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30 June 2017

Life Corporation Limited ("Company") reaches agreement with Bondholders

On 28 February 2017 the Company announced:

- it had not paid interest which was due on the bonds it had issued which had a face value of S\$6,000,000; and
- that the bondholders had agreed not to issue a Default Redemption Notices pursuant to their rights under the bonds before 30 June 2017.

The Company announces that it has now entered into Debt Capitalisation Agreements with each of the bondholders. The effect of these agreements is to convert the total amount owing under each bond into equity.

The Debt Capitalisation Agreements are subject to shareholder approval.

The Company is in the process of preparing the notices to hold a meeting of shareholders as soon as practical.

If shareholder approval is not obtained on or before 30 November 2017 the rights of the bondholders under the bonds are preserved.

The bond holder GM Investment Company Ltd is a wholly owned subsidiary of the Hong Kong listed company Golden Meditech Holdings Ltd. The annexed announcement regarding the proposed capitalisation of the bonds has been released by Golden Meditech Holdings Ltd to The Stock Exchange of Hong Kong.

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GOLDEN MEDITECH HOLDINGS LIMITED

金衛醫療集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00801)

VOLUNTARY ANNOUNCEMENT DEBT CAPITALISATION AGREEMENT IN RELATION TO A POTENTIAL ACQUISITION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

The Board announces that on 30 June 2017, GMI, a wholly-owned subsidiary of the Company, and LFC entered into the GMI Debt Capitalisation Agreement, pursuant to which GMI and LFC have conditionally agreed to convert the GMI Debt into a maximum of 721,428,571 LFC Conversion Shares (conversion price and number of LFC Conversion Shares are subject to adjustment to reflect the LFC Share Consolidation) and terminate the GMI Convertible Bond Deed in accordance with the terms of the GMI Debt Capitalisation Agreement.

Subject to LFC shareholders' approval, a maximum of 721,428,571 LFC Conversion Shares (prior to the LFC Share Consolidation) will be issued to GMI, which represents (i) approximately 1,016.66% of the existing issued share capital of LFC; (ii) approximately 91.04% of the issued share capital of LFC as enlarged by the issuance of LFC Conversion Shares upon the Completion; and (iii) approximately 47.66% of the issued share capital of LFC as enlarged by the issuance of LFC Conversion Shares upon the Completion and completion of the Northeast Debt Capitalisation.

Should the potential acquisition of LFC materialise, it may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

BACKGROUND

Pursuant to the GMI Convertible Bond Deed and Northeast Convertible Bond Deed, on 30 July 2014, LFC issued the GMI Convertible Bonds and Northeast Convertible Bonds to GMI (a wholly-owned subsidiary of the Company) and Northeast, respectively, to finance its purchase of a lease of land in Singapore and development of a columbarium business.

LFC has stated in its half-year financial report for the period ended 31 December 2016, that due to the delay of the construction of an automated columbarium in Singapore, LFC has not been able to generate sufficient cash and therefore is not able to meet its interest payment obligations under the GMI Convertible Bond Deed and Northeast Convertible Bond Deed on 31 January 2017. This constitutes an event of default under the GMI Convertible Bond Deed and Northeast Convertible Bond Deed. As a result, GMI and Northeast are entitled to issue a default redemption notice declaring that the GMI Debt and Northeast Debt are due and payable within 20 business days respectively.

In light of the above circumstances, LFC proposed to GMI and Northeast to convert the GMI Debt and Northeast Debt to new LFC Shares in order to release and discharge it from any liability or claims for or related to the GMI Debt and Northeast Debt and any rights/obligation arising under the GMI Convertible Bond Deed and Northeast Convertible Bond Deed, respectively.

In addition to the proposed GMI Debt Capitalisation and Northeast Debt Capitalisation, LFC also proposed the LFC Share Consolidation on a 1 for 100 basis. Furthermore, upon completion of the GMI Debt Capitalisation and Northeast Debt Capitalisation, LFC will consider a share buy back as well as a delisting of LFC Shares from the Australian Securities Exchange.

INTRODUCTION

The Board announces that on 30 June 2017, GMI and LFC entered into the GMI Debt Capitalisation Agreement, pursuant to which GMI and LFC have conditionally agreed to convert the GMI Debt into a maximum of 721,428,571 LFC Conversion Shares (conversion price and number of LFC Conversion Shares are subject to adjustment to reflect the LFC Share Consolidation) and terminate the GMI Convertible Bond Deed in accordance with the terms of the GMI Debt Capitalisation Agreement.

THE GMI DEBT CAPITALISATION AGREEMENT

The principle terms of the GMI Debt Capitalisation Agreement are summarised below:

- Date : 30 June 2017
- Parties : (1) LFC; and
(2) GMI.
- Subject matter : (1) in full and complete satisfaction of the GMI Debt owed by LFC to GMI under the GMI Convertible Bond Deed, LFC will at the Completion issue to GMI the LFC Conversion Shares at A\$0.005 (equivalent to approximately S\$0.00525) per LFC Conversion Share (conversion price and number of LFC Conversion Shares are subject to adjustment to reflect the LFC Share Consolidation); and
(2) Completion will have the effect of terminating the GMI Convertible Bond Deed.
- Condition precedent : Completion is subject to, and conditional upon LFC obtaining its shareholders' approval for the issue of the LFC Conversion Shares to GMI on the terms set out in the GMI Debt Capitalisation Agreement.
- If the above condition is not satisfied on or before 30 November 2017 (or such later date as may be agreed between GMI and LFC in writing), either LFC or GMI may terminate the GMI Debt Capitalisation Agreement by giving written notice to the other and in that event no party shall have any claim against the other except for claims arising prior to such termination.
- Completion : Completion shall take place after five Business Days subsequent to the fulfilment of the aforesaid conditions.

LFC will seek approval from its shareholders for the entering and completion of the GMI Debt Capitalisation Agreement and Northeast Debt Capitalisation Agreement and the transactions contemplated thereunder. The following resolutions, among others, as an ordinary resolution will be proposed to the shareholders of LFC to consider and approve:

- (1) the debt capitalisation proposal for the issue of up to 721,428,571 new LFC Shares (calculated prior to the LFC Share Consolidation) to GMI in consideration of the extinguishment of LFC's obligations under the GMI Convertible Bond Deed ("**Resolution 1**"); and
- (2) the debt capitalisation proposal for the issue of up to 721,428,571 new LFC Shares (calculated prior to the LFC Share Consolidation) to Northeast in consideration of the extinguishment of LFC's obligations under the Northeast Convertible Bond Deed ("**Resolution 2**").

The conversion price of the LFC Conversion Shares under the GMI Debt Capitalisation Agreement was determined after arm's length negotiations between the Company and LFC after taking into account of the financial position of LFC.

Possible scenarios of the above Resolution 1 and Resolution 2

Subject to LFC shareholders' approval, a maximum of 721,428,571 LFC Conversion Shares (subject to adjustment to reflect the LFC Share Consolidation) will be issued to GMI, which represents (i) approximately 1,016.66% of the existing issued share capital of LFC; (ii) approximately 91.04% of the issued share capital of LFC as enlarged by the issuance of LFC Conversion Shares upon the Completion; and (iii) approximately 47.66% of the issued share capital of LFC as enlarged by the issuance of LFC Conversion Shares upon the Completion and completion of the Northeast Debt Capitalisation.

In the event that Resolution 1 is passed alone, the Group's equity interest in LFC will increase from 19.76% to 92.81% and LFC will then be accounted for as a subsidiary of the Group.

In the event that both Resolution 1 and Resolution 2 are passed, the Group's and Northeast's equity interests in LFC will increase from 19.76% to 48.58% and from 0% to 47.66%, respectively; LFC will then be accounted for as a joint venture of the Group.

REASONS FOR AND BENEFITS OF THE GMI DEBT CAPITALISATION AGREEMENT AND THE GMI DEBT CAPITALISATION

Due to the delay of the construction of the automated columbarium in Singapore, LFC has not been able to generate sufficient cash and is not able to meet its interest payment obligations, which constitutes an event of default under the GMI Convertible Bond Deed.

By entering into the GMI Debt Capitalisation Agreement, LFC will be released from any claims related to the GMI Debt, and the Group's equity interest in LFC will increase from 19.76% to 48.58% (in the event that both Resolution 1 and Resolution 2 are passed) or 92.81% (in the event that only Resolution 1 is passed).

The Board is of the view that the proposed restructuring of LFC will allow LFC to complete the construction of the automated columbarium, the commencement of operation of the columbarium business is expected to generate revenue and positive cash flows to LFC, and bring returns to the Company.

The Board considers that the terms and conditions of the GMI Debt Capitalisation Agreement (together with the conversion price of the LFC Conversion Shares contemplated thereunder) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GENERAL

The Group is a leading integrated healthcare enterprise in Mainland China.

LFC is a company incorporated in Singapore with limited liability and the LFC Group is principally engaged in the provision of multi-religion funeral services and other related ancillary services in Singapore.

To the best of the directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, LFC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The potential acquisition of LFC may or may not materialise. Should the potential acquisition of LFC materialise, it may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“A\$”	the lawful currency of Australia
“Australia”	the Commonwealth of Australia
“Board”	the board of directors
“Business Days”	a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria, Australia
“Company”	Golden Meditech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange
“Completion”	completion of the GMI Debt Capitalisation as contemplated under the GMI Debt Capitalisation Agreement
“GMI”	GM Investment Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“GMI Convertible Bonds”	The convertible bonds in a principal amount of S\$3,000,000 issued by LFC to GMI pursuant to the GMI Convertible Bond Deed on 30 July 2014
“GMI Convertible Bond Deed”	the convertible bond agreement dated 8 July 2014 entered into between GMI and LFC, pursuant to which LFC agreed to issue and GMI agreed to subscribe for the GMI Convertible Bonds
“GMI Debt”	S\$3,787,500, which represents the total face value of the GMI Convertible Bonds (including interests accrued up to 30 June 2017) issued by LFC to GMI under the GMI Convertible Bond Deed
“GMI Debt Capitalisation”	the conversion of the GMI Debt into LFC Conversion Shares at the conversion price of A\$0.005 (equivalent to approximately S\$0.00525) per share (being the price prior to the LFC Share Consolidation)

“GMI Debt Capitalisation Agreement”	the debt capitalisation agreement dated 30 June 2017 entered into between GMI and LFC in relation to the GMI Debt Capitalisation
“Group”	the Company and its subsidiaries
“LFC”	Life Corporation Limited, a company incorporated in Australia with limited liability and whose shares are listed on the Australian Securities Exchange
“LFC Conversion Share(s)”	new LFC Share(s) to be allotted and issued by LFC to GMI and Northeast upon the GMI Debt Capitalisation and Northeast Debt Capitalisation
“LFC Share(s)”	ordinary share(s) in the share capital of LFC
“LFC Share Consolidation”	the proposed consolidation of LFC Shares on a one (1) for hundred (100) basis, which is subject to LFC shareholders’ approval at the upcoming general meeting of LFC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Northeast”	Northeast Capital Pte Ltd, a company incorporated in Singapore with limited liability, an independent third party to the Company
“Northeast Convertible Bonds”	The convertible bonds in a principal amount of S\$3,000,000 issued by LFC to Northeast pursuant to the Northeast Convertible Bond Deed on 30 July 2014
“Northeast Convertible Bond Deed”	the convertible bond agreement dated 8 July 2014 entered into between Northeast and LFC, pursuant to which LFC agreed to issue and Northeast agreed to subscribe for Northeast Convertible Bonds
“Northeast Debt”	S\$3,787,500, which represents the total face value of the Northeast Convertible Bonds (including interests accrued up to 30 June 2017) issued by LFC to Northeast under the Northeast Convertible Bond Deed

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“Northeast Debt Capitalisation”	the conversion of the Northeast Debt into LFC Conversion Shares at the conversion price of A\$0.005 (equivalent to approximately S\$0.00525) per share (being the price prior to the LFC Share Consolidation)
“Northeast Debt Capitalisation Agreement”	the debt capitalisation agreement dated 30 June 2017 entered into between Northeast and LFC in relation to the Northeast Debt Capitalisation
“S\$”	The lawful currency of Singapore
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of ordinary shares of HK\$0.20 each in the issued share capital of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Golden Meditech Holdings Limited
Kam Yuen
Chairman

Hong Kong, 30 June 2017

As at the date of this announcement, the Board comprises eight directors. The executive directors are Mr. KAM Yuen (Chairman) and Mr. KONG Kam Yu; the non-executive director are Ms. ZHENG Ting and Mr. GAO Yue; and the independent non-executive directors are Prof. CAO Gang, Mr. FENG Wen, Prof. GU Qiao and Mr. Daniel FOA.

Unless specified otherwise, conversion of A\$ into S\$ is based on the exchange rate of A\$1.00 to S\$1.05. The exchange rate has been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.