



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

(Incorporated in the Cayman Islands with Limited Liability)  
(Stock Code: 801.HK)

INTERIM REPORT  
2010/2011



*Medical  
Devices*



*Health Care  
Services*



# Enhancing Shareholders' Value



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**Golden Meditech Holdings Limited** (the “Company” or “Golden Meditech”; 801.HK), together with its subsidiaries (collectively referred to as the “Group”), is a leading integrated medical devices and healthcare services player in China.

Golden Meditech is recognised as a first-mover in China’s healthcare industry with a proven track-record in identifying, grooming and establishing business operations with dominant positions in niche markets within the industry, including medical devices, cord blood banking, hospital management and related healthcare services.

### THE MEDICAL DEVICES SEGMENT

Primarily engaged in the development, manufacture, sales and distribution of blood-related medical devices, the Group is focused on blood recovery, purification, treatment and preservation technologies.

Our key products include the Autologous Blood Recovery System (the “ABRS”), the first of its kind to obtain the approval of the State Food and Drug Administration (“SFDA”), the Plasma Exchange System and the Accelerated Thrombolytic Infusion Pump.

### THE HEALTHCARE SERVICES SEGMENT

Focusing on hospital management and related services, the Group is the first and only foreign company with a nationwide hospital management license in China. We currently manage the two largest haematology specialist hospitals in China.

We are the first and leading medical insurance information management and back-office administration business process outsourcing (“BPO”) services provider in China, assisting both foreign and domestic medical insurance companies.

The Group is also a substantial shareholder of China Cord Blood Corporation (“CCBC”; CO.US), the first and largest umbilical cord blood bank operator in China that owns the exclusive licenses in Beijing and Guangdong, and an investment in the exclusive cord blood bank operator in Shandong. CCBC is also in a process of setting up a joint venture to secure another exclusive license in Zhejiang, and remains the single largest shareholder of Cordlife Ltd. (CBB.AX), Southeast Asia’s largest cord blood bank operator.

Over the years, we have successfully established dominant positions in each niche market via our proven strategy to position ourselves as the “entrepreneur + operator + cornerstone investor,” thanks to our strengths in innovation, market expertise, and our ability in capturing emerging market opportunities. This has enabled us to unleash the intrinsic value of each business unit, releasing the Group’s resources to focus on operations, speeding up the uptake of market share and effectively accelerating business growth.

In the long run, the Group is committed to achieving long-term growth through the following strategies:

- Positioning ourselves as the “entrepreneur + operator + cornerstone investor”
- Focusing on medical devices and healthcare services operations, addressing both hospital and general public markets
- Investing in healthcare projects with huge market potential, limited competition, and great investment returns
- Enhancing shareholders’ value through successful listings of operations (e.g. China Cord Blood Corporation and FunTalk China Holdings Limited (“FunTalk China”; FTLK.NASDAQ))

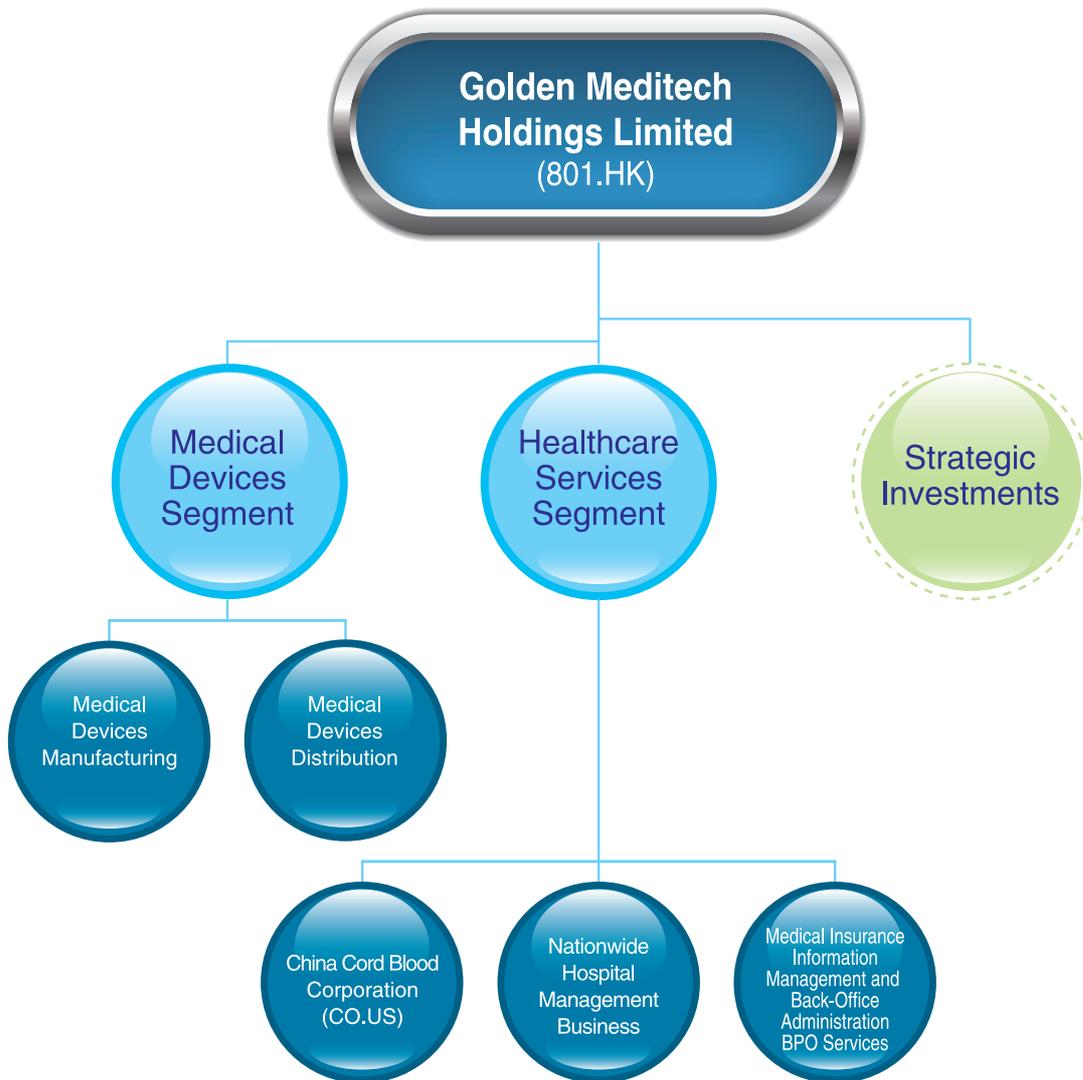
**As a leading integrated medical devices and healthcare services player in China with prominent presence in niche and lucrative markets, our seasoned management team has a proven track record for their execution capabilities**



FIRST AND LARGEST BLOOD-RELATED MEDICAL DEVICES MANUFACTURER

FIRST FOREIGN-OWNED COMPANY LICENSED TO MANAGE HOSPITALS NATIONWIDE

FIRST AND LARGEST CORD BLOOD BANK OPERATOR



## OVERALL BUSINESS REVIEW

Golden Meditech Holdings Limited (“Golden Meditech”, together with its subsidiaries collectively referred to as the “Group”) reports its consolidated interim results for the financial year 2010/11 (six months ended 30 September 2010). Benefiting from China’s medical reform and a favourable market environment in the medical devices and healthcare services sectors, the Group’s sales revenue increased by 24% compared to the previous corresponding period to HK\$162,807,000. The medical devices segment and healthcare services segment accounted for 77% and 23% of the total revenue respectively, with the contribution from the healthcare services segment increased by 11 percentage points compared to the same period last year. Profit attributable to shareholders amounted to HK\$165,574,000, equivalent to 3.4 times that in the previous interim period. The US-listed associates of the Group, China Cord Blood Corporation (“CCBC”; CO.US) and FunTalk China Holdings Limited (“FunTalk China”; FTLK.NASDAQ) have consistently made significant contributions to the Group’s earnings that amounted to HK\$54,264,000 with a high yet stable growth. It is evident that the Group’s corporate development strategy and excellent management team excelled in penetrating the Chinese market and further enhancing shareholders’ value.

Growth in the Group’s revenue is primarily driven by a higher contribution from the hospital management business, increase in unit sales of medical devices and a stable increase in medical devices accessories sales. Revenues from the hospital management operation reached HK\$38,048,000 during the interim period.

The Group’s healthcare services segment recorded a significant growth during the interim period. Profit from the hospital management business reached HK\$17,972,000. The Group also has equity interests in an associate, China Cord Blood Corporation, China’s leading umbilical cord blood banking company listed on the NYSE. While CCBC maintained rapid development in Beijing and Guangdong, it is in a process of setting up a joint venture to secure another exclusive operating license in Zhejiang Province after having acquired a 19.9% equity interest in Shandong Cord Blood Bank, building a strong foundation for future growth. In April 2010, the Group launched GM-Medicare Management (China) Company Limited (“GM-Medicare”), a joint venture with two of the leading healthcare management companies in the United States as the first specialised medical insurance information management and back-office business process outsourcing (“BPO”) service provider in China, essentially satisfying a niche yet untapped market.

The management is confident that the ongoing medical reform in China will continuously create even greater business opportunities in the sector. The Group is in an excellent position to capture these emerging opportunities, taking advantage of its competitive advantages on an integrated business platform with distinctive synergies between each operation which, in return, will conceive a promising future for each business operation.

## OPERATIONAL REVIEW

### *Medical Devices Segment*

During the review period, the Group’s medical devices segment generated HK\$124,759,000 in sales revenue, representing a 9% increase compared to the previous reporting period. The growth in sales revenue is attributable to a stable increase in the number of devices sold while medical accessories also maintained a double digit revenue growth of 14%. Medical devices and accessories accounted for 64% and 36% of the segment’s total revenue, respectively.

## 6 Management Discussion and Analysis

To address the perpetuating challenge of surgical blood shortages, the Ministry of Health has advocated for the use of autologous blood recovery systems (“ABRS”) in surgeries and has taken steps to tighten surgical blood safety measures. In-line with government policies, the Group has proactively enhanced its marketing efforts to penetrate the vast number of mid-sized, second-tier hospitals in China. To cater for the impending increase in demand for ABRS and complementary accessories from second-tier hospitals, the Group raised HK\$283,349,000 from private equity investors in August 2010 to fund the expansion of its production facilities, that will strengthen the Group’s core competencies and ability to capture growth opportunities ahead. The Group has also enhanced its marketing and brand building initiatives to reinforce its leading position and its share of the blood purification market.

The Group has continued with its market education and product rollout initiatives for the two new products in the pipeline, namely, the Plasma Exchange System and the Accelerated Thrombolytic Infusion Pump. Both products have received positive feedback on their functions based on results from clinical trials conducted in a number of large-scale hospitals across the country. The management is confident that both products will bring stable growth to the Group’s medical devices business in the near future.

### **Healthcare Services Segment**

Driven by government policies pertaining to China’s medical reform and strong external market demand, it is an opportune time for China’s healthcare industry to embrace the tremendous growth ahead. With the experience of its successful hospital management business and cord blood banking operation, the Group launched its new business, GM-Medicare in April 2010 to complement its existing business operations.

As the first foreign company that is engaged in nationwide hospital management business, GM Hospital Management Company Limited, the Group’s hospital management arm, currently manages two leading haematology hospitals in China under the Daopei brand name. During the interim period, the Group earned HK\$38,048,000 in sales revenue. As a leader in the area of haematology, this division enjoys synergies with other operations within the Group’s business portfolio, adding value to its competitiveness and strengthening its leading position, and is ultimately imperative to fostering long term growth.

China Cord Blood Corporation, being the largest cord blood bank operator in China, successfully listed its shares on the New York Stock Exchange at the end of 2009. The company has continued to maintain rapid growth in the exclusive regions, namely, Beijing and Guangdong Province. It has also acquired a 19.9% equity interest in Shandong Cord Blood Bank and is now in the process of forming a joint venture to obtain another exclusive license in Zhejiang Province, making it a sound platform for sustainable, long-term high growth. As mentioned in the company’s recent second quarter results announcement, CCBC’s revenue reached US\$23,074,000 (equivalent to approximately HK\$179,977,000) with a 27% growth compared to the first half of the previous financial year. As an associate of the Group, CCBC contributed HK\$21,643,000 to the Group’s earnings. The company also raised US\$31,500,000 (equivalent to approximately HK\$245,700,000) from a share placement on 5 November 2010 for 7,000,000 shares, the proceeds of which will fund the construction of new storage facilities and enhance its share liquidity. The Group currently owns 39.4% of CCBC’s shares.

GM-Medicare, the Group's latest undertaking, is a joint venture with two renowned health maintenance organisations for the government of the United States. The Group has a 70% stake in the new business, which is the first medical insurance information management BPO service provider in China. The entity will effectively bridge the gaps between insurance companies, hospital, and the insured. GM-Medicare will satisfy an apparent niche that has yet to be catered for in the China market, addressing medical insurance needs of a large number of foreign nationals travelling or working in China. In addition to satisfying market demand for this service, the company's objective is to capture the indigenous market aligned with domestic insurance companies and government agencies, in-line with the ongoing medical reform and development of commercial medical insurance and social security coverage.

### ***Strategic Investment Project***

FunTalk China, a leading personal electronics consumer products distributor and retailer in China, reported sales income of US\$253,041,000 (equivalent to approximately HK\$1,973,720,000) and net earnings of US\$9,557,000 (equivalent to approximately HK\$74,545,000) for the first quarter of its financial year, representing a 28% and 133% increase respectively compared to the corresponding quarter last year. FunTalk China has made a significant contribution to the Group's earnings of HK\$32,621,000. The company is also expected to achieve accelerated growth and achieve its target with its competitive advantages, resources and market position. In November 2010, FunTalk China successfully placed 7 million shares for US\$49,000,000 the proceeds of which will help speed up the consolidation and development of its nationwide retail points across China.

### ***The Group's Strategy and Outlook***

Pinpointing the fragmented and inundated nature of China's healthcare industry with a large number of smaller operators, the Group has adhered to the strategic position as the "entrepreneur + operator + cornerstone investor", focusing on developing its operations within the medical devices and healthcare services segments. The Group has been able to fully leverage on the management team's expertise, in-depth industry knowledge, and ability to tap into the hospital network in the country while accurately targeting niche, yet lucrative business areas within the industry value chain for greater returns and opportunities. The Group has also managed to effectively expedite the growth of each business operation and reveal the embedded value of each by taking businesses that have more mature operations through initial public offerings. This has helped unleash and truly reflect the intrinsic value of each operation while bringing considerable returns to shareholders.

With China's sustainable and stable economic growth, each of the Group's businesses encapsulates impressive potential and growth prospects. The Group will continue to adopt a proactive sales strategy in the medical devices segment, broadening coverage and deepening penetration into second-tier hospitals in China while maintaining a steady growth in medical accessories sales. We will continue to launch products that will cater for market demand and generate revenue growth. For our healthcare services segment, we believe CCBC will achieve its strategic goals via proactively expanding its market presence both inside and outside of China. At the same time, we anticipate sustainable high growth from our hospital management operations. GM-Medicare has also set the right tone at its establishment with the rare opportunities amidst China's healthcare reform and accelerated development in the medical insurance industry. Our strategic investment project, FunTalk China, goes beyond contributing to the Group's earnings but has become a leader in its specialised area, achieving its high-growth targets through its competitive advantages, resources, market positioning and management expertise.

## GROUP FINANCIAL REVIEW

### Overview

The Group's core businesses reported steady revenue growth for the six months ended 30 September 2010 to HK\$162,807,000, representing an increase of approximately 24% compared to the same period last year. The medical devices segment remained the largest source of revenue and contributed HK\$124,759,000 with a 9% increase year-on-year, equivalent to 77% of the Group's total turnover. Revenue from the healthcare services segment totalled HK\$38,048,000, accounting for 23% of total revenue, representing a significantly larger portion of the Group's total revenue compared to the same period last year.

### Gross Margin

The Group reported stable turnover growth from all business areas as it maintained higher profitability relative to its industry peers. The medical devices segment's gross profit margin remained stable at 65%. The hospital management business posted a gross margin of 51%.

### Selling and Administrative Expenses

Selling and administrative expenses incurred in the interim period amounted to HK\$62,039,000, slightly up over the same period last year by 5%. Selling and administrative expenses increased primarily due to enhanced marketing initiatives for the Group's hospital management business and GM-Medicare. The management has been rigorous in monitoring expenses while maintaining costs at a reasonable level.

### Other Net Income

During the reporting period, the Group recorded other net income of HK\$51,974,000, mainly in the form of investment income from the Group's treasury management activities.

### Operating Profit

Group's operating profit amounted to HK\$111,648,000 with a 59% increase compared with the same period last year, in-line with management's expectations.

### Change in fair value of financial liabilities at fair value through profit or loss

In order to maintain the liquidity level, seize opportunities brought about by the healthcare reform in China and accelerate the development of the Group's businesses, the Group raised capital by issuing \$25,200,000 of US dollar denominated convertible notes (with warrants) in 2009. As at 30 September 2010, approximately US\$10,600,000 of the convertible notes remained outstanding.

The Group's subsidiary, GM Hospital Group Limited, has also issued convertible notes in an aggregate amount of US\$28,000,000 (equivalent to approximately HK\$218,400,000). Revaluation of the abovementioned convertible notes has, during the reporting period, resulted in a non-cash financial gain of HK\$35,746,000 in the income statement.

#### *Finance Costs*

The Group's finance costs for the interim period amounted to HK\$6,837,000.

#### *Income Tax Expenses*

The Group's consolidated effective income tax rate is 17% while total income tax expense was HK\$31,910,000.

#### *Profit Attributable to Shareholders*

The Group maintained a strong growth momentum during the reporting period. Each key business segment and strategic investment project has improved its profitability, while the Group's profit attributable to shareholders totalled HK\$165,574,000, equivalent to 3.4 times that in the previous corresponding period.

#### *Current Assets and Total Assets*

On 30 September 2010, the Group's total current assets and total assets were HK\$1,087,255,000 and HK\$5,219,035,000 (31 March 2010: HK\$1,044,652,000, and HK\$4,727,932,000), respectively.

#### *Liquidity and Financial Resources*

The Group maintained a healthy financial position with sufficient capital and financial resources to meet future business development needs. As of 30 September 2010, the Group's cash and bank deposits amounted to HK\$746,443,000 (31 March 2010: HK\$826,157,000); total interest bearing debts stood at HK\$1,033,620,000 (31 March 2010: HK\$759,438,000).

#### *Financial Liabilities at Fair Value Through Profit and Loss*

As of the reporting date, the Group has convertible notes with an aggregate principal value of US\$10,600,000 with warrants which are yet to be converted into ordinary shares. The convertible notes are due in 2014.

#### *Share Repurchase Obligations*

The Group raised HK\$283,349,000 from private equity investors in August 2010 with put options for the expansion of its production lines in China. In the event that the the Group's medical devices business is not publicly listed within two years from the contract date, the Group will be obliged to buy back shares sold. These share repurchase obligations are considered financial liabilities of the Group and are stated at amortised cost.

#### *Gearing Ratio*

On the basis of total interest bearing liabilities divided by total equity, the Group's gearing ratio has increased to 27.5% as of 30 September 2010. From a long-term perspective, the management is committed to maintaining a gearing ratio within the range of 20% to 40% in order to achieve maximum capital efficiency.



*Credit and Treasury Policies*

The Group adopts a relatively prudent approach in treasury management through continuous assessment of the customers' financial status to minimise credit risks. The management closely monitors its cash flow status to mitigate liquidity risks to ensure the Group's capital structure should meet its cash flow requirements.

## for the six months ended 30 September 2010 - unaudited

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September	
		2010 \$'000	2009 \$'000
<b>Turnover</b>	4	<b>162,807</b>	131,593
Cost of sales		<b>(62,698)</b>	(42,876)
<b>Gross profit</b>		<b>100,109</b>	88,717
Other revenue	5	<b>21,604</b>	19,261
Other net income	6	<b>51,974</b>	21,417
Selling expenses		<b>(2,698)</b>	(2,994)
Administrative expenses		<b>(59,341)</b>	(56,279)
<b>Profit from operations</b>		<b>111,648</b>	70,122
Finance costs	7(a)	<b>(6,837)</b>	(4,744)
Share of profits less losses of associates		<b>35,115</b>	2,331
Share of profits of jointly controlled entities		<b>17,515</b>	21,320
Change in fair value of financial liabilities at fair value through profit or loss	20	<b>35,746</b>	(38,247)
<b>Profit before taxation</b>	7	<b>193,187</b>	50,782
Income tax	8(a)	<b>(31,910)</b>	(12,712)
<b>Profit for the period from continuing operations</b>		<b>161,277</b>	38,070
<b>Discontinued operation</b>			
Profit for the period from discontinued operation	9	—	21,489
<b>Profit for the period</b>		<b>161,277</b>	59,559

## 12 Consolidated income statement

for the six months ended 30 September 2010 - unaudited (continued)

*(Expressed in Hong Kong dollars)*

	Note	Six months ended 30 September	
		2010 \$'000	2009 \$'000
<b>Attributable to:</b>			
Shareholders of the Company		<b>165,574</b>	48,139
Non-controlling interests		<b>(4,297)</b>	11,420
<b>Profit for the period</b>		<b>161,277</b>	59,559
<b>Earnings per share</b>			
Basic (in cents)	11		
– From continuing and discontinued operations		<b>9.83</b>	3.02
– From continuing operations		<b>9.83</b>	2.39
– From discontinued operation		—	0.63
Diluted (in cents)			
– From continuing and discontinued operations		<b>7.20</b>	3.00
– From continuing operations		<b>7.20</b>	2.38
– From discontinued operation		—	0.62

The notes on pages 18 to 41 form part of this interim financial report.

# Consolidated statement of comprehensive income for the six months ended 30 September 2010 - unaudited

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*(Expressed in Hong Kong dollars)*

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
<b>Profit for the period</b>	<b>161,277</b>	59,559
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>		
Exchange differences on translation of financial statements of companies outside of Hong Kong	<b>43,514</b>	4,039
Reclassification adjustments for amounts transferred to profit or loss upon disposal of subsidiaries	—	5,395
Share of other comprehensive income of jointly controlled entities, net of nil tax	<b>6,098</b>	—
Share of other comprehensive income of associates, net of nil tax	<b>15,106</b>	—
Other comprehensive income for the period	<b>64,718</b>	9,434
<b>Total comprehensive income for the period</b>	<b>225,995</b>	68,993
<b>Attributable to:</b>		
Shareholders of the Company	<b>224,275</b>	57,573
Non-controlling interests	<b>1,720</b>	11,420
<b>Total comprehensive income for the period</b>	<b>225,995</b>	68,993

The notes on pages 18 to 41 form part of this interim financial report.

# 14 Consolidated statement of financial position at 30 September 2010 - unaudited

(Expressed in Hong Kong dollars)

	Note	At 30 September 2010		At 31 March 2010	
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Fixed assets	12				
– Property, plant and equipment			214,255		171,435
– Interests in leasehold land held for own use under operating leases			4,231		4,200
			218,486		175,635
Intangible assets			823,585		821,096
Goodwill			436,114		427,625
Interests in associates			1,912,392		1,026,286
Interests in jointly controlled entities			64,381		722,418
Available-for-sale equity securities			138,345		110,633
Non-current prepayments	13		535,003		396,180
Deferred tax assets			3,474		3,407
			4,131,780		3,683,280
<b>Current assets</b>					
Other investments			116,866		77,951
Inventories	14		16,464		13,895
Trade receivables	15		178,540		102,175
Other receivables, deposits and prepayments			28,942		24,474
Cash and bank balances	16		746,443		826,157
			1,087,255		1,044,652
<b>Current liabilities</b>					
Trade payables	17		123,577		93,682
Other payables and accruals			45,538		34,408
Bank loans	18		—		113,572
Obligations under a finance lease	19		951		926
Current taxation payable			21,241		12,366
			191,307		254,954

at 30 September 2010 - unaudited

(Expressed in Hong Kong dollars)

	Note	At 30 September 2010		At 31 March 2010	
		\$'000	\$'000	\$'000	\$'000
<b>Net current assets</b>			<b>895,948</b>		789,698
<b>Total assets less current liabilities</b>			<b>5,027,728</b>		4,472,978
<b>Non-current liabilities</b>					
Deferred tax liabilities			<b>222,459</b>		205,274
Financial liabilities at fair value through profit or loss	20		<b>326,224</b>		457,573
Bank loans	18		<b>233,195</b>		232,960
Obligations under a finance lease	19		<b>1,177</b>		1,659
Share repurchase obligations	21		<b>491,607</b>		—
Other non-current liabilities			<b>295</b>		460
			<b>1,274,957</b>		897,926
<b>NET ASSETS</b>			<b>3,752,771</b>		3,575,052
<b>CAPITAL AND RESERVES</b>					
Share capital	22(a)		<b>170,636</b>		162,765
Reserves			<b>3,170,358</b>		3,145,495
<b>Total equity attributable to shareholders of the Company</b>			<b>3,340,994</b>		3,308,260
<b>Non-controlling interests</b>			<b>411,777</b>		266,792
<b>TOTAL EQUITY</b>			<b>3,752,771</b>		3,575,052

The notes on pages 18 to 41 form part of this interim financial report.

# 16 Consolidated statement of changes in equity for the six months ended 30 September 2010 - unaudited

(Expressed in Hong Kong dollars)

	Attributable to shareholders of the Company													
	Note	Share capital \$'000	Share premium \$'000	Capital			Merger reserve \$'000	Exchange reserve \$'000	Surplus reserve \$'000	Fair value reserve \$'000	Other reserves \$'000	Retained profits \$'000	Non-controlling interests Total \$'000	Total equity \$'000
				redemption reserve \$'000	Capital reserve \$'000									
<b>Balance at 1 April 2010</b>		162,765	1,085,774	5,868	37,150	54,193	222,722	90,254	13,535	(71,661)	1,707,660	3,308,260	266,792	3,575,052
Equity-settled share-based payment expenses		—	—	—	820	—	—	—	—	—	—	820	—	820
Issuance of shares upon conversion of convertible notes		6,371	89,852	—	—	—	—	—	—	—	—	96,223	—	96,223
Issuance of shares upon exercise of share options		1,500	22,370	—	(6,622)	—	—	—	—	—	—	17,248	—	17,248
Contributions from non-controlling interests		—	—	—	—	—	—	—	—	—	—	—	33,430	33,430
Share of other reserve of jointly controlled entities		—	—	—	—	—	—	—	—	16,118	—	16,118	—	16,118
Share of other reserve of associates		—	—	—	—	—	—	—	—	(7,254)	—	(7,254)	—	(7,254)
Disposal of partial interests in a subsidiary	10	—	—	—	—	—	—	—	—	(314,696)	—	(314,696)	109,835	(204,861)
Total comprehensive income for the period		—	—	—	—	—	63,391	—	(4,690)	—	165,574	224,275	1,720	225,995
<b>Balance at 30 September 2010</b>		170,636	1,197,996	5,868	31,348	54,193	286,113	90,254	8,845	(377,493)	1,873,234	3,340,994	411,777	3,752,771
Balance at 1 April 2009		159,392	1,051,485	5,868	13,388	54,193	219,132	81,130	(1,377)	(4,670)	1,601,819	3,180,360	357,162	3,537,522
Equity-settled share-based payment expenses		—	—	—	19,238	—	—	—	—	—	—	19,238	—	19,238
Disposal of subsidiaries		—	—	—	—	—	—	—	—	—	—	—	(366,856)	(366,856)
Total comprehensive income for the period		—	—	—	—	—	6,213	—	3,221	—	48,139	57,573	11,420	68,993
Balance at 30 September 2009		159,392	1,051,485	5,868	32,626	54,193	225,345	81,130	1,844	(4,670)	1,649,958	3,257,171	1,726	3,258,897

The notes on pages 18 to 41 form part of this interim financial report.

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## Condensed consolidated cash flow statement for the six months ended 30 September 2010 - unaudited

*(Expressed in Hong Kong dollars)*

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
Net cash generated from operating activities	14,109	85,120
Net cash used in investing activities	(297,903)	(376,428)
Net cash generated from financing activities	188,006	242,247
Net decrease in cash and cash equivalents	(95,788)	(49,061)
Cash and cash equivalents at 1 April	826,157	811,318
Effect of foreign exchange rate changes	16,074	718
Cash and cash equivalents at 30 September	746,443	762,975

The notes on pages 18 to 41 form part of this interim financial report.

(Expressed in Hong Kong dollars unless otherwise indicated)

## 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 29 November 2010.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009/2010 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2010/2011 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2009/2010 annual financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information relating to the financial year ended 31 March 2010 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2010 are available from the Stock Exchange's website. The auditors have expressed an unqualified opinion on those financial statements in their report dated 22 July 2010.

## 2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Improvements to HKFRSs (2009)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 2 CHANGES IN ACCOUNTING POLICIES *(Continued)*

The adoption of Improvements to HKFRSs (2009) does not have a significant impact on the Group's financial statements. The other developments resulted in changes in accounting policies but none of these changes in accounting policies has a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

## 3 SEGMENT REPORTING

The Group manages its business by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) Medical Devices segment: the development, manufacture and sale of medical devices including medical accessories.
- (ii) Cord Blood Bank segment: the provision of blood stem cell examination, processing, separation and storage services and application-related services. As disclosed in note 9, the Cord blood Bank segment was classified as a discontinued operation during the period ended 30 September 2009.
- (iii) Hospital Management segment: the provision of management services to hospitals in the People's Republic of China ("PRC").

*(Expressed in Hong Kong dollars unless otherwise indicated)***3 SEGMENT REPORTING** *(Continued)***(a) Segment results**

For the purposes of assessing segment performance and allocating resources among segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is profit from operations.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the periods are set out below:

	Continuing operations				Discontinued operation			
	Medical Devices		Hospital Management		Cord Blood Bank		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>For the six months ended 30 September</b>								
Revenue from external customers	<b>124,759</b>	114,894	<b>38,048</b>	16,699	—	64,274	<b>162,807</b>	195,867
Reportable segment profit	<b>74,652</b>	67,947	<b>17,972</b>	14,354	—	27,374	<b>92,624</b>	109,675
Impairment loss on trade and other receivables	—	—	—	—	—	1,190	—	1,190

**3 SEGMENT REPORTING** *(Continued)***(b) Reconciliations of reportable segment revenues and profit or loss****Segment revenue**

The total amount of reportable segment revenues from continuing operations and discontinued operation is equal to the consolidated turnover for the periods ended 30 September 2010 and 2009.

**Segment profit or loss**

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Reportable segment profit	<b>92,624</b>	82,301	—	27,374	<b>92,624</b>	109,675
Finance costs	<b>(6,837)</b>	(4,744)	—	(521)	<b>(6,837)</b>	(5,265)
Change in fair value of financial liabilities at fair value through profit or loss	<b>35,746</b>	(38,247)	—	—	<b>35,746</b>	(38,247)
Share of profits less losses of associates	<b>35,115</b>	2,331	—	—	<b>35,115</b>	2,331
Share of profits of jointly controlled entities	<b>17,515</b>	21,320	—	—	<b>17,515</b>	21,320
Unallocated head office and corporate income/(expenses)	<b>19,024</b>	(12,179)	—	—	<b>19,024</b>	(12,179)
Consolidated profit before taxation	<b>193,187</b>	50,782	—	26,853	<b>193,187</b>	77,635

*(Expressed in Hong Kong dollars unless otherwise indicated)***4 TURNOVER**

The Company acts as an investment holding company and the Group is principally engaged in the manufacture and sale of medical devices and related accessories and the provision of hospital management services. The Group was also engaged in the provision of examination, processing, separation and storage services and application-related services for blood stem cells ("Cord Blood Bank"), prior to the disposal of the segment during the period ended 30 September 2009 (see note 9).

Turnover represents the amounts received and receivable for goods sold, less returns, allowances, VAT and other sales tax and income from hospital management services rendered to customers, less business tax.

Turnover recognised during the period is analysed as follows:

	<b>Six months ended 30 September</b>	
	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<b>Continuing operations</b>		
Sales of medical devices	<b>80,322</b>	75,776
Sales of medical accessories	<b>44,437</b>	39,118
Hospital management service income	<b>38,048</b>	16,699
	<b>162,807</b>	131,593
<b>Discontinued operation (note 9)</b>		
Cord blood bank service income	—	64,274
	<b>162,807</b>	195,867

*(Expressed in Hong Kong dollars unless otherwise indicated)***5 OTHER REVENUE**

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
<b>Continuing operations</b>		
Interest income on financial assets not at fair value through profit or loss	<b>12,764</b>	11,885
VAT refunds	<b>7,427</b>	6,169
Dividend income from listed securities	<b>1,240</b>	2
Sundry income	<b>173</b>	1,205
	<b>21,604</b>	19,261
<b>Discontinued operation (note 9)</b>		
Interest income on financial assets not at fair value through profit or loss	—	1,168
	<b>21,604</b>	20,429

*(Expressed in Hong Kong dollars unless otherwise indicated)***6 OTHER NET INCOME**

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
<b>Continuing operations</b>		
Exchange gain/(loss)	12,713	(459)
Net gain on disposal of property, plant and equipment	18	—
Net realised and unrealised gain on financial assets at fair value through profit or loss	43,460	21,874
Impairment losses on available-for-sale securities	(3,411)	—
Others	(806)	2
	<b>51,974</b>	21,417
<b>Discontinued operation (note 9)</b>		
Exchange gain	—	128
Net loss on disposal of property, plant and equipment	—	(131)
Others	—	464
	—	461
	<b>51,974</b>	21,878

(Expressed in Hong Kong dollars unless otherwise indicated)

**7 PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging:

		Six months ended 30 September	
		2010	2009
		\$'000	\$'000
<b>(a) Finance costs</b>			
	<b>Continuing operations</b>		
	Interest on bank loans wholly repayable within five years	3,055	4,222
	Other borrowing costs	3,718	433
	Finance charges on obligations under a finance lease	64	89
		<b>6,837</b>	4,744
	<b>Discontinued operation (note 9)</b>		
	Interest on bank loans wholly repayable within five years	—	521
		<b>6,837</b>	5,265
<b>(b) Staff costs</b>			
	<b>Continuing operations</b>		
	Salaries, wages and other benefits	26,553	12,708
	Contributions to defined contribution retirement plans	873	1,100
	Equity settled share-based payment expenses	820	19,238
		<b>28,246</b>	33,046
	<b>Discontinued operation</b>		
	Salaries, wages and other benefits	—	7,979
	Contributions to defined contribution retirement plans	—	1,078
		—	9,057
		<b>28,246</b>	42,103

(Expressed in Hong Kong dollars unless otherwise indicated)

**7 PROFIT BEFORE TAXATION** (Continued)

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
<b>(c) Other items</b>		
<b>Continuing operations</b>		
Depreciation of property, plant and equipment	11,847	6,316
Amortisation of land lease premium	51	51
Amortisation of intangible assets	13,581	2,896
Research and development costs	3,171	4,924
Operating lease charges: minimum lease payments		
– hire of properties	8,839	4,540
– hire of other assets	14	190
<b>Discontinued operation</b>		
Depreciation of property, plant and equipment	—	4,980
Amortisation of intangible assets	—	819
Operating lease charges: minimum lease payments		
– hire of properties	—	1,807

**8 INCOME TAX****(a) Continuing operations**

Taxation in the consolidated income statement represents:

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
Current tax - PRC income tax	18,974	12,712
Deferred taxation	12,936	—
	31,910	12,712

**8 INCOME TAX** (Continued)**(b) Discontinued operation (note 9)**

Taxation in the consolidated income statement represents:

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
Current tax - PRC income tax	—	5,364

Taxation for PRC subsidiaries is calculated using the estimated annual effective rates of taxation that are expected to be applicable in the PRC.

**(c) Hong Kong Profits Tax**

No provision for Hong Kong Profits Tax has been made for the periods ended 30 September 2010 and 2009 as the Group did not have any profits assessable to Hong Kong Profits Tax during the current and prior periods.

**(d) Cayman Islands Tax**

Under the legislation of the Cayman Islands, the Company is not subject to tax on income or capital gains.

**9 DISCONTINUED OPERATION**

On 3 November 2008, the Company together with a then subsidiary, China Cord Blood Services Corporation ("CCBS") and CCBS's minority shareholders executed a Share Exchange Agreement with Pantheon China Acquisition Corp. ("Pantheon"), a company whose shares were quoted on the OTC Bulletin Board in the United States of America. Pantheon was subsequently renamed as China Cord Blood Corporation ("CCBC").

Pursuant to the Share Exchange Agreement, CCBC agreed to issue to the Group and CCBS's minority shareholders shares of CCBC in exchange for the entire issued and outstanding shares of CCBS. The transaction was completed on 30 June 2009. Upon the completion of the transaction, the Company indirectly held 29,068,087 shares of CCBC, which represented a 49.0% equity interest in CCBC. As a result of the transaction, the Group no longer controlled CCBS and the transaction was accounted for as a disposal of CCBS, with the Group's remaining interest in CCBS recognised within interests in associates in the Group's consolidated financial statements. Further, the Group's Cord Blood Bank service segment has been classified as a discontinued operation. Further details in relation to this transaction are set out in the Company's announcements dated 3 November 2008 and 30 June 2009 and the Company's circular dated 24 November 2008.

*(Expressed in Hong Kong dollars unless otherwise indicated)***9 DISCONTINUED OPERATION** *(Continued)*

(a) The results of the discontinued operation for the periods ended 30 September 2010 and 2009 are as follows:

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
Turnover (note 4)	—	64,274
Cost of sales	—	(18,943)
Gross profit	—	45,331
Other revenue (note 5)	—	1,168
Other net income (note 6)	—	461
Selling expenses	—	(7,976)
Administrative expenses	—	(11,610)
Profit from operations	—	27,374
Finance costs (note 7(a))	—	(521)
Profit before taxation	—	26,853
Income tax (note 8(b))	—	(5,364)
Profit for the period from discontinued operation	—	21,489

(b) The net cash flows of the discontinued operation for the periods ended 30 September 2010 and 2009 are as follows:

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
Net cash outflow from operating activities	—	(5,164)
Net cash outflow from investing activities	—	(8,588)
Net cash inflow from financing activities	—	87,594
Net cash inflow of the discontinued operation	—	73,842

## 10 DISPOSAL OF PARTIAL INTERESTS IN A SUBSIDIARY

On 27 August 2010, the Company sold a 23.9% equity interest in a then wholly owned subsidiary, China Bright Group Company Limited ("China Bright") to certain investors, at a consideration of \$7.94 per share. In connection with the sale of shares, the Company wrote a put option ("Put option") and a compensation option ("Compensation option") to the investors. The Put option gives the investors the right to require the Company to re-acquire the sold shares of China Bright at \$15.88 per share if a separate listing of the shares of China Bright on the Main Board of the Hong Kong Stock Exchange, NASDAQ or the New York Stock Exchange with a market capitalisation of US\$280,000,000 (equivalent to \$2,184,000,000) is not completed within two years from 27 August 2010. The Compensation option gives the investors the right to require the Company to pay compensation to the investors determined by any shortfall between a guaranteed market capitalisation of US\$280,000,000 (equivalent to \$2,184,000,000) and the actual market capitalisation of China Bright after the initial public offering of its shares should such an offering take place within two years from 27 August 2010. The investors can either exercise the Put option or the Compensation option but not both. As the terms of the Put option are more favourable to investors than those of the Compensation option, the value of the Compensation option is estimated to be nil. The Put option is recognised as a liability in the consolidated statement of financial position.

The excess of the sum of (i) the carrying amounts of the Put option recognised as part of the transaction and (ii) the share of net assets of China Bright disposed of, over the consideration for the disposal of the partial interests in China Bright of \$314,696,000 has been debited to other reserves. No gain or loss on partial disposal is recognised in profit or loss since the Company retained control over China Bright after the transaction.

## 11 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of the Company of \$165,574,000 (2009: \$48,139,000) divided by the weighted average number of 1,684,747,000 (2009: 1,593,922,000) ordinary shares in issue during the interim period, calculated as follows:

#### *Weighted average number of ordinary shares*

	Six months ended 30 September	
	2010 Shares '000	2009 Shares '000
Issued ordinary shares at the beginning of the period	1,627,651	1,593,922
Effect of conversion of convertible notes	44,227	—
Effect of exercise of share options	12,869	—
Weighted average number of ordinary shares	1,684,747	1,593,922

*(Expressed in Hong Kong dollars unless otherwise indicated)***11 EARNINGS PER SHARE** *(Continued)***(a) Basic earnings per share** *(Continued)*

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
<b>From continuing and discontinued operations</b>		
Profit attributable to shareholders of the Company	<b>165,574</b>	48,139
<b>From continuing operations</b>		
Profit attributable to shareholders of the Company	<b>165,574</b>	38,070
<b>From discontinued operation</b>		
Profit attributable to shareholders of the Company	—	10,069
<b>From continuing and discontinued operations</b>		
Basic earnings per share (HK cents)	<b>9.83</b>	3.02
<b>From continuing operations</b>		
Basic earnings per share (HK cents)	<b>9.83</b>	2.39
<b>From discontinued operation</b>		
Basic earnings per share (HK cents)	—	0.63

*(Expressed in Hong Kong dollars unless otherwise indicated)***11 EARNINGS PER SHARE** *(Continued)***(b) Diluted earnings per share**

The calculation of diluted earnings per share is based on the consolidated profit attributable to shareholders of the Company of \$127,957,000 (2009: \$47,962,000) and the weighted average number of 1,776,694,000 (2009: 1,596,421,000) ordinary shares in issue during the interim period after adjusting for the effect of all dilutive potential shares, calculated as follows:

**(i) Profit attributable to shareholders of the Company (diluted)**

	Six months ended 30 September	
	2010 \$'000	2009 \$'000
<b>From continuing and discontinued operations</b>		
Profit attributable to shareholders of the Company	165,574	48,139
Dilutive impact on profit from exercise of conversion options from the holders of convertible notes and warrants issued by the Company	(35,746)	—
Dilutive impact on profit from deemed issue of ordinary shares of a subsidiary under its share option scheme for nil consideration	—	(177)
Dilutive impact on profit of dilutive potential shares of associates	(1,871)	—
Profit attributable to shareholders of the Company (diluted)	127,957	47,962
<b>Attributable to:</b>		
Continuing operations	127,957	38,070
Discontinued operation	—	9,892
	127,957	47,962

*(Expressed in Hong Kong dollars unless otherwise indicated)***11 EARNINGS PER SHARE** *(Continued)***(b) Diluted earnings per share (continued)****(ii) Weighted average number of ordinary shares (diluted)**

	Six months ended 30 September	
	2010 Shares '000	2009 Shares '000
Weighted average number of ordinary shares for the periods ended 30 September	<b>1,684,747</b>	1,593,922
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	<b>2,408</b>	2,499
Effect of conversion of convertible notes and exercise of warrants	<b>89,539</b>	—
Weighted average number of ordinary shares (diluted)	<b>1,776,694</b>	1,596,421
<b>From continuing and discontinued operations</b>		
Diluted earnings per share (HK cents)	<b>7.20</b>	3.00
<b>From continuing operations</b>		
Diluted earnings per share (HK cents)	<b>7.20</b>	2.38
<b>From discontinued operation</b>		
Diluted earnings per share (HK cents)	—	0.62

(Expressed in Hong Kong dollars unless otherwise indicated)

**12 FIXED ASSETS**

The movements in property, plant and equipment and interest in leasehold land held for own use under operating leases for the six months ended 30 September 2010 and 2009 are analysed as follows:

	Property, plant and equipment \$'000	Interests in leasehold land held for own use under operating leases \$'000
As at 1 April 2010	171,435	4,200
Exchange adjustments	3,179	82
Additions	51,488	—
Depreciation/amortisation charge for the period	(11,847)	(51)
<b>As at 30 September 2010</b>	<b>214,255</b>	<b>4,231</b>
As at 1 April 2009	410,479	4,290
Exchange adjustments	175	4
Additions	37,465	—
Acquisition of subsidiaries	20,720	—
Disposals of subsidiaries	(280,524)	—
Depreciation/amortisation charge for the period	(11,296)	(51)
<b>As at 30 September 2009</b>	<b>177,019</b>	<b>4,243</b>

**13 NON-CURRENT PREPAYMENTS**

Included in non-current prepayments of the Group as at 30 September 2010 is earnest money of \$516,981,000 (31 March 2010: \$392,980,000) for the proposed acquisition of an entity in the PRC which possesses certain properties under construction. The terms of the proposed acquisition have not yet been finalised up to the date of this interim financial report.

Included in non-current prepayments is also an amount of \$14,822,000 (31 March 2010: \$Nil), being the deposit paid for a potential acquisition of additional interests in an associate.

**14 INVENTORIES**

*Inventories in the consolidated statement of financial position comprise:*

	At 30 September 2010 \$'000	At 31 March 2010 \$'000
Raw materials	790	815
Work in progress	1,519	1,547
Finished goods	14,155	11,533
	<b>16,464</b>	13,895

*(Expressed in Hong Kong dollars unless otherwise indicated)***15 TRADE RECEIVABLES**

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Trade receivables	<b>184,948</b>	108,458
Less: Allowance for doubtful debts	<b>(6,408)</b>	(6,283)
	<b>178,540</b>	102,175

All trade receivables are expected to be recovered within one year.

Details of the ageing analysis of trade receivables (net of allowance for doubtful debts) are as follows:

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Within six months	<b>168,743</b>	101,653
Between seven and twelve months	<b>9,096</b>	108
Over one year but within two years	<b>701</b>	414
	<b>178,540</b>	102,175

Trade receivables are due within 60 to 180 days from the date of billing.

**16 CASH AND BANK BALANCES**

*Cash and bank balances comprise:*

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Deposits with banks	<b>535</b>	2,664
Cash at bank and on hand	<b>745,908</b>	823,493
	<b>746,443</b>	826,157

*(Expressed in Hong Kong dollars unless otherwise indicated)***17 TRADE PAYABLES**

The Group is normally granted credit periods of one to three months by its suppliers. Details of the ageing analysis of trade payables are as follows:

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Due within three months or on demand	<b>123,577</b>	93,682

**18 BANK LOANS**

At the end of the reporting periods, the bank loans were repayable as follows:

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Within one year or on demand	—	113,572
After two years but within five years	<b>233,195</b>	232,960
	<b>233,195</b>	346,532

At the end of the reporting periods, the bank loans were secured as follows:

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Secured	—	113,572
Unsecured	<b>233,195</b>	232,960
	<b>233,195</b>	346,532

*(Expressed in Hong Kong dollars unless otherwise indicated)***19 OBLIGATIONS UNDER A FINANCE LEASE**

At the end of the reporting periods, the Group had obligations under a finance lease repayable as follows:

	At 30 September 2010		At 31 March 2010	
	Present value of the minimum lease payments \$'000	Total minimum lease payments \$'000	Present value of the minimum lease payments \$'000	Total minimum lease payments \$'000
Within one year	951	1,044	926	1,044
After one year but within two years	1,004	1,044	977	1,044
After two years but within five years	173	174	682	695
	<b>1,177</b>	<b>1,218</b>	1,659	1,739
	<b>2,128</b>	<b>2,262</b>	2,585	2,783
Less: Total future interest expenses		(134)		(198)
Present value of lease obligations		<b>2,128</b>		2,585

(Expressed in Hong Kong dollars unless otherwise indicated)

**20 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>At 30 September 2010 \$'000</b>	At 31 March 2010 \$'000
Convertible notes		
- issued by the Company	<b>60,630</b>	177,496
- issued by a subsidiary	<b>246,060</b>	232,825
	<b>306,690</b>	410,321
Written options to subscribe for additional convertible notes		
- issued by the Company	—	5,612
Warrants		
- issued by the Company	<b>19,534</b>	41,640
	<b>326,224</b>	457,573

Decrease in fair value of the financial liabilities for the period ended 30 September 2010 of \$35,746,000 (period ended 30 September 2009: increase of \$38,247,000) have been credited/(charged) to profit or loss.

**(a) Convertible notes and warrants issued by the Company**

On 20 July and 9 September 2009, the Company issued convertible notes with face value of US\$10,000,000, equivalent to approximately \$78,000,000 (the "July issue") and US\$15,200,000, equivalent to approximately \$118,560,000 (the "September issue") with maturity dates of 20 July 2014 and 9 September 2014, respectively. The notes bear interest at 3% per annum and are unsecured.

The terms and conditions of the convertible notes are the same except that the noteholders of the July issue had an option to require the Company to issue additional convertible notes up to a further aggregate principal amount of US\$1,000,000, equivalent to \$7,800,000 at an issue price of 100% of the aggregate principal amount of the relevant convertible notes, exercisable during the period up to 365 dates after 20 July 2009. The option was exercised in full during the period ended 30 September 2010.

The rights of the noteholders to convert the notes into ordinary shares of the Company are as follows:

- Conversion rights are exercisable at any time up to maturity at the noteholders' option.
- If a noteholder exercises his conversion rights, the Company is required to deliver its ordinary shares initially at US\$0.1601 per share, subject to adjustments under certain terms and conditions of the convertible notes.

Unless previously redeemed or converted, the convertible notes of the July issue and the September issue will be redeemed at face value on 20 July 2014 and 9 September 2014 respectively.

**20 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS** *(Continued)***(a) Convertible notes and warrants issued by the Company** *(Continued)*

Upon the closing of the issuance of the convertible notes, the Company issued, by way of bonus, warrants to the noteholders to subscribe for 19,080,000 and 29,002,000 ordinary shares of \$0.1 each of the Company, at an exercise price of US\$0.1747 per share, respectively. The warrants are exercisable at any time up to 20 July 2014 and 9 September 2014 respectively at the noteholders' option. Upon the exercise of the option by the noteholders of the July issue to require the Company to issue convertible notes with an aggregate principal amount of US\$1,000,000, equivalent to \$7,800,000, the Company also issued, by way of bonus, warrants to the noteholders to subscribe for 1,908,000 ordinary shares of the Company, on the same terms as aforementioned.

Further details of the convertible notes are set out in the Company's announcements dated 30 April and 24 August 2009.

**(b) Convertible notes issued by a subsidiary**

On 30 October 2009, GM Hospital Group Limited ("GMHG") issued convertible notes with face value of US\$28,000,000 (equivalent to approximately \$218,400,000) and a maturity date of 30 October 2014. The notes bear interest at 5% per annum and are secured by the guarantee from the Company.

The rights of the noteholders to convert the notes into ordinary shares of GMHG are as follows:

- Conversion rights are exercisable at any time up to maturity at the noteholders' option.
- If a noteholder exercises his conversion rights, GMHG is required to deliver GMHG's ordinary shares initially at US\$1,778.10 per GMHG share, subject to adjustments under certain terms and conditions of the convertible notes.

Unless previously redeemed or converted, the convertible notes will be redeemed at face value on 30 October 2014. Further details of the convertible notes are set out in the Company's announcement dated 30 September 2009.

**21 SHARE REPURCHASE OBLIGATIONS**

The Put option (see note 10) is classified as a liability and is stated at amortised cost, being the present value of the consideration for the repurchase of shares of China Bright should the Put option be exercised.

**22 CAPITAL AND DIVIDENDS****(a) Share capital**

Note	At 30 September 2010		At 31 March 2010	
	No. of shares ('000)	\$'000	No. of shares ('000)	\$'000
<b>Authorised:</b>				
Ordinary shares of \$0.1 each	<b>4,000,000</b>	<b>400,000</b>	4,000,000	400,000

	At 30 September 2010		At 31 March 2010	
	No. of shares ('000)	\$'000	No. of shares ('000)	\$'000
<b>Issued and fully paid:</b>				
At beginning of the period/year	<b>1,627,651</b>	<b>162,765</b>	1,593,922	159,392
Issue of shares upon conversion of convertible notes (note 1)	<b>63,710</b>	<b>6,371</b>	33,729	3,373
Issue of shares upon exercise of share options (note 2)	<b>15,000</b>	<b>1,500</b>	—	—
At end of the period/year	<b>1,706,361</b>	<b>170,636</b>	1,627,651	162,765

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Note 1: Issue of shares upon conversion of convertible notes

During the period ended 30 September 2010, 63,710,000 (year ended 31 March 2010: 33,729,000) ordinary shares of \$0.1 each were issued upon the conversion of convertible notes. Following the conversion, the share capital and share premium accounts of the Company have been increased by \$6,371,000 and \$89,852,000 (year ended 31 March 2010: \$3,373,000 and \$34,289,000) respectively.

Note 2: Issue of shares upon exercise of share options

During the period ended 30 September 2010, 15,000,000 (year ended 31 March 2010: Nil) ordinary shares of \$0.1 each were issued upon the exercise of share options. Following the exercise, the share capital and share premium accounts of the Company have been increased by \$1,500,000 and \$22,370,000 (year ended 31 March 2010: \$Nil and \$Nil) respectively.

**(b) Dividends**

The directors do not recommend the payment of a dividend in respect of the period ended 30 September 2010 (year ended 31 March 2010: \$Nil).

*(Expressed in Hong Kong dollars unless otherwise indicated)***23 COMMITMENTS**

- (a) *Capital commitments for the acquisition of plant and equipment outstanding at the end of the reporting periods not provided for in the financial reports were as follows:*

	At 30 September 2010 \$'000	At 31 March 2010 \$'000
Contracted for	602	2,822

- (b) *As at the end of the reporting periods, the total future minimum lease payments under non-cancellable operating leases are payable as follows:*

	At 30 September 2010 \$'000	At 31 March 2010 \$'000
Within 1 year	9,692	10,586
After 1 year but within 5 years	8,970	14,947
	<b>18,662</b>	25,533

The Group leases a number of properties under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the leases upon expiry when all terms are renegotiated. None of the leases includes contingent rentals.

- (c) *Other commitments*

At 30 September 2010, the Group is committed to contribute a further US\$11,982,000 (31 March 2010: US\$15,982,000), equivalent to \$93,456,000 (31 March 2010: \$124,660,000), as further investments in an unlisted private equity fund classified as available-for-sale equity securities.

## 24 CONTINGENT LIABILITIES

As at 31 March 2010, a subsidiary of the Company had issued guarantees to banks in respect of banking facilities granted to a jointly controlled entity which will expire within one year. Under the guarantees, the subsidiary is liable for the borrowings of the jointly controlled entity under such facilities from the banks which are the beneficiaries of the guarantees. As at the reporting date, the directors do not consider it is probable that a claim will be made against the subsidiary under the guarantees. The maximum liability of the Group at the reporting date under the guarantees issued is the outstanding amount of the facilities drawn down by the jointly controlled entity of \$153,322,000. The guaranteed borrowings were fully repaid by the jointly controlled entities during the period ended 30 September 2010.

As at 30 September 2010, the Company has guaranteed the obligations of a subsidiary under certain convertible notes with a principal amount of \$218,400,000 (31 March 2010: \$218,400,000) issued by the subsidiary.

The Group has not recognised any deferred income in respect of the guarantees as their fair value cannot be reliably measured and their transaction price was \$Nil.

## 25 MATERIAL RELATED PARTY TRANSACTIONS

During the period ended 30 September 2010, the Group has entered into the following related party transactions:

- (i) As at 30 September 2010, the Group has made a loan to an associate carried at amortised cost of \$269,716,000 (31 March 2010: \$246,646,000). Interest income of \$10,830,000 (2009: \$10,622,000) has been recognised during the period ended 30 September 2010.
- (ii) The Group leased certain properties from an associate under operating leases. The amount of operating lease rental incurred in the period ended 30 September 2010 is \$4,394,000 (2009: \$Nil)
- (iii) The Group guarantees certain bank loans of a jointly controlled entity (see note 24).

## 26 SUBSEQUENT EVENTS

On 31 August 2010, the Company and Polaris Securities Co., Ltd. ("Polaris") entered into a service agreement, pursuant to which the Company has engaged Polaris as a financial adviser to provide financial advisory services to the Company for the listing of Taiwan Depositary Receipts ("TDR"), representing the shares of the Company, on the Taiwan Stock Exchange Corporation ("TSEC").

On 6 October 2010, the Company has made an application to the TSEC and the Taiwan Central Bank for the offering and listing of TDR, representing not more than 120,000,000 new ordinary shares to be issued by the Company and not more than 60,000,000 existing shares to be offered by certain institutional investors of the Company. Further details of the proposed listing of TDR are set out in the Company's announcements dated 31 August 2010 and 6 October 2010.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2010, the interests and short positions of the directors and chief executives of the Company in the shares and, in respect of equity derivatives, underlying shares in, and debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

### (a) The Company

Name of directors	Capacity and nature of interests	Long positions			Approximate percentage of the Company's issued share capital
		Number of ordinary shares of HK\$0.1 each			
		Number of ordinary shares of HK\$0.1 each	Number of underlying shares held under equity derivatives	Total interests	
Mr. KAM Yuen	Founder of trusts	375,588,000 <sup>(1)</sup>	—	375,588,000	22.01%
	Beneficial owner	—	67,006,245 <sup>(2)</sup>	67,006,245	3.93%
Ms. JIN Lu	Beneficial owner	—	3,800,000 <sup>(2)</sup>	3,800,000	0.22%
Mr. LU Tian Long	Beneficial owner	—	6,000,000 <sup>(2)</sup>	6,000,000	0.35%
Ms. ZHENG Ting	Beneficial owner	—	7,600,000 <sup>(2)</sup>	7,600,000	0.45%

Notes:

- (1) Mr. KAM Yuen was deemed under the SFO to have an interest in 375,588,000 shares beneficially owned by Bio Garden Inc. ("Bio Garden"), a company incorporated in the British Virgin Islands ("BVI"), as at 30 September 2010 by virtue of his being the founder of certain discretionary trusts which owned the entire issued share capital of Bio Garden.
- (2) These interests represent the directors' beneficial interests in the underlying shares in respect of share options granted by the Company to the directors as beneficial owners, details of which are set out in the section headed "Share option schemes" below.

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS** *(Continued)*

**(b) China Cord Blood Corporation ("CCBC")**

Name of directors	Capacity and nature of interests	Number of ordinary shares of US\$0.0001 each		Approximate percentage of the issued share capital of CCBC
		Number of ordinary shares of US\$0.0001 each	Total interests	
Mr. KAM Yuen	Beneficial owner	357,331	357,331	0.53%
Ms. ZHENG Ting	Beneficial owner	1,071,994	1,071,994	1.60%

Save as disclosed above, as at 30 September 2010, none of the directors or the chief executives of the Company or their respective associates had any interests or short positions in the shares or, in respect of equity derivatives, underlying shares in, or debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

## SHARE OPTION SCHEMES

The principal terms of the share option schemes of the Company (which have all been terminated) are summarised in note 35(a) to the financial statements as included in the annual report of the Company for the year ended 31 March 2010.

A summary of share options granted under the share option schemes of the Company is as follows:

Name of directors and employees	Date of grant	Number of underlying shares in respect of which share options were outstanding as at 1 April 2010	Number of underlying shares in respect of which share options were exercised during the period ended 30 September 2010	Number of underlying shares in respect of which share options were outstanding as at 30 September 2010	Exercise price HK\$	Market value
						per share at grant date HK\$
Mr. KAM Yuen	30 March 2005 <sup>(1)</sup>	63,206,245	—	63,206,245	1.76	1.56
	27 April 2009 <sup>(3)</sup>	3,800,000	—	3,800,000	1.15	1.14
Ms. JIN Lu	27 April 2009 <sup>(3)</sup>	3,800,000	—	3,800,000	1.15	1.14
Mr. LU Tian Long	4 March 2005 <sup>(2)</sup>	400,000	—	400,000	1.60	1.60
	27 April 2009 <sup>(3)</sup>	5,600,000	—	5,600,000	1.15	1.14
Ms. ZHENG Ting	4 March 2005 <sup>(2)</sup>	2,000,000	—	2,000,000	1.60	1.60
	27 April 2009 <sup>(3)</sup>	5,600,000	—	5,600,000	1.15	1.14
Full-time employees (other than directors)	4 March 2005 <sup>(2)</sup>	11,870,000	—	11,870,000	1.60	1.60
	27 April 2009 <sup>(3)</sup>	44,200,000	15,000,000	29,200,000	1.15	1.14
		140,476,245	15,000,000 <sup>(4)</sup>	125,476,245		

The options granted to the directors are registered under the names of the directors who are also the beneficial owners.

## SHARE OPTION SCHEMES *(Continued)*

Notes:

- (1) The share options are exercisable as to:
  - (i) up to 20% immediately after 6 months from the date of grant;
  - (ii) up to 60% immediately after 18 months from the date of grant;
  - (iii) up to 100% immediately after 30 months from the date of grant; and
  - (iv) the share options will expire at the close of business on 3 March 2015.
- (2) The share options are exercisable in full immediately 3 months after the date of grant and will expire at the close of business on 28 February 2015.
- (3) The share options are exercisable as to:
  - (i) up to 30% immediately after the date of grant;
  - (ii) up to 60% immediately after 6 months from the date of grant;
  - (iii) up to 100% immediately after 12 months from the date of grant; and
  - (iv) the share options will expire at the close of business on 26 April 2019.
- (4) The weighted average closing price of shares immediately before the date of exercise was HK\$2.00.
- (5) Save as disclosed above, no share options granted under the share option schemes of the Company were exercised, cancelled or lapsed during the six months ended 30 September 2010.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option schemes described above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors or chief executives of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in, or in respect of equity derivatives, underlying shares in, or debentures of, the Company or any other body corporate and no directors or chief executives or their respective spouses or their children under eighteen years of age had been granted any right to subscribe for equity or debt securities of the Company, nor had exercised any such right during the period.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2010, the interests and short positions of the shareholders (not being directors or the chief executives of the Company) in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

### (a) Long positions of substantial shareholders

Name	Capacity and nature of interest	No. of shares/ underlying shares	Approximate percentage of the Company's issued share capital
Bio Garden Inc. <sup>(1)</sup>	Beneficial owner	375,588,000 <sup>(4)</sup>	22.01%
Credit Suisse Trust Limited <sup>(2)</sup>	Trustee	375,588,000 <sup>(4)</sup>	22.01%
Newcorp Ltd <sup>(3)</sup>	Interest of controlled corporation	375,588,000 <sup>(4)</sup>	22.01%
Mr. Kent C. McCarthy <sup>(5)</sup>	Investment manager	423,040,537	24.79%

### (b) Long positions of other persons who are required to disclose their interests

Name of other persons who have more than 5% interests	Capacity and nature of interest	No. of shares/ underlying shares	Approximate percentage of the Company's issued share capital
Jayhawk Private Equity Fund, L.P. <sup>(5)</sup>	Investment manager	112,491,789	6.59%
Jayhawk Private Equity Fund, II, L.P. <sup>(5)</sup>	Investment manager	161,735,097	9.48%
JPMorgan Chase & Co.	10,000,000 underlying shares as beneficial owner, 4,024,000 shares as investment manager and 99,418,897 shares (P) <sup>(6)(7)</sup> as custodian corporation/ approved lending agent	113,442,897 <sup>(6)</sup>	6.65%
Evenstar Capital Management Limited <sup>(8)</sup>	Investment manager	115,788,632 2,800,000(S) <sup>(9)</sup>	6.79% 0.16%

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

### **(b) Long positions of other persons who are required to disclose their interests** *(Continued)*

Name of other persons who have more than 5% interests	Capacity and nature of interest	No. of shares/ underlying shares	Approximate percentage of the Company's issued share capital
Evenstar Master Fund SPC, on behalf of Evenstar Master Sub-Fund I Segregated Portfolio <sup>(8)</sup>	Beneficial owner	115,788,632 2,800,000(S) <sup>(9)</sup>	6.79% 0.16%
Martin Currie (Holdings) Limited	Interest of controlled corporation	136,040,000	7.97%

Notes:

- (1) Bio Garden Inc. is an investment holding company incorporated in the BVI. It was wholly-owned by certain discretionary trusts of which Mr. Kam Yuen was the founder.
- (2) The corporate substantial shareholder notice filed by Credit Suisse Trust Limited indicated that Gold Rich Investment Limited ("Gold Rich") and Gold View Investment Limited ("Gold View") had, in aggregate, a 36% interest in Bio Garden Inc. which beneficially owned 375,588,000 shares as at 30 September 2010. Gold Rich and Gold View were in turn indirectly wholly-owned by Credit Suisse Trust Limited as trustee of certain discretionary trusts referred to in (1) above. Accordingly, Credit Suisse Trust Limited was deemed, under the SFO, to have an interest in the 375,588,000 shares held by Bio Garden Inc.
- (3) The corporate substantial shareholder notice filed by Newcorp Ltd. indicated that Golden Fountain Investments Limited ("Golden Fountain") had a 64% interest in Bio Garden Inc. which beneficially owned 375,588,000 shares as at 30 September 2010. Golden Fountain was in turn an indirect wholly-owned subsidiary of Newcorp Ltd. Accordingly, Newcorp Ltd. was deemed, under the SFO, to have an interest in the 375,588,000 shares held by Bio Garden Inc.
- (4) These interests represented the same block of shares.
- (5) The corporate substantial shareholder notices filed by Jayhawk Private Equity Fund, L.P. and Jayhawk Private Equity Fund II, L.P. indicated that Mr. Kent C. McCarthy was a controller who held a 100% interest in both entities. Accordingly, Mr. Kent C. McCarthy would be deemed, under the SFO, to have an interest in the shares held by Jayhawk Private Equity Fund, L.P. and Jayhawk Private Equity Fund II, L.P. respectively.
- (6) The total of 113,442,897 shares included 10,000,000 underlying shares as beneficial owner, 4,024,000 shares as investment manager and 99,418,897 shares as custodian corporation/approved lending agent.
- (7) "(P)" denotes lending pool.
- (8) The corporate substantial shareholder notice filed by Evenstar Master Fund SPC indicated that Evenstar Capital Management Limited directly held 100% interest in Evenstar Master Fund SPC.
- (9) "(S)" denotes short positions.

Save as disclosed above, as at 30 September 2010, the directors are not aware of any other person or corporation having an interest or short position in the shares or underlying shares of the Company representing 5% or more of the issued share capital of the Company.

## REPORT ON CORPORATE GOVERNANCE

Throughout the six months ended 30 September 2010, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, except for A.2.1. The following summarises the requirements under the relevant code provision and the Company's reasons for such deviation:

### **Code Provision A.2.1**

Under code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. KAM Yuen is the chairman and chief executive officer of the Company responsible for managing the Board and the Group's businesses. The Board considers that this structure will not impair the balance of power and authority in view of the current composition of the Board, which comprises, inter alia, three independent non-executive Directors who bring strong independent judgment, knowledge and experience to the Board's deliberations. The Board believes that this structure is conducive to strong and consistent leadership for the Group, enabling it to make and implement decisions promptly and efficiently.

Mr. Kam has been both the chairman and chief executive officer of the Company since the listing of the Company's shares in 2001. He has substantial experience in the medical healthcare industry. The Board and management are of the view that the assumption of those positions by Mr. Kam is beneficial to the business development of the Group.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2010, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code for securities transactions by directors of listed issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with, or they were not aware of any non-compliance with the required standards of dealings.

## COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflicts of interest with the Group.

## AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference. The primary duties of the audit committee are to review the Company's annual report and interim report, the Group's financial control, internal control and risk management systems and to provide advice and comments thereon to the Board.

The audit committee comprises three independent non-executive Directors, namely Prof. CAO Gang (chairman of the audit committee), Mr. GAO Zong Ze and Prof. GU Qiao.

The audit committee, together with the management team of the Company, has reviewed the accounting principles and practices adopted by the Group and discussed accounting issues, internal control and financial reporting matters with the Directors, including a review of the unaudited interim report for the six months ended 30 September 2010.

By order of the Board

**KAM Yuen**

CHAIRMAN

HONG KONG, 29 November 2010

**Executive Directors**

Mr. KAM Yuen (*Chairman*)  
Ms. JIN Lu  
Mr. LU Tian Long  
Ms. ZHENG Ting

**Independent Non-executive Directors**

Prof. CAO Gang  
Mr. GAO Zong Ze  
Prof. GU Qiao

**Registered Office**

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P.O. Box 1350 GT  
Clifton House  
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British West Indies

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Beijing, 100176 China

**Principal Place of Business in Hong Kong**

48/F, Bank of China Tower  
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Central  
Hong Kong

**Stock Code**

801

**Qualified Accountant and Company Secretary**

Mr. KONG Kam Yu, ACA, AHKSA

**Compliance Officer**

Mr. KAM Yuen

**Audit Committee Members**

Prof. CAO Gang (*Chairman*)  
Mr. GAO Zong Ze  
Prof. GU Qiao

**Remuneration Committee Members**

Mr. GAO Zong Ze (*Chairman*)  
Prof. CAO Gang  
Prof. GU Qiao

**Authorised Representatives**

Mr. KAM Yuen  
Ms. ZHENG Ting

**Legal Advisers to the Company**

as to Hong Kong law  
Jones Day

**Auditors**

KPMG

**Principal Share Registrar and Transfer  
Office in the Cayman Islands**

Appleby Corporate Services (Cayman) Limited

**Branch Share Registrar and Transfer  
Office in Hong Kong**

Computershare Hong Kong Investor Services Limited

**Principal Bankers**

China Construction Bank - Beijing Branch  
Deutsche Bank AG  
Sumitomo Mitsui Banking Corporation  
EFG Bank  
CITIC Bank International Limited  
Bank of China (Hong Kong) Limited

**Investor Relations Officer**

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