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GOLDEN MEDITECH HOLDINGS LIMITED

金衛醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00801)

(Stock Code of the Warrants: 00481)

- (I) PROPOSED OPEN OFFER ON THE BASIS OF
ONE OFFER SHARE FOR EVERY
TWO SHARES HELD ON THE RECORD DATE
AND**
- (II) CONNECTED TRANSACTION IN RELATION TO
UNDERWRITING COMMISSION
AND**
- (III) APPLICATION FOR WHITEWASH WAIVER**

Financial Adviser to the Company

AMASSE CAPITAL
寶 積 資 本

**Underwriter to the Open Offer
Bio Garden Inc.**

PROPOSED OPEN OFFER

The Company proposes to raise not less than approximately HK\$986 million, before expenses, by issuing not less than 985,604,649 Offer Shares and not more than approximately HK\$1,162 million, before expenses, by issuing not more than 1,161,657,383 Offer Shares, by way of an open offer on the basis of one (1) Offer Share for every two (2) Shares on the Record Date at the Subscription Price of HK\$1.00 per Offer Share payable in full on application.

The Open Offer is only available to the Eligible Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificates) with the Registrar by no later than 4:30 p.m. on Tuesday, 8 September 2015.

LISTING RULES IMPLICATIONS

Since the Open Offer on its own will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Company has not announced any other open offer or rights issue within the twelve-month period immediately preceding this announcement, the Open Offer is not subject to Shareholders' approval under the Listing Rules.

As at the date of this announcement, Bio Garden is a substantial shareholder of the Company. Accordingly, the allotment and issue of the Underwritten Shares (if any) to Bio Garden in its capacity as an underwriter pursuant to the Underwriting Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. This connected transaction is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, the payment of the underwriting commission by the Company to Bio Garden in its capacity as an underwriter constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. This connected transaction is subject to reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Rule 14A.76(2)(a) of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER

Upon completion of the Open Offer (assuming no new Shares being issued and/or repurchased by the Company on or before the Record Date), the total shareholding of the Concert Group may increase from 370,650,000 Shares, representing approximately 18.80% of the total issued capital of the Company to such an extent that Bio Garden would be required to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Concert Group) under Rule 26.1 of the Takeovers Code as a result of its underwriting obligations under the Underwriting Agreement and/or pursuant to the Concert Group's application for any excess Offer Shares which is accepted by the Company, unless the Whitewash Waiver is granted by the Executive.

Bio Garden will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver will be conditional on, among other matters, approval by the Independent Shareholders at a general meeting of the Company. The resolution(s) proposed to be voted at the relevant general meeting of the Company will be conducted by way of poll. Pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, as Bio Garden is interested in the Open Offer, the Underwriting Agreement and the Whitewash Waiver, Bio Garden and other members of the Concert Group and those Shareholders who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver are required to abstain from voting on the resolution(s) to be considered at the EGM in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

If the Whitewash Waiver is not granted, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the IBC has been established to advise the Independent Shareholders on whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and how to vote on the relevant resolution(s).

SPDB International Holdings Limited, the IFA, has been appointed to advise the IBC and the Independent Shareholders in this regard. The appointment of the IFA has been approved by the IBC.

GENERAL

A circular containing, among other matters, further details of (i) the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (ii) a letter of recommendation from the IBC to the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the IFA to the IBC and the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver; and (iv) a notice of EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Takeovers Code and the Listing Rules.

WARNING OF THE RISK OF DEALINGS IN THE SECURITIES OF THE COMPANY

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Sole Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Monday, 7 September 2015 and that dealings in the Shares will take place while the conditions to which the Underwriting Agreement are subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to the Open Offer are fulfilled, will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

Reference is made to the announcements of the Company dated 29 April 2015, 29 May 2015 and 10 July 2015 respectively in relation to, among other things, the possible Open Offer.

PROPOSED OPEN OFFER

The Company proposes to raise not less than approximately HK\$986 million, before expenses, by issuing not less than 985,604,649 Offer Shares and not more than approximately HK\$1,162 million, before expenses, by issuing not more than 1,161,657,383 Offer Shares, by way of an open offer on the basis of one (1) Offer Share for every two (2) Shares on the Record Date at the Subscription Price of HK\$1.00 per Offer Share payable in full on application, details of which are set out below. Subject to the terms and conditions set out in the Underwriting Agreement, the Open Offer is fully underwritten by the Sole Underwriter.

Issue Statistics

Basis of the Open Offer	:	One (1) Offer Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	1,971,209,298 Shares
Number of Offer Shares	:	(i) Not less than 985,604,649 Offer Shares (with aggregate nominal value of approximately HK\$197 million) (assuming none of the Outstanding Derivative Instruments having been exercised on or before the Record Date); and (ii) not more than 1,161,657,383 Offer Shares (with aggregate nominal value of approximately HK\$232 million) (assuming all of the Outstanding Derivative Instruments, but excluding the Concert Group Derivative Instruments, having been exercised in full on or before the Record Date).
Subscription Price	:	HK\$1.00 per Offer Share
Number of Shares in issue immediately upon completion of the Open Offer	:	Not less than 2,956,813,947 Shares and not more than 3,484,972,149 Shares

The Offer Shares represents 50.00% of the existing issued share capital of the Company and approximately 33.33% of the issued share capital of the Company as enlarged by the Open Offer.

Further information in relation to the Issue Statistics and information on the Outstanding Derivative Instruments

As at the date of this announcement, the Company has Outstanding Derivative Instruments which, if fully exercised and/or converted, would require the Company to issue an aggregate of 416,345,746 new Shares, representing approximately 21.12% of the total issued share capital of the Company as at the date of this announcement. Please refer to the section headed “Adjustments to the Terms of Share Options and Convertible Notes” below for more details.

Eligible Shareholders

The Open Offer is only available to the Eligible Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not being an Excluded Shareholder. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfer of Shares (together with the relevant share certificates) with the Registrar by no later than 4:30 p.m. on Tuesday, 8 September 2015.

The invitation to subscribe for the Offer Shares to be made to the Eligible Shareholders is not transferable.

The last day of dealings in the Shares on a cum-entitlement basis is expected to be Friday, 4 September 2015. The Shares will be dealt with on an ex-entitlement basis from Monday, 7 September 2015.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 9 September 2015 to Friday, 11 September 2015 (both days inclusive), to determine the eligibility of Shareholders to subscribe for the Offer Shares under the Open Offer. No transfer of Shares will be registered during this period.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder’s address on the Company’s register of members is in a place outside Hong Kong, that Shareholder

may not be eligible to take part in the Open Offer. The Prospectus will not be registered or filed under the securities legislation of any jurisdiction other than Hong Kong and Taiwan. The Prospectus will be provided to the Taiwan Stock Exchange and will be disclosed to holders of the TDR via the MOPS.

In compliance with Rule 13.36(2) of the Listing Rules, the Directors will make enquiries as to whether the issue of the Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to those Overseas Shareholders who will become the Excluded Shareholders. The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be disclosed in the Prospectus.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Subscription Price

The Subscription Price is HK\$1.00 per Offer Share, payable in full when an Eligible Shareholder accepts his/her/its provisional allotment under the Open Offer, which represents:-

- (i) a discount of approximately 7.41% to the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on 24 July 2015, being the Last Trading Day;
- (ii) a discount of approximately 4.76% to the theoretical ex-entitlements price of approximately HK\$1.05 per Share based on the closing price of HK\$1.08 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 5.66% to the average closing price of approximately HK\$1.06 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 9.09% to the average closing price of approximately HK\$1.10 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Sole Underwriter with reference to, among other things, the prevailing market price and trading liquidity of the Shares prior to the date of the second supplemental agreement to the Underwriting Term Sheet (as amended by a supplemental agreement dated 29 May 2015 between the Company and Bio Garden) dated 10 July 2015 as disclosed in the announcement of the Company dated 10 July 2015 and the financial position of the Group. After taking into consideration of the theoretical ex-entitlements price per Share, in order to increase the attractiveness of the Open Offer to the Eligible Shareholders, the Directors consider that the discount offered by the Subscription Price would encourage Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the potential growth of the Group. The Directors (excluding (i) Mr. Kam who was required to abstain from voting on the relevant Board resolution(s) approving the Open Offer, the Underwriting Agreement and the Whitewash Waiver and (ii) the IBC Members whose view will be given after considering the advice from the IFA) consider that the Subscription Price is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Fractions of entitlement to the Offer Shares

Fractions of Offer Shares will not be allotted to the Eligible Shareholders and fractional entitlements will be rounded down to the nearest whole number of the Offer Shares. Any Offer Shares created from the aggregation of fractions of the Offer Shares will be taken up by the Sole Underwriter.

Applications for excess Offer Shares

Eligible Shareholders shall be entitled to apply for any entitlements of the Offer Shares of the Excluded Shareholders and for any Offer Shares provisionally allotted but not accepted by the Eligible Shareholders. Application may be made by Eligible Shareholders by completing the Excess Application Form and lodging it with a separate remittance for the excess Offer Shares being applied for. However, Eligible Shareholders are not assured of being allocated any Offer Shares in excess of their assured allotment under the Application Form. The excess Offer Shares will be allocated on the basis as described in the section headed "Basis of allocation of excess Offer Shares" below.

Basis of allocation of excess Offer Shares

The Directors will allocate the excess Offer Shares at their discretion, but on a fair and equitable basis to Eligible Shareholders who have applied for excess Offer Shares on the following principles:-

- (i) preference will be given to applications for less than a board lot of Offer Shares where they appear to the Directors that such applications are made to round up odd-lot holdings (in particular those already existed on the date of this announcement or created as a result of the Open Offer) to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (ii) subject to the availability of excess Offer Shares after allocation under principle (i) above, any remaining excess Offer Shares will be allocated to applicants with reference to their respective shareholdings in the Company as at the Record Date.

Investors with their Shares held by a nominee (or which are deposited into the CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of their nominee(s) should note that the above arrangement in relation to allocation of excess Offer Shares will not be extended to beneficial owners. Shareholders and investors should consult their professional advisers if they are in any doubt as to whether and how they should register their shareholding and apply for the excess Offer Shares.

Investors whose Shares are held by their nominee(s) (or which are deposited into CCASS) and who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Tuesday, 8 September 2015. The register of members of the Company will be closed from Wednesday, 9 September 2015 to Friday, 11 September 2015 (both days inclusive).

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Share Certificates and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are expected to be posted to the Eligible Shareholders on or about Friday, 9 October 2015 by ordinary post at their own risk.

Application for listing of the Offer Shares on the Stock Exchange

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

Save for the 101,111,012 units of TDR listed on the Taiwan Stock Exchange as at 24 July 2015, none of the securities of the Company are listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal in is proposed to be sought. Relevant documents will be filed with the Taiwan Stock Exchange and the Central Bank of the Republic of China (Taiwan) in accordance with the applicable laws and regulations of Taiwan.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Undertakings

Pursuant to the Letter of Undertaking, Bio Garden (in its capacity as a Shareholder) has given an irrevocable and unconditional undertaking in favour of the Company:

(a) to subscribe for or procure subscription of the Committed Shares;

- (b) not to (and will procure Mr. Kam not to) sell or otherwise dispose of any Shares or exercise any warrants, options or any rights in whatever forms or description it has to acquire additional interest in the capital of the Company before completion of the Open Offer; and
- (c) that the Shares registered under its name or in the name of its nominees will remain so registered at the close of business on the Record Date up to and including the date on which the Open Offer shall become unconditional.

For the avoidance of doubt, the Committed Shares do not include the Offer Shares not taken up by other Eligible Shareholders and fall to be underwritten by Bio Garden in its capacity as the Sole Underwriter.

Other than Bio Garden, the Company had not received any information or undertakings from any substantial shareholders of the Company of their intention in relation to the Offer Shares to be provisionally allotted to them under the Open Offer as at the date of this announcement.

UNDERWRITING AGREEMENT

Date: 27 July 2015 (before trading hours)

Sole Underwriter: Bio Garden

Number of Underwritten Shares: The Sole Underwriter shall underwrite:-

- (i) not less than 800,279,649 Underwritten Shares (assuming none of the Outstanding Derivative Instruments having been exercised on or before the Record Date); and
- (ii) not more than 976,332,383 Underwritten Shares (assuming all of the Outstanding Derivative Instruments, but excluding the Concert Group Derivative Instruments, having been exercised in full on or before the Record Date).

Commission: 2% of the total Subscription Price in respect of 976,332,383 Underwritten Shares, being the maximum number of Underwritten Shares to be taken up by the Sole Underwriter

Bio Garden is a connected person of the Company by virtue of it being a substantial shareholder of the Company. Please refer to the section headed “Information on Bio Garden and the Concert Group” below for more details.

The amount of commission was determined after arm’s length negotiation between the Company and the Sole Underwriter by reference to the size of the Open Offer and the market condition. The Directors (excluding (i) Mr. Kam who was required to abstain from voting on the relevant Board resolution(s) approving the Open Offer, the Underwriting Agreement and the Whitewash Waiver and (ii) the IBC Members whose view will be given after considering the advice of the IFA) consider the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The payment of the underwriting commission by the Company to Bio Garden in its capacity as an underwriter pursuant to the Underwriting Agreement constitutes a connected transaction of the Company but is exempt from independent shareholders’ approval under the Listing Rules. Please refer to the section headed “Listing Rules Implications” below for more details.

Conditions Precedent to the Open Offer

The Open Offer is conditional upon the Underwriting Agreement having become unconditional. The conditions precedent of the Underwriting Agreement is summarised below:

- (a) the passing of an ordinary resolution approving the Increase in Authorised Share Capital by the Shareholders at a general meeting of the Company;
- (b) the passing of the necessary resolution(s) approving the Open Offer, the Underwriting Agreement and the Whitewash Waiver by the Independent Shareholders at a general meeting of the Company;
- (c) the Executive having granted the Whitewash Waiver and not having withdrawn or revoked such grant, and the fulfillment of all conditions (if any) attached to the Whitewash Waiver;
- (d) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of the Companies in Hong Kong in accordance with the CWMO respectively of one copy of each of the Open Offer Documents duly signed by the Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the CWMO not later than the Prospectus Posting Date;

- (e) the posting of the Open Offer Documents to the Eligible Shareholders on the Prospectus Posting Date;
- (f) the Listing Committee of the Stock Exchange granting an approval for the listing of, and permission to deal in, the Offer Shares;
- (g) the Underwriting Agreement not being terminated by the Sole Underwriter pursuant to the terms thereof before the Latest Time for Termination;
- (h) the Sole Underwriter not being discharged or released from its obligations under the Underwriting Agreement pursuant to the terms thereof before the Latest Time for Termination; and
- (i) compliance with and performance by the Company of all its undertakings and obligations in relation to the implementation of the Open Offer as stipulated under the Underwriting Agreement, such as offering the Offer Shares to the Eligible Shareholders at the Subscription Price on the terms and bearing such rights as set out in the Open Offer Documents, allotting and issuing the Offer Shares in accordance with the Open Offer Documents and properly processing and dealing with all applications pursuant to the Excess Application Forms in accordance with the terms of the Prospectus and the Excess Application Form.

None of the above conditions can be waived. If the conditions precedent are not satisfied by the Latest Time for Termination or such other date as the Company and the Sole Underwriter may agree, the Underwriting Agreement shall be terminated and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and in which case the Open Offer will not proceed.

The resolution referred to in (a) above will be considered by the Shareholders at the forthcoming annual general meeting of the Company to be held on 31 July 2015. The resolution(s) referred to in (b) above will be considered by the Independent Shareholders at the EGM.

Termination of the Underwriting Agreement

The Sole Underwriter reserves the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if one or more of the events or matters (whether or not forming part of a series of events) specified in the Underwriting Agreement and as summarized below shall occur, arise, or exist:

- (a) the Sole Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties given by the Company under the Underwriting Agreement was (when originally given or when repeated in accordance with the provisions of the Underwriting Agreement) untrue, inaccurate, misleading or breached; or
- (b)
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any change in local, national or international political, financial or economic conditions;
 - (iii) any local, national or international outbreak or escalation of hostilities, or armed conflict;
 - (iv) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole;
 - (vi) trading of any securities of the Company being suspended for 5 consecutive days on any exchange;
 - (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which event or events, in the sole and absolute discretion of the Sole Underwriter, is or are:-

1. likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
2. likely to have a material adverse effect on the success of the Open Offer or the level of Offer Shares taken up; or
3. so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Open Offer.

The Sole Underwriter is also entitled by notice in writing prior to the Latest Time for Termination to treat the matters or events summarized below as releasing and discharging it from its obligations under the Underwriting Agreement:

- (a) the Company commits any material breach of or omits to observe any of the material obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (b) the Sole Underwriter shall become aware of that any of the material warranties given by the Company under the Underwriting Agreement was, when given, untrue or inaccurate and that the Sole Underwriter shall, in its sole and absolute opinion, determine that any such untrue warranty represents or may represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a prejudicial effect on the Open Offer; or
- (c) the Company shall, after any matter or event which has occurred or come to the Company's attention such matter or event would render untrue, inaccurate or misleading any statements contained in the Open Offer Documents, fail to promptly send out any announcement or circular (after the despatch of the Open Offer Documents), in such manner (and as appropriate with such contents) as the Sole Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of the notice in writing from the Sole Underwriter to terminate or to treat itself as releasing and discharging from its obligations under the Underwriting Agreement referred to above, all obligations of the Sole Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or

in connection with the Underwriting Agreement except in respect of any antecedent breach of the Underwriting Agreement; provided however that the Company shall remain liable to pay all reasonable costs, charges and expenses which may have been incurred by the Sole Underwriter in connection with the Open Offer.

If the Sole Underwriter terminates the Underwriting Agreement or is otherwise discharged from its obligations thereunder or if the conditions to the Underwriting Agreement have not been fulfilled in accordance therewith, the Open Offer will not proceed.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The Group is China's leading integrated-healthcare device and service operator, and the first medical device enterprise that was publicly listed outside the PRC on the Stock Exchange. The Group is involved in five different business segments, namely (i) the medical devices segment, which has been the principal business of the Group since its listing on the Stock Exchange in 2001; (ii) the cord blood bank segment, which is listed, through the Company's subsidiary, CCBC, on the New York Stock Exchange; (iii) the hospital management segment; (iv) the medical insurance administration segment; and (v) the Chinese herbal medicine segment.

Upon completion of the Open Offer and assuming no new Shares being issued and/or repurchased by the Company on or before the Record Date, the Company will receive gross proceeds of not less than approximately HK\$986 million by issuing 985,604,649 Offer Shares (assuming none of the Outstanding Derivative Instruments having been exercised on or before the Record Date) and not more than approximately HK\$1,162 million by issuing 1,161,657,383 Offer Shares (assuming all of the Outstanding Derivative Instruments, but excluding the Concert Group Derivative Instruments, having been exercised in full on or before the Record Date). The estimated net proceeds from the Open Offer will be not less than approximately HK\$960 million and not more than approximately HK\$1,136 million (after deducting the commission and expenses in relation to the Open Offer). The net Subscription Price per Offer Share is expected to be not less than approximately HK\$0.98.

References are made to the Company's announcements dated 29 April 2015, 29 May 2015 and 10 July 2015 regarding, inter alia, the possible open offer and the related underwriting arrangement. In the announcement of the Company dated 29 April 2015, it was disclosed, among other things, that the proceeds from the possible open offer would be applied for settlement of the consideration of the CCBC Shares Acquisition. References are also made to the Company's announcement dated 4 May 2015 in relation to the KKR CN Acquisition and the Company's announcement dated 8 May 2015 in relation to the Magnum CN Acquisition and the CGL Acquisition. It was

disclosed in the said announcements of the Company dated 4 May 2015 and 8 May 2015 respectively that the KKR CN Acquisition, the Magnum CN Acquisition and the CGL Acquisition would be financed by the internal resources of the Group and debt capital. As it is expected that the CNs and Shares Acquisitions will be proceeded sooner than the CCBC Shares Acquisition, the Board intends to apply all the net proceeds from the Open Offer for the CNs and Shares Acquisitions instead of applying for the CCBC Shares Acquisition as previously announced. It is estimated that the total consideration for the CNs and Shares Acquisitions will be approximately US\$330 million (or equivalent to approximately HK\$2,555 million). While the expected net proceeds of the Open Offer stated above can contribute to part of such consideration, the remaining balance will be financed by internal resources of the Group, or raising future debt capital.

Over the past years, the Group has been exploring and investigating suitable businesses and acquisition opportunities within the PRC healthcare industry. At the same time, the Group also considered its overall strategy and business performance of each division of its business. After these exploration, investigation and consideration, the Group found that the emerging business opportunities induced excessive execution and commercialisation risk and highly unpredictable future revenue stream. In contrast, cord blood banking service has been gradually gaining market and consumers acceptance in the PRC, thanks to rising public awareness, subscription of services and clinical usage. CCBC has over a decade long of operational history and it is currently the largest cord blood banking operator in the PRC. It has successful track record in executing its expansion strategy and recruiting new subscribers, hence, the management of the Company believes that the CCBC business and operational model is more stable and predictable as compare to other new consumer healthcare ventures within the PRC. In addition, CCBC directly services end consumers, therefore, it helps diversifying the Company revenue stream and further paves the way into the consumer healthcare segment. As such, the Company entered into the KKR Agreement, the Magnum Agreement and the CGL Agreement so as to increase the Company's exposure in the PRC cord blood banking industry. As at the date of this announcement, none of Magnum, KKR and CGL hold any Shares of the Company. Magnum is wholly-owned by Mr. Kam. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, CGL and KKR and their ultimate beneficial owners are Independent Third Parties.

In the event that the CNs and Shares Acquisitions does not proceed, the net proceeds from the Open Offer are intended to be applied for repayment of the Group's indebtedness, with the balance, if any, to be applied for working capital use.

The Open Offer will not only strengthen the financial position of the Company, but also provide an equal opportunity to all the Eligible Shareholders to participate in this fund raising activity. Under the Open Offer, entitlement to the Offer Shares will be attached to the Shares held, thus it ensures the stability of the Company's shareholder base and would allow existing Shareholders, who decide to take up in full their provisional allotment of Offer Shares, to participate in and share the growth of the Company without diluting their shareholdings. In addition, as the Open Offer is available to all the Eligible Shareholders, each of them can enjoy the discount offered by the Subscription Price. However, those Eligible Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Having taken into account the above reasons and benefits, the Directors (excluding (i) Mr. Kam who was required to abstain from voting on the relevant Board resolution(s) approving the Open Offer, the Underwriting Agreement and the Whitewash Waiver and (ii) the IBC Members whose view will be given after considering the advice of the IFA) consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

The effects on the shareholding structure of the Company as a result of the Open Offer based on different assumed scenarios are illustrated as follows (assuming no new Share being issued and/or repurchased by the Company on or before the Record Date):

(1) Assuming none of the Outstanding Derivative Instruments having been exercised on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Open Offer and assuming all the Eligible Shareholders take up their Offer Shares under the Open Offer		Immediately after completion of the Open Offer and assuming no Eligible Shareholders (other than Bio Garden in its capacity as an Eligible Shareholder only) take up its Offer Shares under the Open Offer and Bio Garden, in its capacity as an underwriter, takes up the Underwritten Shares	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Concert Group						
Bio Garden (<i>Note 1</i>)	370,650,000	18.80	555,975,001	18.80	1,356,254,649	45.87
Mr. Kam (<i>Note 1</i>)	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Sub-total	370,650,000	18.80	555,975,001	18.80	1,356,254,649	45.87
Mr. Kong Kam Yu ("Mr. Kong") (<i>Note 1</i>)	6,200,238	0.31	9,300,357	0.31	6,200,238	0.21
New Horizon Capital Partners III Ltd. ("NH Capital") (<i>Notes 1 & 2</i>)	308,325,900	15.64	462,488,850	15.64	308,325,900	10.43
Atlantis Investment Management (Hong Kong) Limited ("Atlantis")	200,001,085	10.15	300,001,627	10.15	200,001,085	6.76
Public Shareholders	<u>1,086,032,075</u>	<u>55.10</u>	<u>1,629,048,112</u>	<u>55.10</u>	<u>1,086,032,075</u>	<u>36.73</u>
Total	<u>1,971,209,298</u>	<u>100.00</u>	<u>2,956,813,947</u>	<u>100.00</u>	<u>2,956,813,947</u>	<u>100.00</u>

(2) Assuming all of the Outstanding Derivative Instruments, but excluding the Concert Group Derivative Instruments, will be exercised on or before the Record Date:

	As at the date of this announcement		After full exercise of all the Outstanding Derivative Instruments, but excluding the Concert Group Derivative Instruments, before completion of the Open Offer (Note 3)		Immediately after completion of the Open Offer and assuming all the Eligible Shareholders take up their Offer Shares under the Open Offer		Immediately after completion of the Open Offer, assuming no Eligible Shareholders (other than Bio Garden in its capacity as an Eligible Shareholder only) take up their Offer Shares under the Open Offer and Bio Garden, in its capacity as an underwriter, takes up the Underwritten Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
The Concert Group								
Bio Garden (Note 1)	370,650,000	18.80	370,650,000	15.95	555,975,003	15.95	1,532,307,383	43.97
Mr. Kam (Note 1)	0	0.00	0	0.00	0	0.00	0	0.00
Sub-total	370,650,000	18.80	370,650,000	15.95	555,975,003	15.95	1,532,307,383	43.97
Mr. Kong (Note 1)	6,200,238	0.31	10,062,043	0.43	15,093,064	0.43	10,062,043	0.29
Ms. Zheng Ting (“Ms. Zheng”) (Note 1)	0	0.00	3,227,777	0.14	4,841,665	0.14	3,227,777	0.09
NH Capital (Notes 1 & 2)	308,325,900	15.64	364,385,155	15.68	546,577,732	15.68	364,385,155	10.46
Atlantis	200,001,085	10.15	200,001,085	8.61	300,001,627	8.61	200,001,085	5.74
Holder of the Outstanding Derivative Instruments other than the Concert Group, Mr. Kong, Ms. Zheng and NH Capital (Note 1)	0	0.00	288,956,631	12.44	433,434,946	12.44	288,956,631	8.29
Public shareholders	1,086,032,075	55.10	1,086,032,075	46.75	1,629,048,112	46.75	1,086,032,075	31.16
Total	1,971,209,298	100.00	2,323,314,766	100.00	3,484,972,149	100.00	3,484,972,149	100.00

Notes:

- (1) As at the date of this announcement, the Company has Outstanding Derivative Instruments which, if fully exercised and/or converted, would require the Company to issue an aggregate of 416,345,746 new Shares, details of which are disclosed in the section headed “Adjustments to the Terms of Share Options and Convertible Notes” below, of which (i) Mr. Kam holds Share Options which entitle him to subscribe for up to 2,190,278 new Shares; (ii) Bio Garden holds Warrants which entitle it to subscribe for up to 62,050,000 new Shares; (iii) Ms. Zheng, a non-executive Director, holds Share Options which entitle her to subscribe for up to 3,227,777 new Shares; (iv) Mr. Kong, an executive Director, holds Share Options which entitle him to subscribe for up to 3,861,805 new Shares; and (v) NH Capital holds Warrants which entitle it to subscribe for up to 56,059,255 new Shares.

- (2) These Shares were held through Hope Sky Investments Limited and Top Strength Holdings Limited, which are wholly-owned by New Horizon Capital III, L.P.; and NH Capital is a controller of New Horizon Capital III, L.P..
- (3) Pursuant to the Letter of Undertaking, Bio Garden has undertaken, among others, not to (and will procure Mr. Kam not to) exercise any warrants, options or any rights in whatever forms or description it has to acquire additional interest in the capital of the Company before completion of the Open Offer.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcement	Event	Approximate net proceeds	Intended use of net proceeds	Actual use of net proceeds
8 July 2015	Placing of new shares under general mandate	HK\$138 million	For CCBC Shares Acquisition	As at the date of this announcement, the net proceeds has not been utilised yet
3 July 2015 (<i>Note</i>)	Placing of new shares under general mandate	N/A	For CCBC Shares Acquisition	N/A
22 October 2014	Issue of convertible notes	HK\$149 million	For general working capital	For general working capital

Note: The placing of new shares has been terminated with effect from 8 July 2015 as disclosed in the announcement of the Company dated 8 July 2015.

Save as disclosed above, the Company had not conducted any fund raising exercise in the past twelve months immediately preceding the date of this announcement.

ADJUSTMENTS TO THE TERMS OF SHARE OPTIONS AND CONVERTIBLE NOTES

As at the date of this announcement, the Outstanding Derivative Instruments, if fully exercised and/or converted, would require the Company to issue an aggregate of 416,345,746 new Shares, details of which are set out below:

- (a) holders of Share Options granted pursuant to the 2005 Scheme are entitled to subscribe up to 26,129,437 new Shares, at an exercise price of HK\$1.996 per Share;
- (b) outstanding Convertible Notes with an aggregate principal amount of US\$20,000,000 which entitle the holder thereof to convert into approximately 112,973,760 new Shares at an adjusted conversion price of HK\$1.372 per Share with effect from 15 July 2015 as a result of the completion of the Placing (subject to adjustment, if applicable); and
- (c) 277,242,549 outstanding Warrants which entitle the holder(s) thereof to subscribe for up to 277,242,549 new Shares at an adjusted exercise price of HK\$1.39 per Share with effect from 15 July 2015 as a result of the completion of the Placing (subject to adjustment, if applicable).

Save for the Outstanding Derivative Instruments, the Company does not have any other outstanding derivatives, options, warrants and conversion rights or similar rights or securities in issue as at the date of this announcement which confer any right to subscribe for, convert or exchange into, Shares.

Under the relevant terms of the 2005 Scheme and the terms and conditions of the Convertible Notes, adjustments may be required with regard to, among other things, (i) the exercise price and number of the Share Options; and (ii) the conversion price of the Convertible Notes as a result of the Open Offer. Further announcement(s) will be made by the Company in this regard as and when appropriate. With respect to the Warrants, as announced in the announcement of the Company dated 26 May 2015, the subscription rights attaching to the Warrants will expire at 4:00 p.m. on 30 July 2015. As it is anticipated that the subscription rights attaching to the Warrants will expire before the Record Date, no adjustments will be made to the subscription price of the Warrants as a result of the Open Offer.

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the associated trading arrangement are as follows:

Despatch of the circular in relation to the EGM and the notice of EGM	Monday, 17 August 2015
Latest time for lodging transfer of Shares in order to be qualified for attending and voting at EGM	4:30 p.m. on Friday, 28 August 2015
Register of members of the Company closed	Monday, 31 August 2015 to Wednesday, 2 September 2015
Latest time for lodging proxy forms	10:00 a.m. on Monday, 31 August 2015
Expected date of the EGM	10:00 a.m. on Wednesday, 2 September 2015
Announcement of results of the EGM	Wednesday, 2 September 2015
Register of members of the Company re-opens	Friday, 4 September 2015
Last day of dealings in the Shares on a cum-entitlement basis	Friday, 4 September 2015
First day of dealings in the Shares on an ex-entitlement basis	Monday, 7 September 2015
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:30 p.m. on Tuesday, 8 September 2015
Register of members of the Company closed	Wednesday, 9 September 2015 to Friday, 11 September 2015
Record Date	Friday, 11 September 2015

Register of members of the Company re-opens	Monday, 14 September 2015
Despatch of the Open Offer Documents to Eligible Shareholders	Monday, 14 September 2015
Latest time for acceptance of, and payment for the Offer Shares	4:00 p.m. on Tuesday, 29 September 2015
Latest time for the Open Offer to become unconditional	4:00 p.m. on Friday, 2 October 2015
Announcement of results of acceptance of the Offer Shares	Thursday, 8 October 2015
Despatch of share certificates for the Offer Shares and (if any), the refund cheques	Friday, 9 October 2015
Dealings in the Offer Shares commence.....	9:00 a.m. on Monday, 12 October 2015

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

The register of members of the Company for EGM will be closed from Monday, 31 August 2015 to Wednesday, 2 September 2015, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attending and voting at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged for registration with the Registrar not later than 4:30 p.m. on Friday, 28 August 2015.

INFORMATION ON BIO GARDEN AND THE CONCERT GROUP

Bio Garden is not involved in the business of underwriting.

Bio Garden is an investment holding company which is incorporated in the British Virgin Islands with limited liability. It is wholly-owned by certain discretionary trusts of which Mr. Kam, an executive Director, was the founder. Bio Garden has been a substantial shareholder of the Company since its listing on the Stock Exchange in 2001.

It is the intention of Bio Garden to continue to carry on the businesses of the Group and to continue the employment of the employees of the Group. Bio Garden has no intention to introduce any changes to the businesses of the Group including redeployment of the fixed assets of the Group.

As at the date of this announcement, the Concert Group has not received any irrevocable commitment to vote for or against the proposed resolution approving the Whitewash Waiver at the EGM.

Save for the transactions contemplated under the Underwriting Agreement and the Letter of Undertaking, there is no arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of Bio Garden entered into by any member of the Concert Group and which might be material to the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

At the date of this announcement, the Concert Group holds (i) 370,650,000 Shares; (ii) 62,050,000 Warrants which entitle it to subscribe for 62,050,000 new Shares at an adjusted subscription price of HK\$1.39 per Share (subject to adjustment, if applicable); and (iii) 2,190,278 Share Options. Save as disclosed above, the Concert Group does not hold or has control or direction over any other shares, rights over shares, convertible securities, warrants or options of the Company, or any outstanding derivative in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Bio Garden acquired 10,000,000 Shares at an average price of approximately HK\$1.150 on 1 December 2014, which was prior to the negotiations, discussions or the reaching of understandings or agreements or agreements with the Directors (which include informal discussions) in relation to the Open Offer. The monetary value of the said acquisition was approximately HK\$11,500,000. Save as disclosed above, Bio Garden has confirmed that (for itself and on behalf of parties acting in concert with it) neither it nor parties acting in concert with it have acquired any voting rights of the Company or have dealt in any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) in the six months prior to 29 April 2015, being the date of the first announcement of the Company in relation to, among other, the possible Open Offer, and up to and including the date of this announcement.

As at the date of this announcement, save for the Underwriting Agreement, there is no arrangement or agreement to which a member of the Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver.

There is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which any members of the Concert Group has borrowed or lent as at the date of this announcement.

LISTING RULES IMPLICATIONS

Since the Open Offer on its own will not increase the issued share capital or the market capitalisation of the Company by more than 50% and the Company has not announced any other open offer or rights issue within the twelve-month period immediately preceding this announcement, the Open Offer is not subject to Shareholders' approval under the Listing Rules pursuant to Rule 7.19(6) of the Listing Rules.

As at the date of this announcement, Bio Garden is a substantial shareholder of the Company holding 370,650,000 Shares, representing approximately 18.80% of the total issued share capital of the Company, and is therefore a connected person of the Company. Accordingly, the allotment and issue of the Underwritten Shares (if any) to Bio Garden in its capacity as an underwriter pursuant to the Underwriting Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.92(2)(b) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the allotment and issue of the Underwritten Shares to Bio Garden in its capacity as an underwriter pursuant to the Underwriting Agreement will be exempt from the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules. As the Company has made arrangements to apply for the Offer Shares by the Eligible Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A(1) of the Listing Rules, Rule 7.26A(2) of the Listing Rules has been complied with and, accordingly, the allotment and issue of the Underwritten Shares (if any) to Bio Garden in its capacity as an underwriter under the Underwriting Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.92(2)(b) of the Listing Rules.

In addition, the payment of underwriting commission by the Company to Bio Garden in its capacity as an underwriter constitutes a connected transaction of the Company. As the Underwriting Agreement is on normal commercial terms and the relevant percentage ratios (as defined in the Listing Rules) regarding the amount of underwriting commission payable by the Company are less than 5%, it is subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Rule 14A.76(2)(a) of the Listing Rules.

As Mr. Kam has a material interest in the Open Offer, the Underwriting Agreement and the Whitewash Waiver, he has abstained from voting on the relevant Board resolutions approving the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR THE WHITEWASH WAIVER

Upon completion of the Open Offer (assuming no new Shares being issued and/or repurchased by the Company on or before the Record Date), the total shareholding of the Concert Group may increase from 370,650,000 Shares, representing approximately 18.80% of the total issued capital of the Company, to approximately 45.87% or approximately 43.97% of the issued share capital of the Company as enlarged by the Open Offer respectively as described in (i) and (ii) below:-

- (i) assuming no acceptance by the Eligible Shareholders (except Bio Garden) under the Open Offer and no Outstanding Derivative Instruments having been exercised on or before the Record Date, Bio Garden (in its capacity as the Sole Underwriter) will be required to take up 800,279,649 Offer Shares pursuant to its underwriting obligation and 185,325,000 Offer Shares pursuant to the Letter of Undertaking and it will make the total shareholding of the Concert Group to approximately 45.87% of the issued share capital of the Company as enlarged by the Open Offer; or
- (ii) assuming no acceptance by the Eligible Shareholders (except Bio Garden) under the Open Offer and all of the Outstanding Derivative Instruments, but excluding the Concert Group Derivative Instruments, having been exercised before the Record Date, Bio Garden (in its capacity as the Sole Underwriter) will be required to take up 976,332,383 Offer Shares pursuant to its underwriting obligation and 185,325,000 Offer Shares pursuant to the Letter of Undertaking and it will make the total shareholding of the Concert Group to approximately 43.97% of the issued share capital of the Company as enlarged by the Open Offer.

Under each of the circumstances in (i) and (ii) above, the total shareholding of the Concert Group would be increased to more than 30% of the total issued share capital of the Company, accordingly Bio Garden would be required to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Concert Group) under Rule 26.1 of the Takeovers Code as a result of its underwriting obligations under the Underwriting Agreement and/or pursuant to the Concert Group's application for any excess Offer Shares which is accepted by the Company, unless the Whitewash Waiver is granted by the Executive.

Bio Garden will make an application to the Executive for the granting of the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver will be conditional on, among other matters, approval by the Independent Shareholders at a general meeting of the Company. The resolution(s) proposed to be voted at the relevant general meeting (i.e. the EGM) will be conducted by way of poll. Pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, as Bio Garden is interested in the Whitewash Waiver, Bio Garden and other members of the Concert Group and those Shareholders who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver are required to abstain from voting on the resolution(s) to be considered at the EGM in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver.

If the Whitewash Waiver is not granted, the Underwriting Agreement will not become unconditional and the Open Offer will not proceed.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the IBC, comprising (i) all the non-executive Directors, namely Ms. Zheng Ting and Mr. Gao Yue and (ii) all the independent non-executive Directors, namely Prof. Cao Gang, Mr. Feng Wen, Prof. Gu Qiao and Mr. Daniel Foa, has been established to advise the Independent Shareholders on whether the terms of the Open Offer, the Underwriting Agreement and the Whitewash Waiver are fair and reasonable and how to vote on the relevant resolution(s). SPDB International Holdings Limited has been appointed as the independent financial adviser to advise the IBC and the Independent Shareholders in this regard. The appointment of the IFA has been approved by the IBC in accordance with Rule 2.1 of the Takeovers Code.

GENERAL

A circular containing, among other matters, further details of (i) the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (ii) a letter of recommendation from the IBC to the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver; (iii) a letter of advice from the IFA to the IBC and the Independent Shareholders in relation to the Open Offer, the Underwriting Agreement and the Whitewash Waiver; and (iv) a notice of EGM, will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Takeovers Code and the Listing Rules.

WARNING OF THE RISK OF DEALINGS IN THE SECURITIES OF THE COMPANY

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Sole Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Monday, 7 September 2015 and that dealings in the Shares will take place while the conditions to which the Underwriting Agreement are subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all conditions to the Open Offer are fulfilled, will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser

DEFINITIONS

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

“2005 Scheme”	the share option scheme adopted by the Company on 30 March 2005 and terminated upon the transfer of the listing of the Shares from the Growth Enterprise Market of the Stock Exchange to the Main Board of the Stock Exchange on 16 June 2009
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Application Form”	the application form in such form as may be agreed between the Company and the Sole Underwriter to be issued to the Eligible Shareholders in connection with the Open Offer
“associate”	has the meaning ascribed to it under the Listing Rules
“Bio Garden”	Bio Garden Inc., a company incorporated in the British Virgin Islands and is wholly-owned by certain discretionary trusts of which Mr. Kam was the founder

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCBC”	China Cord Blood Corporation, a non-wholly owned subsidiary of the Company and a company listed on the New York Stock Exchange
“CCBC Conversion Share(s)”	new CCBC Share(s) to be issued upon exercise of any of the Magnum CN, the CGL CN and the KKR CN, as the case may be, at the Conversion Price
“CCBC Shares Acquisition”	the proposed acquisition of all the ordinary shares of CCBC, being 42,087,968 ordinary shares as at the date of this announcement, which are not already directly or indirectly owned by the Company at an offer price of US\$6.40 in cash per share as announced in the announcement of the Company dated 29 April 2015, which will be extended to all the shareholders of the ordinary shares of CCBC in a public offer on equal terms and conditions
“CGL”	Cordlife Group Limited, a company incorporated under the laws of Singapore with limited liability and whose shares are listed on the Singapore Exchange Securities Trading Limited
“CGL Acquisition”	the proposed acquisition of the CGL CN and the Sale CCBC Shares by the Company pursuant to the CGL Agreement
“CGL Agreement”	the conditional sale and purchase agreement dated 8 May 2015 and entered into between the Company and CGL in respect of the CGL Acquisition

“CGL CN”	the 7% senior convertible note issued by CCBC due 2017 in an aggregate outstanding principal amount of US\$25,000,000 convertible into the CCBC Conversion Shares owned by CGL
“CGL Completion”	completion of the sale and purchase of the CGL CN and the Sale CCBC Shares in accordance with the provisions of the CGL Agreement
“CNs and Shares Acquisitions”	collectively the KKR CN Acquisition, the Magnum CN Acquisition and the CGL Acquisition
“Committed Shares”	185,325,000 Offer Shares in aggregate, being the number of the Offer Shares to be offered to Bio Garden (in its capacity as a Shareholder) by the Company for subscription under the Open Offer, which Bio Garden (in its capacity as a Shareholder) irrevocably undertakes to accept and subscribe pursuant to the Letter of Undertaking
“Company”	Golden Meditech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00801)
“Concert Group”	Mr. Kam, Bio Garden and parties acting in concert with any of them
“Concert Group Derivative Instruments”	collectively, 62,050,000 Warrants held by Bio Garden and 2,190,278 Share Options held by Mr. Kam
“connected person”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	US\$2.838 per CCBC Conversion Share
“Convertible Notes”	the outstanding convertible notes issued by the Company on 13 November 2014 in the aggregate principal amount of US\$20,000,000, which entitle the holders thereof to convert into approximately 112,973,760 new Shares at an adjusted conversion price of HK\$1.372 per Share (subject to adjustment, if applicable)

“CWMO”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company proposed to be held on 2 September 2015 for the Independent Shareholders to consider and, if thought fit, approve, among others, the Open Offer, the Underwriting Agreement and the Whitewash Waiver, including any adjournment thereof
“Eligible Shareholders”	Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date other than the Excluded Shareholders
“Excess Application Form(s)”	the application form(s) for the Eligible Shareholders to use for application of the Offer Shares over and above their assured allotments under the Open Offer
“Excluded Shareholder(s)”	those Overseas Shareholder(s) at the Record Date, to whom the Directors, based on legal opinions provided by the Company’s legal advisers and on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or the stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IBC”	the independent board committee of the Company established in accordance with the Takeovers Code to advise the Independent Shareholders on the Open Offer, the Underwriting Agreement and the Whitewash Waiver

“IBC Members”	members of the IBC, comprising the non-executive Directors and the independent non-executive Directors only
“IFA”	SPDB International Holdings Limited, a corporation licensed to conduct type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to the IBC and the Independent Shareholders in respect of the Open Offer, the Underwriting Agreement and the Whitewash Waiver
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$600,000,000 which divided into 3,000,000,000 Shares to HK\$1,000,000,000 divided into 5,000,000,000 Shares by the creation of an additional 2,000,000,000 Shares as announced in the announcement of the Company dated 30 June 2015
“Independent Shareholders”	Shareholders other than the Concert Group and those who are involved in or interested in the Open Offer, the Underwriting Agreement and/or the Whitewash Waiver and their respective associates who are required by the Takeovers Code to abstain from voting on the relevant resolution(s) at a general meeting of the Company for the consideration and approval of the Open Offer, the Underwriting Agreement and the Whitewash Waiver
“Independent Third Party(ies)”	a party(ies) independent of and not connected with the Company and its connected persons
“KKR”	KKR China Healthcare Investment Limited, an exempted company with limited liability incorporated in the Cayman Islands
“KKR Agreement”	the conditional sale and purchase agreement dated 4 May 2015 and entered into between the Company and KKR in respect of the KKR CN Acquisition
“KKR CN”	the 7% senior convertible notes issued by CCBC due 2017 in an aggregate outstanding principal amount of US\$65,000,000 convertible into the CCBC Conversion Shares owned by KKR

“KKR CN Acquisition”	the proposed acquisition of the KKR CN by the Company pursuant to the KKR Agreement
“Last Acceptance Date”	Tuesday, 29 September 2015, being the latest date for acceptance of, and payment for, the Offer Shares
“Last Trading Day”	24 July 2015, being the last trading day for the Shares on the Stock Exchange immediately prior to the date of the Underwriting Agreement
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 29 September 2015 or such other time or date as may be agreed between the Sole Underwriter and the Company, being the latest time for acceptance of, and payment for, the Offer Shares as will be described in the Prospectus. If there is a black rainstorm warning signal or a tropical cyclone warning signal no. 8 or above in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the latest time for acceptance will be postponed to the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 12:00 noon and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on Friday, 2 October 2015 or such other time or date as may be agreed between the Sole Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Letter of Undertaking”	the letter of undertaking dated 27 July 2015 given by Bio Garden to the Company, pursuant to which Bio Garden undertakes, among other things, to (together with and/or its nominee) accept the Committed Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Magnum”	Magnum Opus International Holdings Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Magnum Agreement”	the conditional sale and purchase agreement dated 8 May 2015 and entered into between the Company and Magnum in respect of the Magnum CN Acquisition

“Magnum CN”	the 7% senior convertible note issued by CCBC due 2017 in an aggregate outstanding principal amount of US\$25,000,000 convertible into the CCBC Conversion Shares owned by Magnum, which is wholly-owned by Mr. Kam
“Magnum CN Acquisition”	the proposed acquisition of the Magnum CN by the Company pursuant to the Magnum Agreement
“MOPS”	Market Observation Post System maintained by the Taiwan Stock Exchange at http://mops.twse.com.tw
“Mr. Kam”	Mr. Kam Yuen, an executive Director
“Offer Share(s)”	not less than 985,604,649 new Shares and not more than 1,161,657,383 new Shares proposed to be offered to the Eligible Shareholders to subscribe for under the Open Offer
“Open Offer”	the proposed issue of the Offer Shares on the basis of one (1) Offer Share for every two (2) Shares to Eligible Shareholders on the Record Date at the Subscription Price payable in full on acceptance, pursuant to the terms and conditions set out in the Underwriting Agreement and the Open Offer Documents
“Open Offer Documents”	the Prospectus, the Application Form(s) and the Excess Application Form(s)
“Outstanding Derivative Instruments”	the Convertible Notes, the Share Options and the Warrants to the extent that they remain convertible or exercisable as at the date of this announcement
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) as shown on such register is (are) outside Hong Kong
“Placing”	the placing of 140,000,000 new Shares, completion of which had occurred on 15 July 2015 as disclosed in the announcement of the Company dated 15 July 2015

“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this announcement
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Posting Date”	Monday, 14 September 2015 or such other date as may be agreed between the Sole Underwriter and the Company for the despatch of the Open Offer Documents
“Record Date”	Friday, 11 September 2015, the date for the determination of the entitlements to participate the Open Offer
“Registrar”	Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Sale CCBC Shares”	all the CCBC Shares beneficially owned, directly or indirectly, by CGL as of the CGL Completion
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Share Options”	share options granted pursuant to the 2005 Scheme. Holders of such share options are entitled to subscribe up to 26,129,437 new Shares as at the date of this announcement at an exercise price of HK\$1.996 per Share
“Sole Underwriter”	the sole underwriter under the Underwriting Agreement, being Bio Garden
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Subscription Price”	subscription price of HK\$1.00 per Offer Share
“Taiwan Stock Exchange”	Taiwan Stock Exchange Corporation
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC (as amended from time to time)
“TDR”	the Taiwan depository receipts, each unit of which representing one Share, issued by Far Eastern International Bank Co., Ltd., and listed on the Taiwan Stock Exchange
“Underwriting Agreement”	the underwriting agreement dated 27 July 2015 entered into between the Company and the Sole Underwriter in relation to the Open Offer
“Underwriting Term Sheet”	the legally binding term sheet dated 27 April 2015 entered into between the Company and Bio Garden setting out the preliminary terms of the possible Open Offer and the underwriting of the possible Open Offer by Bio Garden
“Underwritten Shares”	such number of Offer Shares to be subscribed by the Sole Underwriter pursuant to the Underwriting Agreement
“US” or “United States”	the United States of America
“US\$”	United States dollar, the lawful currency of US
“Warrants”	the warrants issued by the Company pursuant to an instrument dated 4 June 2014 which entitle the holders thereof to subscribe for up to 277,242,549 new Shares at an adjusted subscription price of HK\$1.39 per Share (subject to adjustment, if applicable)

“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of Bio Garden’s obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Concert Group as a result of its underwriting obligations under the Underwriting Agreement and/or pursuant to the Concert Group’s application for any excess Offer Shares which is accepted by the Company

“%”

per cent.

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

Hong Kong, 27 July 2015

As at the date of this announcement, the Board comprises 9 Directors. The executive Directors are Mr. Kam Yuen (Chairman), Mr. Kong Kam Yu and Mr. Yu Kwok Kuen, Harry; the non-executive Directors are Ms. Zheng Ting and Mr. Gao Yue; and the independent non-executive Directors are Prof. Cao Gang, Mr. Feng Wen, Prof. Gu Qiao and Mr. Daniel Foa.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.