GOLDEN MEDITECH HOLDINGS LIMITED
金衛醫療集團有限公司

【For Immediate Release】

GOLDEN MEDITECH ANNOUNCES FY2017/2018 INTERIM RESULTS

Qinghe Hospital Achieves Revenue Contribution, Significant Growth in Healthcare Services Business
Strategic Roadmap in the Advanced Medical Fields to Diversify the Group's Business and Revenue Stream

	For the Six Months Ended 30 September		
	2017 (HK$'000)	**2016 (HK$'000)**	**Change (%)**
Continuing Operations			
Revenue	117,069	121,672	(3.8)
Healthcare services segment revenue	**50,028**	**31,885**	**56.9**
Hospital management services income	***47,865***	***29,901***	***60.1***
Medical insurance administration services income	*2,163*	*1,984*	*9.0*
Medical devices segment revenue	65,189	87,615	(25.6)
Strategic investments revenue	1,852	2,172	(14.7)
Gross profit	50,358	61,784	(18.5)
Loss from operations	(100,156)	(162,014)	(38.2)
Finance costs	(199,807)	(171,789)	16.3
(Loss)/profit attributable to the Company's equity shareholders	**(63,092)**	**(394,437)**	**(84.0)**
- Continuing operations	(287,444)	(317,154)	(9.4)
- Discontinuing operation	224,352	(77,283)	N/M
Basic (loss)/earnings per share (in HK cents)	**(2.13)**	**(13.30)**	**(84.0)**
- Continuing operations	(9.69)	(10.69)	(9.4)
- Discontinuing operation	7.56	(2.61)	N/M

Hong Kong, 30 November 2017 – Golden Meditech Holdings Limited (SEHK stock code: 00801, TWSE stock code: 910801) ("Golden Meditech" or the "Company", together with its subsidiaries, the "Group"), a leading integrated healthcare enterprise in China, announces today its interim results for the six months ended 30 September 2017 (the "Reporting Period").

During the Reporting Period, the Group's total revenue from continuing operations was HK$117,069,000, decreased by 3.8% year-on-year. The decrease has slowed down as compared to the corresponding period last year, mainly attributable to further optmisation on the Group's revenue mix. Healthcare services revenue as a % of total revenue from continuing operations increased to 42.7% from 26.2% in the corresponding period last year. Nevertheless, medical devices revenue as a % of total revenue from continuing operations decreased to 55.7% from 72.0% in the corresponding period last year. The Group's new growth driver, healthcare services revenue achieved a significant year-on-year increase of 56.9%, mainly driven by the 60.1% year-on-year increase in hospital management services income.

Loss attributable to equity shareholders of the Company from continuing operations was HK$287,444,000, decreased by 9.4% year-on-year. The decline was mainly attributable to: 1) an interest income of HK$57,758,000 earned from other receivable; and 2) the accumulated effect of the provision for director retirement benefit scheme of HK$33,855,000 in last year.

The Group recorded loss attributable to the Company's equity shareholders (including continuing operations and discontinuing operation) of HK$63,092,000, decreased by 84.0% year-on-year; basic loss per share was 2.13 HK cents, decreased by 84.0% year-on-year.

Mr. Kam Yuen, Chairman and Chief Executive Officer of the Group, said, "China's economy remains stable with good momentum for growth. There is strong underlying demand for healthcare services in the PRC, underpinned by the continuous medical reform and the accelerated ageing of population. The healthcare market in the People's Republic of China ("PRC") has seen sustainable growth in recent years. Benefiting from the growing demand for healthcare services as well as a favourable policy environment towards private hospitals, the Group manages to gradually improve and steadily develop its healthcare businesses."

In December 2016, Golden Meditech Stem Cells (BVI) Company Limited ("GMSC"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Nanjing Yingpeng Huikang Medical Industry Investment Partnership (Limited Partnership)*（南京盈鵬蕙康醫療產業投資合夥企業（有限合夥））("Nanjing Yingpeng") regarding the disposal of the Company's entire 65.4% fully-diluted equity interest in China Cord Blood Corporation ("CCBC") for a total cash consideration of RMB5,764,000,000 (equivalent to approximately HK$6,398,000,000) (the "Disposal"). The Disposal was approved by the Company's shareholders on 22 March 2017. On 29 September 2017, the Company announced that all of the effectiveness conditions of the Disposal have been fulfilled. However, the applicable foreign exchange procedures in the PRC have yet to be completed. Subsequently on 14 November 2017, GMSC and Nanjing Yingpeng entered into a supplemental agreement (the "Supplemental Agreement") to extend the completion (the "Completion") of the Disposal, in order to facilitate Nanjing Yingpeng to continue, and complete, the applicable foreign exchange procedures in the PRC. Pursuant to the Supplemental Agreement, the first extension deadline is 31 December 2017 (the "First Extension"). In the event that the Completion does not take place on or before the First Extension, it will be extended to 31 January 2018, whereby Nanjing Yingpeng shall pay GMSC an extension fee of US$10,000,000 (equivalent to approximately HK$78,000,000).

In June 2017, the Company and Australia-listed Life Corporation Limited ("LFC") entered into a debt capitalisation agreement. The debt capitalisation was completed in October 2017, consequently, the Group held 48.58% equity interest in LFC. LFC is principally engaged in the provision of multi-religion funeral services and other related ancillary services in Singapore. In November 2017, the Company granted a loan facility to LFC to facilitate the construction of an automated columbarium in Singapore. The management believes that once LFC's automated columbarium business commenced, it will bring better returns to the Group and its shareholders.

Between October and November 2017, the Company initiated an application for the voluntary delisting (the "Voluntary Delisting") of TDR on the Taiwan Stock Exchange Corporation in view of the Group's future business directions. The application was approved on 22 November 2017 and the Voluntary Delisting will become effective on 13 December 2017.

Mr. Kam Yuen continued, "We see further development in our business integration during the Reporting Period. The healthcare services segment becomes a growth driver in the Group's future development. Additionally, the Group continues to seek projects with high return potential in both domestic and international markets, aiming to diversify revenue stream and bring better returns to the Group and its shareholders."

Continuing Operations

Healthcare Services Segment

During the Reporting Period, healthcare services revenue increased significantly by 56.9% year-on-year to HK$50,028,000. Revenue generated from hospital management business and medical insurance administration business were HK$47,865,000 and HK$2,163,000, accounting for 95.7% and 4.3% of healthcare services revenue respectively.

Hospital Management Business. Beijing Qinghe Hospital ("Qinghe Hospital") entered into a lease agreement with Peking University People's Hospital in June 2017, whereby it leases out several floors of the hospital space and medical equipment in return for rental income. Beijing Sunbow Obstetrics & Gynecology Hospital has achieved steady development since it was officially opened in October 2016. Over the years, leveraging on its well-known brand and sound reputation, Shanghai East International Medical Center had achieved a steady development and provided premium healthcare services to the affluent people in Shanghai and the surrounding neighbourhoods.

Medical Insurance Administration Business. The Group provides tailor-made third-party administrator services such as claims, review process, bill settlement and data analysis that suit its customers' needs. It has invested notably in its hardware and software facilities as well as professional team, and this made it a preferred full service provider. Leveraging on its comprehensive domestic and international background in the healthcare sector as well as its extensive hospital network, the Group is well positioned to become a leading player in the medical insurance administration sector.

Medical Devices Segment

Medical devices revenue decreased by 25.6% year-on-year to HK$65,189,000, mainly attributable to the saturated Autologous Blood Recovery System market and intensified price competition. The Group implemented a two-pronged strategy to counter the decline in revenue, led by the intensified price competition. First, the Group continues to adopt a flexible pricing policy to stabilise its sales. On the other hand, the Group is actively exploring new project opportunities.

Strategic Investments

The Chinese herbal medicines business recorded an operating loss of HK$12,700,000 during the Reporting Period. The Group is constantly negotiating with the local government of Shanghai Qingpu District, regarding the possible land resumption plan of its production site, and expects to improve its cash position if the land resumption is successful. Losses attributable to the Group from Cellenkos Inc. ("Cellenkos") and Golden Meditech Javadi Precision Medicine Limited ("GM Javadi") were HK$585,000 and HK$2,874,000, respectively. Both Cellenkos and GM Javadi are the Group's strategic roadmap in the advanced medical treatment fields in the United State of America. The management believes that such investments will benefit the Group in future technically and financially.

Cord Blood Storage Business – Discontinuing Operation

During the Reporting Period, CCBC recorded 620,680 accumulated subscribers. Its revenue increased by 26.6% year-on-year to HK$531,588,000. Profit from discontinuing operation increased by 42.3% year-on-year to HK$192,785,000.

Discontinuing Operation	**For the Six Months Ended 30 September**	
	2017 (HK$'000)	**2016 (HK$'000)**
Revenue	531,588	419,785
Gross profit	446,720	349,952
Other income	14,911	11,241
Selling and administrative expenses	(233,140)	(194,731)
Profit from operations	228,491	166,462
Finance costs	-	(1,727)
Profit before tax	228,491	164,735
Income tax expense	(35,706)	(29,254)
Profit from discontinuing operation	192,785	135,481

Outlook

Looking ahead, Mr. Kam commented, "The Group will continue to implement its business integration and diversification strategy. Furthermore, leveraging on its pioneer status in the healthcare industry, we will strengthen our healthcare services sector and step up our business collaborations in medical fields, such as precision medical treatment and immunotherapy. This will help the Group in advancing into the high-end healthcare sector, thus, creating value for the Group and its shareholders."

* *The English name is for identification purpose only.*

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About Golden Meditech Holdings Limited (SEHK stock code: 00801, TWSE stock code: 910801)

Golden Meditech (www.goldenmeditech.com) is a leading integrated-healthcare enterprise in China. It is a first-mover in China, having established its dominant positions in several markets including the medical devices market, the cord blood storage market and the hospital management market in the healthcare industry, thanks to its strengths in innovation and market expertise and the ability to capture emerging market opportunities. Going forward, Golden Meditech will continue to pursue a leading position in China's healthcare industry both through organic growth and strategic expansion.

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SEGMENT RESULTS

Information regarding the Group's reportable segments for the periods ended 30 September 2017 and 2016 is set out below:

(HK$'000)	Continuing Operations								Discontinuing Operation		Total	
	Medical Devices		Hospital Management		Medical Insurance Administration		Chinese Herbal Medicines		Cord Blood Storage			
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Revenue from External Customers	**46,938**	69,390	**47,865**	29,901	**2,163**	1,984	**1,852**	2,172	**531,588**	419,785	**630,406**	523,232
Inter-segment Revenue	**18,251**	18,225	—	—	—	—	—	—	—	—	**18,251**	18,225
Reportable Segment Revenue	**65,189**	87,615	**47,865**	29,901	**2,163**	1,984	**1,852**	2,172	**531,588**	419,785	**648,657**	541,457
Reportable Segment (Loss)/Profit	**(3,537)**	24,988	**(81,773)**	(62,883)	**(12,244)**	(19,214)	**(12,700)**	(11,620)	**228,491**	166,462	**118,237**	97,733