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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)

GRANT OF AWARDED SHARES PURSUANT TO 2013 SHARE AWARD SCHEME

On 10 October 2014, the Board, based on the recommendation by the remuneration committee of the Board, has resolved to grant Awards comprising a total of 2,103,316 Awarded Shares, namely, the 2014 Batch 2 Awarded Shares, to 1,018 Selected Employees by way of (i) allocation of the 1,265,644 Returned Shares, which were the 2014 Batch 1 Awarded Shares that did not vest due to the relevant Selected Employees failed to meet their performance targets specified in the grant letters and which are currently held by the Trustee, pursuant to the 2013 Scheme; and (ii) allotment of 837,672 New Shares pursuant to the 2013 Scheme and the general mandate granted by the shareholders of the Company at the annual general meeting held on 8 May 2014, conditional upon (i) the execution by such Selected Employees of acceptance of grant letters in relation to the 2014 Batch 2 Awarded Shares; and (ii) the granting of the listing of, and permission to deal in the 837,672 new Shares by the Stock Exchange.

Pursuant to the 2013 Scheme, the Board shall cause to be paid the subscription money for the 837,672 New Shares from the Company's resources into the Account. The independent Trustee shall subscribe for the 837,672 New Shares in cash. Upon the allotment of the 837,672 New Shares, the independent Trustee shall hold all the 2014 Batch 2 Awarded Shares on trust for the Selected Employees and shall transfer such Shares to the Selected Employees at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board at the time of making the Award.

The total number of Shares available for Awards under the 2013 Scheme is 7,768,766 as at 10 October 2014 before the granting of the 2014 Batch 2 Awarded Shares, and shall not exceed 1.5% of the issued share capital of the Company as at the date of adoption of the 2013 Scheme. Following the granting of the 2014 Batch 2 Awarded Shares, there remains 5,665,450 Shares available under the 2013 Scheme for further Awards by the Board.

References are made to the 2013 Scheme adopted by the Board on 29 November 2013.

On 10 October 2014, the Board, based on the recommendation by the remuneration committee of the Board, has resolved to grant Awards comprising a total of 2,103,316 Awarded Shares, namely, the 2014 Batch 2 Awarded Shares, to 1,018 Selected Employees by way of (i) allocation of the 1,265,644 Returned Shares, which were the 2014 Batch 1 Awarded Shares that did not vest due to the relevant Selected Employees failed to meet their performance targets specified in the grant letters and which are currently held by the Trustee, pursuant to the 2013 Scheme; and (ii) allotment of 837,672 new Shares (the “**837,672 New Shares**”) pursuant to the 2013 Scheme and the general mandate granted by the shareholders of the Company at the annual general meeting held on 8 May 2014, conditional upon (i) the execution by such Selected Employees of acceptance of grant letters in relation to the 2014 Batch 2 Awarded Shares; and (ii) the granting of the listing of, and permission to deal in the 837,672 New Shares by the Stock Exchange.

Except for the granting of the 2014 Batch 2 Awarded Shares as mentioned in this announcement, the aforesaid general mandate has not been used by the Board for other purpose as at the date of this announcement. In addition, as at the date of this announcement, no new Shares has been issued under the aforesaid general mandate.

Pursuant to the 2013 Scheme, the Board shall cause to be paid the subscription money for the 837,672 New Shares from the Company’s resources into the Account. The independent Trustee shall subscribe for the 837,672 New Shares in cash. Upon the allotment of the 837,672 New Shares, the independent Trustee shall hold all the 2014 Batch 2 Awarded Shares on trust for the Selected Employees and shall transfer such Shares to the Selected Employees at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board at the time of making the Award. The date of grant of the 2014 Batch 2 Awarded Shares is 10 October 2014 and the vesting date of such Shares will be 30 November 2015. The amount of Awarded Shares granted to each Selected Employee is subject to the position, experience and performance of each Selected Employee.

The Trustee and all of the 1,018 Selected Employees and their respective ultimate beneficial owners, if any, are third parties independent of the Company and are not connected persons of the Company, and none of them is a director or a substantial shareholder of the Group (as defined under the Listing Rules).

The 2014 Batch 2 Awarded Shares represent approximately 0.3471% of the Company's issued share capital as at 10 October 2014 and approximately 0.3466% of the Company's enlarged issued share capital after the allotment. The total number of Shares available for Awards under the 2013 Scheme is 7,768,766 as at 10 October 2014 before the granting of the 2014 Batch 2 Awarded Shares, and shall not exceed 1.5% of the issued share capital of the Company as at the date of adoption of the 2013 Scheme. Following these Awards, there remains 5,665,450 Shares available under the 2013 Scheme for further Awards by the Board.

The 2014 Batch 2 Awarded Shares ranks and will rank *pari passu* among themselves and with the Shares in issue as at the date of this announcement, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment. Pursuant to the 2013 Scheme, the Trustee however shall not exercise the voting rights in respect of any Shares held by it on trust.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the 837,672 New Shares.

Further information relating to the issue of the 837,672 New Shares pursuant to the 2013 Scheme is set out below:

Securities to be issued:	837,672 Shares
Issue price (net):	Shares shall be allotted to the independent Trustee at nominal value
Funds to be raised:	Nil
	<i>Note:</i> HK\$8,376.72, which is the total nominal value of the 837,672 New Shares to be issued, shall be paid from the Company's resources into the Account and shall be used by the independent Trustee as subscription money for such Shares
Reasons for the issue:	To recognise the contributions made by the Selected Employees and to attract and retain talent for the continuous operations and development of the Group
Identity of the allottee:	the independent Trustee, which will hold the 2014 Batch 2 Awarded Shares on trust for the 1,018 Selected Employees
Market price of the Shares:	HK\$25.05, being the closing price of the Shares as at 10 October 2014

Fund raising activities
in the past 12 months:

the Group issued zero coupon convertible bonds (the “**Convertible Bonds**”) due 2019 in the aggregate principal amount of HK\$3,100,000,000 on 20 February 2014. The Convertible Bonds were listed on the Stock Exchange since 21 February 2014. The net proceeds from the issue of the Convertible Bonds, after deduction of commissions and expenses, was HK\$3,041,387,500 and are all intended to be used by the Company to finance expansion of existing businesses and general corporate purposes.

Further details of the Convertible Bonds are set out in the Company’s announcements dated 14 January 2014, 13 February 2014 and 20 February 2014.

Apart from the above, the Company has not engaged in any other fund raising activities by any issue of Shares in the 12 months immediately preceding the date of this announcement

Definition

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

Term	Definition
“2013 Scheme”	the 2013 Share Award Scheme of the Company adopted by the Board on 29 November 2013
“2014 Batch 1 Awarded Shares”	a total of 1,265,644 Awarded Shares granted to 886 Selected Employees on 22 April 2014. For details, please refer to the announcement of the Company on the same date
“2014 Batch 2 Awarded Shares”	a total of 2,103,316 Awarded Shares granted to 1,018 Selected Employees on 10 October 2014, conditional upon (i) the execution by such Selected Employees of acceptance of grant letters in relation to the these Awarded Shares and (ii) the granting of the listing of, and permission to deal in the 837,672 New Shares by the Stock Exchange

“Account”	the bank account opened in the name of the Company to be operated solely for the purposes of operating the 2013 Scheme and the funds thereof to be held on trust by the Company for the Selected Employees
“Award(s)”	an award of Shares by the Company to any Selected Employee(s) under the 2013 Scheme
“Awarded Shares”	in respect of any Selected Employee(s), such number of Shares determined by the Board and granted to such Selected Employee(s) pursuant to the 2013 Scheme
“Board”	the board of directors of the Company
“Company”	Biostime International Holdings Limited (合生元國際控股有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Employee”	any bona fide employee of the Company or of any subsidiary, excluding any connected person (as defined in Chapter 14A under the Listing Rules) of the Group from time to time, provided always that such term shall exclude any person who at the relevant time has tendered his resignation or who is working out his period of notice pursuant to his employment contract or otherwise
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Returned Shares”	Awarded Shares referable to any Selected Employee(s) that do not vest in accordance with the procedures set out in the 2013 Scheme
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Selected Employee(s)”	those Employees selected by the Board for participation in the 2013 Scheme

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Trustee”

BOCI-Prudential Trustee Limited, which will hold cash and/or Awarded Shares in trust as the trustee under the 2013 Scheme

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

Hong Kong, 10 October 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.