



【For Immediate Release】

GOLDEN MEDITECH ANNOUNCES FY2015/2016 INTERIM RESULTS

Continuous Steady Growth in Core Businesses to Enhance Overall Comprehensive Strength

(HK\$'000)	For the Six Months Ended 30 September		
	2015	2014 Restated	Change %
Turnover	545,575	518,852	5.2
<i>Cord Blood Storage Service Income</i>	<i>421,979</i>	<i>384,242</i>	9.8
<i>Hospital Management Service Income</i>	<i>28,349</i>	<i>34,719</i>	(18.3)
<i>Medical Insurance Administration Service Income</i>	<i>2,780</i>	<i>2,394</i>	16.1
<i>Medical Devices and Accessories Sales</i>	<i>89,645</i>	<i>94,580</i>	(5.2)
<i>Chinese Herbal Medicines Sales</i>	<i>2,822</i>	<i>2,917</i>	(3.3)
Gross Profit	395,857	374,772	5.6
EBITDA	103,191	301,233	(65.7)
Adjusted EBITDA*	149,641	167,191	(10.5)
Changes in Fair Value of Financial Assets and Financial Liabilities	(330,419)	(159,307)	107.4
Other Impairment Losses	(10,474)	(6,358)	64.7
(Loss)/Profit After Tax	(380,153)	5,187	N/M
Adjusted (Loss)/Profit After Tax**	(3,284)	30,452	(110.8)
(Loss)/Profit Attributable to Equity Shareholders	(234,049)	111,905	N/M
Adjusted Loss Attributable to Equity Shareholders**	(77,553)	(26,821)	189.2
Basic (Loss)/Earnings Per Share (in HK cents)	(12.46)	6.56	N/M
Adjusted Basic Loss Per Share# (in HK cents)	(4.13)	(1.57)	163.1

* Excluding Other Impairment Losses, Share-based Payment Expenses and Management Income From A Third Party.

** Excluding Fair Value Losses of Financial Assets and Financial Liabilities, Other Impairment Losses, Share-based Payment Expenses and Management Income From A Third Party.

Based on the Adjusted Loss Attributable to Equity Shareholders.

Hong Kong, 30 November 2015 – Golden Meditech Holdings Limited (SEHK stock code: 801, 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 2015 (the "Reporting Period").

During the Reporting Period, results performance recorded by all core business segments of the Group were in line with the management's expectations. Total revenue increased by 5.2% to HK\$545,575,000. Of which, revenue from the healthcare services segment and the medical devices segment accounted for 83.1% and 16.4% of the Group's total revenue respectively.

Loss attributable to equity shareholders of the Company was HK\$234,049,000, basic loss per share was HK12.46 cents. Excluding non-cash fair value losses of financial assets and financial liabilities, other impairment losses and share-based payment expenses, the adjusted loss attributable to equity shareholders of the Company was HK\$77,553,000. The adjusted loss was mainly attributable to the professional fees for the



proposed privatisation of China Cord Blood Corporation (“CCBC”) and the startup costs incurred by the hospital management business.

Mr Kam Yuen, Chairman and Chief Executive Officer of the Group, said, “Amid the challenging situation of China’s economic slowdown, China’s healthcare industry has shown its unique development trend and potential. On one hand, China’s huge healthcare services market has grown rapidly, driven by the aging population, the growing number of affluent people and the improving basic medical insurance system. On the other hand, medical institutions have increasingly put more efforts on services and less focus on medicines and medical apparatus, in line with the deepening of China’s healthcare policy reforms. Consequently, the future market demand for medicines and medical devices will slowdown, but at the same time, the healthcare services sector will accelerate its growth and become a point for future development growth. Golden Meditech will exploit the growth opportunities arising from the deepening of China’s healthcare reforms and streamline the resources of its healthcare value chain. In addition, the Group will continue focusing on the premium healthcare services business as its core strategy and generating synergies from the medical devices business, so as to accelerate its business development.”

Proposed Privatisation

CCBC, the Group’s subsidiary, has developed into a leading cord blood storage business with a proven and better established business model in China. On 27 April 2015, in light of the Group’s overall development strategy, the Company submitted a non-binding proposal to the board of directors of CCBC for the acquisition of all of the outstanding ordinary shares of CCBC not already owned by it, at an offer price of US\$6.40 per share in cash, with a view to privatising CCBC (the “Proposed Privatisation”).

In connection with the Proposed Privatisation, the Company announced, on 4 May and 8 May 2015 respectively, that it had entered into agreements with KKR China Healthcare Investment Limited (“KKR”), Magnum Opus International Holdings Limited (“Magnum”) and Cordlife Group Limited (“CGL”) to acquire the 7% senior convertible notes issued by CCBC due April 2017 and October 2017 (the “CCBC CN”) in an aggregate principal amount of US\$115,000,000 (equivalent to approximately HK\$897,000,000) held by KKR, Magnum and CGL, respectively, for a total consideration of not less than approximately US\$282,838,000 (equivalent to approximately HK\$2,206,136,000). On 8 May 2015, the Company had also entered into an agreement with CGL to acquire the 7,314,015 ordinary shares of CCBC held by CGL for a total consideration of not less than approximately US\$46,810,000 (equivalent to approximately HK\$365,118,000).

On 26 August 2015, the Company terminated the agreement entered into between itself and KKR in respect of the CCBC CN (the “KKR CN”). On the same date, Magnum Opus 2 International Holdings Limited (“Magnum 2”) which is controlled by the Company’s Chairman, Mr. Kam Yuen, acquired the KKR CN for cash consideration of approximately US\$161,784,000 (equivalent to approximately HK\$1,261,915,000). In addition, Mr. Kam Yuen has undertaken to grant the Company a call option to acquire the KKR CN for the same consideration at a later time. Subsequently, on 3 November 2015, the Company entered into a conditional sale and purchase agreement with Excellent China Healthcare Investment Limited, a wholly-owned subsidiary of Magnum 2, to acquire the KKR CN for the same consideration paid by Magnum 2 to acquire the KKR CN from KKR.

In November 2015, the Company completed the acquisitions of the 7,314,015 ordinary shares of CCBC and the CCBC CN held by CGL (“CGL Acquisition”), for aggregate cash consideration of approximately US\$108,487,000 (equivalent to approximately HK\$846,199,000). Upon completion of the CGL Acquisition, together with the conditional acquisitions of CCBC CN held by Magnum and Magnum 2 (assuming all the CCBC CN were fully converted), the equity interest in CCBC held by the Company and its connected parties would increase from approximately 38.31% to 65.10%.



Healthcare Services Segment

During the Reporting Period, driven by the steady growth of cord blood storage business, revenue from the healthcare services segment increased by 7.5% to HK\$453,108,000.

With a long-operating history in Beijing, a fast expanding Guangdong market and a newly established Zhejiang cord blood storage bank, CCBC has significantly improved its overall competitive edge. During the Reporting Period, CCBC managed to sign up 32,834 new subscribers and achieved 474,193 accumulated subscribers despite declining number of newborns in the Chinese lunar “Year of the Sheep”. This was the result of joint market effort and assertive measures taken in exploring new O2O sales and marketing channels as well as launching value-added products. While CCBC’s revenue increased by 9.8% to HK\$421,979,000 as compared to the previous corresponding period, its net profit declined due to fair value changes on convertible notes issued by CCBC.

The Group has ventured into hospital management business during the early stage of the new healthcare reforms. At present, the Group manages two hospitals located in Beijing and Shanghai. Beijing Qinghe Hospital (“Qinghe Hospital”), located in Haidian District, Beijing with a gross floor area of approximately 75,000 m², is under trial operation. Qinghe Hospital specialised not only in haematology but also provides a broad range of medical disciplines. It offers 600 beds, of which 48 beds are haematology wards. Through working seamlessly with the Peking University People’s Hospital (北京大學人民醫院), Qinghe Hospital strives to deliver prime healthcare services to the general public in Beijing. During the Reporting Period, as Qinghe Hospital remained in trial operation, there was no revenue contribution and that has affected the operating income of Qinghe Hospital. Nevertheless, the management believes the revenue, profit and cash flow of Qinghe Hospital will improve progressively once it is fully operational. At the same time, leveraging on its well-known brand and sound reputation, Shanghai East International Medical Centre provides premium healthcare services to the affluent people in Shanghai and the surrounding neighbourhoods and continues to make revenue contribution to the hospital management business. The Group strives to integrate resources, accelerate the high-end market expansion, increase the economies of scale as well as brand awareness, with a view to optimise the Group’s future economic return.

Through years of development, China's basic medical insurance coverage has extended to urban and rural population. It is essential to draw in commercial medical insurance companies which offer third-party settlement in order to meet the increasing pressure on the medical insurance payments. Seeing this market opportunity, GM-Medicare Management (China) Company Limited serves as a missing link by providing claims process and bill settlement services to medical insurance companies, hospitals and policy holders, with a view to filling the gap in the value chain of medical insurance sector. The Group will further summarise the collaboration experiences with the government and explore more collaboration opportunities with the insurance companies. Moreover, the Group aims to build an efficient and comprehensive healthcare services system to a larger population, thus enhancing the Group’s core competitiveness as well as its profitability.

Medical Devices Segment

During the Reporting Period, revenue from the medical devices segment amounted to HK\$89,645,000, representing a decrease of 5.2% as compared to the previous corresponding period, accounted for 16.4% of the Group’s total revenue. With the deepening of the Company’s strategic transformation, the healthcare services segment will become the key healthcare value chain businesses of the Company. The medical devices segment will synergise with the healthcare services segment and continue to contribute revenue to the Group. During the Reporting Period, the Group proactively adjusted its marketing strategy and lowered Autologous Blood Recovery System selling price in order to stabilise the sales of medical device consumables. In the midst of increasing competition in the medical devices market, Golden Meditech will endeavor to adjust pricing strategy



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in a flexible manner by optimising its product mix and improving its self-developed techniques, so as to enhance the product competitiveness. In addition, capitalising on its existing business network to introduce prime quality foreign medical devices to China and improving its healthcare value chain businesses are key to promoting the Group's overall competitiveness, enabling it to timely grasp the opportunities arising from the healthcare reforms.

Strategic Investments

During the Reporting Period, the Chinese herbal medicines business recorded an operating loss of HK\$12,844,000. The Company will continue to explore better solutions to unlock the commercial value of the Shanghai production facility of the Chinese herbal medicines business.

Outlook

Looking ahead, Mr. Kam commented, "Leveraging on Golden Meditech's pioneer status in various niche segments of the healthcare industry, the Group is committed to exploring viable opportunities along the healthcare value chain through its prudent and pragmatic approach, and to exploiting the intrinsic value of Golden Meditech, thus consolidating its leading position in the integrated healthcare industry.

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About Golden Meditech Holdings Limited (SEHK stock code: 801, TWSE stock code: 910801)

Golden Meditech Holdings Limited (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 2015 and 2014 is set out below:

(HK\$'000)	Medical Devices		Cord Blood Storage		Hospital Management		Medical Insurance Administration		Chinese Herbal Medicines		Total	
	2015	2014	2015	2014	2015	2014 Restated	2015	2014	2015	2014	2015	2014 Restated
Revenue from External Customers	89,645	94,580	421,979	384,242	28,349	34,719	2,780	2,394	2,822	2,917	545,575	518,852
Inter-segment Revenue	26,931	244	—	—	—	—	—	—	—	—	26,931	244
Reportable Segment Revenue	116,576	94,824	421,979	384,242	28,349	34,719	2,780	2,394	2,822	2,917	572,506	519,096
Segment Profit/(Loss)	25,123	31,963	151,750	164,113	(69,649)	(43,644)	(17,357)	(17,806)	(12,844)	(14,512)	77,023	120,114