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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 DIRECTORS' RETIREMENT BENEFITS SCHEME**

The Board proposes the Company to adopt the Retirement Benefits Scheme. The purpose of which is to supplement the existing remuneration packages of the Directors in order to provide a remuneration level which is sufficient to attract and retain directors to run the Company successfully.

Under the Retirement Benefits Scheme, a Director will, subject to the terms and conditions of the Scheme, be entitled to a one-off cash benefit after ceasing to be a Director in an amount to be calculated in accordance with a formula which takes into account, among other things, (a) a base amount of the retirement cash for a 12-month period to be determined by reference to the office of a Director (being (i) HK\$1,000,000 for each 12-month period for an executive Director and (ii) HK\$100,000 for each 12-month period for a non-executive Director and an independent non-executive Director) and (b) the length of service of a Director.

The coming into effect of the Retirement Benefits Scheme is subject to the approval(s) by the Shareholders. In this regard, it is proposed that two separate resolutions will be proposed at the forthcoming annual general meeting of the Company. Under the first proposed ordinary resolution, the Shareholders will be required to consider and, if thought fit, approve the adoption of the Scheme and its application to the Directors (other than the Substantial Directors). Under the second proposed ordinary resolution, the Shareholders will be required to consider and, if thought fit, approve the application of the Scheme to the Substantial Directors. The Directors and/or their associate(s) who have a material interest in the transactions contemplated by the abovementioned resolutions will abstain from voting.

This is a voluntary announcement made by Golden Meditech Holdings Limited (the “**Company**”). Unless otherwise defined or the context otherwise requires, capitalised terms used in the this announcement have the same meanings given to them in the Directors’ retirement benefits scheme (the “**Scheme**” or the “**Retirement Benefits Scheme**”), the full text of the final form of which is set out in the appendix to this announcement.

## **INTRODUCTION**

The board of directors of the Company (the “**Board**”) hereby announces that it proposed the Company to adopt the Retirement Benefits Scheme.

## **SUMMARY OF THE PRINCIPAL TERMS OF THE RETIREMENT BENEFITS SCHEME**

### **Retirement benefits in cash**

Under the Scheme, a Director will, subject to the terms and conditions of the Scheme, be entitled to a one-off cash benefit after ceasing to be a Director in an amount to be calculated in accordance with the formula set out in Rule 4.1 of the Scheme. The formula takes into account, among other things, (a) a base amount of the retirement cash for a 12-month period to be determined by reference to the office of a Director (being (i) HK\$1,000,000 for each 12-month period for an executive Director and (ii) HK\$100,000 for each 12-month period for a non-executive Director and an independent non-executive Director) and (b) the length of service of a Director. Please refer to Rule 4.1 of the Retirement Benefits Scheme for more details on the calculation of the Retirement Benefit.

### **Effective Conditions**

The coming into effect of the Scheme and the extent of its application is subject to the relevant resolutions being passed by the Shareholders. Please refer to Rule 3 of the Retirement Benefits Scheme and the subsection headed “Coming into effect of the Retirement Benefits Scheme subject to approval(s) by the Shareholders” below for more details.

### **Entitlement Conditions**

A person’s entitlement to the Retirement Benefit is subject to the fulfillment of the conditions stipulated under the Scheme (the “**Entitlement Conditions**”), including:

- (a) he is a Director at or after the conclusion of the general meeting at which the Scheme is approved by the Shareholders;

- (b) he has completed a 12-month service period as a Director; and
- (c) he ceased to be a Director before the expiry date of the Scheme otherwise than by virtue of the Company terminating his service agreement pursuant to the Company Termination Right provided that he has not been re-appointed or re-elected as a Director with effect from the Cessation Date.

Please refer to Rule 5 of the Retirement Benefits Scheme for details on the Entitlement Conditions.

### **Validity period**

Subject to the Scheme being adopted and approved by the Shareholders, the Scheme shall be valid for a period of 10 years commencing from the date on which it is approved by the Shareholders (the “**Effective Date**”) and up to the calendar day immediately preceding the day that falls on the 10th anniversary of the Effective Date (both days inclusive).

### **Coming into effect of the Retirement Benefits Scheme subject to approval(s) by the Shareholders**

Under article 104(a) of the articles of association of the Company, “Payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director or past Director is contractually or statutorily entitled) must be approved by the Company in general meeting”. As the Scheme is in connection with a Director’s retirement from office and the payment thereunder is not a payment to which the Director or past Director is contractually or statutorily entitled, the coming into effect of the Scheme is subject to the approval of the Shareholders. In this regard and as provided under the Scheme, the Board proposed to submit two separate ordinary resolutions to the Shareholders at the forthcoming annual general meeting of the Company (the “**AGM**”) for them to consider and, if thought fit, approve. Under the first proposed ordinary resolution (the “**First Scheme Resolution**”), the Shareholders will be required to consider and, if thought fit, approve the adoption of the Scheme and its application to the Directors (other than the Substantial Directors). Under the second proposed ordinary resolution (the “**Second Scheme Resolution**”), the Shareholders will be required to consider and, if thought fit, approve the application of the Scheme to the Substantial Directors.

The passing of the First Scheme Resolution is not subject to the passing of the Second Scheme Resolution. However, the passing of the Second Scheme Resolution is subject to the passing of the First Scheme Resolution. The full text of the two Shareholders’ resolutions mentioned above will be set out in the notice convening the AGM.

## SHAREHOLDERS WHO WILL BE REQUIRED TO ABSTAIN FROM VOTING

Under the Scheme, one of the conditions for a Director being entitled to the Retirement Benefit is that he must be a Director at or after the conclusion of the AGM. Assuming that all the existing Directors remain as Directors at the conclusion of the AGM, they would, subject to the terms and conditions of the Scheme, be entitled to the benefits under the Scheme. Accordingly, each existing Director is materially interested in the Scheme and would, together with his associate(s), be required to abstain from voting on the First Scheme Resolution and/or the Second Scheme Resolution in so far as he and/or his associate(s) are materially interested in. Set out below are the existing Directors who have interest in the issued share capital of the Company and/or underlying shares of equity derivatives of the Company as at the date of this announcement (the “**Announcement Date**”):

- (a) Mr. Kong Kam Yu (“**Mr. Kong**”), an executive Director, was interested in (i) 12,400,240 Shares representing approximately 0.42% of the entire issued share capital of the Company and (ii) the share options granted by the Company which, if fully exercised, would require the Company to issue 3,874,592 Shares representing approximately 0.13% of the entire issued share capital of the Company;
- (b) Mr. Kam Yuen (“**Mr. Kam**”), the Chairman of the Board and an executive Director, was interested in (i) 1,118,269,526 Shares through Bio Garden Inc. (“**Bio Garden**”), representing approximately 37.70% of the entire issued share capital of the Company and (ii) the share options granted by the Company which, if fully exercised, would require the Company to issue 2,197,530 Shares representing approximately 0.07% of the entire issued share capital of the Company; and
- (c) Ms. Zheng Ting (“**Ms. Zheng**”), a non-executive Director, was interested in the share options granted by the Company which, if fully exercised, would require the Company to issue 3,238,464 Shares representing approximately 0.11% of the entire issued share capital of the Company.

Save for Mr. Kong, Mr. Kam and Ms. Zheng, none of the Directors or their associates have any interest in the issued share capital of the Company or any underlying shares of equity derivatives of the Company as at the Announcement Date.

By virtue of Mr. Kong having a material interest in the transactions contemplated by the First Scheme Resolution, he and his associate(s) will abstain from voting on the First Scheme Resolution. As at the Announcement Date, none of Mr. Kong nor his associate(s) had any interest in the Second Scheme Resolution and, therefore, they would not be required to abstain from voting on the Second Scheme Resolution.

As Mr. Kam was interested in more than 5% of the Shares and underlying shares of equity derivatives of the Company, he is a Substantial Director under the Scheme and therefore had a material interest in the transactions contemplated by the Second Scheme Resolution. For this reason, Mr. Kam, Bio Garden and their associate(s) will abstain from voting on the Second Scheme Resolution. As at the Announcement Date, none of Mr. Kam, Bio Garden or their respective associate(s) had any interest in the First Scheme Resolution and, therefore, they would not be required to abstain from voting on the First Scheme Resolution.

As neither Ms. Zheng nor her associate(s) had any interest in any securities of the Company carrying rights to vote at the general meetings of the Company, there is no issue of her (or her associate(s)) abstaining from voting at the AGM as at the Announcement Date.

### **INFORMATION ON THE LENGTH OF SERVICE AND OFFICE OF THE EXISTING DIRECTORS**

As disclosed in the section headed “Summary of the principal terms of the Retirement Benefits Scheme — Retirement benefits in cash” above, the formula on the calculation of the amount of the Retirement Benefits takes into account, among other things, the length of service of a Director and his office. Set out below is information on the office of the existing Directors and the respective date on which they were appointed as Directors:

<b>Name of Director</b>	<b>Office as at the Announcement Date</b>	<b>Appointment date</b>
Mr. Kam Yuen	Executive Director	3 September 2001
Mr. Kong Kam Yu	Executive Director	25 September 2012
Mr. Yu Kwok Kuen, Harry	Executive Director	25 September 2012
Ms. Zheng Ting	Non-Executive Director	23 August 2012
Mr. Gao Yue	Non-Executive Director	14 November 2014
Prof. Cao Gang	Independent	23 September 2004
	Non-Executive Director	
Mr. Feng Wen	Independent	25 September 2012
	Non-Executive Director	
Prof. Gu Qiao	Independent	15 December 2001
	Non-Executive Director	
Mr. Daniel Foa	Independent	11 February 2015
	Non-Executive Director	

*Note:* in relation to the calculation of the amount of the Retirement Benefit, the base amount for a Service Period is (i) HK\$1,000,000 for an executive Director and (ii) HK\$100,000 for a non-executive Director and an independent non-executive Director.

Save and except for Ms. Zheng, each Director named in the table above held the same office of director since his appointment as a Director. Ms. Zheng was appointed as an executive Director with effect from 24 September 2001 and was re-designated as a non-executive Director with effect from 23 August 2012.

## **REASONS FOR PROPOSING THE RETIREMENT BENEFITS**

The purpose of the Scheme is to supplement the existing remuneration packages of the Directors in order to provide a remuneration level which is sufficient to attract and retain directors to run the Company successfully. The Directors believe that the Retirement Benefit, which would only be available after a Director has been in the office of director for at least one year and the amount of which would be increased in proportion to the length of service of a person as a Director would offer incentives to the Directors to serve the Company as long as possible, assist the Company to establish and maintain a Board which is stable, familiar with the affairs of the Company and work together for a long period of time and thus enhancing the quality of the management of the Company and its subsidiaries as a whole. For the reasons given above, the Directors consider that the adoption of the Scheme and its application to all Directors are in the interest of the Company and the shareholders of the Company as a whole.

## **IMPLICATIONS OF THE SCHEME UNDER THE LISTING RULES**

Each Director is a connected person of the Company under the Listing Rules. Under Rule 14A.95 of the Listing Rules, a director entering into a service contract with the listed issuer or its subsidiary is fully exempt from the connected transactions requirements under Chapter 14A of the Listing Rules. As the Retirement Benefits Scheme shall form part of the Service Agreement, the transactions between the Company and the Directors contemplated by the Retirement Benefit Scheme are fully exempt from the connected transactions requirements under Chapter 14A of the Listing Rules.

## THE AGM AND THE CIRCULAR

As at the Announcement Date, it is expected that the AGM will be held in September 2016. Further details in respect of the Scheme will be set out in the circular in relation to the AGM which is expected to be dispatched to the Shareholders in or about August 2016.

**Golden Meditech Holdings Limited**  
**Kam Yuen**  
*Chairman*

Hong Kong, 28 June 2016

*As at the Announcement Date, the Board comprises 9 Directors. The executive Directors are Mr. Kam Yuen (Chairman), Mr. Kong Kam Yu and Mr. Yu Kwok Kuen, Harry, the non-executive Directors 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.*

## **APPENDIX DIRECTORS' RETIREMENT BENEFITS SCHEME**

### **1. PURPOSE OF THE SCHEME**

The purpose of the Scheme is to supplement the existing remuneration packages of the Directors in order to provide a remuneration level which is sufficient to attract and retain directors to run the Company successfully.

### **2. DEFINITIONS AND INTERPRETATION**

2.1 In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Applicable Laws”	as to any person, any statute, ordinance, law (including common law), rule, regulation, regulatory interpretation, code, notice, treaty, convention, judgment, order, decree or injunction of any competent authority that is applicable to or binding upon such person or any of its properties or to which such person or any of its properties is subject from time to time;
“associate”	has the meaning given to it under the Listing Rules;
“Base Amount”	has the meaning given to it under Rule 4.1;
“Board”	the board of Directors or a duly authorised committee thereof;
“Cessation Date”	has the meaning given to it under Rule 6;
“Company”	Golden Meditech Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands;
“Company Termination Right”	the right of the Company to terminate a Service Agreement forthwith without notice or payment in lieu of notice, whether such right is given to the Company under that Service Agreement or the Applicable Laws;
“Director”	a natural person who is a director of the Company;
“Effective Condition”	the condition for the coming into effect of the Scheme as set out in Rule 3.1 and, so far as the Substantial Directors are concerned, Rule 3.2;



“Effective Date”	the date on which the Shareholders’ resolution referred to in Rule 3.1 is passed;
“Entitlement Conditions”	the conditions for a person’s entitlement to the Retirement Benefit as set out in Rule 5.1;
“equity derivatives”	has the meaning given to it in Division 1, Part XV of the SFO;
“Expiry Date”	the calendar day that falls on the 10th anniversary of the Effective Date;
“General Meeting”	the general meeting at which the resolution referred to in Rule 3.1 is considered and, if thought fit, passed by the Shareholders in accordance with the Scheme;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Retirement Benefit”	the one-off cash benefit referred to in Rule 4.1;
“Rule”	a rule of the Scheme;
“Scheme”	this scheme in its present form or as from time to time amended or otherwise modified in accordance with the provisions hereof;
“Service Agreement”	the service agreement, the letter of appointment or other document(s) of whatever description entered into between, or otherwise binds, the Company and a person pursuant to which such person is appointed as a Director;
“Service Period”	in respect of a person, a continuous period of not less than 12 consecutive calendar month’s either (i) ending on or at any time after the Effective Date and before the Expiry Date; or (ii) commencing at any time after the Effective Date and ending before the Expiry Date, in each case during which such person has served as a Director continuously;

“SFO”	the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong);
“Shares”	shares in the issued equity share capital of the Company and any underlying shares of equity derivatives of the Company;
“Shareholders”	holders of shares in the issued equity share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Director”	a Director who, either alone or together with any of his associates, has interest in the Shares (within the meaning of Part XV of the SFO which is required to be notified by the Director to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO) the percentage level of which is 5% or more of all the Shares; and
“12-month Period”	a period of 12 consecutive calendar months.

## 2.2 In the Scheme:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) a reference to a document or instrument, includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (c) a reference to “percentage level” of Shares has the same meaning under Division 2, Part XV of the SFO;
- (d) a reference to a person includes a natural person, firm, partnership, body corporate, association, trust, governmental or local authority or agency or other entity (whether or not having a separate legal personality);
- (e) another grammatical form of a defined word or expression has a corresponding meaning;
- (f) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions; and
- (g) headings are for ease of reference only and do not affect interpretation.

### 3. EFFECTIVE CONDITION

- 3.1 The coming into effect of the Scheme and its applicability to the Directors (other than the Substantial Directors) is subject to the Shareholders having passed an ordinary resolution approving and adopting the Scheme at the General Meeting.
- 3.2 The applicability of the Scheme to the Substantial Directors is subject to the Shareholders having passed (i) the resolution referred to in Rule 3.1 and (ii) a separate ordinary resolution approving the application of the Scheme to the Substantial Directors at the General Meeting.

### 4. RETIREMENT BENEFIT IN CASH

- 4.1 Subject to the fulfilment of the Effective Condition and the Entitlement Conditions, a Director shall be entitled to a one-off cash benefit to be calculated in accordance with the formula set out below:

$$\text{Retirement Benefit} = (\text{BA} \times \text{P}) + (\text{BA} \times \frac{\text{R Days}}{365})$$

where:

“BA” means the base amount for a 12-month Period (“**Base Amount**”), the amount of which to be determined by reference to the office of a Director as set out in the table depicted in Rule 4.2;

“P” means the number of 12-month Periods within the Service Period; and

“R Days” means the number of calendar days after the last 12-month Period within the Service Period.

- 4.2 The applicable Base Amount for any Director shall be determined as follows:

Office	Base Amount (HK\$)
Executive Director	: 1,000,000
Non-executive Director	: 100,000
Independent non-executive Director	: 100,000

Provided that where the office of a Director has changed during his Service Period, the corresponding Base Amount applicable to the different offices and the respective duration of such office shall be used in the calculation under Rule 4.1.

4.3 The Retirement Benefit shall be paid by the Company in one lump-sum by one of the means set out below as the Company may elect within four weeks of the Cessation Date:

- (a) electronic transfer to such bank account as the relevant Director may designate in writing; or
- (b) issuing a cheque made payable to the relevant Director or such person as the Director may nominate in writing.

## **5. ENTITLEMENT CONDITIONS**

5.1 Subject to the fulfilment of the Effective Condition and subject further to Rules 5.2 to 5.4, a person shall be entitled to the Retirement Benefit if:

- (a) he is a Director at or after the conclusion of the General Meeting;
- (b) he has completed a Service Period; and
- (c) he ceased to be a Director before the Expiry Date otherwise than by virtue of the Company terminating his Service Agreement pursuant to the Company Termination Right provided that he has not been re-appointed or re-elected as a Director with effect from the Cessation Date.

5.2 Notwithstanding that a person ceased to be a Director by virtue of the Company terminating his Service Agreement pursuant to the Company Termination Right, the Entitlement Condition set out in Rule 5.1(c) shall be deemed to have fulfilled if the Company exercises that right solely because that person having retired from the office of Director, by rotation pursuant to the constitutional document of the Company and/or the Listing Rules or other Applicable Law at a general meeting of the Company, fails to be re-elected as a Director at the same general meeting.

5.3 If (i) the Scheme expired in accordance with Rule 9.1 and (ii) a person's Service Agreement is not otherwise terminated by the Company pursuant to the Company Termination Right before the Expiry Date, the Entitlement Condition set out in Rule 5.1(c) shall be deemed to have fulfilled immediately before the Expiry Date.

5.4 If a person, having ceased to be a Director for any reason, is re-appointed as a Director with effect on or after the Cessation Date (other than that referred to in Rule 6(d)), in order for him to be entitled to the Retirement Benefit, the Effective Conditions set out in Rules 5.1(a), (b) and (c), Rule 5.2 and Rule 5.3 must be fulfilled without taking into account his prior period of service as a Director. For the avoidance of doubt, a Director who retires from the office of Director, by rotation pursuant to the constitutional document of the Company and/or the Listing Rules or other Applicable Laws, at a general meeting of the Company and is re-elected as a Director at the same general meeting shall not be regarded as having ceased to be a Director by virtue of such retirement.

## 6. CESSATION DATE

Cessation Date shall be determined by reference to the reasons of a person ceasing to be a Director as set out in the table below:

Reasons of cessation	Cessation Date
(a) Retirement in accordance with the Service Agreement or upon expiration of the Service Agreement	: the first calendar day immediately following the retirement date as determined by the Service Agreement or the expiration date of the Service Agreement or the effective date of retirement as mutually agreed between the Company and the Director
(b) Retirement from the office of Director by rotation pursuant to the constitutional document of the Company, the Listing Rules or other Applicable Laws	: the first calendar day immediately following the retirement date as determined by the constitutional document of the Company, the Listing Rules or other Applicable Laws
(c) Voluntary resignation	: the effective date of the voluntary resignation as determined by the Service Agreement or as mutually agreed between the Company and the Director
(d) Expiry of the Scheme	: the Expiry Date
(e) Other reasons	: to be determined by the Board

## **7. VARIATIONS**

- 7.1 Subject to Rule 7.3, the Board may from time to time in its absolute discretion waive or amend any of the Rules as it deems desirable, provided that, save pursuant to an ordinary resolution passed by the Shareholders in general meeting, no alteration shall be made to any of the Rules to the advantage of any Director or any person who may otherwise be entitled to the benefits contemplated by the Scheme, including without limitation:
- (a) the definitions of “Base Amount”, “Director”, “Retirement Benefit”, “Service Period”, “Service Agreement” and “Substantial Director”;
  - (b) Rule 4.1;
  - (c) the Entitlement Conditions; and
  - (d) Rule 9.1.
- 7.2 Any alteration to the terms and conditions of the Scheme which are of a material nature must be first approved by the Shareholders in general meeting by way of an ordinary resolution save that this provision shall not apply where the alterations take effect automatically under the existing terms of the Scheme.
- 7.3 Any alteration to the authority of the Board in relation to any alteration to the terms of the Scheme must be approved by the Shareholders in general meeting by way of an ordinary resolution.
- 7.4 No alteration to the Scheme shall prejudice a Director’s entitlement to the Retirement Benefit if the Entitlement Conditions have already been fulfilled (or deemed to have been fulfilled) before the date on which the alterations become effective.

## **8. ADMINISTRATION**

The Scheme shall be subject to the administration of the Board in accordance with the Applicable Laws, whose decision shall be final and binding on the relevant Director(s).

## **9. VALIDITY PERIOD**

- 9.1 The Scheme shall be valid for a period of 10 years commencing from the Effective Date and up to the calendar day immediately preceding the Expiry Date (both days inclusive).

9.2 Notwithstanding the expiry of the Scheme, a Director's entitlement to the Retirement Benefit shall not be prejudiced if the Entitlement Conditions have been fulfilled (or deemed to have been fulfilled) prior to the Expiry Date in accordance with the Scheme.

## **10. MISCELLANEOUS**

10.1 The Scheme shall form part of any Service Agreement.

10.2 A Director shall pay all taxes and discharge all other liabilities to which he may become subject as a result of his entitlement to or receipt of the Retirement Benefit.

10.3 The rights of a Director under the Scheme is not assignable.

## **11. GOVERNING LAW**

The Scheme shall be governed by and construed in accordance with the laws of Hong Kong. All relevant parties shall submit to the non-exclusive jurisdiction of the courts of Hong Kong.