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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)**

**(1) GRANT OF SHARE OPTIONS PURSUANT TO  
SHARE OPTION SCHEME;  
AND  
(2) GRANT OF AWARDED SHARES PURSUANT TO  
2013 SHARE AWARD SCHEME**

**(1) GRANT OF SHARE OPTIONS PURSUANT TO THE SHARE OPTION SCHEME**

The Board hereby announces that on 23 December 2016, a total of 540,804 share options to subscribe for the Shares were granted, subject to acceptance of the grantees of the share options, under the share option scheme adopted by the Company on 25 November 2010.

**(2) GRANT OF AWARDED SHARES PURSUANT TO THE 2013 SHARE AWARD SCHEME**

On 23 December 2016, the Board has resolved to grant Awards comprising a total of 1,219,979 Awarded Shares, namely, the 2016 Batch 3 Awarded Shares, to 62 Selected Participants. Among the 2016 Batch 3 Awarded Shares, 168,700 Awarded Shares were granted by way of allocation of Returned Shares, which were Awards previously granted to Selected Participants that did not vest and are currently held by the Trustee, pursuant to the 2013 Scheme, conditional upon the execution by such 2016 Batch 3 Award Participants of acceptance of the grant letters in relation to the 2016 Batch 3 Awarded Shares. Among the 2016 Batch 3 Awarded Shares, 1,051,279 Awarded Shares were granted by way of allotment of 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 13 May 2016, conditional upon (i) the execution by such 2016 Batch 3 Award Participants of acceptance of the grant letters in relation to the 2016 Batch 3 Awarded Shares and (ii) the granting of the listing of, and permission to deal in such 2016 Batch 3 Awarded Shares by the Stock Exchange.

With respect to the 168,700 Awarded Shares, in accordance with the 2013 Scheme, the independent Trustee shall transfer such number of Returned Shares to the Selected Participants at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board at the time of granting the Awards.

With respect to the remaining 1,051,279 Awarded Shares, pursuant to the 2013 Scheme, the Board shall cause to be paid the subscription money for such 2016 Batch 3 Awarded Shares from the Company's resources into the Account. The independent Trustee shall subscribe for such number of the 2016 Batch 3 Awarded Shares in cash. Upon the allotment of such number of the 2016 Batch 3 Awarded Shares, the independent Trustee shall hold such Shares on trust for the Selected Participants and shall transfer such Shares to the Selected Participants at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board at the time of granting the Awards.

The total number of Shares available for Awards under the 2013 Scheme is 3,594,234 as at 23 December 2016 before the granting of the 2016 Batch 3 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 2016 Batch 3 Awarded Shares, there remains 2,374,255 Shares available under the 2013 Scheme for further Awards by the Board.

**(1) GRANT OF SHARE OPTIONS PURSUANT TO THE SHARE OPTION SCHEME**

The Board hereby announces that on 23 December 2016, 540,804 share options (the "**Share Options**") to subscribe for the Shares were granted, subject to acceptance of the grantees, under the share option scheme adopted by the Company on 25 November 2010.

Each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$23.30 per Share, which represents the highest of (1) the nominal value of a Share; (2) the closing price of HK\$23.30 per Share as stated in the daily quotation sheets issued by the Stock Exchange on 23 December 2016; and (3) the average closing price of HK\$22.97 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding 23 December 2016, being the date of the grant of the Share Options.

Among the 540,804 Share Options, 127,759 Share Options (the “**Group 1 Share Options**”) granted shall vest in accordance with the timetable below with a 6-year exercise period (for this purpose, the date or each such date on which the Share Options are to vest being hereinafter referred to as a “**Vesting Date**”):

<b>Vesting Date</b>	<b>Percentage of Share Options to vest</b>
1 April 2017	30% of the total number of the Group 1 Share Options granted
1 April 2018	30% of the total number of the Group 1 Share Options granted
1 April 2019	40% of the total number of the Group 1 Share Options granted

None of the grantees of the Group 1 Share Options is a director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules).

Among the 540,804 Share Options, 413,045 Share Options (the “**Group 2 Share Options**”) granted shall vest in accordance with the timetable below with a 6-year exercise period (for this purpose, the date or each such date on which the Share Options are to vest being hereinafter referred to as a “**Vesting Date**”):

<b>Vesting Date</b>	<b>Percentage of Share Options to vest</b>
1 April 2018	50% of the total number of the Group 2 Share Options granted
1 April 2019	50% of the total number of the Group 2 Share Options granted

None of the grantees of the Group 2 Share Options is a director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules).

**(2) GRANT OF AWARDED SHARES PURSUANT TO THE 2013 SHARE AWARD SCHEME**

References are made to the 2013 Scheme adopted by the Board on 29 November 2013 and the subsequent amendment to the 2013 Scheme adopted on 14 May 2015.

On 23 December 2016, the Board has resolved to grant Awards comprising a total of 1,219,979 Awarded Shares, namely, the 2016 Batch 3 Awarded Shares, to 62 Selected Participants.

The date of grant of the 2016 Batch 3 Awarded Shares is 23 December 2016. Among the 2016 Batch 3 Awarded Shares, 17,839 Awarded Shares will vest on 1 April 2017 and 1,202,140 Awarded Shares will vest on 1 April 2018.

The 2016 Batch 3 Award Participants are employees of the Group. The 2016 Batch 3 Awarded Shares are granted for the purpose of providing incentive to the 2016 Batch 3 Award Participants for contributing to the Group. To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiry, the Trustee and the 2016 Batch 3 Award Participants 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 total number of Shares available for Awards under the 2013 Scheme is 3,594,234 as at 23 December 2016 before the granting of the 2016 Batch 3 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 2016 Batch 3 Awarded Shares, there remains 2,374,255 Shares available under the 2013 Scheme for further Awards by the Board.

**By way of Returned Shares**

Among the 2016 Batch 3 Awarded Shares, 168,700 Awarded Shares were granted by way of allocation of Returned Shares, which were Awards previously granted to Selected Participants that did not vest and are currently held by the Trustee, pursuant to the 2013 Scheme, conditional upon the execution by such 2016 Batch 3 Award Participants of acceptance of the grant letters in relation to the 2016 Batch 3 Awarded Shares.

In accordance with the 2013 Scheme, the independent Trustee shall transfer such number of Returned Shares to the Selected Participants at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board at the time of granting the Awards.

These 2016 Batch 3 Awarded Shares will rank *pari passu* among themselves and with the Shares in issue as at the date of this announcement.

**By way of allotment of new Shares**

Among the 2016 Batch 3 Awarded Shares, 1,051,279 Awarded Shares were granted by way of allotment of 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 13 May 2016, conditional upon (i) the execution by such 2016 Batch 3 Award Participants of acceptance of the grant letters in relation to the 2016 Batch 3 Awarded Shares and (ii) the granting of the listing of, and permission to deal in such 2016 Batch 3 Awarded Shares by the Stock Exchange.

Except for the granting of the 2016 Batch 3 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.

Pursuant to the 2013 Scheme, the Board shall cause to be paid the subscription money for such 2016 Batch 3 Awarded Shares from the Company's resources into the Account. The independent Trustee shall subscribe for such number of the 2016 Batch 3 Awarded Shares in cash. Upon the allotment of such number of the 2016 Batch 3 Awarded Shares, the independent Trustee shall hold such Shares on trust for the Selected Participants and shall transfer such Shares to the Selected Participants at no consideration upon the satisfaction of the relevant vesting conditions specified by the Board at the time of granting the Awards.

These 2016 Batch 3 Awarded Shares, when issued and fully paid, 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, such number of the 2016 Batch 3 Awarded Shares.

Further information relating to the issue of these 2016 Batch 3 Awarded Shares pursuant to the 2013 Scheme is set out below:

Securities to be issued:	1,051,279 Shares
Issue price (net):	Shares shall be allotted to the independent Trustee at nominal value
Funds to be raised:	Nil

*Note:* HK\$10,512.79, which is the total nominal value of such number of the 2016 Batch 3 Awarded 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 Participants and to attract and retain talent for the continuous operations and development of the Group
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Identity of the allottee:	the independent Trustee, which will hold such number of the 2016 Batch 3 Awarded Shares on trust for the Selected Participants
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Market price of the Shares:	HK\$23.30, being the closing price of the Shares as at 23 December 2016
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Fund raising activities in the past 12 months:	The Company has not engaged in any fund raising activities by any issue of Shares or any other equity securities in the 12 months immediately preceding the date of this announcement.
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The total 2016 Batch 3 Awarded Shares represent approximately 0.194% of the Company's issued share capital as at 23 December 2016 and approximately 0.193% of the Company's enlarged issued share capital after the allotment of the new Shares.

## DEFINITIONS

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

<b>Term</b>	<b>Definition</b>
“2013 Scheme”	the 2013 Share Award Scheme of the Company adopted by the Board on 29 November 2013
“2016 Batch 3 Awarded Shares”	a total of 1,219,979 Awarded Shares granted to the 2016 Batch 3 Award Participants on 23 December 2016, conditional upon the execution by such Selected Participants of acceptance of the grant letters
“2016 Batch 3 Award Participants”	the 62 Selected Participants who are granted the 2016 Batch 3 Awarded Shares
“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 Participants
“Award(s)”	an award of Shares by the Company to any Selected Participant(s) under the 2013 Scheme
“Awarded Shares”	in respect of any Selected Participant(s), such number of Shares determined by the Board and granted to such Selected Participant(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
“Eligible Participants”	any bona fide employee or any consultant, adviser or agent 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 service 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 Participant(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 Participant(s)”	those Eligible Participants 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, 23 December 2016

*As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei and Mr. Radek Sali; 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.*