

Golden Meditech Acquires Convertible Notes to Increase Stake in Hospital Management Business

24 April 2012 | News | By BioSpectrum Bureau

Golden Meditech Acquires Convertible Notes to Increase Stake in Hospital Management Business



Singapore: Golden Meditech Holdings, together with its subsidiaries, a leading integrated healthcare enterprise in China, is increasing its ownership in hospital management business by acquiring the \$28,000,000 principal value Senior five percent Redeemable Convertible Notes due 2014 ("Convertible Notes") issued by its non-wholly-owned hospital management subsidiary, GM Hospital Group (GMHG) from its strategic investor, New Horizon Capital III, L.P. ("New Horizon"). In return, New Horizon will receive 279,344,444 new shares at the issue price of HK\$0.9 per share ("Consideration Shares"), representing approximately 12.31 percent of the enlarged issued share capital. Assuming Golden Meditech elects to convert all the Convertible Notes into new GMHG shares, Golden Meditech's shareholding in GMHG will increase to approximately 78.58 percent. Pursuant to the agreement, New Horizon has undertaken not to dispose the consideration shares in any form within the period of 3 months from the completion of the agreement.

"Economic growth has improved living standards in China and a consequent outcome of this has been the growth of the premium healthcare services sector. With the launch of favourable policies from the government for the healthcare services industry, we believe the future prospects of China's hospital management market will be robust." said Mr. Kam Yuen, Chairman and Chief Executive Officer of Golden Meditech. "We are glad of the opportunity to increase our stake in the hospital management subsidiary in order to accomplish our vision in this business as well as support our new hospital facility in Beijing which is expected to be operational by the end of this year. Concurrently, bringing in New Horizon as a strategic investor has affirmed the support of investors on our strategy. Golden Meditech is committed to building itself into a

comprehensive healthcare enterprise driven by both medical devices and healthcare services businesses to create the greatest value for our shareholders."