

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
(1) FORMATION OF THE JV COMPANY
AND
(2) INTERNAL RESTRUCTURING

This is a voluntary announcement made by the Company.

FORMATION OF THE JV COMPANY

On 12 February 2019 (after trading hours), GMI, a wholly-owned subsidiary of the Company, and Magnum Opus jointly formed the JV Company. Each of GMI and Magnum Opus subscribed for 500 shares of the JV Company at a subscription amount of HK\$500 by cash.

INTERNAL RESTRUCTURING

The Company proposes to carry out the Internal Restructuring involving the following steps:

Step 1: Assignment of the benefits and rights attached to the ASA Shareholders Loan from GM K.K. to GMI

On 29 March 2019 (after trading hours), GMI and GM K.K. entered into the Deed of Loan Assignment, pursuant to which, GM K.K. agreed to assign all of the benefits and rights in its share of the ASA Shareholders Loan to GMI.

Step 2: Acquisition of GMO by the JV Company

On 29 March 2019 (after trading hours), the JV Company and ASA entered into the GMO SPA, pursuant to which, the JV Company agreed to acquire from ASA, and ASA agreed to sell to the JV Company the entire equity interest in GMO (including all investment interests in GMO under the TK Agreement) in consideration of the JV Company assuming all the obligations of the ASA

Shareholders Loan owed by ASA and procuring a release and discharge by GMI and Magnum Opus, respectively, of ASA from the ASA Shareholders Loan.

LISTING RULES IMPLICATIONS

Formation of the JV Company

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the formation of the JV Company are under 5%, the formation of the JV Company does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Kam is (i) an executive Director and chairman of the Board; and (ii) a controlling shareholder of the Company beneficially interested and/or deemed to be interested in approximately 72.57% of the total issued share capital of the Company and is therefore a connected person of the Company. Further, as Magnum Opus is wholly-owned by Mr. Kam, Magnum Opus is an associate of Mr. Kam and is, therefore, a connected person of the Company.

Accordingly, the formation of the JV Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios are less than 0.1%, the formation of the JV Company falls within the de minimis threshold under Rule 14A.76(1)(a) of the Listing Rules and is fully exempt under Chapter 14A of the Listing Rules.

Internal Restructuring

Given that both GM K.K. and GMI are indirect and direct wholly-owned subsidiaries of the Company, Step 1 of the Internal Restructuring does not constitute a transaction for the Company under the Listing Rules. Moreover, as both ASA and the JV Company are commonly held entities of the Company where the Group and Magnum Opus respectively held 50% equity interest in each of ASA and the JV Company, Step 2 of the Internal Restructuring does not constitute a transaction for the Company under the Listing Rules. Upon completion of the formation of the JV Company and the Internal Restructuring, the effective interest held by the Group in ASA and GMO as well as the ASA Shareholders Loan will remain the same.

This is a voluntary announcement made by the Company.

Reference is made to the announcement of the Company dated 13 August 2018 in respect of the provision of the ASA Shareholders Loan by GM K.K. and Magnum Opus to ASA.

For the purpose of tax planning and minimising the Group's tax burden in Japan, the Company proposes to carry out a group restructuring involving (i) the formation of the JV Company; and (ii) the Internal Restructuring as summarised below.

FORMATION OF THE JV COMPANY

On 12 February 2019 (after trading hours), GMI, a wholly-owned subsidiary of the Company, and Magnum Opus jointly formed the JV Company. Each of GMI and Magnum Opus subscribed for 500 shares of the JV Company at a subscription amount of HK\$500 by cash.

Capital Structure of the JV Company

Each of GMI and Magnum Opus subscribed for the share capital of the JV Company as follows:

	Amount subscribed <i>HK\$</i>	Percentage in the JV Company
GMI	500	50%
Magnum Opus	<u>500</u>	<u>50%</u>
Total	<u><u>1,000</u></u>	<u><u>100%</u></u>

The JV Company will be accounted for as an investment in joint venture of the Company.

Purpose of the JV Company

For the purpose of tax planning and as part of the Internal Restructuring, the JV Company will replace ASA as the sole shareholder of GMO. The JV Company will also take over the role of TK Investor (i.e. ASA) under the TK Agreement entered into between GMO and ASA. Pursuant to the TK agreement, the TK Investor provides funds to the TK Operator (i.e. GMO) in exchange for the TK Operator's obligation to distribute a share of the profits arising from the TK Operator's business. As at the date of this announcement, the aforesaid funds had been provided by ASA to GMO.

Management of the JV Company

The board of directors of the JV Company comprises two directors who were nominated as to one each by GMI and Magnum Opus. The quorum of board meeting of the JV Company is two and board resolutions are to be passed by majority vote of the directors. There is no casting or second vote for any director. Each share of the JV Company carries one vote and there is no casting or second vote for any shareholder.

INTERNAL RESTRUCTURING

The Company proposes to carry out the internal restructuring (the “**Internal Restructuring**”) involving the following steps:

Step 1: Assignment of the benefits and rights attached to the ASA Shareholders Loan from GM K.K. to GMI

On 29 March 2019 (after trading hours), GMI and GM K.K. entered into the Deed of Loan Assignment, pursuant to which, GM K.K. agreed to assign all of the benefits and rights in its share of the ASA Shareholders Loan to GMI.

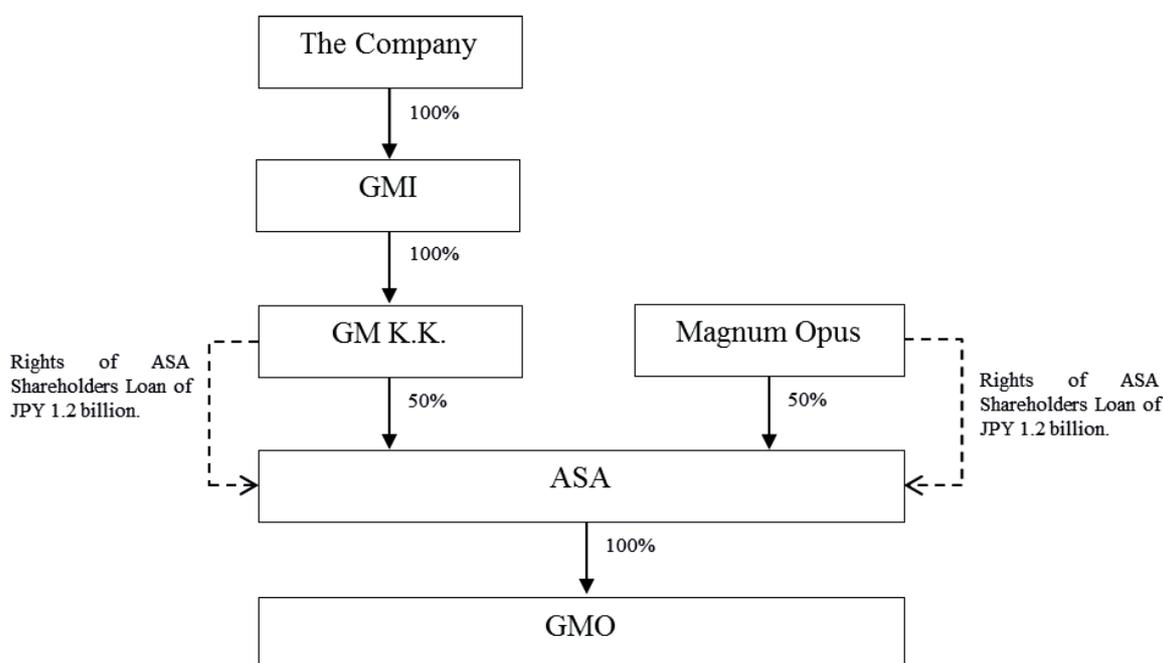
Step 2: Acquisition of GMO by the JV Company

On 29 March 2019 (after trading hours), the JV Company and ASA entered into the GMO SPA, pursuant to which, the JV Company agreed to acquire from ASA, and ASA agreed to sell to the JV Company the entire equity interest in GMO (including all investment interests in GMO under the TK Agreement) in consideration of the JV Company assuming all the obligations of the ASA Shareholders Loan owed by ASA and procuring a release and discharge by GMI and Magnum Opus, respectively, of ASA from the ASA Shareholders Loan.

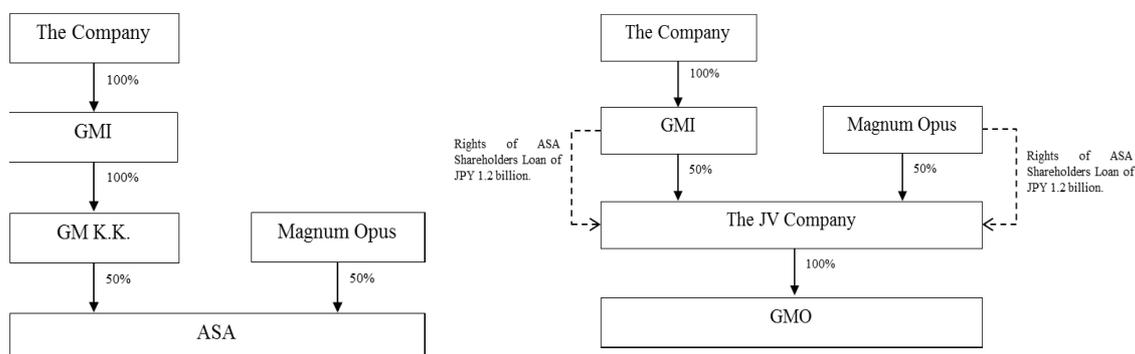
INVESTMENT HOLDING STRUCTURE BEFORE AND AFTER FORMATION OF THE JV COMPANY AND INTERNAL RESTRUCTURING

Set out below is the structure of the Group’s investment in GMO (i) as at the date of this announcement and (ii) after completion of the formation of the JV Company and Internal Restructuring:

(i) As at the date of this announcement:



(ii) Upon completion of the formation of the JV Company and the Internal Restructuring:



Upon completion of the formation of the JV Company and the Internal Restructuring, the effective interest held by the Group in ASA and GMO as well as the ASA Shareholders Loan will remain the same. Save for the change in lender from GM K.K. to GMI and the borrower from ASA to the JV Company, the terms of the ASA Shareholders Loan Agreement will remain unchanged and in full force.

REASONS FOR THE FORMATION OF THE JV COMPANY AND THE INTERNAL RESTRUCTURING

ASA, GM K.K. and GMO are companies incorporated in Japan with limited liability. For the purpose of tax planning and minimising the Group's tax burden in Japan, the Company proposes to carry out a group restructuring involving (i) the formation of the JV Company; and (ii) the Internal Restructuring in relation to the investment made by the Group in Japan, including the provision of the ASA Shareholders Loan. Upon completion of the formation of the JV Company and the Internal Restructuring, the effective interest held by the Group in ASA and GMO as well as the ASA Shareholders Loan will remain the same. Additionally, save for the change in lender from GM K.K. to GMI (both are wholly-owned subsidiaries of the Company) as contemplated under the Deed of Loan Assignment and the substitution of ASA by the JV Company as the borrower as contemplated under the GMO SPA, the terms of the ASA Shareholders Loan Agreement will remain unchanged and in full force.

As such, the Directors consider that the formation of the JV Company and the Internal Restructuring are in the best interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Formation of the JV Company

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the formation of the JV Company are under 5%, the formation of the JV Company does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Kam is (i) an executive Director and chairman of the Board; and (ii) a controlling shareholder of the Company beneficially interested and/or deemed to be interested in approximately 72.57% of the total issued share capital of the Company and is therefore a connected person of the Company. Further, as Magnum Opus is wholly-owned by Mr. Kam, Magnum Opus is an associate of Mr. Kam and is, therefore, a connected person of the Company.

Accordingly, the formation of the JV Company constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios are less than 0.1%, the formation of the JV Company falls within the de minimis threshold under Rule 14A.76(1)(a) of the Listing Rules and is fully exempt under Chapter 14A of the Listing Rules.

Internal Restructuring

Given that both GM K.K. and GMI are indirect and direct wholly-owned subsidiaries of the Company, Step 1 of the Internal Restructuring does not constitute a transaction for the Company under the Listing Rules. Moreover, as both ASA and the JV Company are commonly held entities of the Company where the Group and Magnum Opus respectively held 50% equity interest in each of ASA and the JV Company, Step 2 of the Internal Restructuring does not constitute a transaction for the Company under the Listing Rules. Upon completion of the formation of the JV Company and the Internal Restructuring, the effective interest held by the Group in ASA and GMO as well as the ASA Shareholders Loan will remain the same.

DEFINITIONS

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

“ASA”	ASA Asset Management Co., Ltd., a company incorporated in Japan with limited liability. It is the TK Investor under the TK Agreement immediately before the Internal Restructuring
“ASA Shareholders Loan”	the shareholders loan in the aggregate amount of JPY2,400 million, of which JPY1,200 million was provided by each of GM K.K. and Magnum Opus pursuant to the ASA Shareholders Loan Agreement

“ASA Shareholders Loan Agreement”	the shareholders loan agreement dated 13 August 2018 entered into among GM K.K., Magnum Opus and ASA in respect of the provision of the ASA Shareholders Loan
“Board”	the board of Directors
“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Loan Assignment”	a deed of assignment dated 29 March 2019 entered into between GMI and GM K.K., pursuant to which, GM K.K. agreed to assign all of the benefits and rights in its share of the ASA Shareholders Loan to GMI
“Director(s)”	director(s) of the Company
“GMI”	GM Investment Company Limited, a wholly-owned subsidiary of the Company, incorporated in Hong Kong with limited liability
“GM K.K.”	Golden Meditech K.K. or 株式會社金衛, an indirect wholly-owned subsidiary of the Company, incorporated in Japan with limited liability
“GMO”	GM Okinawa Seragaki Godo Kaisha, a company incorporated in Japan with limited liability. It acts as the TK Operator under the TK Agreement
“GMO SPA”	a sale and purchase agreement dated 29 March 2019 entered into between ASA and the JV Company in relation to the acquisition of the entire equity interest in GMO (including all investment interests in GMO under the TK Agreement) by the JV Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Internal Restructuring”	has the meaning given to it in the section headed “Internal Restructuring” in this announcement above

“JPY”	Japanese Yen, the lawful currency of Japan
“JV Company”	Seragaki Okinawa Joint Venture Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magnum Opus”	Magnum Opus International Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability and wholly-owned by Mr. Kam
“Mr. Kam”	Mr. Kam Yuen, the chairman of the Board, an executive Director and a controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TK Agreement”	the contractual arrangement dated 13 August 2018 entered into between GMO (as TK Operator) and ASA (as TK Investor). Pursuant to the TK Agreement, the TK Investor provides funds to the TK Operator in exchange for the TK Operator’s obligation to distribute a share of the profits arising from the TK Operator’s business
“TK Investor”	a passive investor with contractual rights under the TK Agreement and is not liable for obligations arising from the TK Operator’s business exceeding the amount of its respective contribution
“TK Operator”	an operator who solicits investments and manage invested capital contributed by the TK Investor under the TK Agreement
“%”	per cent.

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

Hong Kong, 29 March 2019

As at the date of this announcement, the Board comprises 8 Directors. The executive Directors are Mr. Kam Yuen (Chairman), Mr. Kong Kam Yu and Mr. Feng Wen; the non-executive Director is Ms. Zheng Ting; and the independent non-executive Directors are Prof. Cao Gang, Prof. Gu Qiao, Mr. Gao Yue and Mr. Daniel Foa.