



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

Golden Meditech Announces 2013 / 2014 Interim Results

*Performance of Underlying Business Segments Continues to Improve
 Opening of New Beijing Hospital Expect to Strengthen Cash Flow*

HK\$'000	6 months ended		Change
	30 September 2013	30 September 2012 (Restated)	
Turnover	534,641	523,656	2.1%
<i>Cord Blood Bank Service Income</i>	339,113	299,192	13.3%
<i>Hospital Management Service Income</i>	41,377	71,173	(41.9)%
<i>Medical Insurance Administration Service Income</i>	2,249	497	352.5%
<i>Medical Devices and Accessories Sales</i>	142,683	140,649	1.4%
<i>Chinese Herbal Medicine Sales</i>	9,219	12,145	(24.1)%
Share of Profits from Associate			
<i>Fortress Group Limited (Formerly FunTalk China)</i>	17,730	24,435	(27.4)%
Changes in fair value of financial assets and liabilities	(260,061)	28,776	(1,003.7)%
(Loss) / Profit After Tax	(178,227)	141,077	(226.3)%
Adjusted Profit After Tax	81,834	112,301	(27.1)%
(Loss) / Profit Attributable to Shareholders	(14,095)	85,255	(116.5)%
Basic (Loss) / Earnings Per Share	HK(0.62) cents	HK4.23 cents	(114.7)%

Excluding loss of HK\$260,061,000 (6 months ended 30 September 2012: gain of HK\$28,776,000) due to the fair value changes of financial assets and liabilities

(Hong Kong, 25 November, 2013) - **Golden Meditech Holdings Limited** (the "Company", "Golden Meditech", together with its subsidiaries collectively as the "Group", 801.HK; 910801.TW), a leading integrated healthcare enterprise in China, is pleased to announce the Group's interim results for the six months ended 30 September 2013.

During the reporting period, the Company's total revenue increased by 2.1% to HK\$534,641,000 as compared to HK\$523,656,000 for the previous reporting period. Loss attributable to shareholders of the Company and basic loss per share were HK\$14,095,000 and HK0.62 cents respectively as compared to a profit of HK\$85,255,000 and a basic earnings per share of HK4.23 cents for the previous reporting period. The loss was mainly attributable to the non-cash loss as a result of the fair value accounting treatment of the convertible notes issued by one of the subsidiaries of the Group, China Cord Blood Corporation ("CCBC"). As of 30 September 2013, the share price of CCBC rose to US\$3.80 per share, 33.9% above the conversion price of the convertible notes issued by CCBC, resulting in an increase in the fair value of the convertible notes. The loss attributable to shareholders of the Company was also due to the unrealised loss as a result of the decline in market values of certain security investments held by the Group, as opposed to a gain recorded in the corresponding period last year. The losses were non-cash in nature and have no effect on the Group's business operations for the current reporting period. Excluding the above mentioned non-cash losses,

adjusted profit for the period amounted to HK\$81,834,000, representing a decrease of 27.1% as compared to the previous reporting period.

Mr. Kam Yuen, Chairman and Chief Executive Officer of the Group, said, “Even though the Company reported non-cash losses due to fair value changes of financial assets and liabilities during the reporting period, the performance of our underlying business segments remained in-line with management’s expectations. We expect the development of the hospital management business and diversification of our business portfolio will be further expedited once the new Beijing hospital is fully operational. It will also deliver a more balanced revenue stream and cash flow to the Group. Despite the economy of China is set to moderate in the near term under the government’s proactive measures, the long-term economic prospect is expected to hold up. Moreover, the government’s commitment to deepen economic and healthcare reforms is anticipated to contribute lasting benefits to the healthcare industry and together with the aging population, the demand for prime medical devices and healthcare services is set to increase and become the new growth driver for Golden Meditech. Meanwhile, the consolidation of healthcare industry will enable Golden Meditech, which has been striving for excellence and prudence, to gain prominence in the healthcare industry. The Company is well-positioned to seize the new opportunities as they emerge and dedicated to building stronger platforms for the core businesses.”

HEALTHCARE SERVICES SEGMENT

During the reporting period, revenue from the healthcare services segment remained steady at HK\$382,739,000. Revenue generated from cord blood bank business, hospital management business and medical insurance administration business were HK\$339,113,000, HK\$41,377,000 and HK\$2,249,000 respectively.

The revenue of CCBC, a subsidiary of Golden Meditech, increased by 13.3% to HK\$339,113,000 resulted from its success in recruiting the targeted premium clientele and optimizing cash flow through the implementation of the new pricing policies. Although the number of newborns has returned to a more normalized trend this year as compared to a record number of births recorded during the Dragon Year last year, CCBC has continuously focused on penetrating the targeted mid-to-high end market which enabled CCBC to record 31,188 new and 343,170 accumulated subscribers in the first half of the financial year. Given the combined scale of Guangdong and Zhejiang markets is 5 to 10 times larger than the Beijing market, CCBC carried out expansion plans during fiscal 2013. The new facility in Guangdong is expected to be put into service in the near term and the Zhejiang facility is anticipated to be completed within fiscal 2014, providing the necessary capacities for the surging demand in both provinces.

The newly-built hospital located in Beijing will officially open in December 2013 and revenue of the hospital management business is expected to be greatly improved in the forthcoming period. Being a specialized hospital with various faculties, the new Beijing hospital is providing high quality and comprehensive medical services to residents in Beijing. The new Beijing hospital has a floor area of approximately 75,000 m² with 600 beds, including 48 beds for the haematology wards. With a view to ensuring high calibre doctors to be hired at the hospital, Golden Meditech has partnered with the Peking University People’s Hospital (北京大學人民醫院), the largest hospital group in Beijing to support the provision of medical personnel and services. In addition, its reputable Shanghai East International Medical Center (“SEIMC”) has continuously reported satisfactory performance in-line with the management’s expectation.

SEIMC is deepening its penetration to the high-end and expatriate markets in Shanghai and the neighbouring regions.

In addition, GM-Medicare Management (China) Company Limited which engages in the medical insurance administration business has made great progress during the period. It serves as the bridge between the healthcare insurance companies, hospitals and patients by providing claims processing and bill settlement services.

MEDICAL DEVICES SEGMENT

Revenue from the Group's medical devices segment amounted to HK\$142,683,000, representing a 1.4% increase compared to the previous corresponding period, accounting for 26.7% of the Group's total revenue.

Golden Meditech has invested ample resources in research and development and production know-how over the years which enables the Company to develop and manufacture its blood related medical devices in China and reap a considerable market share in the sector. Golden Meditech is well equipped to capture opportunities arise from the government's policies aiming to improve the standard of healthcare industry. The Company anticipates that the demand for autologous blood recovery systems and accessories will rise in the long run as the Chinese government is promoting healthcare policies related to the clinical use of blood.

Golden Meditech embarked on the imported medical devices distribution business through signing a product purchase and distribution agreement of the AXP System, an automated device used for the processing of stem cells from cord blood with NASDAQ-listed ThermoGenesis Corporation in 2012. During the reporting period, the China Food and Drug Administration approved the AXP System and its accessories and Golden Meditech has officially started to exclusively distribute the product which paves the foundation for the future development of its distribution business in China.

STRATEGIC INVESTMENTS

The Group currently holds two strategic investments, a 27.9% stake in Fortress Group Limited ("Fortress") and 100% shareholding in Chinese herbal medicine business.

Although the mobile phone retailing business of Fortress's subsidiary, FunTalk, has persistently achieved remarkable progress, its administrative cost increased as it was applying for a Mobile Virtual Network Operator license. As a result, its contribution to Golden Meditech has dropped 27.4% to HK\$17,730,000 compared with the previous reporting period.

Meanwhile, the management has taken up measures to constrain losses of the Chinese herbal medicine business' overseas operations during the reporting period as it reported an operating losses of HK\$19,004,000. The Company is examining all options in the development of 58,000 m² production site located in Shanghai, to unlock its true commercial value.

OUTLOOK AND STRATEGIES

Looking ahead, Mr. Kam commented, "With the economy continues to grow and economic reforms being further deepened, the Chinese government is pledging greater support for the social welfare development. Golden Meditech is dedicated to seizing the arising opportunities and developing value added businesses along the value chain of healthcare industry. The

Company will continue to accelerate the development of its medical devices and healthcare services segments in pursuance of sustaining its leading position in all businesses that it operates through leveraging on its reputation, brand recognition and professional expertise. The opening of the new Beijing hospital will generate growth momentum to the Company and its cash flow will allow the Company to capture new business opportunities and enable the market to appreciate the intrinsic values of its businesses. On 19 November 2013, Golden Meditech proposed an open offer to existing shareholders on the basis of one offer share for every two shares held at the subscription price of HK\$0.50 per share. The open offer will allow the existing shareholders to subscribe shares at a discount to the market, and the net proceeds will strengthen the Company's financial position for any emerging opportunities. Golden Meditech is confident in the prospects of its core businesses and will unremittingly strive to strengthen its integrated healthcare business platforms with a view to enhancing shareholders' value."

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About Golden Meditech Holdings Limited

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

For inquiries, please contact:

Golden Meditech Holdings Limited
Investor Relations Department
Tel : (852) 3605 8180
Fax : (852) 3605 8181
Email : ir@goldenmeditech.com