectively.

Transfer of the Put Option Shares

According to the Second Supplemental Agreement, the transfer of the Put Option Shares shall be completed on 16 November 2012, whereupon the Company shall pay the First Instalment to China Fund and shall deposit in escrow with an independent escrow agent (the "**Escrow Agent**") jointly designated by the parties the share certificates in respect of 50% of the Put Option Shares together with the corresponding undated transfer documents (collectively, the "**Escrow Documents**") as security for the due and punctual payment of the Second Instalment and Third Instalment.

Escrow Documents representing 25% of the Put Option Shares shall be returned to the Company by the Escrow Agent against each payment of the Second Instalment and Third Instalment on their respective due dates. However, if the Company fails to pay the Second Instalment or Third Instalment punctually, the Escrow Agent shall release the corresponding Escrow Documents to China Fund to effect the transfer of 25% of the Put Option Shares from the Company to China Fund.

Save as amended by the Second Supplemental Agreement, all other terms of the Share Purchase and Subscription Agreement remain unchanged.

EXERCISE OF PUT OPTION BY CHINA FUND

On 16 November 2012, China Fund exercised the Put Option in full by serving on the Company the Put Option Notice pursuant to which the Company is required to purchase the Put Option Shares from China Fund on the terms of the Share Purchase and Subscription Agreement, as amended by the Second Supplemental Agreement.

CHANGES IN THE SHAREHOLDING STRUCTURE OF CHINA BRIGHT

Set out below is the shareholding structure of China Bright immediately before the exercise of the Put Option in full by China Fund and immediately upon completion of the transfer of the Put Option Shares by China Fund to the Company on the date of this announcement:

Shareholders	Number of Shares owned immediately before the exercise of the Put Option in full by China Fund (approximate % of shareholding)	Number of Shares owned immediately upon completion of transfer of the Put Option Shares by China Fund to the Company (approximate % of shareholding)
The Company	124,247,192 (83.15%)	138,912,809 (92.97%)
China Fund	14,665,617 (9.82%)	0 (0%)
Tranwinner Limited	4,815,455 (3.22%)	4,815,455 (3.22%)
Omaha Capital Principals Limited	73,328 (0.05%)	73,328 (0.05%)
Indus Asia Pacific Master Fund Ltd.	1,710,817 (1.14%)	1,710,817 (1.14%)
Indus Pacific Opportunities Master Fund, Ltd.	488,805 (0.33%)	488,805 (0.33%)
Indus Japan Master Fund, Ltd.	244,403 (0.16%)	244,403 (0.16%)
Elliott	3,177,550 (2.13%)	3,177,550 (2.13%)
Total:	149,423,167 (100%)	149,423,167 (100%)

REASON FOR AND BENEFIT OF THE SECOND SUPPLEMENTAL AGREEMENT

Taking into account the fact that China Fund has agreed to defer 50% of the consideration payment for the sale of the Put Option Shares to the Company, which enables the Company to retain some funds for general working capital purposes, the Directors consider that the terms of the Second Supplemental Agreement were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Directors further consider that the Second Instalment and the Third Instalment payable by the Company to China Fund pursuant to the Second Supplemental Agreement were determined after arm's length negotiations between the Company and China Fund and having taken into account factors such as (a) the current market lending rates chargeable by small and medium loans lending companies which, to the Company's knowledge, are in the range of 8% to 20%; (b) the interest rates that are acceptable to China Fund based on their internal rates of return; and (c) the flexibility provided to the Company to effectively utilize its presently available financial resources as a result of China Fund's agreement to defer the payment of part of the consideration payable upon the exercise in full of the Put Option by China Fund, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON CHINA FUND

China Fund is a management investment company incorporated under and by virtue of the laws of the state of Maryland in the United States of America, acting through RCM Asia Pacific Ltd., in its capacity as manager of China Fund.

INFORMATION ON THE GROUP AND CHINA BRIGHT

The Group is China's leading integrated-healthcare device and service operator, and the first medical device enterprise that was publicly listed outside of the PRC on the Stock Exchange.

China Bright is an investment holding company incorporated in Hong Kong with limited liability and owns the entire medical devices operation of the Group. As at the date hereof, the Company holds approximately 83.15% and 92.97% of the total issued share capital of China Bright directly before and after the completion of transfer of the Put Option Shares from China Fund to the Company respectively.

China Bright currently owns (i) 100% equity interest in Beijing Jingjing Medical Equipment Co., Ltd. (北京京精醫療設備有限公司) (“**Jingjing**”), a WFOE incorporated in China and engaged in the manufacturing and sale of medical devices and equipment, and (ii) 23% equity interest in China National Medical Equipment Co. Ltd., one of the largest sino-foreign medical devices distributors in China.

As at 31 March 2012, the amount of audited consolidated net assets of China Bright and its subsidiaries (the “**China Bright Group**”) was approximately HK\$754,698,000. The audited consolidated net profit before and after taxation and extraordinary items of China Bright Group for the financial years ended 31 March 2011 and 31 March 2012 were as follows:

	Year ended 31 March	
	2011	2012
	<i>HK\$</i>	<i>HK\$</i>
The audited net profit before taxation and extraordinary items	<u>144,908,000</u>	<u>150,641,000</u>
The audited net profit after taxation and extraordinary items	<u>113,447,000</u>	<u>130,949,000</u>

For further information relating to the Group and China Bright, please refer to the announcement of the Company dated 20 August 2010.

LISTING RULES IMPLICATIONS

As disclosed in the announcement of the Company dated 20 August 2010, the transactions contemplated under the Share Purchase and Subscription Agreement including the grant of the Put Option by the Company to China Fund constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules (assuming exercise in full by China Fund of the Put Option) and were therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios for the transaction contemplated under the Share Purchase and Subscription Agreement, as amended by the Second Supplemental Agreement (the “**Transaction**”) calculated under Chapter 14 of the Listing Rules exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company and is, therefore, subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

By order of the Board
GOLDEN MEDITECH HOLDINGS LIMITED
KAM Yuen
Chairman

Hong Kong, 16 November 2012

As at the date of this announcement, the Board comprises 9 directors. The executive directors are Mr. KAM Yuen (Chairman), Mr. LU Tian Long, Mr. KONG Kam Yu and Mr. YU Kwok Kuen, Harry, the non-executive director is Ms. ZHENG Ting and the independent non-executive directors are Prof. CAO Gang, Mr. GAO Zong Ze, Prof. GU Qiao and Mr. FUNG Wen.