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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)

INSIDE INFORMATION AND PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO in relation to the disclosure of inside information.

The Group expects to record a substantial increase in loss from operations for the year ended 31 March 2019 by more than 80% as compared to that reported for the year ended 31 March 2018. Such increase in loss from operations for the year ended 31 March 2019 was mainly attributable to an impairment loss on other receivables of approximately HK\$379 million resulting from the further downgrading of Sanpower's credit rating.

The information contained in this announcement only represents a preliminary assessment based on the information made available to the Board as at the date hereof and such information including any figures has not been reviewed or audited by the Independent Auditors or reviewed by the Audit Committee.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Golden Meditech Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”).

The board of directors of the Company (the “**Directors**” and the “**Board**”, respectively) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited management accounts of the Group for the year ended 31 March 2019 and the information currently available to the Board, the Group expects to record an increase in loss from operations for the year ended 31 March 2019 by more than 80% as compared to that reported for the year ended 31 March 2018. Such increase in loss from operations for the year ended 31 March 2019 was mainly attributable to an impairment loss on other receivables of approximately HK\$379 million resulting from the further downgrading of the credit rating of Sanpower Group Limited* (三胞集團有限公司) (“**Sanpower**”).

Under a settlement agreement entered into between Sanpower and the Group in November 2016, Sanpower agreed to pay the Group US\$300,000,000 (equivalent to approximately HK\$2,340,000,000) by five instalments within 36 months. For details of and the background for the settlement agreement, please refer to the Company’s announcements dated 14 November 2016 and 16 January 2017.

As disclosed in the Company’s interim report for the six months ended 30 September 2018, it had come to the attention of the Group’s management that Sanpower was facing credit crunch in 2018 and might not be able to punctually settle the fourth and fifth instalments (the respective due dates of which being 14 February 2019 and 14 November 2019) pursuant to the settlement agreement. The Group expected the remaining two instalments due from Sanpower to be settled in October 2020 and July 2021, respectively. As such, the Group had set aside a non-cash provision of HK\$92,882,000 against outstanding receivables due from Sanpower during the six months ended 30 September 2018.

In March 2019, the Group issued a demand letter to each of Sanpower and Mr. Yuan, the guarantor of Sanpower under the settlement agreement, demanding the settlement of the fourth instalment by 31 March 2019. As at the date of this announcement, the Group has not received any response from Sanpower nor Mr. Yuan. As such, after taking into consideration of the latest credit rating and other relevant information of Sanpower, the management of the Group decided to further set aside additional non-cash provision of HK\$285,961,000, and recognised an impairment loss on other receivables of approximately HK\$379 million against the outstanding receivables due from Sanpower for the year ended 31 March 2019.

The information contained in this announcement only represents a preliminary assessment based on the information made available to the Board as at the date hereof and such information including any figures has not been reviewed or audited by the independent auditors of the Company (the “**Independent Auditors**”) or reviewed by the audit committee of the Company (the “**Audit Committee**”). Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 March 2019, which is expected to be published by the end of June 2019.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Golden Meditech Holdings Limited
Feng Wen
Chairman

Hong Kong, 3 June 2019

As at the date of this announcement, the Board comprises five Directors. The executive Directors are Mr. Feng Wen (Chairman) and Mr. Leong Kim Chuan (Chief executive); and the independent non-executive Directors are Mr. Gao Yue, Mr. Poon Tsz Hang and Mr. Daniel Foa.