

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 23, 2012

NEOSTEM, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33650
(Commission
File Number)

22-2343568
(IRS Employer
Identification No.)

420 Lexington Avenue, Suite 450, New York, New York 10170
(Address of Principal Executive Offices)(Zip Code)

(212) 584-4180
Registrant's Telephone Number

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Extension of Purchase Agreement With Aspire Capital

On August 23, 2012, NeoStem, Inc. (“we”, “NeoStem” or the “Company”) and Aspire Capital Fund, LLC (“Aspire Capital”) entered into an amendment (the “Amendment”) to the Common Stock Purchase Agreement dated as of September 28, 2011 (the “Purchase Agreement”), providing for an extension of the 24-month term of the Purchase Agreement for an additional two years (that is, until September 30, 2015).

Pursuant to the Amendment we agreed to issue to Aspire Capital upon execution of the Amendment and in consideration of Aspire Capital's agreement to extend the term of the Purchase Agreement, a five-year warrant to purchase up to 1,612,903 shares of our restricted common stock at an exercise price of \$0.60 per share (the closing price of our common stock on the date the Amendment was executed), subject to NYSE MKT approval (the “Extension Warrant”).

To date, we have not sold any shares of our common stock to Aspire capital pursuant to the September 30, 2011 prospectus supplement, except that the 990,099 “Commitment Shares” were issued to Aspire Capital in September 2011. Upon the terms and subject to the conditions and limitations set forth in the Purchase Agreement, Aspire Capital is committed to purchase up to an aggregate of \$20.0 million of shares of our common stock over the term of the Purchase Agreement. The \$20.0 million of shares of our common stock that we may sell to Aspire Capital from time to time are being offered pursuant to our prospectus supplement dated September 30, 2011 to our prospectus dated June 13, 2011, as amended and supplemented from time to time (Reg. No. 333-173855).

The Purchase Agreement restricts the amount of shares that may be sold to Aspire Capital to 19,738,005 shares of our common stock, including the Commitment Shares (which is equal to approximately 19.9% of our common stock on the date of the Purchase Agreement), and the NYSE MKT required us to reduce the number of shares that we could issue under the Purchase Agreement to 15,282,502 (not including the Commitment Shares already issued), unless stockholder approval is obtained to issue more in compliance with NYSE MKT rules. We currently intend to seek such stockholder approval at our 2012 annual meeting of stockholders.

The foregoing description of the Purchase Agreement, as amended by the Amendment, does not include a complete description of all the terms of the Purchase Agreement. For a complete description of all the terms, we refer you to the full text of the Purchase Agreement and the Amendment thereto, copies of which are filed, respectively, as Exhibit 10.1 to our Current Report on Form 8-K dated September 28, 2011 and as Exhibit 10.1 hereto and are incorporated herein by reference. We also refer you to our Registration Rights Agreement with Aspire Capital, filed as Exhibit 4.1 to our Current Report on Form 8-K dated September 28, 2011. This Current Report on Form 8-K also incorporates by reference the Amendment into registration statement 333-173855. The representations and warranties contained in the Purchase Agreement are solely for the purpose of allocating contractual risk between the parties and not as a means of establishing facts. The assertions embodied in those representations and warranties are qualified by information in the disclosure schedules to the Purchase Agreement, which schedules modify, qualify and create exceptions to the representations and warranties set forth in the Purchase Agreement. The provisions of the Purchase Agreement, including the representations and warranties contained therein and the disclosure schedules attached thereto, are not for the benefit of any party other than the parties to such agreements and are not intended as documents for investors and the public to obtain factual information about the current state of affairs of the parties thereto. Rather, investors and the public should look to other disclosures contained in the Company's filings with the SEC.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Under the terms of the Equity Purchase Agreement providing for the divestiture of our 51% interest (the “Erye Interest”) in Suzhou Erye Pharmaceuticals Company Ltd. (“Erye”), Mr. Shi Mingsheng (currently the Chairman of the Board of Erye, and who was initially appointed to our Board on March 11, 2010) is to resign from our Board of Directors effective on or prior to the closing of the Erye Sale, and as a result, Mr. Shi will not be nominated for re-election to our Board of Directors at our 2012 Annual Meeting of Stockholders (the “2012 Annual Meeting”) scheduled to be held October 5, 2012. In addition, on August 20, 2012, after three years of service Edward C. Geehr, M.D., who currently serves on our Board's Nominating and Governance Committee, informed us that he will not seek re-election to the Board. Therefore, on August 20, 2012 our Board of Directors reduced the size of the Board from nine directors to seven directors, effective as of the date of the 2012 Annual Meeting. As a result, the director terms of Mr. Shi and Dr. Geehr will expire as of the 2012 Annual Meeting. The foregoing did not result from any disagreement with the registrant. On August 24, 2012 we are filing a Preliminary Proxy Statement with the SEC in connection with our 2012 Annual Meeting.

Item 8.01. Other Events.

This Item 8.01 provides certain updates as to the status of the pending divestiture (the "Erye Sale") of our Erye Interest to Suzhou Erye Economy & Trading Co., Ltd. ("EET") and Highacheive Holdings Limited ("Highacheive" and together with EET, each a "Purchaser" and together the "Purchasers"), pursuant to the Equity Purchase Agreement, dated as of June 18, 2012 (as amended, the "Equity Purchase Agreement").

As previously reported, (i) the initial down payment of \$1,228,000, being 10% of the Total Cash Purchase Price, was received by us in July 2012 and (ii) \$4,912,000, being 40% of the Total Cash Purchase Price, was paid by the Purchasers into escrow in August 2012 (the "Second Purchase Price Payment"), as follows: (x) \$2,456,000 (the "Offshore Second Purchase Price Payment") was deposited by the Purchasers into a U.S.-based escrow account (the "Offshore Escrow Account") (the Equity Purchase Agreement providing that the Offshore Second Purchase Price Payment shall be released to our subsidiary CBH upon the receipt of approval of the Erye Sale by the PRC Ministry of Commerce and/or its local counterparts as applicable ("MOFCOM Transfer Approval")) and (y) the RMB equivalent of \$2,456,000 (the "Onshore Second Purchase Price Payment") was deposited by the Purchasers into an escrow account inside the PRC (the "Onshore Escrow Account").

On August 20, 2012, pursuant to an amendment to the Equity Purchase Agreement dated as of August 14, 2012 (the "EPA Amendment"), the RMB equivalent of \$1,228,000, representing an additional deposit of 10% of the Total Cash Purchase Price, was paid by the Purchasers into the Onshore Escrow Account. The EPA Amendment clarifies that MOFCOM Transfer Approval will require three sequential filings at the district, city and provincial levels of government, and as a result, for all purposes of the Equity Purchase Agreement the "MOFCOM Transfer Submission Date" shall refer to the initial filing with the MOFCOM district counterpart, except that payment of the balance of the purchase price into escrow will coincide with the submission to the MOFCOM provincial counterpart. Accordingly, the Purchasers have agreed that the RMB equivalent of the remaining 40% of the Total Cash Purchase Price (\$4,912,000) will be due to be paid into the Onshore Escrow Account no later than the day prior to the date on which Erye submits the application seeking approval of the Erye Sale to the MOFCOM provincial counterpart. The EPA Amendment also acknowledges Fullbright's assignment of all of its rights and obligations under the Equity Purchase Agreement (except for its obligations in respect of the return of certain NeoStem securities held by it as part of the purchase price, and its obligations in respect of closing deliverables) to Fullbright's affiliate Highacheive, and adds Highacheive as a party.

Pursuant to the EPA Amendment, the parties also have formally waived the stockholder approval provisions of the Equity Purchase Agreement. As previously reported in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, the Company has determined that under Delaware law, stockholder approval is not necessary for the consummation of the Erye Sale. As a result, we will not be delivering a proxy statement or holding a special meeting in connection with the Erye Sale.

Closing of the Erye Sale is expected to occur by the fourth quarter of 2012, subject to the receipt of PRC regulatory approvals and the satisfaction of various closing conditions. Erye has informed us that it has completed the "Capital Increase Procedures" involving an increase to Erye's registered capital which will permit Erye to repay to EET portions of certain outstanding shareholder loans that EET had made to Erye, the Equity Purchase Agreement contemplating that the Purchasers will use the proceeds of these repayments to pay 90% of the total cash purchase price for the Erye Sale. PRC regulatory approvals that remain to be received include MOFCOM Transfer Approval (at each of the district, city and provincial levels), registration with the applicable PRC State Administration of Industry and Commerce and/or its local counterparts with respect to the Erye Sale ("SAIC Transfer Registration"), and approval of the PRC State Administration of Foreign Exchange and/or its local counterparts for the currency exchange in connection with the Erye Sale ("SAFE Transfer Approval"). Pursuant to the Equity Purchase Agreement, Erye has agreed to use its commercially reasonable best efforts to make regulatory filings and submit information necessary for the purpose of obtaining these approvals. No assurances can be given that all closing conditions will be satisfied or waived, or that the foregoing PRC regulatory approvals will be obtained on a timely basis, or at all. Furthermore, the portions of the Total Cash Purchase Price that will initially be deposited into escrow in RMB will require the approval of SAFE to be converted into U.S. dollars and repatriated into the United States. The Purchasers may terminate the Equity Purchase Agreement at any time prior to the earlier of September 30, 2012 and the MOFCOM Transfer Submission Date (that is, the date of the initial MOFCOM submission at the district level), in which case our sole right would be to retain the \$1,228,000 initial payment already received from the Purchasers.

The foregoing descriptions of updates regarding the Erye Sale do not purport to be complete descriptions of all the terms of the Equity Purchase Agreement, as amended, and are subject to, and qualified in their entirety by reference to, the full text of the Equity Purchase Agreement and the EPA Amendment, which are filed as Exhibit 2.1 to our Current Report on Form 8-K dated June 18, 2012 and as Exhibit 2.1 hereto, respectively, and are incorporated herein by reference. The provisions of the Equity Purchase Agreement, including the representations and warranties contained therein, are not for the benefit of any party other than the parties to such agreement and are not intended as a document for investors and the public to obtain factual

information about the current state of affairs of the parties to that document. Rather, investors and the public should look to other disclosures contained in the Company's filings with the SEC.

Forward Looking Statements:

This Current Report on Form 8-K contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically preceded by words such as "believes," "expects," "anticipates," "intends," "will," "may," "should," or similar expressions, although some forward-looking statements are expressed differently. Forward-looking statements represent the Company's management judgment regarding future events. Although the Company believes the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to be correct. All statements other than the statements of historical fact included in this Current Report on Form 8-K are forward-looking statements. The Company cannot guarantee the accuracy of the forward-looking statements, and you should be aware that the Company's actual results could differ materially from those contained in the forward-looking statements due to a number of factors. Important factors that might cause such a difference include, but are not limited to, satisfaction of requisite closing conditions, including PRC approvals, for the Erye Sale, and the risk that the Erye Sale may not be completed in a timely manner or at all (such as if all closing conditions are not satisfied or if the Purchasers exercise their right to terminate prior to the MOFCOM Transfer Submission date or September 30, 2012 due to lack of financing or otherwise), the Company's need for outside financing to meet capital requirements, and other factors identified from time to time in the Company's periodic filings with the SEC, including NeoStem's Annual Report on Form 10-K, filed by the Company with the SEC on March 20, 2012, as amended by Amendment No. 1 on Form 10-K/A, filed by the Company with the SEC on April 30, 2012, the Company's Quarterly Report on Form 10-Q, filed by the Company with the SEC on May 11, 2012, and other factors identified from time to time in the Company's periodic filings with the SEC. NeoStem does not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit No.	Description
2.1	Amendment to Equity Purchase Agreement, dated as of August 14, 2012, by and among NeoStem, Inc., China Biopharmaceuticals Holdings, Inc., Highacheive Holdings Limited, Fullbright Finance Limited, Suzhou Erye Economy & Trading Co., Ltd. and Suzhou Erye Pharmaceutical Co., Ltd.*
10.1	Amendment dated as of August 23, 2012 to Common Stock Purchase Agreement dated as of September 28, 2011, by and between NeoStem, Inc. and Aspire Capital Fund, LLC.

*The Chinese translation of this Exhibit 2.1 has been redacted.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy, Esq.

Name: Catherine M. Vaczy, Esq.

Title: Vice President and General Counsel

Dated: August 24, 2012

AMENDMENT TO EQUITY PURCHASE AGREEMENT

This Amendment to Equity Purchase Agreement (this "Amendment") is made and executed as of August 14, 2012 by and among Highacheive Holdings Limited, a limited liability company organized under the laws of British Virgin Islands ("Highacheive"), Fullbright Finance Limited, a limited liability company organized under the laws of British Virgin Islands ("Fullbright"), Suzhou Erye Economy & Trading Co., Ltd., a limited liability company organized under the laws of the People's Republic of China ("EET"; together with Highacheive, each a "Purchaser" and collectively, the "Purchasers"), NeoStem, Inc., a Delaware corporation ("NeoStem"), China Biopharmaceuticals Holdings, Inc., a Delaware corporation and a wholly owned subsidiary of NeoStem (the "Seller"; together with NeoStem, each a "Seller Party" and collectively, the "Seller Parties"), and Suzhou Erye Pharmaceutical Co., Ltd., a Sino-foreign equity joint venture with limited liability organized under the laws of the People's Republic of China (the "Company"; together with the Purchasers and the Seller Parties, each a "Party" and collectively, the "Parties").

BACKGROUND

WHEREAS, the Parties entered into that certain Equity Purchase Agreement dated as of June 18, 2012 (the "Agreement"), pursuant to which the Seller agreed to sell its 51% ownership interest in the Company (the "Erye Interest") to the Purchasers;

WHEREAS, pursuant to the Assignment dated June 30, 2012, by and between Fullbright and Highacheive, a copy of which is attached hereto as Exhibit A, Fullbright assigned all its rights and obligations under the Agreement (except for its obligations under Sections 2.2(B), 2.6(b) and 5.1(c) of the Agreement) to Highacheive;

WHEREAS, Section 5.5 of the Agreement requires that NeoStem seek its shareholder approval of the Agreement and the Transaction in accordance with its Governing Documents and the applicable laws and regulations and shall promptly notify the Purchasers and the Company of the result of its shareholder voting with respect to this Agreement and the Transactions;

WHEREAS, pursuant to Section 6.1(a) of the Agreement, it is a condition precedent to the Closing of the Transaction that NeoStem shall have obtained the NeoStem Shareholder Approval; and

WHEREAS, subsequent to the execution of the Agreement, (1) NeoStem determined that NeoStem Shareholder Approval is not necessary for the consummation of the Transaction, and (2) the parties determined to amend and clarify the payment terms.

NOW, THEREFORE, intending to be legally bound and in consideration of the mutual provisions set forth in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE 1
WAIVER AND AMENDMENT**

Section 1.1 Definitions. All capitalized terms used but not defined herein shall have the same meanings as set forth in the Agreement, except as provided in Section 1.4.

Section 1.2 Waiver of NeoStem Shareholder Approval. Subject to Section 1.3 hereof, the Parties hereby waive the requirement set forth in Section 5.5 and the condition set forth in Section 6.1(a) of the Agreement so that Sections 5.5 and 6.1(a)

shall be deemed to have been deleted from the Agreement. In addition, all references to the term “NeoStem Shareholder Approval” shall be deemed to have been deleted from the Agreement.

Section 1.3 Indemnification. In addition to the indemnification provided by the Seller Parties pursuant to Section 8.2 of the Agreement, the Seller Parties shall indemnify the Purchasers and their respective Affiliates against, and agree to hold them harmless from, any Loss, as incurred (payable promptly upon written request), arising out of or in any way related to any action, suit, claim, trial, demand, investigation, arbitration or other proceeding by any Person in connection with the Seller Parties' decision in not seeking or obtaining NeoStem Shareholder Approval with respect to the Agreement and the Transaction.

Section 1.4 Purchase Price Payments and MOFCOM Transfer Approval Process.

(a) The Parties wish to amend the payment terms and to clarify the timing of payment with respect to the MOFCOM Transfer Submission.

(b) Section 2.2(A)(iii) is amended to provide that the Onshore Second Purchase Price Payment shall be paid by the Purchasers into the Onshore Escrow Account no later than August 14, 2012, New York Time, and EET represents that it has deposited the Onshore Second Purchase Payment in the Onshore Escrow Account as of the execution of this Amendment. EET agrees to, with three (3) Business Days following the execution of this Amendment, cause the RMB equivalent of One Million Two Hundred Twenty Eight Thousand U.S. Dollars (\$1,228,000) (the “Additional Deposit”) to be deposited in the Onshore Escrow Account against its obligation to make the Third Purchase Price Payment. The Purchasers have prepared and executed the following documents, and the Seller Parties shall, within three (3) Business Days following the deposit of the Additional Deposit, deliver or cause to be delivered the following documents upon such additional deposit: (i) the Simplified Agreement, a copy of which is attached hereto as Exhibit B, duly executed by the Seller in six (6) original copies and duly sealed with the corporate seal of the Seller, (ii) the Letter of Termination, terminating the appointment of each of Robin L. Smith, Eric Wei and Mingsheng Shi as director of the Board of Directors of the Company effective upon Closing, a copy of which is attached hereto as Exhibit C, duly executed by the Seller in six (6) original copies and each duly sealed with the corporate seal of the Seller, (iii) the resolutions of the Board of directors of the Seller, a copy of which is attached hereto as Exhibit D, duly executed by the directors of the Board of Directors of the Seller in six (6) original copies and each duly sealed with the corporate seal of the Seller (iv) the resolutions of the Board of Directors of the Company, a copy of which is attached hereto as Exhibit E, duly executed by Robin L. Smith and Eric Wei, in their respective capacity as directors of the Board of Directors of the Company in six (6) original copies. The Parties agree that if any Party shall fail to comply with the foregoing requirement, such failure shall constitute a material breach of the Agreement as amended by this Amendment.

(c) MOFCOM Transfer Approval requires three separate filings at different levels of government in the following order: Xiang Cheng District, Suzhou City, and Jiangsu Province. For all purposes of the Agreement, the MOFCOM Transfer Submission Date shall mean the initial MOFCOM filing with MOFCOM Xiang Cheng District counterpart, except that (i) for purposes of the time to make the balance of the Third Purchase Price Payment under Section 2.2(A)(iv) in the amount of an RMB equivalent of Four Million Nine Hundred Twelve Thousand U.S. Dollars (US\$4,912,000), the Third Purchase Price Payment Date shall be no later than the day prior to the date of the MOFCOM Transfer Submission to the MOFCOM Jiangsu provincial counterpart, which, for purpose of clarification, shall not be construed to require the balance of the Third Purchase Price Payment to be made at the time of MOFCOM Transfer Submission at the MOFCOM Xiang Cheng District counterpart or the MOFCOM Suzhou City counterpart, and (ii) notwithstanding anything to the contrary provided in the Agreement, the Company shall not be required to notify or seek approval from the Seller Parties for any MOFCOM Transfer Submission except with respect to the MOFCOM Jiangsu provincial counterpart. The Parties shall use their respective reasonable commercial efforts to cooperate with the Company for all three levels of the MOFCOM Transfer Submission, including without limitation, responding to comments made by all three levels of MOFCOM, making amendments to any regulatory filings submitted to MOFCOM and providing additional material required for purposes of the MOFCOM Transfer Submission, and executing documents required by MOFCOM for purpose of such submission.

(d) Section 5.1(i) of the Agreement shall be amended to require, notwithstanding the lack of need for shareholder approval by NeoStem, that the Company be required to provide NeoStem with the Readiness Notice solely for purpose of making the MOFCOM Transfer Submission to the MOFCOM Jiangsu provincial counterpart and the Company shall not make MOFCOM Transfer Submission to the MOFCOM Jiangsu provincial counterpart until NeoStem confirms via electronic transmission that it agrees that all conditions to such submission, including an acknowledged receipt by the Onshore Escrow Agent of all payments described above, have been satisfied, which confirmation will not be unreasonably withheld or delayed.

ARTICLE 2
GENERAL MATTERS

Section 2.1 Further Assurances. Each Party represents to the others that it has fulfilled all covenants and obligations required of it under the Agreement through the date hereof. Highacheive and Fullbright represent and warrant to the Sellers that the assignment annexed as Exhibit A has been duly authorized by all requisite action by Highacheive and Fullbright, and that the assignment is a legal, valid and binding obligation of Highacheive and Fullbright enforceable by all of the Parties hereto. Highacheive hereby makes all representations and warranties to the Seller Parties set forth in Article 4 of the Agreement as if it were an original party thereto—and agrees to assume all liabilities and perform all obligations and covenants of Fullbright under the Agreement as if it were an original party to the Agreement (except for Fullbright's obligations under Sections 2.2(B), 2.6(b)(ii)(b) and 5.1(c) of the Agreement).

Section 2.2 Entire Agreement. Except as provided herein, the Agreement contains the entire agreement among the Parties with respect to the subject matter thereof and remains in full force and effect.

Section 2.3 Counterparts. This Amendment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

Section 2.4 Language. This Amendment is prepared in both English and Chinese.

[Signature page follows]

IN WITNESS WHEREOF, this Amendment has been executed as of the date first above written.

**SUZHOU ERYE ECONOMY & TRADING CO.,
LTD.**

FULLBRIGHT FINANCE LIMITED

By:
/s/ Shi Mingsheng
Name: Shi Mingsheng
Title: Chairman

By: /s/ Shi Mingsheng
Name: Shi Mingsheng

**CHINA BIOPHARMACEUTICALS HOLDINGS,
INC.**

NEOSTEM, INC.

By: /s/ Robin Smith
Name: Robin L. Smith, M.D.
Title:

By: /s/ Robin Smith
Name: Robin L. Smith., M.D.
Title: CEO

SUZHOU ERYE PHARMACEUTICAL CO., LTD.

HIGHACHEIVE HOLDINGS LIMITED

By: /s/ Zhang Zian
Name: Zhang Jian
Title: General Manager

By: /s/ Judy Yue Zhang
Name:
Title:

LIST OF EXHIBITS

1. Exhibit A - Assignment
2. Exhibit B - Simplified Agreement
3. Exhibit C- Letter of Termination
4. Exhibit D - Board Resolutions of the Seller
5. Exhibit E- Board Resolutions of the Company

AMENDMENT TO COMMON STOCK PURCHASE AGREEMENT

THIS AMENDMENT TO COMMON STOCK PURCHASE AGREEMENT (this “**Amendment**”) is made and entered into as of August 23, 2012, by and between **NEOSTEM, INC.**, a Delaware corporation (the “**Company**”), and **ASPIRE CAPITAL FUND, LLC**, an Illinois limited liability company (the “**Buyer**”), with respect to the Common Stock Purchase Agreement dated as of September 28, 2011, by and between the Company and Buyer (the “**Purchase Agreement**”). Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Purchase Agreement.

RECITAL

WHEREAS, the Company and Buyer desire to amend the Common Stock Purchase Agreement dated September 28, 2011, as set forth herein.

AMENDMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and conditions set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties to this Amendment hereby agree as follows:

1. Section 10(h) of the Purchase Agreement is hereby amended and restated to read in its entirety as follows:

Section 10 (h) “Maturity Date” means September 30, 2015.

2. Subject to NYSE MKT approval, Buyer shall receive a warrant to purchase 1,612,903 shares of the Company's restricted common stock (the “Warrant”), upon full execution of this Amendment. The Warrant shall have an exercise price of \$0.60 per share (the closing price of the Company's common stock on the date the amendment is executed), subject to adjustment, expiring five years from the date of issuance, exercisable after issuance.

3. Except as hereby specifically amended or modified, the terms of the Purchase Agreement, as amended by this Amendment, shall remain in full force and effect.

4. This Amendment may be executed by the parties hereto in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

[Signature pages follow.]

IN WITNESS WHEREOF, the Buyer and the Company have caused this Amendment to the Purchase Agreement to be duly executed as of the date first written above.

THE COMPANY:

NEOSTEM, INC.

By: /s/ Robin Smith

Name: Robin L. Smith, M.D.

Title: Chief Executive Officer and Chairman of the Board

BUYER:

ASPIRE CAPITAL FUND, LLC

BY: ASPIRE CAPITAL PARTNERS, LLC

BY: SGM HOLDINGS CORP.

By: /s/ Steven G. Martin

Name: Steven G. Martin

Title: Principal