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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)

EXERCISE OF THE OPTION TO SUBSCRIBE FOR HK\$600,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2019

Manager

HSBC 

The Company wishes to announce that on 13 February 2014, the Manager exercised in full the option granted by the Company, pursuant to which the Company was required to issue additional Option Bonds for a further aggregate principal amount of HK\$600,000,000.

Assuming full conversion of the Firm Bonds and the Option Bonds at the initial Conversion Price of HK\$90.84, the Firm Bonds and the Option Bonds will be convertible into 34,125,935 Shares in aggregate (subject to adjustment), representing approximately 5.67% of the issued share capital of the Company as at the date of this announcement and

approximately 5.36% of the issued share capital of the Company as enlarged by the issue of such 34,125,935 Shares.

As the Subscription Agreement may or may not be completed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

Reference is made to the announcement (the “**Announcement**”) dated 14 January 2014 of Biostime International Holdings Limited (the “**Company**”). Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcement.

The Company wishes to announce that on 13 February 2014, the Manager exercised in full the option granted by the Company, pursuant to which the Company was required to issue additional Option Bonds for a further aggregate principal amount of HK\$600,000,000.

Assuming full conversion of the Firm Bonds and the Option Bonds at the initial Conversion Price of HK\$90.84, the Firm Bonds and the Option Bonds will be convertible into 34,125,935 Shares in aggregate (subject to adjustment), representing approximately 5.67% of the issued share capital of the Company as at the date of this announcement and approximately 5.36% of the issued share capital of the Company as enlarged by the issue of such 34,125,935 Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below summarises the shareholding structure of the Company (i) as at the date of this announcement; and (ii) assuming full conversion of the Convertible Bonds (which includes the Firms Bonds and the Option Bonds) at the Initial Conversion Price:

Name of Shareholders	As at the date of this announcement		Immediately after full conversion of the Convertible Bonds (which includes the Firms Bonds and the Option Bonds) at the Initial Conversion Price	
	No. of Shares	% of the issued share capital of the Company	No. of Shares	% of the enlarged share capital of the Company
Biostime Pharmaceuticals (<i>Note</i>)	450,000,000	74.71	450,000,000	70.71
Holder of the Firm Bonds	–	–	27,520,916	4.32
Holder of Option Bonds	–	–	6,605,019	1.04
Public	152,294,000	25.29	152,294,000	23.93
Total	<u>602,294,000</u>	<u>100.00</u>	<u>636,419,935</u>	<u>100.00</u>

Note: As at the date of this announcement, Biostime Pharmaceutical is owned as to 28.15% by Mr. Luo Fei, 26.00% by Mr. Wu Xiong, 19.55% by Mr. Luo Yun, 11.90% by Mr. Chen Fufang, 10.00% by Dr. Zhang Wenhui and 4.40% by Ms. Kong Qingjuan. Mr. Luo Fei and Ms. Kong Qingjuan are executive Directors and Mr. Wu Xiong, Mr. Luo Yun, Mr. Chen Fufang and Dr. Zhang Wenhui are non-executive Directors.

The Company intends to apply for the listing of the Option Bonds on the Stock Exchange. The Company will also apply to the Stock Exchange for the listing of, and permission, to deal in the Shares which may fall to be issued by the Company on the conversion of the Option Bonds.

The estimated net proceeds of the issue of the Firm Bonds and the Option Bonds, after deduction of commission and expenses, are approximately HK\$3,041,387,500. The net proceeds are all intended to be used by the Company to finance expansion of existing businesses and general corporate purposes.

As the Subscription Agreement may or may not be completed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 13 February 2014

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