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

**If you have sold or transferred** all your shares in Biostime International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**BIOSTIME**

**Biostime International Holdings Limited**

**合生元國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1112)**

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of the Company to be held at Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Monday, 30 April 2012 at 9:30 a.m. is set out on pages 19 to 22 of this circular.

A letter from the Board is set out on pages 3 to 6 of this circular.

Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

26 March 2012

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following words and expressions have the following meanings:*

“Annual General Meeting”	the annual general meeting of the Company to be held at Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Monday, 30 April 2012 at 9:30 a.m. and notice of which is set out on pages 19 to 22 of this circular, or where the context so admits, any adjournment thereof
“Annual Report”	the annual report of the Company, which comprises, inter alia, the Directors’ report, the auditors’ report and the financial statements of the Company for the year ended 31 December 2011
“Articles of Association”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Biostime International Holdings Limited 合生元國際控股有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 30 April 2010 and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Issue Mandate”	a general unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding the sum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)

## DEFINITIONS

“Latest Practicable Date”	20 March 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	The People’s Republic of China excluding Hong Kong and the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
“Repurchase Mandate”	a general unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended from time to time
“%”	per cent



**Biostime International Holdings Limited**

**合生元國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1112)**

*Executive Directors:*

Mr. Luo Fei (*Chairman and Chief Executive Officer*)

Dr. Zhang Wenhui

Ms. Kong Qingjuan

*Non-executive Directors:*

Mr. Wu Xiong

Mr. Luo Yun

Mr. Chen Fufang

*Independent Non-executive Directors:*

Dr. Ngai Wai Fung

Mr. Tan Wee Seng

Professor Xiao Baichun

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business in*

*Hong Kong:*

Unit No. 2208 on 22/F of

West Tower

Shun Tak Centre

Nos. 168–200 Connaught Road Central

Hong Kong

26 March 2012

*To: the Shareholders of the Company*

Dear Sir or Madam

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to (i) the granting to the Directors the Issue Mandate; (ii) the granting to the Directors the Repurchase Mandate; (iii) the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iv) the re-election and re-appointment of Directors.

## **LETTER FROM THE BOARD**

### **GENERAL MANDATES**

At the annual general meeting of the Company held on 9 June 2011, general mandates were granted to the Directors to issue and repurchase Shares respectively. Such mandates will lapse at the conclusion of the forthcoming Annual General Meeting. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the forthcoming Annual General Meeting to approve:

- (a) the granting of the Issue Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 5 of the Notice of Annual General Meeting as set out on pages 19 to 22 of this circular (i.e. an aggregate nominal amount of a maximum of 120,458,800 Shares on the basis that the 602,294,000 issued share capital of the Company as at the Latest Practicable Date remains unchanged on the date of/no further Shares are issued or repurchased before the Annual General Meeting);
- (b) the granting of the Repurchase Mandate to the Directors to purchase Shares on the Stock Exchange of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of proposed ordinary resolution contained in item 6 of the Notice of Annual General Meeting as set out on pages 19 to 22 of this circular (i.e. an aggregate nominal amount of a maximum of 60,229,400 Shares on the basis that the 602,294,000 issued share capital of the Company as at the Latest Practicable Date remains unchanged on the date of/no further Shares are issued or repurchased before the Annual General Meeting); and
- (c) the extension of the Issue Mandate by adding the aggregate nominal amount of Shares repurchased by the Company pursuant to the Repurchase Mandate.

With reference to the Issue Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to issue any new Shares or repurchase any Shares pursuant thereto.

### **EXPLANATORY STATEMENT**

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

### **RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS**

In accordance with Articles 84(1) and 84(2) of the Company's Articles of Association, Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang, all being the non-executive Directors, shall retire from office by rotation and being eligible, offer themselves for re-election at the Annual General Meeting to be held on 30 April 2012.

## LETTER FROM THE BOARD

The service terms of the independent non-executive Directors of the Company, namely Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun will expire on 17 December 2012. Pursuant to the respective letters of appointment, they are all eligible for election and re-appointment at the Annual General Meeting to be held on 30 April 2012 with their new service terms starting from 17 December 2012.

The Nomination Committee recommended the re-election of Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang as non-executive Directors and the re-appointment of Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun as independent non-executive Directors at the Annual General Meeting to be held on 30 April 2012.

Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun, independent non-executive Directors of the Company, have confirmed independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun are still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Details of the above-mentioned Directors proposed to be re-elected and re-appointed at the Annual General Meeting are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Monday, 30 April 2012 at 9:30 a.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the Notice of Annual General Meeting as set out on pages 19 to 22 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association, all the resolutions set out in the Notice of Annual General Meeting will be voted by poll. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors consider that the proposed granting of the Issue Mandate and the Repurchase Mandate to the Directors, the extension of the Issue Mandate and the re-election and re-appointment of Directors are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting as set out in the Notice of the Annual General Meeting.

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



This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 602,294,000 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 60,229,400 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution.

## **3. REASONS FOR SHARE REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASE**

The Company is empowered by its Memorandum and Articles of Association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or subject to the Companies Law, out of capital of the Company. The amount of premium payable on repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Companies Law, out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the

ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

## 5. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the Annual Report of the Company for the year ended 31 December 2011) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

As at the Latest Practicable Date, no connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

## 7. UNDERTAKING OF THE DIRECTORS

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

## 8. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Biostime Pharmaceuticals (China) Limited (“**Biostime Pharmaceuticals**”), being the Controlling Shareholder of the Company, held 450,000,000 Shares representing approximately 74.71% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Biostime Pharmaceuticals, together with its associates, in the Company would be increased to approximately 83.02% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase of its shares on the Stock Exchange if the result of the repurchase would be less than 25% (or such or prescribed minimum percentage as determined by the Stock Exchange) of the Company's issued share capital would be in public hands. The Company will not repurchase Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

## 9. SHARE REPURCHASES BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any Shares (whether on the Stock Exchange or otherwise).

## 10. SHARE PRICES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
March	11.54	10.40
April	14.50	11.04
May	16.06	12.18
June	16.46	14.36
July	17.50	15.60
August	18.30	13.70
September	16.12	11.52
October	18.50	11.50
November	13.80	10.50
December	14.00	11.00
<b>2012</b>		
January	16.50	13.30
February	15.18	13.18
March (up to the Latest Practicable Date)	17.16	14.16

**DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AND RE-APPOINTED**

The biographical details of the Directors proposed to be re-elected and re-appointed at the Annual General Meeting are set out as follows:

**WU XIONG (吳雄), Non-executive Director**

**Mr. Wu Xiong**, aged 55, was appointed as a non-executive Director of the Company on 12 May 2010. He is also a director of the Company's subsidiaries Biostime, Inc. (Guangzhou) ("Biostime Guangzhou"), Biostime (Guangzhou) Health Products Limited ("Biostime Health") and BMcare Baby Products Inc. (Guangzhou) ("BMcare Guangzhou"). He has been the legal representative and general manager of Hainan Fangsheng Industry Development Co., Ltd. (海南方盛實業發展有限公司) since December 2009 and is responsible for the overall management of its business operation. Mr. Wu worked in the Administration for Industry and Commerce of Haikou City (海口市工商行政管理局) between December 1980 and December 1997. From December 1997 to December 2000, he worked for Haikou Market Properties Development Co., Ltd. (海口市市場物業發展有限公司). From December 2000 to December 2009, he was the legal representative and general manager of Hainan Junjie Automobile Sale Co., Ltd. (海南駿捷汽車銷售有限公司) and was responsible for its overall business operations. Mr. Wu graduated from Haikou No.1 Middle School (海口市第一中學) in July 1975. He is also a director of the Company's Controlling Shareholder Biostime Pharmaceuticals since May 2010 with discloseable interests in the Shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. As at the Latest Practicable Date, Mr. Wu held a personal interest in Biostime Pharmaceuticals, which is 26% owned by Mr. Wu.

As at the Latest Practicable Date, Mr. Wu did not have any interests in securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wu (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Wu has signed a letter of appointment with the Company for a term of three years commencing from 17 December 2010 until terminated by not less than one month's notice in writing served by Mr. Wu on the Company or in accordance with the provisions set out in the letter of appointment. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Wu is not entitled to any director's fee during his appointment as non-executive Director.

**LUO YUN (羅雲), Non-executive Director**

**Mr. Luo Yun**, aged 50, was appointed as a non-executive Director of the Company on 12 May 2010. He is also a director of the Company's subsidiaries Biostime Guangzhou, Biostime Health and BMcare Guangzhou. From 1980 to 1993, he was employed by Haikou Qiongsan Medical Co., Ltd. (海口瓊山醫藥公司). He then worked as a sales manager for Guangzhou Biohope Co., Ltd. ("Guangzhou Biohope") from December 1994 to August 1999. From August 1999 to September 2009, he held various positions in Biostime Guangzhou including the sales director and the director in charge of Mama100

membership center. From September 2009 to December 2011, he was the general manager of Biostime Health and Nutrition (Guangzhou) Limited (“Biostime Nutrition”), where he was responsible for the overall strategies and business development and a director of Biostime Nutrition since its establishment in September 2009 till December 2011. Mr. Luo graduated from Continuing Education School of Jinan University (暨南大學成人教育學院) in July 1987 with a certificate of graduation in business and economic management. He has also enrolled in the EMBA course of Fudan University (復旦大學) in Shanghai since November 2008. He is also a director of the Company’s Controlling Shareholder Biostime Pharmaceuticals since May 2010 with discloseable interests in the Shares of the Company under the provisions of Divisions 2 and 3 of Part XV of SFO. As at the Latest Practicable Date, Mr. Luo held a personal interest in Biostime Pharmaceuticals, which is 19.55% owned by Mr. Luo.

As at the Latest Practicable Date, Mr. Luo did not have any interests in securities of the Company within the meaning of Part XV of the SFO.

Mr. Luo is the elder brother of Mr. Luo Fei, the Chairman of the Board and an executive Director of the Company. Save as disclosed above, Mr. Luo (i) does not have any relationship with any other director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Luo has signed a letter of appointment with the Company for a term of three years commencing from 17 December 2010 until terminated by not less than one month’s notice in writing served by Mr. Luo on the Company or in accordance with the provisions set out in the letter of appointment. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Luo is not entitled to any director’s fee during his appointment as non-executive Director.

#### **CHEN FUFANG (陳富芳), Non-executive Director**

**Mr. Chen Fufang**, aged 47, was appointed as a non-executive Director of the Company on 12 May 2010. He is also a director of the Company’s subsidiaries Biostime Guangzhou, Biostime Health and BMcare Guangzhou. He has been a director and the general manager of Guangzhou Biohope since March 1999, and its legal representative since June 2010, where he is in charge of the overall business operations and management. Prior to that, he worked for Guangdong Textile Industry Group Company (廣東省紡織工業總公司), a company engaged in the import and export of textile products and apparels, from 1988 to 1997, where he was recognized as chemical fiber assistant engineer (化纖助理工程師) and chemical fiber engineer (化纖工程師) in March 1988 and November 1992, respectively. He graduated from South China University of Technology (華南理工大學), formerly known as South China Institute of Technology (華南工學院), with a bachelor’s degree in chemical fiber in July 1985 and a master’s degree in chemical fiber in June 1988. He is also a director of the Company’s Controlling Shareholder Biostime Pharmaceuticals since May 2010 with discloseable interests in the Shares of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. As at the Latest Practicable Date, Mr. Chen held a personal interest in Biostime Pharmaceuticals, which is 11.90% owned by Mr. Chen.

As at the Latest Practicable Date, Mr. Chen did not have any interests in securities of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chen (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Chen has signed a letter of appointment with the Company for a term of three years commencing from 17 December 2010 until terminated by not less than one month's notice in writing served by Mr. Chen on the Company or in accordance with the provisions set out in the letter of appointment. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Chen is not entitled to any director's fee during his appointment as non-executive Director.

#### **NGAI WAI FUNG (魏偉峰), Independent Non-executive Director**

**Dr. Ngai Wai Fung**, aged 49, was appointed as an independent non-executive Director of the Company on 12 July 2010. Dr. Ngai is the managing director of MNCOR Consulting Limited (formerly known as MN Consulting Limited) and the chief executive officer of SWCS Corporate Services Limited. Dr. Ngai is also a vice president of the Hong Kong Institute of Chartered Secretaries ("HKICS"). He was a director and head of Listing Services of KCS Hong Kong Limited (formerly the corporate and commercial divisions of KPMG and Grant Thornton) from 2007 to 2010 and its associate director from 2005 to 2007. Prior to that, Dr. Ngai had held various senior management positions including executive director, chief financial officer and company secretary in a number of companies listed in Hong Kong, including Cosco Group, China Unicom Limited (中國聯通股份有限公司) and Industrial and Commercial Bank of China (Asia) Limited (中國工商銀行(亞洲)有限公司). Dr. Ngai was an independent non-executive director of China Life Insurance Company Limited (中國人壽保險股份有限公司) from December 2006 to May 2009 and an independent non-executive director of Frashion Properties (China) Limited (方興地產(中國)有限公司) from May 2007 to June 2011. In addition, Dr. Ngai is currently an independent non-executive director and a member or chairman of the audit committee of the below companies, the shares of which are listed on either the main board of the Stock Exchange (the "Main Board") or the New York Stock Exchange (the "NYSE"):

<b>Company Name (English)</b>	<b>Company Name (Chinese)</b>	<b>Name of Stock Exchange</b>	<b>Stock Code</b>	<b>Appointment Date</b>
BaWang International (Group) Holding Limited	霸王國際(集團) 控股有限公司	Main Board	1338	December 2008
Bosideng International Holdings Limited	波司登國際控股 有限公司	Main Board	3998	September 2007
China Coal Energy Company Limited	中國中煤能源股份 有限公司	Main Board	1898	December 2010

Company Name (English)	Company Name (Chinese)	Name of Stock Exchange	Stock Code	Appointment Date
China Railway Construction Corporation Limited	中國鐵建股份有限公司	Main Board	1186	November 2007
LDK Solar Co., Ltd.	N/A	NYSE	LDK	July 2011
Powerlong Real Estate Holdings Limited	寶龍地產控股有限公司	Main Board	1238	June 2008
Sany Heavy Equipment International Holdings Company Limited	三一重裝國際控股 有限公司	Main Board	631	November 2009
SITC International Holdings Company Limited	海豐國際控股有限公司	Main Board	1308	September 2010

Dr. Ngai had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities, and the provision of professional services and support to many state-owned enterprises and red-chip companies in the areas of regulatory compliance, corporate governance and secretarial services.

Dr. Ngai is a member of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators, a fellow of the HKICS, a fellow of Hong Kong Institute of Directors and a member of Hong Kong Securities Institute. Dr. Ngai received a master's degree in corporate finance from Hong Kong Polytechnic University in 2002 and a master's degree in business administration from Andrews University of Michigan in 1992 and a doctorate in Economics (Finance) from Shanghai University of Finance and Economics (上海財經大學) in June 2011.

Dr. Ngai has extensive experience in accounting and financing as well as in corporate governance, which is relevant to the Company in matters relating to corporate governance practices such as internal control and internal audit.

The details of Dr. Ngai's interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" of the Annual Report.

Save as disclosed above, Dr. Ngai (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.



Dr. Ngai has signed a letter of appointment with the Company for a term of two years commencing from 17 December 2010 until terminated by not less than one month's notice in writing served by Dr. Ngai on the Company or in accordance with the provisions set out in the letter of appointment. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Dr. Ngai is entitled to a director's fee of RMB250,000 per annum, which is determined with reference to his experience, performance and the prevailing market conditions.

**TAN WEE SENG (陳偉成), Independent Non-executive Director**

**Mr. Tan Wee Seng**, aged 56, was appointed as an independent non-executive Director of the Company on 12 July 2010. Mr. Tan is a professional in value and business management consultancy. He has been a non-executive director of Sa Sa International Holdings Limited (莎莎國際控股有限公司) since March 2010 and Xtep International Holdings Limited (特步國際控股有限公司) since March 2010, the shares of both of which are listed on the Main Board of the Stock Exchange, an independent director of ReneSola Ltd since April 2009, and 7 Days Group Holdings Limited since November 2009, the shares of both of which are listed on the NYSE. Below are Mr. Tan's current directorships in listed companies in tabular format.

Company Name (English)	Company Name (Chinese)	Name of Stock Exchange	Stock Code	Appointment Date
Sa Sa International Holdings Limited	莎莎國際控股有限公司	Main Board	178	March 2010
Xtep International Holdings Limited	特步國際控股有限公司	Main Board	1368	March 2010
ReneSola Ltd	N/A	NYSE	SOL	April 2009
7 Days Group Holdings Limited	N/A	NYSE	SVN	November 2009

Mr. Tan has over 30 years of experience in financial, operation and business management and has also held various senior management positions in a number of companies and multi-national corporations. From 2003 to 2008, he was an executive director, chief financial officer and company secretary of Li Ning Company Limited (李寧有限公司), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Tan is a fellow of the Chartered Institute of Management Accountants, the United Kingdom, and a fellow of the Hong Kong Institute of Directors.

The details of Mr. Tan's interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" of the Annual Report.



Save as disclosed above, Mr. Tan (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Mr. Tan has signed a letter of appointment with the Company for a term of two years commencing from 17 December 2010 until terminated by not less than one month's notice in writing served by Mr. Tan on the Company or in accordance with the provisions set out in the letter of appointment. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Tan is entitled to a director's fee of RMB250,000 per annum, which is determined with reference to his experience, performance and the prevailing market conditions.

### **XIAO BAICHUN (蕭柏春), Independent Non-executive Director**

**Professor Xiao Baichun**, aged 63, was appointed as an independent non-executive Director of the Company on 12 July 2010. Professor Xiao is a professional and scholar in management science. Professor Xiao has strong academic background and extensive experience in business management, which is relevant to the Company's business operations in matters relating to corporate governance practices. From April 1994, he was with Seton Hall University as an associate professor and was promoted to professor in March 1999. He was also the chairman of computing and decision sciences department of Seton Hall University in 1998. Since September 1998, he has been with Long Island University pursuing his teaching career and is now a senior professor. He has also been the chairman of the department of management of Long Island University since 18 September 2005. Professor Xiao was appointed by various universities in China as either a chair professor or a visiting professor. For example, he has been a faculty member of Peking University (北京大學) since January 2005, a visiting professor of Chinese University of Hong Kong (香港中文大學), a guest professor and a director of Chinese American Center for service and operation management in Southwest Jiaotong University (西南交通大學) since May 2004, a distinguished professor of EMBA program in Fudan University (復旦大學) since August 2005 and a lifetime professor of the management school of Sichuan University (四川大學) since May 2000. As a testament to his achievement, Professor Xiao received various awards in his research area. He received "University Fellowship" from Wharton School, University of Pennsylvania in 1986 and 1987 and "Outstanding Scholarship Award" from Seton Hall University in 1998 and 1999. He also received from College of Management of Long Island University "Outstanding Scholarship Award" in 2006. Professor Xiao currently serves as a member of the board of directors of Nanjing University (南京大學). Professor Xiao received a bachelor's degree in mathematics from Nanjing University (南京大學) in July 1982, a MBA degree from Catholic University of Leuven, Belgium in March 1985, and his Ph.D. from Wharton School, University of Pennsylvania in December 1990.

The details of Professor Xiao's interests in Shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" of the Annual Report.

Save as disclosed above, Professor Xiao (i) has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company; and (ii) has not held any position with the Company or any of its subsidiaries or any directorship in other listed public companies in the last three years; and there is no other information that should be disclosed under Rule 13.51(2) of the Listing Rules, nor any other matter that needs to be brought to the attention of the Shareholders.

Professor Xiao has signed a letter of appointment with the Company for a term of two years commencing from 17 December 2010 until terminated by not less than one month's notice in writing served by Professor Xiao on the Company or in accordance with the provisions set out in the letter of appointment. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Professor Xiao is entitled to a director's fee of RMB250,000 per annum, which is determined with reference to his experience, performance and the prevailing market conditions.

#### **Other Information**

There is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

#### **NOMINATIONS BY SHAREHOLDERS**

Shareholders are invited to elect up to six Directors at the Annual General Meeting to fill the vacancies available following the retirement by rotation of Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang at the Annual General Meeting, as well as the expiration of the service terms of Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun on 17 December 2012. The three newly elected Directors in relation to the expiration of the service terms of Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun at the Annual General Meeting will each have a term of three years starting from 17 December 2012.

Article 85 of the Company's Articles of Association provides that no person other than a Director retiring at the general meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company at Unit No. 2208 on 22/F of West Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong, or via the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, namely (i) his/her notice of intention to propose a resolution at the Annual General Meeting; and (ii) a notice executed by the

nominated candidate of his/her willingness to be appointed together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out in the below heading "Required information of the candidate(s) nominated by Shareholders", and (B) the candidate's written consent to the publication of his/her personal data.

In order to ensure Shareholders have sufficient time to receive and consider the information of the nominated candidate(s), Shareholders are urged to submit their proposals as early as practicable, **preferably no later than 5:00 p.m. on Thursday, 12 April 2012** so that an announcement can be issued on or about 12 April 2012 and a supplemental circular containing information of the candidate(s) proposed by the Shareholders can be dispatched to Shareholders as soon as practicable on or about 13 April 2012.

#### **Required information of the candidate(s) nominated by Shareholders**

In order to enable Shareholders to make an informed decision on their election of Directors, in addition to the above described notice of intention to propose a candidate for election by a Shareholder, the Shareholder or the nominated candidate should provide the following information of the nominated candidate:

- (a) full name and age;
- (b) positions held with the Company and/or other members of the Group (if any);
- (c) experience including (i) other directorships held in the past 3 years in public companies of which the securities are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware of, pertaining to the ability or integrity of the candidate;
- (e) length or proposed length of service with the Company;
- (f) relationships with any Directors, senior management, substantial shareholders or Controlling Shareholders (as defined in the Listing Rules) of the Company, or an appropriate negative statement;
- (g) interests in Shares of the Company within the meaning of Part XV of the SFO, or an appropriate negative statement;
- (h) a declaration made by the nominated candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor any other matters relating to that nominated candidate's standing for election as a Director that should be brought to Shareholders' attention; and
- (i) contact details.

The Shareholder proposing the candidate will be required to read out aloud the proposed resolution, as set out under “Resolutions and Voting” below, at the Annual General Meeting.

## RESOLUTIONS AND VOTING

In order to comply with code provision E.1.1 of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, there must be a separate resolution for the appointment of each candidate as a Director.

There will be six Director vacancies to be filled at the Annual General Meeting following the retirement by rotation of Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang at the Annual General Meeting, as well as the expiration of the service terms of Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun on 17 December 2012. If there are more than six candidates standing for election at the Annual General Meeting, each resolution proposing that a candidate be appointed as a Director will provide for a method to determine which six candidates shall be elected as Directors as follows:

“**THAT** subject to the number of net votes cast in relation to this resolution (net votes being votes cast in favour minus votes cast against this resolution) being among the six highest numbers of net votes cast on each of the resolutions for the appointment of a person as a Director of the Company at the Annual General Meeting to be held on 30 April 2012 or on the date of its adjournment (where applicable) (the “2012 Annual General Meeting”), [name of candidate] be and is hereby appointed as a Director of the Company with effect from the conclusion of the 2012 Annual General Meeting, provided that if any six or more of such resolutions record the same number of net votes (the “Tied Resolutions”), the ranking of the Tied Resolutions from highest to lowest number of net votes shall be determined by the drawing of lots by the chairman of the Meeting.”

**If a resolution is passed (ie, it has been carried by the majority of the votes cast on it), the candidate who is the subject of that resolution will be eligible to be elected a Director. On the other hand, if a resolution is not passed, the candidate who is the subject of that resolution will not be eligible to be elected a Director. If there are less than six resolutions passed by the majority of the votes cast, the Board may, pursuant to Article 83 of the Articles of Association, appoint any person to fill the relevant vacancy or vacancies (as the case may be).**

**Assuming a resolution is passed by the majority of the votes cast on it, the candidate who is the subject of that resolution will be elected to one of the six positions on the Board if the net votes cast in favour of his/her resolution is among within the top six resolutions passed in terms of net votes cast. Net votes cast are calculated by taking the votes cast in favour of a resolution and subtracting the votes cast against that resolution. In the event there is a tie in the net votes for two or more resolutions, the ranking of the Tied Resolutions from highest to lowest number of net votes cast shall be determined by the drawing of lots by the chairman of the meeting.**

**Therefore, if you wish to support a particular candidate, you should vote in favour of his/her resolution. If you do not wish to support a candidate, you may vote against his/her resolution or abstain from voting. If you abstain from voting, you should note that your votes will not be counted when calculating the net votes cast in respect of the resolution for such candidate that you do not wish to support.**

**NOTICE OF ANNUAL GENERAL MEETING**

**BIOSTIME**

**Biostime International Holdings Limited**

**合生元國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1112)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Biostime International Holdings Limited (the “**Company**”) will be held at Gloucester Room I, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Monday, 30 April 2012 at 9:30 a.m. (the “**Annual General Meeting**”) for the following purposes:

1. To receive, consider and adopt the consolidated audited financial statements of the Company and its subsidiaries and the reports of the Directors and auditors of the Company for the year ended 31 December 2011.
2.
  - a. To declare a final dividend equivalent to HK\$0.27 per ordinary share for the year ended 31 December 2011 to the shareholders of the Company; and
  - b. To declare a special dividend equivalent to HK\$0.33 per ordinary share for the year ended 31 December 2011 to the shareholders of the Company.
3.
  - a.
    - (i) To re-elect Mr. Wu Xiong as a non-executive Director of the Company;
    - (ii) To re-elect Mr. Luo Yun as a non-executive Director of the Company;
    - (iii) To re-elect Mr. Chen Fufang as a non-executive Director of the Company;
    - (iv) To re-appoint Dr. Ngai Wai Fung as an independent non-executive Director of the Company;
    - (v) To re-appoint Mr. Tan Wee Seng as an independent non-executive Director of the Company; and
    - (vi) To re-appoint Professor Xiao Baichun as an independent non-executive Director of the Company.
  - b. To authorise the Board of Directors of the Company to fix the remuneration of the Directors of the Company.
4. To re-appoint Ernst & Young as auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

## NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special business and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in a general meeting; and

**“Rights Issue”** means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

## NOTICE OF ANNUAL GENERAL MEETING

6. To consider as special business and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in a general meeting.”; and

7. To consider as special business and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT** conditional upon the passing of resolutions nos. 5 and 6 above, the general mandate to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution



## NOTICE OF ANNUAL GENERAL MEETING

no. 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

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

Hong Kong, 26 March 2012

*Notes:*

- (1) Pursuant to Rule 13.39(4) of the Listing Rules and Article 66 of the Articles of Association of the Company, all the resolutions set out in the Notice of Annual General Meeting will be voted by poll and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules. On a poll, votes may be given either personally or by proxy.
- (2) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (3) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (4) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (5) There will be six Director vacancies to be filled at the meeting following the retirement by rotation of Mr. Wu Xiong, Mr. Luo Yun and Mr. Chen Fufang at the Annual General Meeting, as well as the expiration of the service terms of Dr. Ngai Wai Fung, Mr. Tan Wee Seng and Professor Xiao Baichun on 17 December 2012. If a shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company at Unit No. 2208 on 22/F of West Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong, or via the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, namely (i) his/her notice of intention to propose a resolution at the Annual General Meeting; and (ii) a notice executed by the nominated candidate of his/her willingness to be appointed together with (A) that candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information, as set out under the section headed "Required information of the candidate(s) nominated by Shareholders" in Appendix II "Re-election and Re-appointment of Directors" of the circular of the Company dated 26 March 2012, and (B) the candidate's written consent to the publication of his/her personal data.
- (6) For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from 26 April 2012 to 30 April 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 25 April 2012.
- (7) For determining the entitlement to the proposed final dividend and special dividend, the register of members of the Company will be closed from 7 May 2012 to 9 May 2012, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 4 May 2012.
- (8) Shareholders of the Company whose names appear on the register of members on 30 April 2012 are entitled to attend and vote at the Annual General Meeting or any adjourned meetings, and shareholders whose names appear on the register of members on 9 May 2012 are entitled to the final dividend and special dividend.

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