

Global Cord Blood Corporation Provides Update on Impact of Coronavirus

HONG KONG, China, February 14, 2020 -- Global Cord Blood Corporation (NYSE: CO) (“GCBC” or the “Company”), China’s leading provider of cord blood collection, laboratory testing, hematopoietic stem cell processing and stem cell storage services, today provided an update on the impact of the 2019 novel coronavirus (“2019-nCoV”) on its operations.

On December 31, 2019, the Wuhan Municipal Health Commission first reported the appearance of 2019-nCoV in the city. Since then, 2019-nCoV has spread to other regions of China, including in GCBC’s primary markets of Beijing, Guangdong, and Zhejiang. As the epidemic continued, different cities in China took different measures, including implementing complete or partial lockdowns. Meanwhile, the Chinese Lunar New Year holidays were extended in order to curb the spread of the virus, resulting in insufficient work force and delayed production for many industries.

These preventative measures have also impacted the Company’s daily operations. The efforts enacted to control 2019-nCoV have placed heavy pressure on GCBC’s marketing, promotional, and sales activities. Part of the Company’s salesforce is unable to return to work due to lockdowns implemented in various cities, and some hospitals are restricting entrance to hospital staffs and patients. These measures have had a meaningful impact on the Company’s marketing efforts and access to potential clients, rendering client conversion extremely challenging at this time.

The Company is focused on protecting the safety and well-being of its work force while also ensuring that no disruption occurs to the day-to-day services that it provides to existing clients. Therefore, the Company has increased its efforts to purchase necessary medical supplies and equipment, which is expected to lead to an increase in operating costs.

The GCBC management team is paying close attention to the development of the virus and continues to assess the related risks and impacts on the business and its performance. Although the Company has begun to explore new marketing models and initiatives, the management team believes that the benefits will be more meaningful in the long term.

It remains difficult to estimate the duration and magnitude of 2019-nCoV, but the Company anticipates a negative impact to its fiscal 2020 fourth quarter performance ending March 31, 2020. Because of the fluidity of the situation, management will not rule out the possibility of adjusting its sales target for the current fiscal year or its strategy for the coming fiscal year. In light of the rapidly changing situation across different regions, the Company will continue to derive new countermeasures to mitigate 2019-nCoV impact in any way possible.

About Global Cord Blood Corporation

Global Cord Blood Corporation is the first and largest umbilical cord blood banking operator in China in terms of geographical coverage and the only cord blood banking operator with multiple licenses. Global Cord Blood Corporation provides cord blood collection, laboratory testing, hematopoietic stem cell processing and stem cell storage services. For more information, please visit the Company’s website at: <http://www.globalcordbloodcorp.com>.



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