

CHINA MEDICAL AND BIO SCIENCE LIMITED

(PROVISIONAL LIQUIDATORS APPOINTED)

中華藥業生物科學有限公司*

(已委任臨時清盤人)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8120)

THIRD QUARTERLY REPORT

2009/2010

** For identification purposes only*

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of China Medical and Bio Science Limited (Provisional Liquidators Appointed) (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- Turnover of the Group for the nine months ended 30 April 2010 amounted to approximately HK\$19,475,000 representing an increase of approximately 9 times as compared with that in the preceding year.
- Profit attributable to the shareholders of the Company for the nine months ended 30 April 2010 amounted to approximately HK\$912,000.
- Profit per share amounted to approximately HK\$0.07 cents for the nine months ended 30 April 2010.
- The directors do not recommend the payment of any interim dividend for the nine months ended 30 April 2010.

RESULTS (UNAUDITED)

The board of directors (the “Board”) of China Medical and Bio Science Limited (Provisional Liquidators Appointed) (the “Company”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months ended 30 April 2010, together with the comparative unaudited figures for the corresponding period in 2009 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Note	For the three months ended 30 April		For the nine months ended 30 April	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	3	12,149	–	19,475	1,884
Cost of sales		(9,693)	–	(15,601)	(1,260)
Gross profit		2,456	–	3,874	624
Other revenue		–	329	275	1,384
Selling and distribution costs		(275)	(59)	(453)	(1,547)
General and administrative expenses		(394)	(9,585)	(1,552)	(37,522)
Restructuring costs		(719)	–	(3,727)	–
Finance costs		(21)	–	(757)	(32,609)
Loss on disposal on financial assets at fair value through profit or loss		–	–	–	(14,610)
Loss on disposal of non-current assets held for sale		–	–	(258)	–
Gain on deconsolidation of subsidiaries	2(b)	–	–	4,310	–
Other operating expenses		–	(6)	–	(6)
Profit/(Loss) before income tax		1,047	(9,321)	1,712	(84,286)
Income tax	4	(511)	–	(800)	–
Profit/(Loss) for the period attributable to shareholders of the Company		536	(9,321)	912	(84,286)
Other comprehensive income/(loss) for the period, net of tax exchange differences on translating foreign operations and deconsolidation of subsidiaries		(10)	–	(446)	(621)
Total comprehensive income/(Loss) for the period attributable to shareholders of the Company		526	(9,321)	466	(84,907)
Earnings/(Loss) per share attributable to shareholders of the Company (in HK cents)	5				
Basic		0.04	(0.69)	0.07	(6.23)
Diluted		N/A	N/A	N/A	N/A

Notes:

1. Corporate information

The Group is principally engaged in bio-feedstock business mainly involving the development and distribution of feedstock and related products.

The registered office of the Company is located at Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, British West Indies.

The principal place of business of the Company is 62/F, One Island East, 18 Westlands Road, Island East, Hong Kong.

The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and have been suspended for trading since 28 October 2008.

2. Basis of presentation

(a) Principal Accounting Policies

The unaudited condensed consolidated results for the nine months ended 30 April 2010 of the Group have been prepared on the historical cost basis and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and the Hong Kong Accounting Standards ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and in compliance with the disclosure requirements of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") of the Stock Exchange.

The accounting policies adopted in the unaudited consolidated results for nine months ended 30 April 2010 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 July 2009.

For the nine months ended 30 April 2010, the Group has applied the new standards, amendments and interpretation (the "New HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 August 2009. The adoption of the New HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for condensed consolidated financial statements and certain changes in presentation disclosure. Comparative figures have been restated or included in order to achieve a consistent presentation.

2. **Basis of presentation (Cont'd)**

(a) *Principal Accounting Policies (Cont'd)*

The Group has not early applied any of the new standards or interpretations that had been issued but are not yet effective. The Group is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be in the period of their initial application.

(b) *Deconsolidation of subsidiaries*

On 17 November 2009, the relevant government authority of the People's Republic of China (the "PRC") approved the liquidation of Guangdong Yang Yang Bio Products Company Limited ("Guangdong Yang Yang"), an indirect wholly owned subsidiary of the Company. Since then, the Group has lost control on Guangdong Yang Yang and its two subsidiaries, namely Qingyuan Yang Yang Biotechnology Chumu Company Limited and Jilin Yang Yang Bio Products Company Limited (together with Guangdong Yang Yang, (the "Excluded Subsidiaries"). As such, the financial results of the Excluded Subsidiaries were deconsolidated from the consolidated financial statements of the Group since the date of loss of control of these subsidiaries.

3. **Turnover**

Turnover represents the net invoiced value of goods sold after allowances for returns and discounts, and net of relevant tax and duties.

4. **Taxation**

Income tax expense for the nine months ended 30 April 2010 represents provision for PRC enterprise income tax at 25% on the estimated assessable profit of a subsidiary operating in the PRC.

No provision for Hong Kong profits tax has been made as the Group did not have any estimated assessable profits arising in Hong Kong for the nine months ended 30 April 2010.

5. **Earnings/(Loss) per share attributable to the shareholders of the Company**

The calculation of basic earnings/(loss) per share attributable to shareholders of the Company for the nine months ended 30 April 2010 is based on the profit attributable to the shareholders of the Company of approximately HK\$912,000 (nine months ended 30 April 2009: loss of approximately HK\$84,286,000) and the weighted average number of shares in issue during the nine months ended 30 April 2010 of 1,352,400,000 (nine months ended 30 April 2009: 1,352,400,000).

5. Earnings/(Loss) per share attributable to the shareholders of the Company (Cont'd)

The calculation of basic earnings/(loss) per share attributable to shareholders of the Company for the three months ended 30 April 2010 is based on the profit attributable to shareholders of the Company of approximately HK\$536,000 (three months ended 30 April 2009: loss of approximately HK\$9,321,000) and the weighted average number of shares in issue of 1,352,400,000 during the three months ended 30 April 2010 (three months ended 30 April 2009: 1,352,400,000).

No diluted earnings/(loss) per share is presented for the three months and the nine months ended 30 April 2009 as well as the three months and the nine months ended 30 April 2010 because the conversion of the outstanding convertible bonds, warrants and share options during the periods have an anti-dilutive effect on the basic earnings/(loss) per share.

6. Reserves

	Share capital	Share premium	Capital reserve	Share option reserve	Convertible bond equity reserve	Warrants reserve	Exchange fluctuation reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 August 2008	67,620	101,086	27,104	14,364	29,634	4,807	(504)	(306,138)	(62,027)
Total comprehensive Income/(loss) for the period	-	-	-	-	-	-	(621)	(84,286)	(84,907)
At 30 April 2009	<u>67,620</u>	<u>101,086</u>	<u>27,104</u>	<u>14,364</u>	<u>29,634</u>	<u>4,807</u>	<u>(1,125)</u>	<u>(390,424)</u>	<u>(146,934)</u>
At 1 August 2009	67,620	101,086	27,104	14,364	29,634	4,807	(1,426)	(403,781)	(160,592)
Total comprehensive Income/(loss) for the period	-	-	-	-	-	-	(446)	912	466
At 30 April 2010	<u>67,620</u>	<u>101,086</u>	<u>27,104</u>	<u>14,364</u>	<u>29,634</u>	<u>4,807</u>	<u>(1,872)</u>	<u>(402,869)</u>	<u>(160,126)</u>

7. Dividend

The directors of the Company do not recommend the payment of any interim dividend for the nine months ended 30 April 2010 (nine months ended 30 April 2009: nil).

8. Reclassification of comparatives

Certain comparative figures in the consolidated statement of comprehensive income have been re-classified in order to conform with the current financial period's presentation.

BUSINESS REVIEW AND OUTLOOK

WINDING-UP PETITION AND APPOINTMENT OF PROVISIONAL LIQUIDATORS

On 13 May 2008, a winding-up petition was presented and filed in the High Court of the Hong Kong Special Administrative Region (the “High Court”) by Shantou Xinyuan Trading Company Limited, the petitioner of the Company. On 2 December 2008, an ex-parte application was filed and served onto the Company by Keywise Greater China Opportunities Master Fund, a supporting creditor of the Company, for the appointment of provisional liquidators of the Company. On 3 December 2008, the High Court appointed Messrs. Stephen Liu Yiu Keung and David Yen Ching Wai, both of Ernst & Young Transactions Limited, as the joint and several provisional liquidators (the “Provisional Liquidators”) of the Company.

Pursuant to an order of the High Court, the Provisional Liquidators would, inter alia, take into their custody and protect all the assets of the Group and manage the Group until such times as further order is made. The Provisional Liquidators are independent third parties not connected with the Company or any of the directors, chief executive and substantial shareholders of the Company or its subsidiaries or their respective associates as defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (“GEM Listing Rules”).

Trading in the shares of the Company on the GEM has been suspended since 28 October 2008 and remained suspended as at the date of this quarterly report.

RESTRUCTURING

On 5 December 2008, the Provisional Liquidators appointed Asian Capital (Corporate Finance) Limited as financial adviser to the Company (the “Financial Adviser”). Since then, the Provisional Liquidators and the Financial Adviser had been in discussion and negotiation with various potential investors with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

On 1 April 2009, an exclusivity agreement was entered into amongst Good One International Inc. (“Good One”), the Company and the Provisional Liquidators to grant Good One exclusivity for the proposed restructuring of the Group. This exclusivity agreement was subsequently terminated on 28 July 2009.

RESTRUCTURING (CONT'D)

On 28 July 2009, a new exclusivity agreement (the “Exclusivity Agreement”) was entered into amongst NEUF Capital Limited (the “Investor”), the Company and the Provisional Liquidators to grant the Investor exclusivity for the preparation of a resumption proposal (the “Resumption Proposal”) and negotiation in a good faith of legally binding agreements for the implementation of the proposed restructuring and the Resumption Proposal. The restructuring proposal so submitted by the Investor was accepted by the Provisional Liquidators, and in principle, supported by the major creditors of the Company as it was considered to be in the best interest of the Company and its stakeholders.

On 24 September 2009, a subsidiary of the Company and the Investor entered into a working capital facility agreement, pursuant to which the Investor undertook that it would deposit sufficient funds of up to HK\$9 million as working capital to meet the trading and operation expenses to maintain a viable, continuing business of the Company during the course of proposed restructuring and after the date of the Exclusivity Agreement.

On 30 November 2010, the Resumption Proposal was submitted to the Stock Exchange and is currently being reviewed by the Stock Exchange.

The proposed restructuring, if successfully implemented, will, amongst other things, result in:

- (i) a restructuring of the share capital of the Company through capital reduction, shares consolidation and the increase in share capital, and the issuance of new shares of the Company;
- (ii) all the creditors of the Company discharging and waiving their claims against the Company by way of schemes of arrangement in Hong Kong and the Cayman Islands (the “Schemes”), as appropriate; and
- (iii) resumption of trading in the shares of the Company upon completion of the proposed restructuring subject to the restoration of sufficient public float.

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$19,475,000 for the nine months ended 30 April 2010, representing an increase of approximately 9 times compared to approximately HK\$1,884,000 recorded in the preceding year. During the same period, the Group recorded a net profit after tax attributable to the Company's shareholders of approximately HK\$912,000 (nine months ended 30 April 2009: loss of approximately HK\$84,286,000). The increases in the revenue and the net profit attributable to the Company's shareholders were mainly due to the continuous expansion of the Group's feedstock distribution business, the gain from deconsolidation of subsidiaries and substantial reduction in finance costs and administrative expenses.

MATERIAL ACQUISITIONS AND DISPOSALS

Winding-up of subsidiaries

On 17 November 2009, the relevant government authority of the People's Republic of China (the "PRC") approved the liquidation of Guangdong Yang Yang Bio Products Company Limited ("Guangdong Yang Yang"). As such, the Company has since lost control on Guangdong Yang Yang and its two subsidiaries.

Disposal of mortgaged properties

During the nine months ended 30 April 2010, the Group recorded a loss on disposal of approximately HK\$258,000 resulted from the sale of the mortgaged properties previously pledged to secure bank loans and the settlement of the corresponding mortgage loans.

Save for the above, the Group had no material acquisition or disposal during the nine months ended 30 April 2010.

OPERATION REVIEW

With the Working Capital Facility provided by the Investor, the Group was able to continue and expand its existing principal business. In September 2009, the Group entered into a service agreement with a service agent to carry out the feedstock distribution business for and on behalf of the Group in the PRC. The service agreement was subsequently terminated after the incorporation of Xiamen Dongyu Trading Company Limited ("Dongyu"), an indirect wholly owned subsidiary of the Company in the PRC to carry out distribution of feedstock business. Other revenue amounting approximately HK\$266,000 has been recorded by the Group during the nine months ended 30 April 2010 with respect to this arrangement.

OPERATION REVIEW (CONT'D)

With substantial experience in the feedstock industry and extensive customer contacts possessed by the management of Dongyu, the feedstock business of the Group has been continually expanding since September 2009, which resulted in the substantial growth of both the revenue and the net profit of the Group. In addition, Dongyu has managed to secure some long term contracts with its customers. In order to ensure stable and quality supply of feedstock products, Dongyu entered into two strategic cooperation agreements with its two major suppliers in November 2009.

OUTLOOK

With a view to establishing its own production capacity in the PRC, in March 2010, the Group entered into a joint venture agreement with certain independent third parties including two of its existing suppliers to set up a joint venture in the PRC. The joint venture will be principally engaged in the development and manufacturing of feedstock products. It is expected that by participating in the manufacturing process, the Group will have more stable, diversified and quality supply of products to meet the market demand and development. Following the establishment of the research and development team of the joint venture, the Group intends to expand its product range and develop its own products brand for enhancement of its corporate image, customer loyalty and profitability.

Given the favourable PRC government policies to place emphasis on the development of the breeding industry, the Company believes that the proposed formation of the joint venture will bring about synergies to the Group's existing customer base and network, and further accelerate its business development.

It is expected that as all liabilities arising from the creditors of the Company and the creditors of its subsidiaries holding guarantees given by the Company will be compromised and discharged by way of the schemes of arrangements as contemplated in the Resumption Proposal. The Company is confident that, with the Investor's strong support in the business and financial aspects, the business operations of the Group will continue to maintain a high expansion rate to reach a sufficient level to meet the requirements for the resumption of trading in the shares of the Company, and the Group will eventually gain a solid foothold feedstock industry in the PRC.

AUDIT COMMITTEE

The main functions of an audit committee is to recommend to the Board on the appointment, reappointment and removal of the external auditors; to approve the remuneration and terms of engagement of the external auditors as well as any questions of resignation or dismissal of such auditors; to review the quarterly, interim and annual reports and accounts of the Group; and to oversee the Company's financial reporting and internal control procedures.

AUDIT COMMITTEE (CONT'D)

Since there are insufficient directors of the Company to be appointed as members of an audit committee, there is no audit committee and the Company's quarterly financial results for the nine months ended 30 April 2010 have not been reviewed by any audit committee. In addition, the quarterly financial results have neither been reviewed by an external auditor. However, the directors of the Company will, as soon as practicable, establish an audit committee pursuant to the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

COMPETING INTEREST

None of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company or their respective associates had any interest in any business, which competes or may compete with the business of the Group.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30 April 2010, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares or 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 or short positions which they have taken or deemed to have taken 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 Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of director	Capacity and nature of interest	Shares/equity derivatives	Number of shares/equity derivatives held	Percentage of the Company's issued share capital	Note
Ms. Wong Moon Ha	Through controlled corporation	Ordinary shares	400,000,000 shares	29.58%	(1)
Mr. Wong Sai Wa	Directly beneficially owned	Share options	3,200,000 share options	0.24%	(2)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SECURITIES OF THE COMPANY (CONT'D)

Notes:

- (1) The shares were held by Concord Pharmaceutical Technology (Holdings) Limited ("CPT"), which is a wholly-owned subsidiary of Concord Business Management Limited ("CBM"), the entire issued capital of which was owned by Ms. Wong Moon Ha. According to the disclosure of interest forms dated 6 September 2007, Mr. Wong Sai Chung surrendered his rights to 400,000,000 shares of the Company to Ms. Wong Moon Ha on even date. Mr. Wong Sai Chung is the brother of Mr. Wong Sai Wa and Ms. Wong Moon Ha, both are the executive directors of the Company.
- (2) The options are exercisable at any time from 10 October 2001 up to and including 22 March 2011 at an exercise price of HK\$0.55 per share in accordance with the terms of the pre-initial public offerings share option scheme (the "Pre-IPO Plan") adopted by the Company on 23 March 2001.

Save as disclosed herein, as at 30 April 2010, none of the directors or chief executives of the Company had short positions in the shares or underlying shares of equity derivatives of the Company and no other person was individually and/or collectively entitled to exercise or control the exercise of 5% or more of the voting power at general meeting of the Company and was able, as a practical matter, to direct or influence the management of the Company.

SHARE OPTION SCHEMES

(a) **Option Scheme**

The Company had adopted the Pre-IPO Plan and a share option scheme (the "Option Scheme"), the principal terms of which were summarised in the section headed "Statutory and General Information Share Option Schemes" in Appendix 5 to the Company's prospectus dated 28 March 2001. The Option Scheme became effective on 23 March 2001 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

By ordinary shareholders' resolutions passed at the extraordinary general meeting held on 12 September 2007, the Company had made amendments on the Option Scheme. The exact terms of the amendments were detailed in the circular of the Company dated 27 August 2007. Save as set out in such amendment, all other provisions of the Option Scheme remained unchanged.

SHARE OPTION SCHEMES (CONT'D)

(a) Option Scheme (Cont'd)

The following share options were outstanding under the Option Scheme during the period under review:

Name or category of participant	At 1.8.2009	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30.04.2010	Date of grant of share options	Exercise period of share options	Exercise price of share options HK\$
Consultant	43,000,000	-	-	-	-	43,000,000	23.9.2007	23.9.2007 to 22.9.2017	0.43
Consultant	27,040,000	-	-	-	-	27,040,000	14.11.2007	14.11.2007 to 13.11.2017	0.59
	<u>70,040,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,040,000</u>			

The exercise of the above 70,040,000 outstanding share options of the Option Scheme as at 30 April 2010 would, under the present capital structure of the Company, result in the issue of 70,040,000 additional ordinary shares of the Company and additional share capital of HK\$3,502,000 and share premium of HK\$30,941,600 (before issue expenses).

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

SHARE OPTION SCHEMES (CONT'D)

(b) Pre-IPO Plan

The following share options were outstanding under the Pre-IPO Plan during the period under review:

Name or category of participant	At 1.8.2009	Granted during the period	Exercised during the period	(Note a)		At 30.04.2010	(Note b)	(Note c)	(Note c)
				Lapsed during the period	Cancelled during the period		Date of grant of share options	Exercise period of share options	Exercise price of share options
Director									
Mr. Wong Sai Wa	3,200,000	-	-	-	-	3,200,000	23.3.2001	10.10.2001 to 22.3.2011	0.55
	<u>3,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,200,000</u>			

Notes:

- If the grantee is an employee of the Group, the share options shall lapse automatically upon the termination of his/her employment with the Group. The share options may be exercised up to the last actual working day of any employee of the Group.
- The vesting period of the share options is from the date of the grant until the date of the exercise period commences.
- The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The exercise of the above 3,200,000 outstanding share options of the Pre-IPO as at 30 April 2010 would, under the present capital structure of the Company, result in the issue of 3,200,000 additional ordinary shares of the Company and additional share capital amounted to HK\$160,000 and share premium amounted to HK\$1,600,000 (before issue expenses). During the nine months ended 30 April 2010, none of the directors or employees of the Company had exercised any share options and no allotment or issue of shares was made pursuant to the Pre-IPO Plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY

As at 30 April 2010, so far as was known to the directors or chief executives of the Company based on the register maintained by the Company pursuant to Part XV of the SFO the following persons (not being the directors and chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name	Capacity and nature of interest	Shares	Number/amount of shares/equity derivatives held (Long position)	Percentage of the Company's issued share capital	Note
JBC Bio Technology Company Limited ("JBC Bio Tech")	Corporation	Ordinary shares	432,000,000 shares	31.94%	(1)
Ms Liu Yang	Through controlled corporation	Ordinary shares	432,000,000 shares	31.94%	(1)
CPT	Corporation	Ordinary shares	400,000,000 shares	29.58%	(2)
CBM	Through controlled corporation	Ordinary shares	400,000,000 shares	29.58%	(2)
Keywise Capital Management (HK) Limited	Investment Manager	Ordinary shares	442,599,386 shares	32.70%	(3)
Keywise Greater China Opportunities Master Fund ("Keywise")	Investment Manager	Ordinary shares	442,599,286 shares	32.70%	(3)

Notes:

- (1) The shares were held by Ms. Liu Yang (a former director of the Company) through JBC Bio Tech. Prior to the unauthorized sale of 48,000,000 shares as mentioned in the announcement of the Company dated 29 May 2007, JBC Bio Tech held 480,000,000 shares, representing 35.94% of the total issued share capital of the Company.
- (2) CPT is a wholly-owned subsidiary of CBM and CBM is wholly owned by Ms. Wong Moon Ha. Accordingly, CBM and Ms. Wong Moon Ha are deemed to have an interest in the 400,000,000 shares of the Company held by CPT.
- (3) Keywise is an investment fund managed by Keywise Capital Management (HK) Limited. These shares comprise (i) 220,496,000 shares of the Company and (ii) 151,515,151 and 70,588,235 underlying shares which would be issued upon conversion of convertible bonds and exercise of subscription rights attaching to warrants respectively.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY (CONT'D)

Save as disclosed above, as at 30 April 2010, the directors and/or chief executives of the Company were not aware of any other person (other than directors and/or chief executives of the Company) who had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

CODE ON CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

As at 30 April 2010, the directors of the Company have not yet adopted a code of conduct governing securities transactions for directors. However, the directors of the Company will, as soon as practicable, adopt such code of conduct on terms no less stringent than those in the required standard set out in the GEM Listing Rules 5.48 to 5.67 to be complied by all directors of the Company.

For the nine months ended 30 April 2010, the Company was not aware of any non-compliance of securities transactions by directors as set out in the GEM Listing Rules.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the nine months ended 30 April 2010, with the exception of the situations listed below, the Company complied with the principles of good governance (the "Principles") and code provision (the "Code Provision"). Appendix 15 of the GEM Listing Rules sets out the "Code on Corporate Governance Practices" (the "Code").

1. Non-executive directors were not appointed for a specific term but were subject to retirement by rotation at the Company's annual general meeting in accordance with the bye-law of the Company (Code Provision A.4.1);
2. No remuneration committee was established to review the directors' remuneration policy and other remuneration related matters. The directors will, as soon as practicable, establish a remuneration committee with specific written reference which deals clearly with its authorities and duties (Code Provision B.1.1);
3. The directors of the Company did not review the effectiveness of the system of internal control of the Group. In this regard, the directors will at least annually conduct a review of the effectiveness of the system of internal control of the Group. (Code Provision C2.1); and

CODE ON CORPORATE GOVERNANCE PRACTICES (CONT'D)

4. The directors of the Company did not maintain an on-going dialogue with shareholders of the Company. In this regard, the directors of the Company will at least annually conduct a general meeting to communicate with shareholders of the Company and encourage their participation (Principle E.1).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this quarterly report, the Company has maintained a public float as prescribed under the GEM Listing Rules.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended since 9:30 a.m. on 28 October 2008 at the request of the Company and will remain suspended until further notice.

By Order of the Board
China Medical and Bio Science Limited
(Provisional Liquidators Appointed)
Wong Sai Wa
Executive Director

Hong Kong, 26 May 2010

As at the date of this report, the Board of the Company comprises two executive Directors, namely Ms. Wong Moon Ha and Mr. Wong Sai Wa; and one independent non-executive Director, namely Mr. Chan Kin Hang.