

March 13, 2018



Avalon GloboCare Reports 75% Increase in Revenue for the Year Ended 2017

Shareholders' Equity Increased by \$4.3 Million to \$7.9 Million

FREEHOLD, NJ -- (Marketwired) -- 03/13/18 -- Avalon GloboCare Corp. (OTCQB: AVCO), a leading global developer of cell-based technologies, today announced financial results and provided a business update for the year ended December 31, 2017.

David Jin, M.D., Ph.D., CEO and President of Avalon GloboCare Corp., stated, "2017 was a very exciting year for Avalon as we laid the foundation in our efforts to become a significant player in the cell therapy and regenerative medicine markets. I am pleased to report the acquisition of the executive center property in Freehold, NJ, which houses our headquarters. This new facility is an important step in our overall strategy to build a global network of healthcare facilities that will both generate immediate cash flow and provide a network to support the roll-out of our planned cell therapies and related services. As a next step in our growth strategy, we acquired a controlling position in a Beijing exosome technology company, GenExosome Technologies Inc. (GenExosome), to pursue the global advancement of exosome technology for diagnosis and treatment of diseases. GenExosome's Exosome Isolation Systems were designed for use by researchers for biomarker discovery and clinical diagnostic development, as well as the advancement of targeted therapies."

"Last month, we announced that we have formally launched GenExosome's U.S. operations, with plans to market and distribute our proprietary Exosome Isolation Systems from the new headquarters in Ohio. We also announced plans to develop proprietary diagnostic and therapeutic products leveraging this breakthrough exosome technology. We believe our proprietary Exosome Isolation System is a disruptive and enabling technology that could transform the "liquid biopsy" and regenerative medicine markets by making exosome-specific diagnostics and therapies more readily available and commercially viable. Specifically, this technology enables us to capture exosomes quickly and efficiently from a tiny volume of any bodily fluids. Our studies have shown that our proprietary isolation system is more efficient and effective than what is available today, with faster extraction and higher purity results. Our current focus is on the development of diagnostic products in the fields of oncology, infectious diseases and fibrotic diseases, as well as the discovery and development of therapeutics based on disease-specific exosomes. We currently have four patents in China and we have several patents pending in the U.S. One of our goals in 2018 is to further expand our intellectual property protection," continued Dr. Jin.

"Importantly, we have strengthened our balance sheet with shareholders' equity increasing

to \$7.9 million at the end of December 31, 2017 compared to shareholders equity of \$3.5 million at the end of 2016. We believe the increase in shareholders' equity brings us closer to achieving our goal of listing on a senior national stock exchange. We are constantly looking to grow through viable acquisitions and uplisting to a national exchange will provide us a stronger platform for acquisitions, while increasing our visibility within the investment community," concluded Dr. Jin.

Revenue for the year ended December 31, 2017 was \$1.1 million versus \$0.6 million for the year ended December 31, 2016. The increase in revenue was due to the executive property acquisition completed in 2017. Operating loss for the year December 31, 2017 was (\$3.9) million versus operating income of \$76,933 for year ended December 31, 2016, which reflects increased SG&A expenses to support the anticipated growth, as well as an increase in public company expenses in advance of the planned listing on a national exchange. Net loss for the year ended December 31, 2017 was (\$3.5) million or (\$0.05) earnings per share, versus net income of \$55,581 or \$0.00 earnings per share for the year ended December 31, 2016.

About Avalon GloboCare Corp.

Avalon GloboCare Corp. (OTCQB: AVCO) is a global intelligent biotech developer and healthcare service provider dedicated to promoting and empowering high impact, transformative cell-based technologies and their clinical applications, as well as healthcare facility management through its core platforms, namely "Avalon Cell" and "Avalon Rehab." In addition, Avalon provides strategic advisory and outsourcing services to facilitate and enhance their clients' growth, development, as well as competitiveness in both domestic and global healthcare markets. Avalon also engages in the management of stem cell banks and specialty clinical laboratories. Through its U.S. subsidiary, GenExosome Technologies Inc., Avalon further establishes its leading role in the fields of liquid biopsy, precision medicine and regenerative medicine.

Forward-Looking Statements

Certain statements contained in this press release may constitute "forward-looking statements." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors as disclosed in our filings with the Securities and Exchange Commission located at their website (<http://www.sec.gov>). In addition to these factors, actual future performance, outcomes, and results may differ materially because of more general factors including (without limitation) general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes. The forward-looking statements included in this press release represent the Company's views as of the date of this press release and these views could change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of the press release.

(tables follow)

AVALON GLOBOCARE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of	
	December 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash	\$ 3,027,033	\$ 2,886,189
Accounts receivable - net of allowance for doubtful accounts	10,179	-
Accounts receivable - related parties, net of allowance for doubtful accounts	-	70,228
Tenants receivable, net of allowance for doubtful accounts	38,469	-
Security deposit	6,916	-
Inventory	2,667	-
Prepaid expenses and other current assets	149,713	749,796
	<u>3,234,977</u>	<u>3,706,213</u>
Total Current Assets		
OTHER ASSETS:		
Security deposit - noncurrent portion	25,322	-
Prepayment for long-term assets	153,688	-
Property, plant and equipment, net	48,029	295
Investment in real estate, net	7,623,757	-
Intangible assets, net	1,583,260	-
	<u>9,434,056</u>	<u>295</u>
Total Other Assets		
Total Assets	<u>\$ 12,669,033</u>	<u>\$ 3,706,508</u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 29	\$ -
Accrued liabilities and other payables	262,174	22,334
Accrued liabilities and other payables - related parties	39,927	8,587
Deferred rental income	12,769	-
Loan payable	1,500,000	-
Income taxes payable	-	20,976
VAT and other taxes payable	2,997	11,270

Tenants' security deposit	92,288	-
Due to related parties	450,000	97,150
Refundable deposit	3,000,000	-
	<u>5,360,184</u>	<u>160,317</u>

Commitments and Contingencies - (Note 19)

EQUITY:

Preferred stock, \$0.0001 par value; 10,000,000 shares authorized; no shares issued and outstanding at December 31, 2017 and 2016	-	-
Common stock, \$0.0001 par value; 490,000,000 shares authorized; 70,278,622 and 61,628,622 shares issued and outstanding at December 31, 2017 and 2016, respectively	7,028	6,163
Additional paid-in capital	11,490,285	3,681,387
Accumulated deficit	(3,517,654)	(53,369)
Statutory reserve	6,578	6,578
Accumulated other comprehensive loss - foreign currency translation adjustment	(91,994)	(94,568)
Total Avalon GloboCare Corp. stockholders' equity	<u>7,894,243</u>	<u>3,546,191</u>
Non-controlling interest	<u>(585,394)</u>	<u>-</u>
Total Equity	<u>7,308,849</u>	<u>3,546,191</u>
Total Liabilities and Equity	<u>\$ 12,669,033</u>	<u>\$ 3,706,508</u>

AVALON GLOBOCARE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
	<u> </u>	<u> </u>
REVENUES		
Real property rental	\$ 828,663	\$ -
Medical related consulting services - related parties	222,611	616,446
Development services and sales of developed products	26,276	-
Total Revenues	<u>1,077,550</u>	<u>616,446</u>
COSTS AND EXPENSES		
Real property operating expenses	542,371	-
Medical related consulting services - related parties	272,400	73,066
Development services and sales of developed products	15,016	-

products		
Total Costs and Expenses	<u>829,787</u>	<u>73,066</u>
REAL PROPERTY OPERATING INCOME	<u>286,292</u>	<u>-</u>
GROSS (LOSS) PROFIT FROM MEDICAL RELATED CONSULTING SERVICES	<u>(49,789)</u>	<u>543,380</u>
GROSS PROFIT FROM DEVELOPMENT SERVICES AND SALES OF DEVELOPED PRODUCTS	<u>11,260</u>	<u>-</u>
OTHER OPERATING EXPENSES:		
Selling expenses	15,253	6,894
Compensation and related benefits	1,291,183	10,088
Professional fees	1,033,308	395,780
Other general and administrative	464,544	53,685
Impairment loss	<u>1,321,338</u>	<u>-</u>
Total Other Operating Expenses	<u>4,125,626</u>	<u>466,447</u>
(LOSS) INCOME FROM OPERATIONS	<u>(3,877,863)</u>	<u>76,933</u>
OTHER INCOME (EXPENSE)		
Interest income	1,370	575
Interest expense	(138,110)	-
Foreign currency transaction loss	(57,244)	-
Grant income	<u>22,202</u>	<u>-</u>
Total Other (Expense) Income, net	<u>(171,782)</u>	<u>575</u>
(LOSS) INCOME BEFORE INCOME TAXES	(4,049,645)	77,508
INCOME TAXES	-	21,927
NET (LOSS) INCOME	<u>\$ (4,049,645)</u>	<u>\$ 55,581</u>
LESS: NET (LOSS) INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	<u>(585,360)</u>	<u>-</u>
NET (LOSS) INCOME ATTRIBUTABLE TO AVALON GLOBOCARE CORP. COMMON SHAREHOLDERS	<u>\$ (3,464,285)</u>	<u>\$ 55,581</u>
COMPREHENSIVE LOSS:		
NET (LOSS) INCOME	(4,049,645)	55,581
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized foreign currency translation gain (loss)	2,540	(94,568)
COMPREHENSIVE LOSS	<u>\$ (4,047,105)</u>	<u>\$ (38,987)</u>
LESS: COMPREHENSIVE LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	(585,394)	-

COMPREHENSIVE LOSS ATTRIBUTABLE TO
AVALON GLOBOCARE CORP. COMMON
SHAREHOLDERS

\$ (3,461,711) \$ (38,987)

NET (LOSS) INCOME PER COMMON SHARE
ATTRIBUTABLE TO AVALON GLOBOCARE CORP.
COMMON SHAREHOLDERS:

Basic and diluted \$ (0.05) \$ 0.00

WEIGHTED AVERAGE COMMON SHARES
OUTSTANDING:

Basic and diluted 65,033,472 51,139,475

AVALON GLOBOCARE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
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CASH FLOWS FROM OPERATING ACTIVITIES:

Net (loss) income \$ (4,049,645) \$ 55,581

Adjustments to reconcile net (loss) income from
operations to net cash (used in) provided by
operating activities:

Depreciation and amortization 181,637 26

Stock-based compensation 992,997 52,550

Impairment loss 1,321,338 -

Changes in operating assets and liabilities, net of
assets and liabilities assumed in business
acquisition:

Accounts receivable (9,803) -

Accounts receivable - related parties 72,187 (73,413)

Tenants receivable (38,469) -

Inventory (1,509) -

Prepaid expenses and other current assets (98,917) (50,619)

Security deposit (30,294) -

Accounts payable 28 -

Accrued liabilities and other payables 214,628 5,758

Accrued liabilities and other payables - related
parties 31,331 (9,607)

Deferred rental income 12,769 -

Income taxes payable (21,561) 21,927

VAT and other taxes payable (8,697) 11,781

Tenants' security deposit 92,288 -

NET CASH (USED IN) PROVIDED BY OPERATING

ACTIVITIES	<u>(1,339,692)</u>	<u>13,984</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Prepayment made for acquisition of real property	-	(700,000)
Purchase of Avalon GloboCare Corp.'s shares by AHS	-	(230,000)
Prepayment made for purchase of long-term assets	(148,010)	-
Purchase of property, plant and equipment	(53,812)	(334)
Purchase of intangible assets	(876,087)	-
Purchase of commercial real estate	(7,008,571)	-
Cash acquired on acquisition of business	<u>72,032</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(8,014,448)</u>	<u>(930,334)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received from loan payable	2,100,000	-
Repayments for loan	(600,000)	-
Proceeds received from related parties' advance	210,000	9,000
Repayment for related parties' advance	(307,150)	-
Proceeds received from AHS's founders' contribution	-	141,000
Refundable deposit in connection with Share Subscription Agreement	3,000,000	-
Proceeds received from sale of common stock	5,150,000	3,635,000
Payment of issuance costs related to sale of common stock	<u>(50,625)</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>9,502,225</u>	<u>3,785,000</u>
EFFECT OF EXCHANGE RATE ON CASH	<u>(7,241)</u>	<u>(92,047)</u>
NET INCREASE IN CASH	140,844	2,776,603
CASH - beginning of year	<u>2,886,189</u>	<u>109,586</u>
CASH - end of year	<u>\$ 3,027,033</u>	<u>\$ 2,886,189</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ 21,561</u>	<u>\$ -</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued in connection with Share Subscription Agreement	<u>\$ 300</u>	<u>\$ -</u>

Distribution of Avalon GloboCare Corp.'s shares to AHS's founders	\$ -	\$ 230,000
Acquisition of real estate by decreasing prepayment for property	\$ 700,000	\$ -
Common stock issued on purchase of intangible assets	\$ 500,000	\$ -
GenExosome's shares issued on purchase of intangible assets	\$ 1,217,391	\$ -
Business acquired on credit	\$ 450,000	\$ -

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