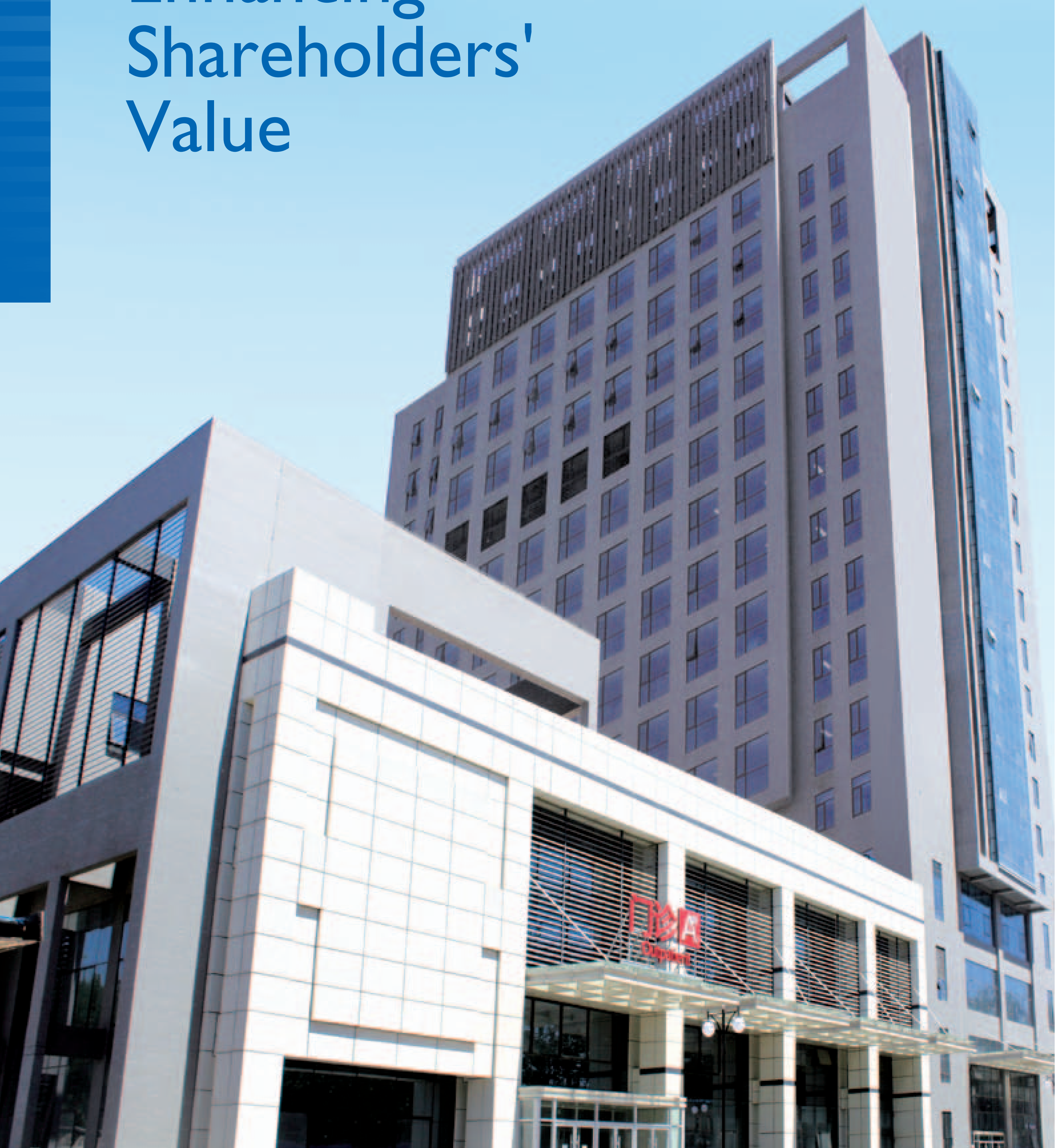
2012/2013
ANNUAL REPORT

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)

Enhancing Shareholders' Value



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CORPORATE PROFILE

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 healthcare enterprise in China.

Golden Meditech is recognised as a first-mover in China's healthcare industry. By turning our industry insight into strategies, we have successfully identified opportunities in the market which allow us to establish dominant positions in each of the businesses we operate in. Our strengths in innovation, market expertise, stringent demand on quality, proven strategies and ability to capture emerging market opportunities have enabled us to unleash the intrinsic values of each business unit and effectively accelerated our business growth.

THE HEALTHCARE SERVICES SEGMENT

Focusing on hospital management and related services, the Group is the first wholly-owned foreign enterprise licensed as a nationwide hospital management operator in China, currently manages two reputable hospitals in Beijing and Shanghai. The Shanghai East International Medical Center is a renowned hospital serving high-end Chinese and foreign expatriates in Shanghai. The new Qinghe Hospital in Beijing specialises in haematology and houses departments of various medical disciplines such as the In-Vitro Fertilisation ("IVF") Centre to address patients with different needs.

GM-Medicare Management (China) Company Limited is the first medical insurance administration, Third-Party Administration ("TPA") service provider in China, connecting medical insurance companies, hospitals, and end users by providing claim processing and bill settlement services.

This segment also includes China Cord Blood Corporation ("CCBC"; CO.US), a subsidiary of the Group. CCBC is the first and largest umbilical cord blood bank operator in China that owns exclusive licenses in Beijing, Guangdong and Zhejiang Province, and an investment in the exclusive operator in Shandong. CCBC remains a major shareholder of Cordlife Group Limited (P8A.SGX), the largest cord blood bank operator in Southeast Asia and Cordlife Limited (CBB.AX).

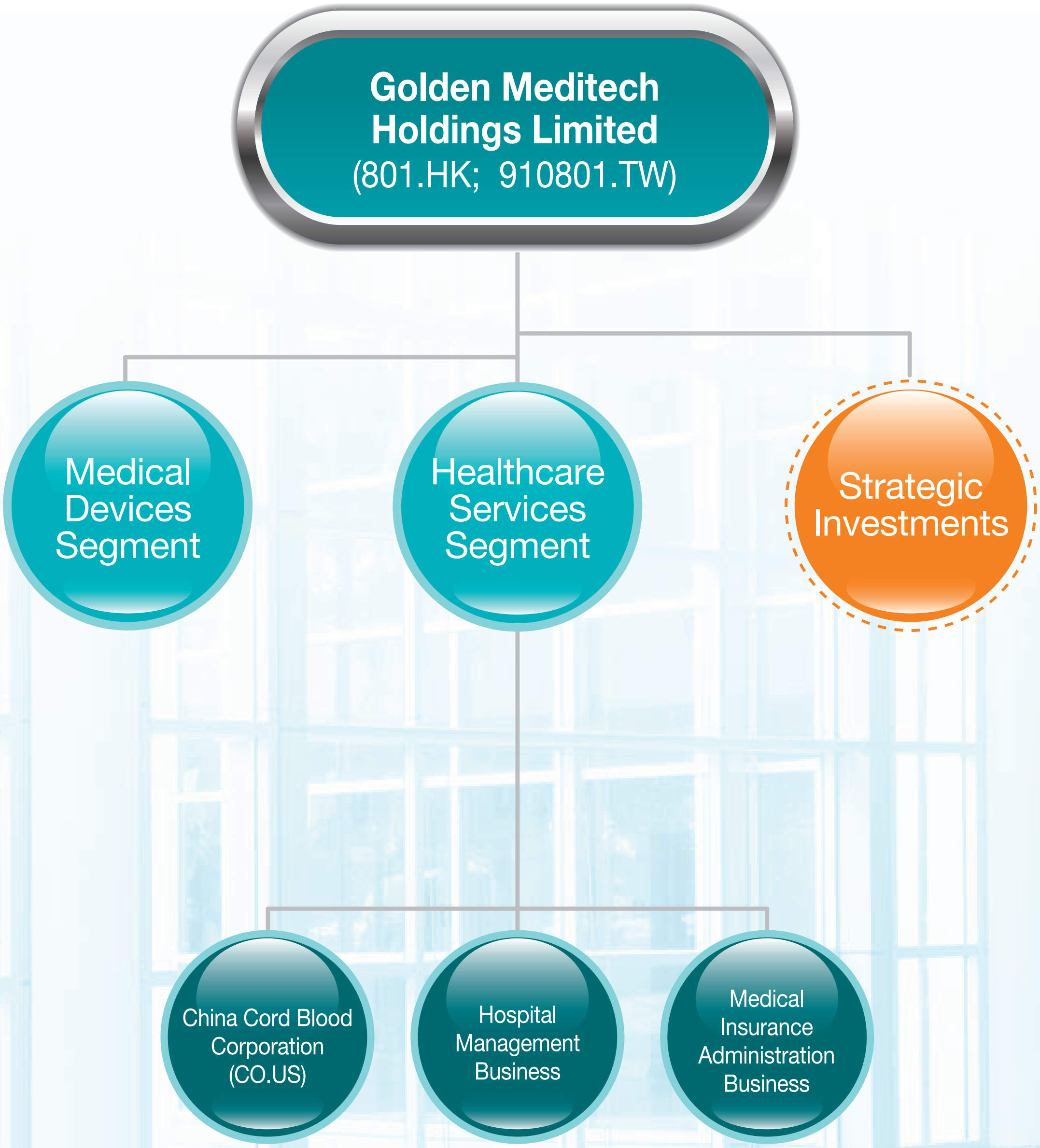
THE MEDICAL DEVICES SEGMENT

The Group is a pioneer in the development, manufacture, sales and distribution of blood-related medical devices in China. Our domestically developed products are specialised in blood recovery, purification and treatment. Our flagship product Autologous Blood Recovery System ("ABRS") was the first domestically developed device to obtain approval from the State Food and Drug Administration ("SFDA").

VISION AND MISSION

The Group is committed to achieving long-term sustainable growth through unremittingly cultivating our healthcare services and medical devices operations. We are investing in the healthcare industry with prominent market potentials, limited competition, and high investment returns in order to continuously enhance our shareholders' value.

We are striving to maintain our leading position in China's integrated healthcare industry, create a balanced portfolio and enable each business operation to be a leader in their respective market. We endeavor to benchmark ourselves alongside the global industry leaders in both quality and standards.


Golden Meditech Holdings Limited (801.HK; 910801.TW)
Medical Devices Segment
Healthcare Services Segment
Strategic Investments
China Cord Blood Corporation (CO.US)
Hospital Management Business
Medical Insurance Administration Business

CORPORATE HISTORY AND MILESTONES

2013
- New hospital facility with over 600 beds in Beijing's Haidian District is scheduled for opening by third quarter of 2013

2012
- The Group invested US$50 million in China Cord Blood Corporation ("CCBC"; CO.US) through the subscription of 7% convertible notes due 2017
- The medical devices segment has established a new distribution business for imported high-end overseas medical devices

2011
- Became the first healthcare enterprise from Mainland China to successfully list its depositary receipts on the Taiwan Stock Exchange
- Acquired Shanghai East International Medical Center ("SEIMC") to enter into premium healthcare services
- CCBC secured an exclusive license to operate cord blood bank business in Zhejiang Province
- The Group disposed 3% interest in Fortress Group Limited ("Fortress") for US$15 million, which wholly-owns the privatised FunTalk China Holdings Limited ("FunTalk China") after a successful de-listing from NASDAQ

2010
- Changed its name to "Golden Meditech Holdings Limited", to better reflect the Group's integrated business model, multiple revenues streams and depth exposure in China's healthcare industry
- Launched China's first third-party medical insurance administration, GM-Medicare Management (China) Company Limited, as a joint venture with two leading US-based health maintenance organisations (HMOs)

2009
- New cord blood storage facility, then the largest cord blood storage facility in the world in terms of capacity and daily processing volume, commenced operation in Beijing
- Transferred listing from the Growth Enterprise Market ("GEM") onto the Main Board of The Hong Kong Stock Exchange Limited (801.HK)
- Completed the acquisition of the hospital management business
- CCBC successfully listed on New York Stock Exchange
- FunTalk China successfully listed on NASDAQ (later became Fortress)

2008
- New cord blood storage facilities in Guangdong Province commenced operation

2007
- Expansion of cord blood bank business into Guangdong Province

2006
- Strategic investment in Pypo Technology (later became FunTalk China and Fortress)

2004
- Strategic investment in Union China National Medical Equipment Corporation Limited (later became China National Medical Equipment Co. Ltd., a large sino-foreign joint venture and one of the leading medical device distributors in China)

2003
- Strategic investment in the first cord blood bank in China and commencement of cord blood bank operation in Beijing

2002
- Medical devices production facility in Beijing obtained GMP certification and commenced production

2001
- Listed on the GEM of The Stock Exchange of Hong Kong Limited (8180.HK)

Dear Shareholders,

I am pleased to announce that the annual results of Golden Meditech Holdings Limited (the "Company" or "Golden Meditech") for the fiscal year 2012/2013 were in line with management expectations. During the review period, notwithstanding the sluggish global economies, our seasoned experiences and strengths in integrated healthcare industry in China have enabled us to implement our long term business strategies for achieving satisfactory performances for our core businesses and fortifying our leading position in China's integrated healthcare industry.

During the review period, Golden Meditech has accomplished a number of significant achievements. For the healthcare services segment, our newly constructed Qinghe Hospital in Beijing's Haidian District has begun its trial run. The Qinghe Hospital specialises not only in haematology, but also houses departments of various medical disciplines such as the In-Vitro Fertilisation ("IVF") Centre to address patients with different needs. The total floor area of the Qinghe Hospital is approximately 75,000 square meters, with over 600 beds which include 48 beds for the haematology wards. We believe the commencement of the Qinghe Hospital will signify the next major milestone of our hospital management business and it will diversify our source of income and strengthen our cash flow.

Leveraging on the existing sales platform of our medical devices segment, we have established a new business to distribute imported medical devices. In August 2012, we signed a five-year exclusive product purchase and distribution agreement with ThermoGenesis Corp., a company listed on NASDAQ Stock Market (NASDAQ:KOOL) for the distribution of the AXP® AutoXpress® System ("AXP System"), an automated device used for the process of extracting stem cells from cord blood, in China (excluding Hong Kong and Taiwan) and the Asia-Pacific region once relevant government approval has been obtained in each respective region. This newly developed distribution business will allow us to fully utilise our existing sales platforms and networks for seizing potential market demand for premium medical devices in China.

Our total revenue increased by 20.4% to HK$1,079,062,000 compared to HK$895,869,000 for the previous reporting period. Although the operational performance of the healthcare services segment was affected by the relocation of our haematology hospital in Beijing, rest of the operations, especially the cord blood bank business maintained steady growth during the year. Turnover of the medical devices segment sustained satisfactory growth amid favourable Chinese policies on alleviating surgical blood shortage.

With the Qinghe Hospital scheduled to be opened in the third quarter of 2013, our capital expenditure for the next fiscal year will be more stable as compared to previous years. Being a company that is striving to maximise long-term shareholders' value, the board of directors (the "Board") has taken into account the return to shareholders, the Company's cash flow, the long-term development plan and other capital requirements and has decided to recommend a final dividend of HK1.3 cents per share (2012: HK1 cent per share). We acknowledge the continuous support and trust from our shareholders which enable us to stride forward persistently. We will unremittingly balance our expansion plan and short term shareholders' returns as we are dedicated to delivering growth and long-term value to all shareholders.

While we have been striving to maintain our leading position in China's integrated healthcare industry, we have prudently explored all possible opportunities to maximise our intrinsic values. We are confident that the demand for premium medical devices and services will flourish and its full potentials have not yet been reflected. We believe the separate listing of our various business segments at the appropriate stock exchange would be beneficial to our shareholders and the Group as a whole.

GROUP OUTLOOK

Despite sluggish global economies, the gross domestic product of Mainland China remained resilient and grew by 7.8% in 2012. In order to harmonise the society and allow the general public to share its economic success, the Chinese government has pledged greater support for welfare and decided to invest approximately RMB400 billion by 2020 to facilitate the healthcare development. With Mainland China being our key sales market, Golden Meditech should benefit from favourable government policies to improve the overall healthcare standard in the country. Furthermore, we believe the new government will continue to deepen the healthcare reform and we will make the best of any emerging opportunities.

We have firmly seized the valuable market opportunities in the medical devices and healthcare services businesses in the past few years to deepen our business transformation. Not only we have further developed on the medical devices segment in line with the government policies, we have also proactively expanded into the healthcare services business. The opening of the Qinghe Hospital will enable our hospital management business to thrive on, accelerate the optimisation of business structure and enhance our operational and management capacities. This will further facilitate the integration of our healthcare businesses, maintain the growth momentum and enhance our competitive strengths.

Going forward, we are fully confident in the prospect of Golden Meditech. We will ride on the industry development trend, in alignment with our leading position in China's integrated healthcare industry, to create a competitive edge at our advantage. We will continue to accelerate the development of our medical devices and healthcare services businesses through leveraging on our strengths in innovation and seasoned experience in China's healthcare industry, with a view to maximise our shareholders' value.

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to all our shareholders and customers for their support. I would also like to express my sincere thanks to my colleagues for their valuable contribution during the reporting period.

KAM Yuen
Chairman
28 June 2013

MANAGEMENT DISCUSSION AND ANALYSIS

The management is pleased to present the annual results of Golden Meditech Holdings Limited (the "Company" or "Golden Meditech") for the financial year ended 31 March 2013. During the reporting period, Golden Meditech has early adopted certain new Hong Kong Financial Reporting Standards ("HKFRS") for the preparation of financial statements. Considering we have significantly participated in the development of China Cord Blood Corporation ("CCBC"), we assessed our investment in CCBC under the guidance of the HKFRS 10, and taken into account Golden Meditech's de facto control over CCBC; as a result, the financial statements of the Group have been restated retrospectively with CCBC fully consolidated in the Group's financial statements. Total revenue for the fiscal year rose by 20.4% to HK$1,079,062,000 as each business segment of the Group continued to perform in line with management expectations. Revenue from the Group's healthcare services business accounted for 71.9% of total revenue while medical devices business accounted for 25.7%.

With our endeavor to success and visionary insight, we have successfully seized the market opportunities and continued to deepen our business transformation. We have further developed on the medical devices segment while expanded into the healthcare services business. The new hospital facilities in Beijing has begun its trial run and is expected to be operational in the third quarter of 2013 which signifies an important milestone for our hospital management business.

Although the expansion of Beijing hospital facilities during the year had affected the growth in revenue from hospital management business, we believe the new hospital once opened will contribute a higher level of revenue, profit and cash flow in the future which prone to enhance the competitiveness of the Group. In order to fortify our existing competitive advantages in the hospital management business, in August 2012, we repurchased from New Horizon Capital III, L.P. ("New Horizon"), the convertible notes issued by our hospital management subsidiary, GM Hospital Group Limited ("GMHG"). Assuming the convertible notes are fully converted into new GMHG shares, our ownership in the hospital management business will increase from 75.0% to 78.58%. New Horizon in return received 279,344,444 new shares from Golden Meditech at the issue price of HK$0.9 per share. The investment from New Horizon has demonstrated its long-term support and confidence in the Group's overall healthcare strategies.

Meanwhile, we have strong confidence in the prospects of China's cord blood banking industry and CCBC's market leadership; therefore, we invested US$50 million in CCBC through the subscription of its convertible notes. Our shareholding in CCBC would increase to 53.3% assuming such convertible notes are fully converted into CCBC new shares. This investment is believed to enhance our share of contribution from CCBC.

The Group's key revenue derived from the cord blood bank and medical devices businesses. Benefited from the baby boom in the Chinese year of the dragon, revenue from cord blood bank business recorded significant growth in the reporting period. In addition, our flagship product, the Autologous Blood Recovery System ("ABRS") has maintained a stable sales growth as a result of increasing demand and favourable policy environment.

The healthcare services segment is still in a growth and investment stage, which in turn led to an increase in selling and administrative expenses. Despite the increase in selling and administrative expenses, our operating margin raised from 24.4% to 26.3% as compared to the previous year; which was mainly attributable to the realised and unrealised gain or loss recognised as a result of the changes in market values of the Group's securities investments. We believe the operating margin is set to improve as soon as new businesses, specifically the medical insurance administration business, continue to develop and expand.

Profit attributable to shareholders of the Company totaled HK$135,660,000, while basic earnings per share reached HK6.3 cents. Excluding the loss of HK$18,952,000 due to fair values changes of financial assets and financial liabilities and the gain on the disposal of an associate of HK$8,527,000, our adjusted profit attributable to shareholders of the Company decreased by 25.5% to HK$146,085,000 as compared to the previous reporting period.

HEALTHCARE SERVICES SEGMENT

A segmental financial breakdown of the Group's healthcare services segment (currently consists of cord blood bank business, hospital management business and medical insurance administration business) is as follows:

	FY2012/13 (HK$'000)	FY2011/12 (HK$'000) Restated
Revenue from cord blood bank business	**647,265**	462,647
Revenue from hospital management business	**126,930**	147,110
Revenue from medical insurance administration business	**2,121**	811
Selling and general administrative expenses	**372,691**	254,135
Profit before interests and tax	**219,893**	210,852
Profit after tax	**71,239**	175,579

During the reporting period, revenue from the healthcare services segment increased by 27.1% to HK$776,316,000. Revenue generated from cord blood bank business, hospital management business and medical insurance administration business were HK$647,265,000, HK$126,930,000 and HK$2,121,000 respectively.

Cord Blood Bank Business

The business performance of the Group's subsidiary, CCBC, has been benefited from the baby boom in the Chinese year of the dragon and its success in penetrating the high-end market segment, which enabled it to achieve a record of 72,228 new subscribers and increased its accumulated subscriber base to 311,982 subscribers. Revenue from cord blood bank business increased by a remarkable 39.9% to HK$647,265,000 as compared to the same period last year. However, as a result of the fair value changes of the convertible notes issued to Kohlberg Kravis Roberts investment fund in April 2012, which caused profit for the year of CCBC to decline.

Our growing support for CCBC is believed to generate synergies that allow CCBC to speed up its development. Although the Chinese market is expected to gradually resume lower normalised birth trends and inflicted some near-term pressure for achieving subscriber growth target, CCBC intends to reinforce its ability to deepen market penetration and overcome these challenges through accelerating the expansion of Guangdong storage capacity and the development of new Zhejiang storage facility. With its new pricing strategy for enhancing cash flow and offsetting rising production costs in place, we are confident in the prospects of CCBC and believe its contribution to Golden Meditech will increase in the future which prone to bring in long-term benefits to the Group and our shareholders.

Hospital Management Business

In tandem with the long term development of the hospital management business, expansion of Beijing hospital facilities took place during the year temporarily affected its operation and slowed down the overall growth momentum of the hospital management business, but we believe the new hospital once opened for business will contribute a higher level of revenue in the future. The Qinghe Hospital is scheduled to be opened in the third quarter of 2013 which specialises in haematology and will house departments of various medical disciplines such as IVF Centre. The Qinghe Hospital is located at Haidian District in Beijing with a gross a floor area of approximately 75,000 square meters with more than 600 beds, which include 48 beds for

the haematology wards. Our Shanghai East International Medical Centre ("SEIMC") has continued to deliver significant contributions to the segment since our acquisition in 2011. This reputable hospital serves the premium expatriate market in Shanghai and the surrounding neighbourhoods and is expected to deepen its penetration to the high-end market segment.

Medical Insurance Administration Business

The medical insurance administration business, GM-Medicare Management (China) Company Limited has achieved satisfactory progress during the reporting period. Though this business remains in the development stage, it has been appreciated by the market in serving as the missing link between multiple stakeholders in the medical insurance market in China.

MEDICAL DEVICES SEGMENT

A segmental financial breakdown of the Group's medical devices segment (currently consists of the manufacturing and sale of medical devices and related accessories and share of profit from an associate (disposed during the year)) is as follows:

	FY2012/13 (HK$'000)	FY2011/12 (HK$'000)
Revenue from medical devices	**162,036**	153,603
Revenue from medical accessories	**115,206**	104,209
Selling and general administrative expenses	**37,446**	35,318
Profit before interests and tax	**155,753**	149,648
Profit after tax	**115,661**	124,649
Share of profit from an associate (disposed during the year)	**1,608**	11,384

Revenue from the Group's medical devices segment amounted to HK$277,242,000, representing 7.5% increase relative to the previous corresponding period, accounting for 25.7% of the Group's total revenue.

The government of Mainland China is committed to promoting the quality and standards of the healthcare system and has recently announced to invest approximately RMB400 billion by 2020 to support the development of healthcare. In order to alleviate the shortage of surgical blood, the Ministry of Health has launched a series of measures such as the implementation of the "Level III General Hospital Accreditation and Administration Standards" to encourage the clinical adoption of ABRS. With the new government in power and favourable policies in place, we believe the market demand for our key products – ABRS will continue to increase.

In view of the rising demand for prime medical devices, we believe the separate listing of the medical devices division at the appropriate stock exchange market will be beneficial to the Group and our shareholders in the long run. The Group thereby repurchased shares of China Bright Group Co. Limited ("China Bright"), a non-wholly-owned medical devices subsidiary of Golden Meditech. As of today, the Group has increased its stake in China Bright to 95.09%.

Moreover, we leveraged on our seasoned experience in selling blood related medical devices to establish imported medical devices distribution business in China. In August 2012, we signed our first distribution agreement with ThermoGenesis Corp. for the AXP System, an automated device used for the process of extracting blood stem cells from cord blood. Under the five-year agreement, we have exclusive distribution rights for the AXP System in China (excluding Hong Kong and Taiwan), and certain other regions in Asia-Pacific region to meet the growing demand for premium medical devices.

STRATEGIC INVESTMENTS

A segmental financial breakdown of the Group's strategic investments is as follows:

	FY2012/13 (HK$'000)	FY2011/12 (HK$'000)
Revenue from Chinese herbal medicine business	**25,504**	27,489
Selling and general administrative expenses	**45,842**	51,408
Loss before interests and tax	**(28,407)**	(31,131)
Loss after tax	**(24,822)**	(25,050)
Share of profit from an associate - Fortress Group Limited ("Fortress")	**83,714**	94,509

The Group currently holds two strategic investments, a 29.4% stake in Fortress, the special private vehicle which privatised the previously NASDAQ-listed FunTalk China Holdings Limited ("FunTalk") in August 2011 and 100% shareholding in Chinese herbal medicine business.

The performance of the underlying FunTalk business was up by 44.7% during the period, compared with the same period last year. However, Fortress needed to account for non-cash expenses associated with derivatives on certain financial instruments and as a result our share of profit from Fortress decreased by 11.4% to HK$83,714,000 compared with the previous reporting period.

The Chinese herbal medicine business consists of a GMP-approved production facility over a site area of 58,000 square meters located in a prime location in Municipal Shanghai. The business itself reported an operating loss of HK$28,407,000 during the year, and was below management expectations.

With our overall strategy focused on the enhancement of our core healthcare businesses, it is our intention to consider disposals of strategic investments at appropriate time and any proceeds raised will be allocated among existing businesses, and our shareholders.

GROUP STRATEGY AND OUTLOOK

Looking forward, we believe the demand for premium medical devices and healthcare services is prominent as the Mainland Chinese government has dedicated more resources to enhance the healthcare system. The commencement of the Beijing Qinghe Hospital should provide fresh momentum for growth and its cash flow will enable us to capture new business opportunities as well as allow the market to appreciate the intrinsic values of Golden Meditech.

We are committed to the development of both the medical devices and healthcare services segments, and we will relentlessly consolidate and strengthen our core competences which allow us to explore new opportunities in the immense China's healthcare sector.

GROUP FINANCIAL REVIEW

Our core businesses reported steady revenue growth for the year ended 31 March 2013 at HK$1,079,062,000, representing an increase of approximately 20.4%. The healthcare services segment remained the largest source of revenue and contributed HK$776,316,000, a 27.1% increase year-on-year, equivalent to 71.9% of the Group's total revenue. Revenue from the medical devices segment amounted to HK$277,242,000, which accounted for 25.7% of the Group's total revenue, with a 7.5% growth compared to last year.

Gross Profit

While the Group reported stable revenue growth in all business areas, the Group's gross profit margin increased slightly by 0.7 percentage point to 69.8% as compared to last year. The medical devices segment and the healthcare services segment posted a gross margin of 62.6% and 73.3% respectively.

Selling and Administrative Expenses

The Group enhanced its marketing and business development initiatives across all business segments, particularly those in its hospital management business and cord blood bank business; and accordingly selling and administrative expenses incurred for the fiscal year 2013 stood at HK$515,639,000, up 30.4% over the same period last year.

The management has been rigorous in monitoring expenses while maintaining costs at a reasonable level.

Other Net Loss

During the reporting period, the Group recorded other net loss of HK$708,000.

Profit from Operations

Despite the increase in administrative and selling expenses, the Group's operating profit reached HK$283,461,000, representing a 29.8% increase as compared to the previous year. The increase was mainly attributable to the realised and unrealised gain or loss recognised as a result of the changes in market values of the Group's securities investments. The Group recognised a realised and unrealised gain of HK$2,517,000 and a realised and unrealised loss of HK$52,017,000 for the years ended 31 March 2013 and 2012, respectively.

Finance Costs

The Group's finance costs increased to HK$57,080,000. The significant increase in finance costs was a result of the Group's focus on long-term financings for future business developments.

Changes in Fair Value of Financial Liabilities at Fair Value through Profit or Loss

During the year ended 31 March 2013, the Group recorded a non-cash financial loss of HK$21,469,000 as a result of remeasurement of the convertible notes of the Company and its subsidiaries.

Income Tax

The Group's total income tax expense was HK$89,964,000, a 100.3% increased from that of last year. During the year ended 31 March 2012, certain subsidiaries were granted high and new technology enterprise statuses which resulted in refunds of income tax paid in previous year.

Profit Attributable to Equity Shareholders

During the reporting period, the Group maintained satisfactory growth across the board. Due to the non-cash impacts of the fair value changes of financial liabilities, the temporary suspension of our Beijing hospital facilities, and the increase in selling and administrative expenses, the Group's profit attributable to equity shareholders of the Company totaled HK$135,660,000, representing a 11.3% decrease over the previous corresponding period.

Current Assets and Total Assets

As of 31 March 2013, the Group's total current assets and total assets were HK$2,797,898,000 and HK$9,701,460,000 (2012: HK$2,313,829,000 and HK$8,614,988,000), respectively.

Liquidity and Financial Resources

As of 31 March 2013, the Group's cash and bank deposits amounted to HK$2,164,424,000 (2012: HK$1,796,015,000); total interest-bearing debts stood at HK$1,629,520,000 (2012: HK$709,212,000) and share repurchase obligations amounted to HK$130,228,000 (2012: HK$554,167,000).

Debt Ratio

On the basis of total interest-bearing liabilities divided by total equity, the Group's debt ratio was 26.6% as of 31 March 2013. From a long-term perspective, the management is committed to maintain an optimal and stable debt ratio, in order to achieve maximum capital efficiency.

Credit and Capital Policies

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

Employees

Excluding associates and joint venture, the Group and its subsidiaries have employed 1,603 full-time staff in Hong Kong and in the Mainland. During the reporting period, total staff costs (including directors' remuneration and contributions to retirement benefit schemes) amounted to HK$240,700,000.

Details of the Group's Pledged Assets

The Group has pledged certain assets as collaterals for certain bank loans as of 31 March 2013, particulars are set out in note 29 to the financial statements.

Dividend

At the meeting of the Board held on 28 June 2013, the directors recommended the payment of a final dividend of HK1.3 cents per share for the year ended 31 March 2013 (2012: HK1 cent per share). Shareholders will be given an option to receive the final dividend in cash or in lieu of cash by scrip dividend (the "Scrip Dividend Arrangement"). The Scrip Dividend Arrangement is subject to: (1) the approval of proposed final dividend and Scrip Dividend Arrangement at the forthcoming annual general meeting; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Arrangement. Full details of the Scrip Dividend Arrangement will be set out in a circular to be dispatched to the shareholders.

The board (the "Board") of directors (the "Directors") of Golden Meditech Holdings Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to present this Corporate Governance Report for the year ended 31 March 2013.

Good corporate governance has always been recognised as vital to the Group's success and development. The Board is committed to achieving and maintaining high standards of corporate governance. The Board recognises that such commitment is essential in upholding accountability and transparency, enhancing the performance of the Company and safeguarding the interests of the shareholders.

This report addresses the status of the Company's compliance with the principles and provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (effective since 1 April 2012).

THE CG CODE

The CG Code sets out the principles of good corporate governance and two levels of corporate governance practices, namely:

(a) code provisions (the "Code Provisions") which listed issuers are expected to comply with or give considered reasons for any deviation therefrom; and

(b) recommended best practices (the "Recommended Best Practices") for guidance only, which listed issuers are encouraged to comply with or give considered reasons for deviation therefrom.

The Company has applied the principles as set out in the CG Code and complied with all the Code Provisions throughout the year ended 31 March 2013, except for Code Provision A.2.1 of the CG Code. It has also put in place certain Recommended Best Practices. The Board periodically reviews the corporate governance practices of the Company to ensure that they meet the requirements of the CG Code.

The Board

Responsibilities

The Board is responsible to the shareholders for providing effective leadership, and ensuring transparency and accountability of the Group's operations. It sets the Company's values and aims at enhancing shareholders' value. It formulates the Group's overall strategy and policies; sets corporate and management targets, key operational initiatives, and policies on risk management pursuant to the Group's strategic objectives. It also monitors the Group's operational and financial performance; approves budgets, major capital expenditures, major investments, as well as material acquisitions and disposals of assets; oversees corporate and financial restructuring, and significant operational, financial and management matters.

The Board is also responsible for presenting a balanced, clear and understandable assessment of the Company's performance, position and prospects in the annual and interim reports, providing price-sensitive announcements and other financial disclosures as required under the Listing Rules, as well as supplying to regulators all information required to be disclosed pursuant to any statutory requirement.

The Board delegates the day-to-day management, administration and operation of the Group's business to the management of the relevant segments and divisions. The management is responsible for the implementation and adoption of the Company's strategies and policies. The delegated functions and tasks are periodically reviewed by the Board.

Board Composition

The composition of the Board reflects a balance of skills and experience desirable for effective leadership of the Company so that independent judgement of the Board can be assured.

The Board currently comprises four Executive Directors, one Non-Executive Director and four Independent Non-Executive Directors. There are no relationships among members of the Board.

Executive Directors:

Mr. KAM Yuen *(Chairman)*
Mr. LU Tian Long
Mr. KONG Kam Yu
Mr. YU Kwok Kuen, Harry

Non-Executive Director:

Ms. ZHENG Ting

Independent Non-Executive Directors:

Prof. CAO Gang	*(Chairman of audit committee ("Audit Committee") and member of remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee"))*
Mr. FENG Wen	*(Chairman of Remuneration Committee and Nomination Committee and member of Audit Committee)*
Mr. GAO Zong Ze	
Prof. GU Qiao	*(Member of Audit Committee, Remuneration Committee and Nomination Committee)*

The list of Directors (by category) is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

The Directors' biographical details are set out in the section "Biographical Details of Directors and Senior Management" of this annual report.

Throughout the year ended 31 March 2013, the Company met the requirement of the Listing Rules relating to the appointment of at least three Independent Non-Executive Directors with at least one in possession of appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the Independent Non-Executive Directors a written annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. Although Mr. GAO Zong Ze and Prof. GU Qiao have served as Independent Non-Executive Director for more than nine years, the Directors are of the opinion that Mr. Gao and Prof. Gu continue to bring relevant experience and knowledge to the Board and that, notwithstanding their long service, they maintain an independent view of the Company's affairs. The Company considers that all Independent Non-Executive Directors are independent under the guidelines set out in rule 3.13 of the Listing Rules.

The Independent Non-Executive Directors possess a wide range of financial and operational expertise and experience. Their participation in Board and committee meetings helps to ensure that the interests of all shareholders of the Company are taken into account and that key issues vital to the success of the Company are subjected to independent and objective consideration by the Board.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties including:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the Code Provisions set out in the CG Code and disclosure requirements in the Corporate Governance Report.

Appointment and Succession Planning of Directors

Pursuant to the CG Code, there should be a formal, considered and transparent procedure for the appointment of new directors and plans should be in place for orderly succession for appointments to the Board.

The Board regularly reviews its structure, size and composition to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group.

In the process of selection of Directors, the proposed candidates' skills, experience, professional knowledge, personal integrity and time commitments are taken into account having regard to the Company's needs and the relevant statutory requirements and regulations.

Each Director shall, after his appointment and on a timely basis thereafter, disclose to the Board the number and nature of offices held by such Director in other public companies and organisations and any other significant commitments.

During the year, the Board considered the recommendation of the Nomination Committee in relation to the appointment of Mr. KONG Kam Yu and Mr. YU Kwok Kuen, Harry as additional Executive Directors and Mr. FENG Wen as an additional Independent Non-Executive Director and put forward the proposals for shareholders' approval at the annual general meeting held on 25 September 2012. The appointments were duly approved by the shareholders at the said meeting.

In accordance with the Company's Articles of Association ("Articles of Association"), all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Directors to fill a causal vacancy or as an addition to the Board shall be subject to re-election at the first annual general meeting after appointment.

In addition, any new Director appointed by the Company in general meeting to fill a casual vacancy or as an additional Director shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting.

In accordance with Article 111 of the Articles of Association, Messrs. KONG Kam Yu, YU Kwok Kuen, Harry and FENG Wen shall retire at the forthcoming annual general meeting to be held on 24 September 2013 (the "2013 AGM") and, being eligible, offer themselves for re-election.

In accordance with Article 108 of the Articles of Association, Prof. CAO Gang and Mr. GAO Zong Ze shall retire by rotation at the 2013 AGM, being eligible, offer themselves for re-election. Pursuant to Code Provision A.4.3 of the CG Code, Mr. GAO Zong Ze has served as Independent Non-Executive Director more than nine years and his re-election will be subject to a separate resolution to be approved by the shareholders.

The Board recommends the re-appointment of the said Directors, whose biographical details are contained in the circular to be sent to the shareholders before the 2013 AGM.

Ms. ZHENG Ting, a Non-Executive Director, has terminated her previous service contract with the Company and entered into a new service contract as a Non-Executive Director with the Company for a term of three years commencing on 23 August 2012 provided that at any time during the term of appointment, either party may terminate the appointment by giving to the other not less than 30 days' notice in writing.

Each of Mr. KONG Kam Yu and Mr. YU Kwok Kuen, Harry has entered into a service contract with the Company commencing on 25 September 2012 as an Executive Director and will continue thereafter until terminated by either party giving to the other not less than 90 days' notice in writing.

Each of the other Executive Directors has entered into a service contract with the Company commencing on 1 April 2005 and continuing thereafter until terminated by either party giving to the other not less than 90 days' notice in writing.

Prof. GU Qiao has entered into a new service contract with the Company for a term of one year commencing on 25 September 2012 as an Independent Non-Executive Director and provided that at any time during the term of appointment, either party may terminate the appointment by giving to the other not less than 30 days' notice in writing.

Mr. FENG Wen has entered into a service contract with the Company for a term of one year commencing on 25 September 2012 as an Independent Non-Executive and Director and provided that at any time during the term of appointment, either party may terminate the appointment by giving to the other not less than 30 days' notice in writing.

Mr. GAO Zong Ze, an Independent Non-Executive Director, has entered into a service contract with the Company for a term of one year commencing on 28 December 2004 and continuing thereafter until terminated by either party giving to the other not less than 30 days' notice in writing.

Prof. CAO Gang, an Independent Non-Executive Director, has entered into a service contract with the Company for a term of one year commencing on 23 September 2004 and continuing thereafter until terminated by either party giving to the other not less than 30 days' notice in writing.

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company. Every newly appointed Director is provided with an induction on the first occasion of his/her appointment to ensure that he/she has adequate understanding of the businesses and operations of the Group. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in other continuous professional development programmes for directors.

During the year, the Company organised an in-house seminar conducted by Minter Ellison Lawyers on the following topics for the Directors of the Company to attend:

1. Training on corporate governance and regulatory development of the Listing Rules; and

2. Training on Inside Information Disclosure Policy.

The company secretary of the Company (the "Company Secretary") maintains records of training attended by the Directors. The current Directors have participated in continuous professional development by attending seminar on the following topics to develop and refresh their knowledge and skills:

	Topics of training	
Directors	**Corporate governance and regulatory development of the Listing Rules**	**Inside information disclosure Policy**
Executive Directors		
Mr. KAM Yuen *(Chairman)*	√	√
Mr. LU Tian Long	√	√
Mr. KONG Kam Yu	√	√
Mr. YU Kwok Kuen, Harry	√	√
Non-Executive Director		
Ms. ZHENG Ting	√	√
Independent Non-Executive Directors		
Prof. CAO Gang	√	√
Mr. FENG Wen	√	√
Mr. GAO Zong Ze	√	√
Prof. GU Qiao	√	√

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for liabilities in respect of legal actions against Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under Code Provision A.1.8 of the CG Code.

Chairman and Chief Executive

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. KAM Yuen is the chairman and chief executive 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, four Independent Non-executive Directors who bring strong independent judgement, 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 of the Company since the listing of the Company's shares on the Growth Enterprise Market of the Stock Exchange ("GEM"). He has substantial experience in the healthcare industry. The Board and management are of the view that the assumption of these positions by Mr. Kam is beneficial to the business development of the Group.

Board Meetings

Regular Board meetings are held at least 4 times a year at approximately quarterly intervals. During the year ended 31 March 2013, 14 Board meetings were held.

Attendance of each Director at meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and annual general meeting held during the year is set out below:

	Attendance/Number of Meetings				
Directors	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Annual General Meeting**
Executive Directors:					
Mr. KAM Yuen *(Chairman)*	14/14	N/A	N/A	N/A	1/1
Mr. LU Tian Long	14/14	N/A	N/A	N/A	1/1
Ms. JIN Lu (retired on 25 September 2012)	9/9	N/A	N/A	N/A	0/1
Mr. KONG Kam Yu (appointed on 25 September 2012)	5/5	N/A	N/A	N/A	0/0
Mr. YU Kwok Kuen, Harry (appointed on 25 September 2012)	5/5	N/A	N/A	N/A	0/0
Non-Executive Director:					
Ms. ZHENG Ting (re-designated on 23 August 2012)	14/14	N/A	N/A	N/A	1/1
Independent Non-Executive Directors:					
Prof. CAO Gang	14/14	2/2	2/2	2/2	1/1
Mr. FENG Wen (appointed as Independent Non-Executive Director, chairman of Remuneration Committee and Nomination Committee and member of Audit Committee on 25 September 2012)	5/5	1/1	0/0	0/0	0/0
Mr. GAO Zong Ze (resigned as chairman of Remuneration Committee and Nomination Committee and member of Audit Committee on 25 September 2012)	14/14	1/1	2/2	2/2	1/1
Prof. GU Qiao	14/14	2/2	2/2	2/2	1/1

Conduct of Meetings

In order to ensure the Board works effectively and discharges its responsibilities, all members of the Board have full and timely access to the latest developments and financial position of the Group and are properly briefed on issues arising for discussion at Board meetings.

All Directors are notified of regular Board meetings at least 14 days in advance. For other Board and committee meetings, reasonable notice is generally given.

Directors are consulted and provided with an opportunity to include matters in the agenda for discussion at Board and committee meetings. Information packages, including meeting agenda, board papers and all appropriate information, are sent to all Directors at least 3 days before each Board or committee meeting to enable them to make informed decisions.

The Company Secretary has the responsibility to keep the Directors informed of any new corporate governance issues and changes in the regulatory regime and ensure Board procedures are in compliance with the CG Code, and other statutory requirements. All members of the Board have full access to the Company Secretary.

Minutes of Board and committee meetings are recorded in sufficient detail and draft minutes are circulated to all Directors and committee members, as the case may be, for comment before approval. Minutes of Board and committee meetings are kept by the Company Secretary and are open for inspection by Directors.

The Board is provided with sufficient resources to discharge its duties and if required, individual Directors may retain outside advisors, at the Company's expense, to provide advice on any specific matter.

According to the current Board practice, any transaction which involves a material conflict of interest for a substantial shareholder or a Director will be considered and dealt with by the Board at a duly convened Board meeting instead of by circulation of written resolutions of all Board members. The Articles of Association also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Audit Committee

The Company established the Audit Committee in December 2001 and has formulated its written terms of reference in compliance with Rules 5.28 and 5.29 of the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules") while it was listed on GEM. The Board has reviewed the terms of reference of the Audit Committee after the transfer of listing of the Company's shares from GEM to Main Board (the "Transfer Date") and confirmed that the terms of reference are in compliance with paragraph C.3.3 of Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules (effective until 31 March 2012)(the "Former CG Code"). In compliance with the CG Code, the Board has adopted new terms of reference for the Audit Committee which has been posted on the respective websites of the Company and the Stock Exchange.

The Audit Committee comprises three Independent Non-Executive Directors, namely, Prof. CAO Gang (Chairman), Mr. FENG Wen and Prof. GU Qiao.

The Audit Committee's primary duties include the following:

- to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to assess their independence and performance, and also to approve the remuneration and terms of engagement of the external auditors;
- to review the Company's financial statements and make sure that they are complete, accurate and fair before submission to the Board;
- to consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or external auditors;
- to ensure compliance with the applicable accounting standards and regulatory requirements on financial reporting and disclosure; and
- to ensure effectiveness of the financial reporting process, as well as internal controls and risk management systems of the Group and to monitor the integrity thereof.

The Audit Committee held 2 meetings during the year. Working closely with the management of the Company, the Audit Committee has reviewed the Company's annual and interim results, the accounting principles and practices adopted by the Group; discussed with the Board and management on internal controls, risk management and financial reporting matters, and reviewed the independence and performance of the external auditors. The Company's annual results for the year ended 31 March 2013 have been reviewed by the Audit Committee.

Executive Committee

The Company established an executive committee (the "Executive Committee") in April 2007 for the purpose of reviewing and approving certain operational matters of the Group in order to enhance the efficiency of the operation and decision-making process of the Board. Currently, the Executive Committee comprises the Chairman Mr. KAM Yuen and Mr. LU Tian Long, an Executive Director. The primary functions of the Executive Committee include the establishment of bank accounts, the issue of shares upon the exercise of options granted or to be granted under the Company's share option schemes and the execution of repurchases of the Company's own shares. Meetings of the Executive Committee may be convened by any of its members and shall be held as its work demands.

Remuneration Committee

The Company established the Remuneration Committee in June 2005 with written terms of reference in compliance with paragraph B.1.3 of the principles and provisions of the Code on Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules (effective until 31 March 2012). The Board has reviewed the terms of reference of the Remuneration Committee after the Transfer Date and confirmed that the terms of reference are in compliance with paragraph B.1.3 of the Former CG Code. In compliance with the CG Code, the Board has adopted new terms of reference for the Remuneration Committee which has been posted on the respective websites of the Company and the Stock Exchange.

The Remuneration Committee comprises three Independent Non-Executive Directors, namely, Mr. FENG Wen (Chairman), Prof. CAO Gang and Prof. GU Qiao.

The principal responsibilities of the Remuneration Committee include the following:

- to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management of the Company;
- to determine the specific remuneration packages of all Executive Directors and senior management of the Company and to make recommendations to the Board on the remuneration of the Non-Executive Directors; and
- to establish a formal and transparent procedure for developing the remuneration policy and structure and to ensure that no Director participates in deciding his/her own remuneration.

The emoluments of Directors, including basic salary and performance bonus, are determined by reference to each Director's skills, knowledge and level of responsibilities, the Company's performance and profitability, remuneration benchmarks in the industry and the prevailing market conditions.

Meetings of the Remuneration Committee are held at least once a year and additional meetings may be held as required. During the year, the Remuneration Committee held 2 meetings and has assessed the performance of each of the Executive Directors and certain senior management staff of the Company and made decisions regarding the payment of discretionary bonus.

The remuneration of the senior management (comprising Executive Directors) of the Company for the year ended 31 March 2013 by band is set out below:

Remuneration band (HK$)	**Number of individuals**
$1 to $1,000,000	3
$1,000,001 to $2,000,000	4
$2,000,001 to $3,000,000	1
$3,000,001 to $4,000,000	—
$4,000,001 to $5,000,000	1
$5,000,001 to $6,000,000	—
$6,000,001 to $7,000,000	3

Further details of the Executive Directors' remuneration for the year ended 31 March 2013 are disclosed in note 9 to the financial statements contained in this annual report.

Nomination Committee

The Company established the Nomination Committee in March 2012 with written terms of reference for Nomination Committee in compliance with paragraph A.5.1 of the CG Code which has been posted on the respective websites of the Company and the Stock Exchange.

The Nomination Committee comprises three Independent Non-Executive Directors, namely, Mr. FENG Wen (Chairman), Prof. CAO Gang and Prof. GU Qiao.

The principal responsibilities of the Nomination Committee include the following:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assess the independence of Independent Non-Executive Directors;
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and chief executive;
- to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board; and
- to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Articles of Association or imposed by legislation.

Meetings of the Nomination Committee are held at least once a year and additional meetings may be held as required. During the year, the Nomination Committee held 2 meetings and has made recommendations to the Board regarding the re-appointment of Directors, re-designation of Non-Executive Director and appointments of new Directors.

Internal Controls

The Board has overall responsibility for maintaining the Group's internal controls system and through the Audit Committee, conducts reviews on the effectiveness of the internal controls system at least annually, covering all material controls, including financial, operational and compliance controls and risk management functions. During the process of annual review, the Board through the Audit Committee performs evaluation of the Group's accounting and financial reporting function to ensure that there is adequacy of resources, qualifications and experience of relevant staff, and their training programmes and budget.

The Board is committed to strengthening the Group's internal controls system and improving the workflow with a view to enhancing efficiency and minimising any significant business risks. Accordingly, the Group has established a series of internal control rules and procedures covering all key areas of operations such as asset management, working capital management, investment management, human resources management, etc. The Group also refines continually the internal organisation structure in pursuit of a more systematic decision-making process and an efficient and effective operation and control environment.

Currently, the Group has not established an internal audit function. The Board has reviewed the need for setting up an internal audit function within the Group, and is of the opinion that in view of the scale and nature of the operations of the Group, it is more cost effective to appoint external independent professionals to carry out internal audit services for the Group. In this respect, the Board will continue to review the need for an internal audit function at least annually.

During the year, the Board appointed an international professional consultancy firm — Baker Tilly Hong Kong Risk Assurance Limited to conduct a review of the internal controls system of the Group which covered a number of key areas of financial, operational, compliance, and risk management functions, and the results of the internal control review were submitted to the Audit Committee for consideration. The Audit Committee has reviewed the results of the internal control review and is satisfied that the Group's system of internal controls is sound and adequate.

The Board will continue to review and improve the Group's internal controls system, taking into account the prevailing regulatory requirements, the Group's business development, interests of shareholders, and technological advances.

Directors' Securities Transactions

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 ("the Model Code") as its own code of conduct regarding Directors' securities transactions. Specific enquiries by the Company indicate that all Directors have complied with the required standard of dealings for the year ended 31 March 2013.

Company Secretary

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matters. The Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional training during the year ended 31 March 2013. The biography of the Company Secretary is set out on page 30 of this annual report.

Accountability and Audit

The Board is responsible for presenting a balanced, clear and understandable assessment of the Group's financial position and prospects. In preparing the financial statements for the year ended 31 March 2013, the Directors have selected suitable accounting policies and applied them consistently. The Directors have also made judgements and estimates that are prudent and reasonable and have prepared the financial statements on a going concern basis. There are no material uncertainties or events that may cast significant doubt on the Company's ability to continue as a going concern.

KPMG, the external auditors of the Company, acknowledge their responsibilities for the audit of the consolidated financial statements of the Company for the year ended 31 March 2013 in the Independent Auditor's Report included in this annual report.

For the year ended 31 March 2013, the fees payable to the external auditors for audit services were HK$12,495,000 and the fees payable for other services were HK$480,000.

Constitutional Documents

At the annual general meeting held on 25 September 2012, special resolutions were passed (i) to amend the Articles of Association in order to remove the obsolete requirement for notice of declaration of interim dividend to be given by advertisement in Hong Kong and (ii) to adopt the new Memorandum and Articles of Association incorporating and consolidating all previous amendments to the Memorandum and Articles of Association adopted and approved by the Company in the past years.

Details of the amendments to the Articles of Association are set out in the circular of the Company dated 24 August 2012.

Shareholders' Rights

Procedures for convening of an extraordinary general meeting ("EGM") and putting forward proposals at shareholders' meeting

Pursuant to Article 64 of the Articles of Association, shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "Requisitionist(s)") may, by written requisition (the "Requisition") to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in the Requisition. The Requisition shall be deposited at the head office of the Company in Hong Kong (48/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong). The EGM shall be held within two months after the deposit of the Requisition. In the event that the Board fails to proceed to convene the EGM within 21 days of the deposit of the Requisition, the Requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

Putting enquiries to the Board

Shareholders may, at any time, direct enquiries to the Board. Such enquires can be addressed to the Company Secretary in writing by mail to the Company's principal place of business in Hong Kong at 48/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong.

Investor Relations

The Company is committed to maintaining open dialogue with the investment community in order to increase understanding of the Company's strategy, operations and management. To enhance investor relations, the Company's senior management participates in regular one-on-one meetings, roadshows and investor conferences organised by various investment banks during the year. In addition, the Company also hosts regular investor briefings and tele-conferences, tailored for overseas investors, to keep them up to date with the Group's business developments.

The Company attaches great importance to communicating with its shareholders and investors. Information on the Group's activities, business strategies and developments is provided in the Company's annual and interim reports and corporate brochures. During the year, the Chairman of the Board, other members of the Board and external auditors attend the annual general meeting and answer questions raised by the shareholders on the performance of the Group. Shareholders are encouraged to attend the general meetings of the Company, which offer a valuable forum for dialogues and interactions between the Chairman, the top management and the shareholders.

Separate resolutions were proposed at general meetings on each substantially separate issue. The Company arranges for the notice to shareholders to be sent in the case of annual general meetings at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings.

In order to promote effective communications and to keep the investors abreast of developments, financial and other information relating to the Group and its business activities, announcements are posted regularly on the Company's website at www.goldenmeditech.com.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. KAM Yuen (甘源), aged 51, is the Chairman, Chief Executive and Compliance Officer of the Company, and the founder of the Group. Mr. Kam is a director of several subsidiaries of the Company, he is also the chairman of China Cord Blood Corporation, and the non-executive independent chairman of Cordlife Limited, a company listed on the Australian Securities Exchange. He is responsible for the Group's overall strategic planning. Mr. Kam graduated from the Beijing Second Foreign Languages Institute, the People's Republic of China (the "PRC") (北京第二外國語學院), in 1985 and has over 20 years of management experience in international business. Mr. Kam is the sole director of Bio Garden Inc., which has an interest in the share capital of the Company as disclosed under the provisions of Part XV of the Securities and Futures Ordinance.

Mr. LU Tian Long (魯天龍), aged 61, has been an Executive Director of the Company since September 2001. He is the chairman of the medical devices operation. He has been responsible for the production, operations and overall management of the medical devices operation for years and has extensive experiences in managing high-tech firms. He was granted a PhD. degree in business administration by the Victoria University of Switzerland in March 2008. Besides, he published many research reports and thesis on management of high-tech enterprises, including one focusing on "applying knowledge management for strategic development among China's high-tech firms".

Mr. KONG Kam Yu (江金裕), aged 44, has been an Executive Director of the Company since September 2012. He is also the Qualified Accountant and Company Secretary of the Company and a director of several subsidiaries of the Company. He is now a non-executive director of Cordlife Limited. He joined the Group in 2001, and is responsible for the Group's finances, corporate projects and company secretarial matters. Mr. Kong is a member of The Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Accountants in England and Wales. Prior to joining the Group, Mr. Kong worked with a leading international accounting firm.

Mr. YU Kwok Kuen, Harry (余國權), aged 44, has been an Executive Director of the Company since September 2012. He is also the Chief Operating Officer of the Company. He joined the Group in August 2011. Mr. Yu has a master's degree in Business Administration from Manchester Business School and is an Associate of The Institute of Chartered Accountants in England and Wales, a Registered Accountant in Macau Special Administrative Region, and Fellows of both the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants. Prior to joining the Group, Mr. Yu was a partner at a leading international accounting firm.

Non-Executive Director

Ms. ZHENG Ting (鄭汀), aged 41, is a Non-Executive Director of the Company and a director of several subsidiaries of the Company. She is an advisor on healthcare services segement of the Group. Ms. Zheng is also the chief executive officer of China Cord Blood Corporation and is responsible for the strategic management of that segment. Ms. Zheng joined the Group in September 2001. Ms. Zheng graduated from Renmin University of China (中國人民大學) in 1996 where she subsequently received an EMBA degree.

Independent Non-Executive Directors

Prof. CAO Gang (曹岡), aged 69, is an Independent Non-Executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. He joined the Group in September 2004. Prof. Cao is a professor of Accountancy. He qualified as one of the first group of registered accountants in the PRC in 1983 and is currently a committee member of the Examination Committee of the Association of the Registered Accountants of the PRC.

Mr. FENG Wen (馮文), aged 45, is an Independent Non-Executive Director, a member of the Audit Committee and the chairman of the Remuneration Committee and the Nomination Committee. He joined the Group in September 2012. He is currently the secretary to the board of directors of China Investment Development Co., Ltd. (中投發展有限責任公司) and an independent director of Beijing Boer Communication Technology Co., Ltd. (北京玻爾通信技術股份有限公司). Mr. Feng had worked for the General Office of the Ministry of Health of the PRC and a number of military hospitals for over 20 years. Mr. Feng graduated from the Medical Department of the Third Military Medical University in 1992 and obtained a master's degree from the School of Public Administration, Renmin University of China (中國人民大學) in 2006.

Mr. GAO Zong Ze (高宗澤), aged 73, is an Independent Non-Executive Director of the Company. He joined the Group in September 2001.`Mr. Gao is a qualified lawyer in the PRC, and has been a National Committee member of China's Chinese People's Political Consultative Conference (中國人民政治協商會議) and the president of the All China Lawyers' Association, the PRC (中華全國律師協會). Mr. Gao graduated from the Graduate School of the China Academy of Social Sciences, the PRC, (中國社會科學院) in 1981.

Prof. GU Qiao (顧樵), aged 66, is an Independent Non-Executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He joined the Group in September 2001. Prof. Gu is a scientist in quantum-optics, biophysics and biological photonics and an Associate Professor of the Northwest University, the PRC (中國西北大學). He is also a member of the International Institute of Biophysics, Germany (德國生物物理國際研究院). Prof. Gu received his doctoral degree from the Northwest University, the PRC, in 1989.

SENIOR MANAGEMENT

Mr. GAO Guang Pu (高光譜), aged 50, Deputy General Manager of the medical devices operation. He joined the Group in October 1997, and is responsible for the production, operations and overall management of the medical devices operation. He is also responsible for various aspects of the production technology, including product standards, production procedures and technological improvements of the medical devices operation. Mr. Gao graduated from the English Language Department of Bejing Second Foreign Language Institute.

Mr. JING Jian Zhong (經建中), aged 59, is the Vice President of the Group, the chief executive officer of Golden Meditech (Shanghai) Company Limited and the Chief Representative of the Group's Office in Shanghai and is responsible for the overall operation of the Group. He joined the Group in May 2008. He graduated from the Shanghai University of Chinese Medicines and has 15 years of investment and business development experiences in healthcare industry in addition to 20 years of clinical practices and teaching.

Mr. SHAO Bao Ping (邵寶平), aged 47, chief executive officer of the Chinese herbal medicine operation, is in charge of the Chinese herbal medicine operation's daily operations. He joined the Group in August 2005. Mr. Shao obtained his master's degree from the Shanghai Institute of Materia Medica, Chinese Academy of Sciences and has extensive work experience in the fields of pharmacology and herbal medicine. Mr. Shao has held key position in well-known enterprises in the PRC and has extensive corporate management experience.

Mr. DING Wei Zhong (丁偉中), aged 64, is the chief executive officer of GM-Medicare Management (China) Company Limited, having specialised in the medical and medical insurance management industry since 1998. He joined the Group in April 2010. Prior to relocating to the United States, Mr. Ding has held senior positions at the Aviation Industry Office of the Shanghai Municipal Government and China Airlines Group, in addition to serving as the chief executive officer of the United Nations Institute for Training and Research (UNITAR) – CIFAL Network. Mr. Ding has a Bachelor's degree from Zhengzhou Institute of Aeronautical College and a Bachelor's degree in Economics from Fudan University, Shanghai.

Mr. ZHANG Jin Feng (張錦鋒), aged 49, is the chief executive officer of the hospital management operation and is responsible for its daily operation and management. He joined the Group in July 2010. Mr. Zhang graduated from Shanghai Jiao Tong University with degree in clinical medicines and has over 20 years of relevant experiences working as a doctor in a Triple-A hospital and in business management. He used to serve as Director of Shanghai Center for Clinical Laboratory and Deputy General Manager of a domestically-listed high-tech firm.

Ms. DUAN Xuan (段萱), aged 49, is the President of Beijing Dao Pei Hospital. Ms. Duan is also the executive vice-chairman of China Private Hospital Development League (中國民營醫院發展聯盟). She joined the Group in July 2008. Ms. Duan graduated with her BA degree from the Beijing Capital University of Medical Sciences, and obtained her MBA degree from the Cheung Kong Graduate School of Business. She worked for years as a doctor with Internal Medicine Department of Chao Yang Hospital and Haematology Department of the Peking University Renmin Hospital. In 2007, she was hired as an expert consultant of China Marrow Donor Program by Beijing Red Cross Association.

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Group for the year ended 31 March 2013.

PRINCIPAL PLACE OF BUSINESS

The Company is incorporated and domiciled in the Cayman Islands and has its principal place of business at No.11 Wan Yuan Street, Beijing Economic Technological Development Area, Beijing, 100176 China.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the subsidiaries are set out in note 18 to the financial statements.

An analysis of the Group's turnover, profit, assets and liabilities by operating segments is set out in note 14 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases during the financial year attributable to the major customers and suppliers, respectively, is as follows:

	Percentage of the Group's total	
	Sales	**Purchases**
The largest customer	15%	
Five largest customers in aggregate	26%	
The largest supplier		8%
Five largest suppliers in aggregate		32%

At no time during the year have the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in these major customers and suppliers.

FINANCIAL STATEMENTS

The profit and cash flows of the Group for the year ended 31 March 2013 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 47 to 168 of this annual report.

RESERVES AND DIVIDENDS

Profits attributable to equity shareholders of the Company of HK$135,660,000 (2012: HK$152,877,000) have been transferred to reserves. Other movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 53 to 54 of this annual report.

As at 31 March 2013, the Company's reserves available for distribution amounted to HK$2,575,444,000 (2012: HK$2,371,942,000).

The Directors recommended the payment of a final dividend of HK1.3 cents per share in respect of the year ended 31 March 2013 (2012: HK1 cent per share).

Shareholders will be given an option to receive the final dividend in cash or in lieu of cash by scrip dividend (the "Scrip Dividend Arrangement"). The Scrip Dividend Arrangement is subject to: (1) the approval of proposed final dividend and Scrip Dividend Arrangement at the forthcoming annual general meeting; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be allotted and issued under the Scrip Dividend Arrangement. Full details of the Scrip Dividend Arrangement will be set out in a circular to be dispatched to the shareholders.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK$ nil (2012: HK$ nil).

FIXED ASSETS

Details of the movements in fixed assets are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 35(b) to the financial statements.

On 13 September 2012, 279,344,444 new shares were allotted and issued by the Company as consideration shares to Hope Sky Investments Limited ("Hope Sky") in accordance with the agreement in relation to the acquisition of convertible notes by the Company from Hope Sky dated 24 August 2012. For details, please refer to the announcement of the Company dated 24 August 2012.

On 20 November 2012, 3,462,032 scrip shares were issued by the Company in accordance with the scrip dividend scheme pursuant to the announcement of the Company dated 5 October 2012.

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

During the year ended 31 March 2013, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer shares on a pro-rata basis to the existing shareholders.

DIRECTORS

The Directors during the financial year and up to the date of this report were:

Executive Directors

Mr. KAM Yuen *(Chairman)*
Ms. JIN Lu (retired on 25 September 2012)
Mr. LU Tian Long
Mr. KONG Kam Yu (appointed on 25 September 2012)
Mr. YU Kwok Kuen, Harry (appointed on 25 September 2012)

Non-Executive Director

Ms. ZHENG Ting (re-designated on 23 August 2012)

Independent Non-Executive Directors

Prof. CAO Gang
Mr. FENG Wen (appointed on 25 September 2012)
Mr. GAO Zong Ze
Prof. GU Qiao

In accordance with Article 111 of the Articles of Association, Messrs. KONG Kam Yu, YU Kwok Kuen, Harry and FENG Wen shall retire at the 2013 AGM and, being eligible, offer themselves for re-election.

In accordance with Article 108 of the Company's Articles of Association, Prof. CAO Gang and Mr. GAO Zong Ze will retire at the 2013 AGM and, being eligible, offer themselves for re-election.

The biographical details of the Directors and senior management are set out on pages 30 to 32 of this annual report. Details of the emoluments of the Directors and the five highest paid individuals are set out in notes 9 and 10 to the financial statements, respectively.

DIRECTORS' SERVICE CONTRACTS

Executive Directors

Each of Mr. KONG Kam Yu and Mr. YU Kwok Kuen, Harry has entered into a service contract with the Company commencing on 25 September 2012 as an Executive Director and will continue thereafter until terminated by either party giving to the other not less than 90 days' notice in writing.

Each of the other Executive Directors has entered into a service contract with the Company commencing on 1 April 2005 and continuing thereafter until terminated by either party giving to the other not less than 90 days' notice in writing.

Non-Executive Director

Ms. ZHENG Ting has terminated her previous service contract with the Company and entered into a new service contract as a Non-Executive Director with the Company for a term of three years commencing on 23 August 2012 provided that at any time during the term of appointment, either party may terminate the appointment by giving to the other not less than 30 days' notice in writing.

Independent Non-Executive Directors

Mr. FENG Wen has entered into a service contract with the Company for a term of one year commencing on 25 September 2012 as an Independent Non-Executive Director provided that at any time during the term of appointment, either party may terminate the appointment by giving to the other not less than 30 days' notice in writing.

Prof. GU Qiao has entered into a service contract with the Company for a term of one year commencing on 25 September 2012 as an Independent Non-Executive Director provided that at any time during the term of appointment, either party may terminate the appointment by giving to the other not less than 30 days' notice in writing.

Mr. GAO Zong Ze has entered into a service contract with the Company for a term of one year commencing on 28 December 2004 which will continue thereafter until terminated by either party giving to the other not less than 30 days' notice in writing.

Prof. CAO Gang has entered into a service contract with the Company for a term of one year commencing on 23 September 2004 which will continue thereafter until terminated by either party giving to the other not less than 30 days' notice in writing.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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

As at 31 March 2013, 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 are 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 to be notified to the Company and the Stock Exchange were as follows:

(a) The Company

		Long positions Number of ordinary shares of HK$0.1 each			
Name of Directors	**Capacity and nature of interests**	**Number of ordinary shares of HK$0.1 each**	**Number of underlying shares held under equity derivatives**	**Total interests**	**Approximate percentage of the Company's issued share capital**
Mr. KAM Yuen	Founder of trusts	442,948,000[(1)]	–	442,948,000	19.50%
	Beneficial owner	–	67,006,245[(2)]	67,006,245	2.95%
Mr. LU Tian Long	Beneficial owner	–	6,000,000[(2)]	6,000,000	0.26%
Mr. KONG Kam Yu	Beneficial owner	–	8,700,000[(2)]	8,700,000	0.38%
Ms. ZHENG Ting	Beneficial owner	–	7,600,000[(2)]	7,600,000	0.33%

Notes:

(1) Mr. KAM Yuen was deemed under the SFO to have an interest in 442,948,000 shares beneficially owned by Bio Garden Inc. ("Bio Garden"), a company incorporated in the British Virgin Islands ("BVI"), as at 31 March 2013 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 CORPORATION

(continued)

(b) China Cord Blood Corporation ("CCBC"), a subsidiary of the Company as at 31 March 2013

		Number of ordinary shares of US$0.0001 each		
Name of Directors	**Capacity and nature of interests**	**Number of ordinary shares of US$0.0001 each**	**Total interests**	**Approximate percentage of the issued share capital of CCBC**
Mr. KAM Yuen	Beneficial owner	357,331	357,331	0.49%
Mr. KONG Kam Yu	Beneficial owner	282,193	282,193	0.39%
Ms. ZHENG Ting	Beneficial owner	1,071,994	1,071,994	1.47%

Save as disclosed above, as at 31 March 2013, 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 are 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

Share option schemes of the Company

The principal terms of the share option schemes of the Company are summarised in note 37 to the financial statements. The share option schemes have been terminated and no further share options will be granted under the schemes. In respect of the share options previously granted and which remained exercisable on or before the dates of termination, they shall continue to be exercisable subject to the terms of the share option schemes.

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 2012	Transfer from other category during the year	Transfer to other category during the year	Numbers of underlying shares in respect of which share options were exercised during the year ended 31 March 2013	Number of underlying shares in respect of which share options were outstanding as at 31 March 2013	Exercise price HK$	Market value per share at grant date HK$
Mr. KAM Yuen	30 March 2005[1]	63,206,245	–	–	–	63,206,245	1.76	1.56
	27 April 2009[3]	3,800,000	–	–	–	3,800,000	1.15	1.14
Ms. JIN Lu[4]	27 April 2009[3]	3,800,000	–	(3,800,000)	–	–	1.15	1.14
Mr. LU Tian Long	4 March 2005[2]	400,000	–	–	–	400,000	1.60	1.60
	27 April 2009[3]	5,600,000	–	–	–	5,600,000	1.15	1.14
Mr. KONG Kam Yu[5]	4 March 2005[2]	–	2,000,000	–	–	2,000,000	1.60	1.60
	27 April 2009[3]	–	6,700,000	–	–	6,700,000	1.15	1.14
Ms. ZHENG Ting	4 March 2005[2]	2,000,000	–	–	–	2,000,000	1.60	1.60
	27 April 2009[3]	5,600,000	–	–	–	5,600,000	1.15	1.14
Full-time employees (other than Directors)	4 March 2005[2]	11,870,000	–	(2,000,000)	–	9,870,000	1.60	1.60
	27 April 2009[3]	26,533,000	3,800,000	(6,700,000)	–	23,633,000	1.15	1.14
		122,809,245	12,500,000	(12,500,000)	–	122,809,245		

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

SHARE OPTION SCHEMES (continued)

Share option schemes of the Company (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) Ms. JIN Lu retired as an Executive Director of the Company on 25 September 2012. The options granted to Ms. Jin remain exercisable following her retirement pursuant to the share option scheme. Those options were re-classified to the category of "Full-time employees" during the year.

(5) Mr. KONG Kam Yu was appointed as an Executive Director of the Company on 25 September 2012. The options were re-classified to the category of "Directors" during the year.

(6) Save as disclosed above, no share options granted under the share option schemes of the Company were exercised, cancelled or lapsed during the year ended 31 March 2013.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from the share option schemes described above, at no time during the year 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 year.

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

As at 31 March 2013, the interests and short positions of the shareholders (not being Directors or chief executives of the Company) in the shares and underlying shares of the Company 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 interests	No. of issued shares/ underlying shares	Approximate percentage of the Company's issued share capital
Bio Garden[1]	Beneficial owner	442,948,000[4]	19.50%
Credit Suisse Trust Limited[2]	Trustee	442,948,000[4]	19.50%
Fiducia Suisse SA (Formerly known as KF Suisse SA")[3]	Trustee	442,948,000[4]	19.50%
Mr. David Henry Christopher Hill[3]	Interest of controlled corporation	442,948,000[4]	19.50%
Mrs. Rebecca Ann Hill[3]	Interest of children under 18 or spouse	442,948,000[4]	19.50%
Mr. Kent C. McCarthy[5]	Investment manager	431,228,702	18.98%
New Horizon Capital III, L.P.[6]	Interest of controlled corporation	411,101,200	18.10%
New Horizon Capital Partners III Limited[6]	Interest of controlled corporation	411,101,200	18.10%
Hope Sky Investments Limited ("Hope Sky")[6]	Beneficial owner	279,344,444	12.30%

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

Name of other persons who have more than 5% interest	Capacity and nature of interests	No. of issued shares/ underlying shares	Approximate percentage of the Company's issued share capital
Jayhawk Private Equity Fund II, L.P. ("Jayhawk")(5)	Investment manager	220,023,098	9.68%
Top Strength Holdings Limited ("Top Strength")(6)	Interest of controlled corporation	131,756,756	5.80%

Notes:

(1) Bio Garden 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 which beneficially owned 442,948,000 shares as at 31 March 2013. Gold Rich and Gold View were in turn indirectly wholly-owned by Credit Suisse Trust Limited as trustee of certain discretionary trusts as referred to in (1) above. Accordingly, Credit Suisse Trust Limited was deemed, under the SFO, to have an interest in the 442,948,000 shares held by Bio Garden.

(3) The corporate substantial shareholder notice filed by Fiducia Suisse SA indicated that it had a 64% interest in Bio Garden which beneficially owned 442,948,000 shares as at 31 March 2013. Fiducia Suisse SA is a trustee of certain discretionary trusts as referred to in (1) above. Accordingly, Fiducia Suisse SA was deemed, under the SFO, to have an interest in the 442,948,000 shares held by Bio Garden. Fiducia Suisse SA was wholly owned by Mr. David Henry Christopher Hill. Mr. David Henry Christopher Hill and Mrs. Rebecca Ann Hill (being the spouse of Mr. David Henry Christopher Hill) were deemed, under the SFO, to have an interest in the 442,948,000 shares held by Fiducia Suisse SA.

(4) These interests represent the same block of shares of the Company.

(5) The corporate substantial shareholder notice filed by Jayhawk indicated that Mr. Kent C. McCarthy was a controller who held a 100% interest in Jayhawk. Accordingly, Mr. Kent C. McCarthy would be deemed, under the SFO, to have an interest in 220,023,098 shares held by Jayhawk, among which, 29,002,098 shares were long position of equity derivatives in the underlying shares of the Company.

(6) Each of Hope Sky and Top Strength is an investment holding company incorporated in the BVI, which is wholly owned by New Horizon Capital III, L.P., a private equity fund specializing in investments in China. New Horizon Capital Partners III Limited is a controller of New Horizon Capital III, L.P..

Save as disclosed above, as at 31 March 2013, 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules since 1 April 2012 and up to the date of this annual report.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

INTEREST-BEARING AND OTHER BORROWINGS

Particulars of interest-bearing and other borrowings of the Group and the Company as at 31 March 2013 are set out in notes 28, 29, 30, 32 and 33 to the financial statements.

RETIREMENT SCHEMES

Details of the Group's retirement schemes are set out in note 41 to the financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 169 and 170 of this annual report.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 16 to 29 of this annual report.

COMPETITION AND CONFLICT OF INTERESTS

During the year and up to the date of this report, none of the Directors has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

CHANGE IN INFORMATION OF DIRECTORS

There is no change in the information of the Directors since the publication of the interim report of the Company for the six months ended 30 September 2012 required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors, namely Prof. CAO Gang, Mr. FENG Wen, Mr. GAO Zong Ze and Prof. GU Qiao an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. Although Mr. GAO Zong Ze and Prof. GU Qiao have served for more than nine years, the Directors are of the opinion that Mr. Gao and Prof. Gu continue to bring relevant experience and knowledge to the Board and that, notwithstanding their long service, they maintain an independent view of the Company's affairs. The Company considers that all Independent Non-Executive Directors are independent under the guidelines set out in rule 3.13 of the Listing Rules.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board

KAM Yuen
Chairman

Hong Kong, 28 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDEN MEDITECH HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Golden Meditech Holdings Limited (the "Company") and its subsidiaries (together "the Group") set out on pages 47 to 168, which comprise the consolidated and company statements of financial position as at 31 March 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 June 2013

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2013
(Expressed in Hong Kong dollars)

	Note	2013 $'000	2012 $'000 Restated
Turnover	4	**1,079,062**	895,869
Cost of sales		**(325,984)**	(276,542)
Gross profit		**753,078**	619,327
Other revenue	5	**46,730**	46,459
Other net loss	6	**(708)**	(52,034)
Selling expenses		**(146,350)**	(106,969)
Administrative expenses		**(369,289)**	(288,403)
Profit from operations		**283,461**	218,380
Finance costs	7(a)	**(57,080)**	(9,987)
Changes in fair value of financial liabilities at fair value through profit or loss	32	**(21,469)**	(32,506)
Share of profits of associates	19	**85,322**	105,893
Share of losses of a joint venture	20	**(30)**	(134)
Gain on disposal of interest in associates	19	**8,527**	41,436
Profit before taxation	7	**298,731**	323,082
Income tax	8(a)	**(89,964)**	(44,922)
Profit for the year		**208,767**	278,160
Attributable to:			
Equity shareholders of the Company	11	**135,660**	152,877
Non-controlling interests		**73,107**	125,283
Profit for the year		**208,767**	278,160
Earnings per share	13		
Basic (in cents)		**6.3**	7.7
Diluted (in cents)		**5.6**	6.0

The notes on pages 57 to 168 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2013
(Expressed in Hong Kong dollars)

	Note	2013 $'000	2012 $'000 Restated
Profit for the year		**208,767**	278,160
Other comprehensive income for the year (after tax and reclassification adjustments)			
Exchange reserve: net movement during the year, net of nil tax	12	**5,131**	158,270
Fair value reserve: net movement during the year, net of nil tax	12	**(11,284)**	58,197
Share of other comprehensive income of associates, net of nil tax	19	**2,102**	18,735
Share of other comprehensive income of a joint venture, net of nil tax		**—**	2,019
Total comprehensive income for the year		**204,716**	515,381
Attributable to:			
Equity shareholders of the Company		**132,779**	305,981
Non-controlling interests		**71,937**	209,400
Total comprehensive income for the year		**204,716**	515,381

The notes on pages 57 to 168 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2013
(Expressed in Hong Kong dollars)

	Note	31 March 2013 $'000	31 March 2012 $'000 Restated	1 April 2011 $'000 Restated
Non-current assets				
Fixed assets	15(a)			
– Property, plant and equipment		**1,661,723**	1,296,711	599,420
– Interests in leasehold land held for for own use under operating leases		**1,710,107**	1,745,964	704,876
		3,371,830	3,042,675	1,304,296
Intangible assets	16	**975,354**	1,009,224	1,007,967
Goodwill	17	**571,222**	569,844	513,689
Interest in associates	19	**792,880**	792,215	849,440
Interest in a joint venture	20	**62,951**	62,981	61,096
Available-for-sale securities	21	**480,029**	435,174	368,534
Inventories	22	**48,482**	41,908	37,516
Trade and other receivables	23	**571,645**	315,923	1,256,661
Deferred tax assets	31(b)	**29,169**	31,215	26,488
		6,903,562	6,301,159	5,425,687
Current assets				
Trading securities	24	**212,402**	117,776	170,143
Inventories	22	**31,545**	31,885	24,906
Trade and other receivables	25	**389,527**	368,153	295,674
Time deposits	26	**63,102**	49,346	—
Cash and cash equivalents	27(a)	**2,101,322**	1,746,669	1,496,445
		2,797,898	2,313,829	1,987,168
Current liabilities				
Trade and other payables	28	**517,454**	369,558	300,131
Interest-bearing borrowings	29	**498,888**	362,596	172,288
Obligations under finance leases	30	**1,254**	1,767	1,809
Current taxation	31(a)	**75,739**	66,959	47,665
Financial liabilities at fair value through profit or loss	32	**53,202**	341,717	—
Share repurchase obligations	33	**130,228**	554,167	—
Deferred income	34	**213,745**	130,952	98,321
		1,490,510	1,827,716	620,214
Net current assets		**1,307,388**	486,113	1,366,954

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 March 2013
(Expressed in Hong Kong dollars)

	Note	**31 March 2013 $'000**	31 March 2012 $'000 Restated	1 April 2011 $'000 Restated
Total assets less current liabilities		**8,210,950**	6,787,272	6,792,641
Non-current liabilities				
Other payables	28	**132,589**	166,844	35,659
Interest-bearing borrowings	29	**362,749**	—	233,428
Obligations under finance leases	30	**2,485**	3,132	4,232
Financial liabilities at fair value through profit or loss	32	**560,765**	—	322,578
Share repurchase obligations	33	**—**	—	511,791
Deferred tax liabilities	31(b)	**369,508**	380,097	392,962
Deferred income	34	**656,098**	376,670	193,123
Other non-current liabilities		**415**	413	398
		2,084,609	927,156	1,694,171
NET ASSETS		**6,126,341**	5,860,116	5,098,470
CAPITAL AND RESERVES				
Share capital	35(b)	**227,184**	198,903	188,903
Reserves	35(c)	**4,238,257**	3,864,589	3,634,413
Total equity attributable to equity shareholders of the Company		**4,465,441**	4,063,492	3,823,316
Non-controlling interests		**1,660,900**	1,796,624	1,275,154
TOTAL EQUITY		**6,126,341**	5,860,116	5,098,470

Approved and authorised for issue by the board of directors on 28 June 2013.

KAM Yuen
Director

LU Tian Long
Director

The notes on pages 57 to 168 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

at 31 March 2013
(Expressed in Hong Kong dollars)

	Note	2013 $'000	2012 $'000
Non-current assets			
Property, plant and equipment	15(b)	**368**	1,554
Interests in subsidiaries	18(a)	**3,427,151**	3,029,303
		3,427,519	3,030,857
Current assets			
Trading securities	24	**94,247**	—
Other receivables	25	**6,573**	6,207
Cash and cash equivalents	27(a)	**20,823**	7,813
		121,643	14,020
Current liabilities			
Other payables	28	**160,911**	9,437
Interest-bearing borrowings	29	**52,260**	233,898
Obligations under a finance lease	30	**—**	682
Financial liabilities at fair value through profit or loss	32	**128,763**	188,164
		341,934	432,181
Net current liabilities		**(220,291)**	(418,161)
Total assets less current liabilities		**3,207,228**	2,612,696

at 31 March 2013
(Expressed in Hong Kong dollars)

	Note	2013 $'000	2012 $'000
Non-current liabilities			
Interest-bearing borrowings	29	**362,749**	—
		362,749	—
NET ASSETS		**2,844,479**	2,612,696
CAPITAL AND RESERVES			
Share capital	35(b)	**227,184**	198,903
Reserves	35(c)	**2,617,295**	2,413,793
TOTAL EQUITY		**2,844,479**	2,612,696

Approved and authorised for issue by the board of directors on 28 June 2013.

KAM Yuen
Director

LU Tian Long
Director

The notes on pages 57 to 168 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2013
(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company												
	Note	Share capital $'000	Share premium $'000	Capital redemption reserve $'000	Capital reserve $'000	Merger reserve $'000	Exchange reserve $'000	Surplus reserve $'000	Fair value reserve $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2011 (as previously reported)		188,903	1,441,870	5,868	30,172	54,193	339,621	93,647	8,513	(388,661)	2,039,332	3,813,458	442,896	4,256,354
Adjustments		–	–	–	3,223	–	6,227	23,581	3,157	69,243	(95,573)	9,858	832,258	842,116
Balance at 1 April 2011 (Restated)		188,903	1,441,870	5,868	33,395	54,193	345,848	117,228	11,670	(319,418)	1,943,759	3,823,316	1,275,154	5,098,470
Changes in equity for the year ended 31 March 2012:														
Profit for the year (Restated)		–	–	–	–	–	–	–	–	–	152,877	152,877	125,283	278,160
Other comprehensive income (Restated)		–	–	–	–	–	127,308	–	25,796	–	–	153,104	84,117	237,221
Total comprehensive income for the year (Restated)		–	–	–	–	–	127,308	–	25,796	–	152,877	305,981	209,400	515,381
Acquisition of subsidiaries	35(b)(i) & 36(c)	2,635	31,621	–	–	–	–	–	–	–	–	34,256	25,652	59,908
Acquisition of assets and liabilities through acquisition of subsidiaries	36(d)	–	–	–	–	–	–	–	–	–	–	–	453,673	453,673
Acquisition of non-controlling interests	35(b)(ii)	13,176	158,108	–	–	–	–	–	–	(66,983)	–	104,301	(104,301)	–
Repurchase of own shares of the Company	35(b)(iii)	(5,811)	(43,037)	5,811	–	–	–	–	–	–	(5,811)	(48,848)	–	(48,848)
Repurchase of own shares by a subsidiary		–	–	–	–	–	–	–	–	(4,954)	–	(4,954)	(48,911)	(53,865)
Acquisition of additional interest in a subsidiary	36(b)(iii)	–	–	–	–	–	–	–	–	(1,421)	–	(1,421)	(14,043)	(15,464)
Change in carrying amount of share repurchase obligations	33	–	–	–	–	–	–	–	–	(42,376)	–	(42,376)	–	(42,376)
Transfer to surplus reserve		–	–	–	–	–	–	27,441	–	–	(27,441)	–	–	–
Share of other reserves of associates		–	–	–	–	–	–	–	–	(106,763)	–	(106,763)	–	(106,763)
Balance at 31 March 2012 and 1 April 2012 (Restated)		198,903	1,588,562	11,679	33,395	54,193	473,156	144,669	37,466	(541,915)	2,063,384	4,063,492	1,796,624	5,860,116

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2013
(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company												
	Note	Share capital $'000	Share premium $'000	Capital redemption reserve $'000	Capital reserve $'000	Merger reserve $'000	Exchange reserve $'000	Surplus reserve $'000	Fair value reserve $'000	Other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2012 (Restated)		**198,903**	**1,588,562**	**11,679**	**33,395**	**54,193**	**473,156**	**144,669**	**37,466**	**(541,915)**	**2,063,384**	**4,063,492**	**1,796,624**	**5,860,116**
Changes in equity for the year ended 31 March 2013:														
Profit for the year		–	–	–	–	–	–	–	–	–	135,660	135,660	73,107	208,767
Other comprehensive income		–	–	–	–	–	1,824	–	(4,705)	–	–	(2,881)	(1,170)	(4,051)
Total comprehensive income for the year		–	–	–	–	–	**1,824**	–	**(4,705)**	–	**135,660**	**132,779**	**71,937**	**204,716**
Deemed redemption of convertible notes issued by a subsidiary	35(b)(iv) & 36(b)(i)	**27,935**	**223,476**	–	–	–	–	–	–	–	–	**251,411**	–	**251,411**
Dividends approved in respect of the previous year	35(b)(v) & 35(d)	**346**	**2,614**	–	–	–	–	–	–	–	**(22,684)**	**(19,724)**	–	**(19,724)**
Acquisition of non-controlling interests by exercise of put option	36(a)	–	–	–	–	–	**10,727**	–	–	**143,727**	–	**154,454**	**(154,454)**	–
Change in carrying amounts of share repurchase obligations	33	–	–	–	–	–	–	–	–	**(26,316)**	–	**(26,316)**	–	**(26,316)**
Repurchase of shares of a subsidiary from non-controlling interests	36(b)(ii)	–	–	–	–	–	–	–	–	**(86,134)**	–	**(86,134)**	**(43,911)**	**(130,045)**
Acquisition of additional interest in a subsidiary	36(b)(iii)	–	–	–	–	–	–	–	–	**537**	–	**537**	**(9,296)**	**(8,759)**
Transfer of surplus reserve		–	–	–	–	–	–	**20,187**	–	–	**(20,187)**	–	–	–
Share of other reserves of associates		–	–	–	–	–	–	–	–	**(5,058)**	–	**(5,058)**	–	**(5,058)**
Balance at 31 March 2013		**227,184**	**1,814,652**	**11,679**	**33,395**	**54,193**	**485,707**	**164,856**	**32,761**	**(515,159)**	**2,156,173**	**4,465,441**	**1,660,900**	**6,126,341**

The notes on pages 57 to 168 form part of these financial statements. Details of dividends payable to equity shareholders of the company attributable to the profit for the year are set out in note 35(d).

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2013
(Expressed in Hong Kong dollars)

	Note	2013 $'000	2012 $'000 Restated
Operating activities			
Cash generated from operations	27(b)	**819,284**	501,775
The People's Republic of China ("PRC") income tax paid		**(87,376)**	(58,945)
Net cash generated from operating activities		**731,908**	442,830
Investing activities			
Proceeds from disposal of property, plant and equipment		**738**	921
Payment for the acquisition of property, plant and equipment		**(552,734)**	(113,444)
Payment for the acquisition of intangible assets		**—**	(97,493)
Net proceeds from disposal of interest in associates	19	**75,878**	116,525
Proceeds from disposal of trading securities		**116,258**	785
Proceeds from investment income and disposal of available-for-sale securities		**19,128**	10,228
Payment for purchase of trading securities		**(208,802)**	—
Payment for purchase of available-for-sale securities		**(75,169)**	(17,557)
Payment for investment deposits	23	**(263,000)**	—
Refund of prepayment for acquisition of subsidiaries		**—**	31,454
Net cash inflow from acquisition of subsidiaries	36(c)	**—**	24,516
Net cash inflow from acquisition of assets and liabilities through acquisition of subsidiaries	36(d)	**—**	3,546
Payment for acquisition of time deposits		**(63,102)**	(48,852)
Proceeds from disposal of time deposits		**49,346**	21,983
Interest received		**12,385**	9,430
Dividend income from trading securities	5	**3,115**	1,433
Dividend income from available-for-sale securities	5	**5,756**	8,775
Net cash used in investing activities		**(880,203)**	(47,750)

for the year ended 31 March 2013
(Expressed in Hong Kong dollars)

	Note	**2013 $'000**	2012 $'000 Restated
Financing activities			
Net proceeds from sale of treasury stock of a subsidiary	36(b)(ii)	**31,148**	—
Payment for repurchase of own shares of the Company		**—**	(48,848)
Payment for repurchase of own shares of a subsidiary		**(156,008)**	(53,865)
Payment for acquisition of additional interest in a subsidiary	36(b)(iii)	**(8,759)**	(15,464)
Proceeds from new interest bearing borrowings		**912,421**	127,286
Repayment of interest bearing borrowings		**(409,134)**	(174,417)
Payment for dividends of the previous year to equity shareholders of the Company		**(19,724)**	—
Payment for exercised put options	36(a)	**(310,471)**	—
Net proceeds from issuance of convertible notes	32(b)(ii)	**488,208**	—
Interest paid on interest-bearing borrowings		**(31,141)**	(22,670)
Interest element of finance lease rentals paid		**(163)**	(215)
Capital element of finance lease rentals paid		**(1,828)**	(1,833)
Net cash generated from/(used in) financing activities		**494,549**	(190,026)
Net increase in cash and cash equivalents		**346,254**	205,054
Cash and cash equivalents at beginning of the year		**1,746,669**	1,496,304
Effect of foreign exchange rates changes		**8,399**	45,311
Cash and cash equivalents at end of the year	27(a)	**2,101,322**	1,746,669

The notes on pages 57 to 168 form part of these financial statements.

1 BACKGROUND

Golden Meditech Holdings Limited (the "Company") was incorporated in the Cayman Islands on 3 September 2001 as an exempted company with limited liability under the Companies Law (2001 Second Revision) of the Cayman Islands. Listing of the Company's shares on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") commenced on 28 December 2001. On 16 June 2009, the listing of the Company's shares was transferred from the GEM to the Main Board of the Stock Exchange.

On 24 January 2011, the Company completed the listing of 90,000,000 units of Taiwan Depositary Receipts ("TDRs"), representing 180,000,000 shares of the Company, comprising 120,000,000 new shares allotted and issued by the Company and 60,000,000 shares sold by the Company's then shareholders, on the Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange").

The Company and its subsidiaries are collectively referred to as the "Group".

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2013 comprise the Company and its subsidiaries and the Group's interests in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as set out in the accounting policies hereunder.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the Company. None of these amendments are relevant to the Company's financial statements.

The Company has early adopted HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements* and HKFRS 12 *Disclosure of Interests in Other Entities*, as well as the consequential amendments to HKAS 28 *Investments in Associates and Joint Ventures (2011)* in the consolidated financial statements for the year ended 31 March 2013.

The major effects of the early adoption of these HKFRSs are summarised as follows:

Subsidiaries

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees. HKFRS 10 introduces a new control model that is applicable to all investees; among other things, it requires the consolidation of an investee if the Group controls the investee on the basis of de facto circumstances.

In accordance with the transitional provisions of HKFRS 10, the Group re-assessed the control conclusion for its investees at 1 April 2012. As a consequence, the Group has changed its control conclusion in respect of its investment in China Cord Blood Corporation ("CCBC").

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Subsidiaries (continued)

Although the Group owns less than half of the voting power of the investee (CCBC) after the dilution of the Group's interest in CCBC on 30 June 2009, the directors have determined that it had de facto control over CCBC since 1 July 2009, because the Group has held significantly more voting rights than any other vote holders or organised group of vote holders and the other shareholdings are widely dispersed. Previously, the investment in CCBC was accounted for as an associate using the equity method when the Group's shareholding of CCBC decreased to less than 50% since 1 July 2009.

The following table summarises the adjustments made to the consolidated statements of financial position at 1 April 2011 and 31 March 2012, and the consolidated income statement, statement of comprehensive income and cash flows for the year ended 31 March 2012 as a result of the consolidation of CCBC.

Consolidated statement of financial position:

		1 April 2011	
	As previously reported $'000	**Adjustments $'000**	**As restated $'000**
Fixed assets	1,009,041	295,255	1,304,296
Intangible assets	829,534	178,433	1,007,967
Goodwill	447,026	66,663	513,689
Interest in associates	1,426,441	(577,001)	849,440
Available-for-sale securities	146,409	222,125	368,534
Inventories	17,565	44,857	62,422
Deferred tax assets	8,929	17,559	26,488
Trade and other receivables	1,153,917	398,418	1,552,335
Cash and cash equivalents	770,591	725,854	1,496,445
Overall impact on total assets		**1,372,163**	
Trade and other payables	167,439	168,351	335,790
Interest-bearing borrowings	352,291	53,425	405,716
Current taxation	34,420	13,245	47,665
Deferred revenues	—	291,444	291,444
Deferred tax liabilities	389,380	3,582	392,962
Overall impact on total liabilities		**530,047**	
Reserves	3,624,555	9,858	3,634,413
Non-controlling interests	442,896	832,258	1,275,154
Overall impact on total equity		**842,116**	

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Subsidiaries (continued)

Consolidated statement of financial position: *(continued)*

	31 March 2012		
	As previously reported $'000	Adjustments $'000	As restated $'000
Fixed assets	2,715,632	327,043	3,042,675
Intangible assets	831,462	177,762	1,009,224
Goodwill	503,181	66,663	569,844
Interest in associates	1,486,742	(694,527)	792,215
Available-for-sale securities	154,987	280,187	435,174
Inventories	23,694	50,099	73,793
Deferred tax assets	8,377	22,838	31,215
Trading securities	117,341	435	117,776
Trade and other receivables	255,015	429,061	684,076
Cash and cash equivalents	770,617	976,052	1,746,669
Overall impact on total assets		**1,635,613**	
Trade and other payables	413,382	123,020	536,402
Interest-bearing borrowings	307,300	55,296	362,596
Current taxation	59,656	7,303	66,959
Deferred revenues	—	507,622	507,622
Deferred tax liabilities	376,041	4,056	380,097
Overall impact on total liabilities		**697,297**	
Reserves	3,861,106	3,483	3,864,589
Non-controlling interests	861,791	934,833	1,796,624
Overall impact on total equity		**938,316**	

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Subsidiaries (continued)

Consolidated Income Statement:

	For the year ended 31 March 2012		
	As previously reported $'000	Adjustments $'000	As restated $'000
Turnover	433,222	462,647	895,869
Cost of sales	(169,899)	(106,643)	(276,542)
Other revenue	22,375	24,084	46,459
Other net loss	(51,298)	(736)	(52,034)
Selling expenses	(31,985)	(74,984)	(106,969)
Administrative expenses	(171,843)	(116,560)	(288,403)
Finance costs	(5,990)	(3,997)	(9,987)
Share of profits of associates	169,576	(63,683)	105,893
Income tax	(31,648)	(13,274)	(44,922)
Overall impact on profit attributable to non-controlling interests		**106,854**	

The changes in accounting policy had an immaterial impact on earnings per share for the comparative period ended 31 March 2012.

Consolidated Statement of Comprehensive Income

	For the year ended 31 March 2012		
	As previously reported $'000	Adjustments $'000	As restated $'000
Profit for the year	171,306	106,854	278,160
Exchange reserve: net movement during the year, net of nil tax	118,559	39,711	158,270
Fair value reserve: net movement during the year, net of nil tax	135	58,062	58,197
Share of other comprehensive income of associates, net of nil tax	57,833	(39,098)	18,735
Overall impact on total comprehensive income attributable to non-controlling interests		**165,529**	

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting policies (continued)

Subsidiaries (continued)

Consolidated statement of cash flows:

	For the year ended 31 March 2012		
	As previously reported $'000	Adjustments $'000	As restated $'000
Net cash generated from operating activities	20,808	422,022	442,830
Net cash generated from/(used in) investing activities	72,919	(120,669)	(47,750)
Net cash generated used in financing activities	(118,571)	(71,455)	(190,026)
Effect of foreign exchange rates changes	25,011	20,300	45,311
Overall impact on cash and cash equivalents		**250,198**	

Joint arrangements

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements.

Under HKFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

The Group has re-evaluated its involvement in its joint arrangements and has reclassified the investment in jointly controlled entity to joint venture. Notwithstanding the reclassification, the investment continues to be accounted for using the equity method and there has been no impact on the recognised assets, liabilities, income and comprehensive income of the Group.

Except as described above, the adoption of these new and revised HKFRSs had no other material effect on the financial statements of the Group or the Company for the current or comparative periods.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(o), (p) and (q) depending on the nature of the liabilities.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

Share repurchase obligations undertaken by the Group to non-controlling interests in respect of the repurchase of shares of a subsidiary by the Group are initially recognised at the present value of the repurchase obligations. Subsequent to initial recognition, such share repurchase obligations are stated at amortised cost with any difference between the amount initially recognised and repurchase consideration recognised directly in equity over the period of the contractual life of the obligations, using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)).

(e) Associates and joint arrangements

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

Investments in associates are accounted for using the equity method and are recognised at cost. The cost of investments includes transaction costs.

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

— Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

— Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method, as for associates.

Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(f) and 2(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Associates and joint arrangements (continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate.

(f) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(l)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the gain or loss on disposal.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 2(v)(iv) and (v).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(l)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve, except foreign exchange gains and losses resulting from changes in the amortised cost of monetary items such as debt securities which are recognised directly in profit or loss. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(v)(iv) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss in accordance with the policy set out in note 2(v)(v). When these investments are derecognised or impaired (see note 2(l)), the cumulative gain or loss is reclassified from equity to profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instrument.The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses (see note 2(l)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(x)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line method over their estimated useful lives as follows:

– Buildings held for own use	10 - 44 years
– Leasehold improvements	Shorter of the estimated useful lives and unexpired terms of the leases
– Machinery	5 - 10 years
– Motor vehicles	5 years
– Furniture, fixtures and equipment	3 - 5 years

No depreciation is provided for construction in progress.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. The useful life of an asset is reviewed annually.

(j) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and borrowing costs, where applicable (see note 2(x)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(l)). Other development expenditure is recognised as an expense in the period in which it is incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Intangible assets (other than goodwill) (continued)

Other intangible asset that is acquired by the Group is stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(l)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible asset with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Management service contract rights	30 years
– Operating rights of cord blood banks	30 years

Both the period and method of amortisation are reviewed annually.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(l). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leased assets (continued)

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(l) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

— significant financial difficulty of the debtor;

— a breach of contract, such as a default or delinquency in interest or principal payments;

— it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

— significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

— a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For investments in subsidiaries, associates and joint venture (including those recognised using the equity method (see note 2(e))), the impairment loss is measured by comparing the recoverable amount of the investment as a whole with its carrying amount in accordance with note 2(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(l)(ii).

— For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for unquoted equity securities carried at cost are not reversed.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(i) Impairment of investments in debt and equity securities and other receivables (continued)

— For trade and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of the asset), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

— If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

— Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income.

— Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— pre-paid interests in leasehold land classified as being held under an operating lease;

— intangible assets; and

— goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro-rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition and reversal criteria as it would at the end of the financial year (see notes 2(l)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories that are not expected to be realised within 12 months from the reporting date are classified as non-current assets.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts. Instalments receivables which are due for repayment in over one year under deferred payment options are classified as non-current trade receivables.

(o) Convertible notes and warrants

Convertible notes and warrants issued by the Group have been designated as at fair value through profit or loss. At initial recognition the instruments are measured at fair value. Transaction costs that relate to the issue of the instruments are recognised immediately in profit or loss. The instruments are subsequently remeasured at fair value, with any gain or loss on remeasurement to fair value recognised in profit or loss. When a holder of the instruments exercises the right to convert the instruments into ordinary shares, the fair value of the related instruments is transferred to share capital and share premium as consideration for the shares issued. When the instruments are redeemed by the Group, any difference between the amount paid and the carrying amount of the instruments is recognised in profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, such interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(q) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(u)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(s) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss in the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(iii) Termination benefits

Termination benefits are recognised when, and only when, the group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Income tax (continued)

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

  — different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(u) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

When the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Financial guarantees issued, provisions and contingent liabilities (continued)

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(u)(ii) if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue recognition (continued)

(ii) *Service income*

Revenue is recognised when the related services are rendered and when it is probable that the economic benefits from the services rendered will flow to the Group and such benefit could be reliably measured. Service income received in advance is recognised as deferred income in the consolidated statement of financial position and recognised as income on a straight-line basis over the service periods.

(iii) *Government grants*

Government grants are recognised in the consolidated statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(iv) *Dividends*

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Translation of foreign currencies (continued)

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 April 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of an operation outside Hong Kong acquired before 1 April 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

(x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(y) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

Notes 17, 37 and 38(g) contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Depreciation and amortisation

Property, plant and equipment and intangible assets are depreciated/amortised on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation expense to be recorded during any reporting period. The useful lives and residual values are based on the Group's technological experience with similar assets and taking into account anticipated technological changes. The depreciation/amortisation expense for future periods is adjusted if there are material changes from previous estimates.

(b) Impairment of assets

Internal and external sources of information are reviewed by the Group at the end of each reporting period to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash-generating unit to which it belongs is estimated to determine impairment losses on the asset. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amount, which would affect profit or loss in future years.

Goodwill is tested for impairment at least annually even if there is no indication of impairment.

(c) Recognition of deferred tax assets

The Group has recognised deferred tax assets which arose from deductible temporary differences as set out in note 31(b). The realisability of the deferred tax assets mainly depends on whether it is probable that future taxable profits or taxable temporary differences will be available against which the assets can be utilised. In cases where the actual future taxable profits or taxable temporary differences generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

(d) Valuation of interests in leasehold land and buildings

The interests in leasehold land and buildings acquired from a business combination was initially recognised at fair value as determined by an independent professional valuer on a market value basis as at the completion date of the acquisition. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. Any increase or decrease in the valuation might affect the Group's results in future years.

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, the provision of cord blood bank service, the provision of hospital management services and hospital operation, the provision of medical insurance administration service and the research and development and the manufacture and sale of Chinese herbal medicines.

Turnover represents the sales value of goods supplied to customers, income from cord blood bank service, income from hospital management services and hospital operation and income from medical insurance administration service, less applicable VAT or business tax. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2013 **$'000**	2012 $'000 Restated
Sales of medical devices and accessories	**277,242**	257,812
Cord blood bank service income	**647,265**	462,647
Hospital management service and hospital operation income	**126,930**	147,110
Medical insurance administration service income	**2,121**	811
Sales of Chinese herbal medicines	**25,504**	27,489
	1,079,062	895,869

The Group's customer base includes a customer with whom transactions have exceeded 10% of the Group's revenues. During the year ended 31 March 2013, revenues generated directly and indirectly from this customer amounted to approximately $162,659,000 (2012: $152,159,000). Details of concentrations of credit risk arising from the Group's largest customers are set out in note 38(a).

Further details regarding the Group's principal activities are disclosed in note 14 to these financial statements.

5 OTHER REVENUE

	2013 $'000	2012 $'000 Restated
Interest income from bank deposits	**11,306**	9,430
Interest income from trade receivables	**10,695**	11,761
VAT refunds	**13,542**	12,940
Dividend income from available-for-sale securities	**5,756**	8,775
Dividend income from trading securities	**3,115**	1,433
Sundry income	**2,316**	2,120
	46,730	46,459

Pursuant to the relevant government policies and approval documents from the local government authorities, one of the Group's PRC subsidiaries is entitled to a VAT refund which is calculated at approximately 14% (2012: 14%) of sales of software products embedded in the medical devices.

6 OTHER NET LOSS

	2013 $'000	2012 $'000 Restated
Net realised and unrealised gain/(loss) on trading securities	**2,517**	(52,017)
Net exchange loss	**(3,669)**	(1,682)
Net (loss)/gain on disposal of property, plant and equipment	**(1,140)**	68
Gain on disposal of available-for-sale securities	**—**	1,114
Others	**1,584**	483
	(708)	(52,034)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2013 $'000	2012 $'000 Restated
(a) Finance costs		
Interests on interest-bearing borrowings wholly repayable within five years	**29,102**	9,772
Interests on settlement of share repurchase obligations (note 36(a))	**10,334**	—
Transaction costs of issurance of convertible notes by a subsidiary	**17,481**	—
Finance charges on obligations under finance leases	**163**	215
	57,080	9,987
(b) Staff costs		
Salaries, wages and other benefits	**214,152**	171,395
Contributions to defined contribution retirement plans	**26,548**	19,794
	240,700	191,189
(c) Other items		
Cost of inventories#	**256,831**	218,716
Impairment loss on trade receivables	**9,155**	15,607
Depreciation of property, plant and equipment#	**78,948**	74,538
Amortisation of land lease premium#	**38,100**	19,575
Amortisation of intangible assets#	**37,353**	37,284
Research and development costs	**18,563**	17,463
Auditor's remuneration		
– audit services	**12,495**	11,776
– other services	**480**	—
Operating lease charges: minimum lease payments#		
– assets held for use under operating leases	**25,289**	23,692
– other assets	**195**	178

\# Cost of inventories includes $84,600,000 (2012: $79,356,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	2013 $'000	2012 $'000 Restated
Current tax - Outside Hong Kong		
Provision for PRC income tax for the year	**89,447**	95,445
Under/(over)-provision in respect of prior years	**9,963**	(19,372)
Subtotal	**99,410**	76,073
Deferred tax		
Origination and reversal of temporary differences (note 31(b)(i))	**(9,446)**	(31,151)
Subtotal	**(9,446)**	(31,151)
Total	**89,964**	44,922

(i) PRC income tax

The Group's subsidiaries in the PRC are subject to PRC income tax.

On 16 March 2007, the PRC government enacted the new Enterprise Income Tax law ("EIT law"), which unified the income tax rate to 25% for all companies incorporated in the PRC. Accordingly, except for Beijing Jingjing Medical Equipment Co., Ltd. ("Jingjing"), Beijing Jiachenhong Biological Technologies Co., Ltd ("Jiachenhong") and Guangzhou Municipality Tianhe Nuoya Bio-engineering Co., Ltd ("Guangzhou Nuoya"), all PRC subsidiaries of the Group are subject to income tax at 25% for the year ended 31 March 2013 (2012: 25%).

In October 2011, upon the receipt of the notification issued by the local tax bureau, Jingjing renewed its designation as a high and new technology enterprise ("HNTE"), and therefore, qualified to the reduced income tax rate of 15% retrospectively from 1 January 2011 to 31 December 2014.

In February 2012, upon the receipt of the notification issued by the local tax bureau, Jiachenhong renewed its designation as a HNTE, and therefore, qualified to the reduced income tax rate of 15% retrospectively from 1 January 2011 to 31 December 2013.

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

(i) PRC income tax (continued)

In June 2011, Guangzhou Nuoya was initially certified as a HNTE, and therefore, qualified to the reduced income tax rate of 15% retrospectively from 1 January 2010 to 31 December 2012. Upon the expiry or failure in renewal of HNTE certificate, the tax rate applied to Guangzhou Nuoya would be 25%. Subject to renewal, Guangzhou Nuoya's HNTE status will enable it to continue to enjoy the preferential income tax rate of 15% from 1 January 2013 to 31 December 2015. Management believes that Guangzhou Nuoya meet all the criteria for the renewal of HNTE status, and therefore, current income tax of the year ended 31 March 2013 was accrued and paid based on the income tax rate of 15%.

The EIT law and its relevant regulations also impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, on dividend distributions made out of the PRC from earnings accumulated from 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax.

Under the Arrangement between the Mainland of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest in a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5% on dividends received. On 27 October 2009, the State Administration of Taxation issued Guoshuihan [2009] No. 601 ("Circular 601") which clarified that a "beneficial owner" under a tax treaty is determined not purely by its place of legal registration but also by other factors which depend on the specific facts and circumstances and significant judgment may be involved.

Since the Group can control the quantum and timing of distribution of profits of the Group's PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

As at 31 March 2013 and 2012, no deferred tax liabilities have been recognised in respect of the withholding tax payable on the retained profits of the Group's PRC subsidiaries generated subsequent to 1 January 2008 which the directors expect to distribute outside the PRC in the foreseeable future.

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

(ii) *Hong Kong Profits Tax*

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2013 and 2012 as the Group did not have any profits assessable to Hong Kong Profits Tax during the current and prior years.

(iii) *Cayman Islands tax and British Virgin Islands tax*

Under the legislation of the Cayman Islands and British Virgin Islands, the Group is not subject to tax on income or capital gains.

(iv) Taxation for other overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2013 **$'000**	2012 $'000 Restated
Profit before taxation	**298,731**	323,082
Notional taxation on profit before taxation, calculated at the rates applicable to profit in the jurisdictions concerned	**114,887**	95,560
Tax effect of non-deductible expenses	**1,452**	2,563
Tax effect of non-taxable revenue	**(14,223)**	(27,990)
Under/(over)-provision in prior years	**9,963**	(19,372)
Reduced tax rate approved by tax authorities	**(45,864)**	(38,441)
Unused tax losses not recognised	**23,749**	32,602
Actual tax expense	**89,964**	44,922

9 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

For the year ended 31 March 2013

	Directors' fees $'000	Salaries, allowances and benefits in kind $'000	Discretionary bonuses $'000	Retirement scheme contributions $'000	Total $'000
Executive directors					
Mr. KAM Yuen	—	2,625	4,000	15	6,640
Ms. JIN Lu (retired on 25 September 2012)	—	956	1,000	23	1,979
Mr. LU Tian Long	—	650	500	15	1,165
Mr. KONG Kam Yu (appointed on 25 September 2012)*	—	4,560	2,000	15	6,575
Mr. YU Kwok Kuen, Harry (appointed on 25 September 2012)*	—	5,878	802	15	6,695
Non-executive director					
Ms. ZHENG Ting (re-designated on 23 August 2012)	—	2,159	2,000	15	4,174
Independent non-executive directors					
Prof. CAO Gang	60	—	100	—	160
Mr. FENG Wen (appointed on 25 September 2012)	60	—	—	—	60
Mr. GAO Zong Ze	60	—	200	—	260
Prof. GU Qiao	60	—	100	—	160
	240	16,828	10,702	98	27,868

* Remunerations of Mr. KONG Kam Yu and Mr. YU Kwok Kuen, Harry included emoluments paid to them during the year for their appointments as senior management of the Group prior to their appointments as executive directors of the Company.

9 DIRECTORS' REMUNERATION (continued)

For the year ended 31 March 2012 (Restated)

	Directors' fees $'000	Salaries, allowances and benefits in kind $'000	Discretionary bonuses $'000	Retirement scheme contributions $'000	Total $'000
Executive directors					
Mr. KAM Yuen	—	1,950	4,000	12	5,962
Ms. JIN Lu	—	650	1,000	12	1,662
Mr. LU Tian Long	—	650	500	12	1,162
Ms. ZHENG Ting	—	1,563	2,000	12	3,575
Independent non-executive directors					
Prof. CAO Gang	60	—	100	—	160
Mr. GAO Zong Ze	60	—	200	—	260
Prof. GU Qiao	60	—	100	—	160
	180	4,813	7,900	48	12,941

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2012: two) are directors whose emolument is disclosed in note 9. The aggregate of the emoluments in respect of the other (2012: three) individual is as follows:

	2013 **$'000**	2012 $'000 Restated
Salaries, allowances and other benefits	**1,958**	7,250
Discretionary bonuses	**2,000**	6,438
Share-based payments	**—**	—
Retirement scheme contributions	**15**	31
	3,973	13,719

The emoluments fell within the following bands:

	Number of individuals	
	2013	2012 Restated
Emoluments bands		
$1,500,001 to $2,000,000	**—**	—
$2,000,001 to $2,500,000	**—**	—
$2,500,001 to $3,000,000	**—**	—
$3,000,001 to $3,500,000	**—**	—
$3,500,001 to $4,000,000	**1**	1
$4,000,001 to $4,500,000	**—**	1
$4,500,001 to $5,000,000	**—**	—
$5,000,001 to $5,500,000	**—**	—
$5,500,001 to $6,000,000	**—**	1
	1	3

11 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a loss of $199,904,000 (2012: $18,661,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

	2013 $'000	2012 $'000
Amount of consolidated loss attributable to equity shareholders dealt with in the Company's financial statements	**(199,904)**	(18,661)
Dividend from subsidiaries attributable to the profits of the previous financial year, approved during the year	**200,000**	50,000
Company's profit for the year (note 35(a))	**96**	31,339

12 OTHER COMPREHENSIVE INCOME

Reclassification adjustments relating to components of other comprehensive income:

	2013 $'000	2012 $'000 Restated
Exchange reserve:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**15,924**	158,270
Reclassification adjustments for amounts transferred to profit or loss:		
– disposal of an associate (note 19)	**(10,793)**	—
	5,131	158,270
Less: Income tax	**—**	—
Net movement in the exchange reserve during the year recognised in other comprehensive income	**5,131**	158,270
Fair value reserve:		
Changes in fair value recognised during the year	**(11,284)**	59,311
Reclassification adjustments for amounts transferred to profit or loss:		
– disposal of available-for-sale securities (note 6)	**—**	(1,114)
	(11,284)	58,197
Less: Income tax	**—**	—
Net movement in the fair value reserve during the year recognised in other comprehensive income	**(11,284)**	58,197

13 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on consolidated profit attributable to equity shareholders of the Company of $135,660,000 (2012: $152,877,000) divided by the weighted average number of 2,143,349,000 (2012: 1,983,771,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2013 **Shares '000**	2012 Shares '000
Issued ordinary shares at the beginning of the year	**1,989,032**	1,889,028
Effect of issue of shares for acquisition of subsidiaries (note 35(b)(i))	**—**	17,927
Effect of issue of shares for acquisition of non-controlling interests (note 35(b)(ii))	**—**	92,518
Effect of repurchase of own shares (note 35(b)(iii))	**—**	(15,702)
Effect of issue of shares for deemed redemption of convertible notes issued by a subsidiary (note 35(b)(iv))	**153,065**	—
Effect of issue of shares in lieu of cash dividends (note 35(b)(v))	**1,252**	—
Weighted average number of ordinary shares	**2,143,349**	1,983,771

	2013 **$'000**	2012 $'000
Profit attributable to equity shareholders of the Company	**135,660**	152,877
Basic earnings per share (HK cents)	**6.3**	7.7

13 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit attributable to equity shareholders of $123,775,000 (2012: $122,293,000) and the weighted average number of 2,209,558,000 (2012: 2,049,980,000) ordinary shares in issue during the year after adjusting for the effects of all dilutive potential shares, calculated as follows:

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

	2013 $'000	2012 $'000
Profit attributable to equity shareholders of the Company	**135,660**	152,877
Dilutive impact on profit from exercise of conversion options from the holders of convertible notes and warrants issued by the Company	**(499)**	(15,154)
Dilutive impact on profit of dilutive potential shares of associates	**(11,386)**	(15,430)
Profit attributable to equity shareholders of the Company (diluted)	**123,775**	122,293

(ii) Weighted average number of ordinary shares (diluted)

	2013 Shares '000	2012 Shares '000
Weighted average number of ordinary shares	**2,143,349**	1,983,771
Effect of conversion of convertible notes	**66,209**	66,209
Weighted average number of ordinary shares (diluted)	**2,209,558**	2,049,980
Diluted earnings per share (HK cents)	**5.6**	6.0

13 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

(ii) Weighted average number of ordinary shares (diluted) (continued)

The calculation of diluted earnings per share for the years ended 31 March 2013 and 2012 has not included the potential effect of deemed issuance of shares under the Company's share option scheme during the year as it has an anti-dilutive effect on the basic earnings per share amount for the year.

14 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 five 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 devices and medical accessories.

(ii) Cord blood bank segment: the provision of cord blood stem cell examination, processing, separation and storage services and other related services.

(iii) Hospital management segment: the provision of management services to hospitals and operating of hospitals in the PRC.

(iv) Medical insurance administration segment: the provision of medical insurance administration services in the PRC.

(v) Chinese herbal medicine segment: the research and development and the manufacture and sale of Chinese herbal medicines.

14 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities

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

Segment assets include all tangible, intangible assets and current assets with the exception of interest in associates, interest in joint arrangement, deferred tax assets and inter-company receivables. Segment liabilities include trade payables, accruals, interest-bearing borrowings, and other payables attributable to the operating activities of the individual segments with the exception of interest-bearing borrowings of the Company, deferred tax liabilities and inter-company payables.

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 years ended 31 March 2013 and 2012 is set out below:

	Medical devices		Cord blood bank		Hospital management		Medical insurance administration		Chinese herbal medicine		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000 Restated	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000 Restated
Revenue from external customers	**277,242**	257,812	**647,265**	462,647	**126,930**	147,110	**2,121**	811	**25,504**	27,489	**1,079,062**	895,869
Segment profit/(loss)	**155,753**	149,648	**277,858**	187,088	**(16,161)**	58,120	**(41,804)**	(34,356)	**(28,407)**	(31,131)	**347,239**	329,369
Depreciation and amortisation for the year	**11,751**	12,644	**38,447**	30,147	**62,841**	45,089	**11,426**	7,939	**19,241**	24,274	**143,706**	120,093
Impairment (reversal of)/loss on trade and other receivables	**(32)**	7	**9,187**	15,600	**–**	–	**–**	–	**–**	–	**9,155**	15,607
Segment assets	**415,185**	906,392	**3,738,691**	2,307,302	**3,419,092**	3,328,820	**105,875**	116,014	**744,430**	765,398	**8,423,273**	7,423,926
Additions to fixed assets and intangible assets during the year	**2,232**	485	**287,125**	55,115	**143,860**	1,797,717	**221**	12,453	**1,885**	952	**435,323**	1,866,722
Segment liabilities	**244,447**	206,269	**1,714,444**	693,242	**206,807**	605,176	**722**	72	**11,670**	11,020	**2,178,090**	1,515,779

The Group's turnover and operating profit derived from activities outside the PRC are immaterial. Therefore, no geographical information is provided.

14 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

Revenues

The total amount of reportable segment revenues is equal to the consolidated turnover for the years ended 31 March 2013 and 2012.

Profit

	2013	2012
	$'000	$'000
		Restated
Reportable segment profit	**347,239**	329,369
Finance costs	**(57,080)**	(9,987)
Changes in fair value of financial liabilities at fair value through profit or loss	**(21,469)**	(32,506)
Share of profits of associates	**85,322**	105,893
Share of losses of a joint venture	**(30)**	(134)
Gain on disposal of interest in associates	**8,527**	41,436
Net realised and unrealised gain/(loss) on trading securities	**2,517**	(52,017)
Unallocated head office and corporate expenses	**(66,295)**	(58,972)
Consolidated profit before taxation	**298,731**	323,082

14 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (continued)

Assets and liabilities

	2013 $'000	2012 $'000 Restated
Assets		
Reportable segment assets	**8,423,273**	7,423,926
Interest in associates	**792,880**	792,215
Interest in a joint venture	**62,951**	62,981
Available-for-sale securities	**143,656**	154,987
Trading securities	**212,402**	117,341
Deferred tax assets	**29,169**	31,215
Unallocated head office and corporate assets	**37,129**	32,323
Consolidated total assets	**9,701,460**	8,614,988
Liabilities		
Reportable segment liabilities	**2,178,090**	1,515,779
Deferred tax liabilities	**369,508**	380,097
Financial liabilities at fair value through profit or loss	**53,202**	56,177
Share repurchase obligations	**130,228**	554,167
Other payables for exercised share repurchase obligations	**150,177**	—
Interest-bearing borrowings in holding companies	**676,040**	233,898
Unallocated head office and corporate liabilities	**17,874**	14,754
Consolidated total liabilities	**3,575,119**	2,754,872

15 FIXED ASSETS

(a) The Group

	Buildings held for own use $'000	Leasehold improvements $'000	Machinery $'000	Motor vehicles $'000	Furniture, fixtures and equipment $'000	Construction in progress $'000	Sub-total $'000	Interests in leasehold land held for own use under operating leases $'000	Total $'000
Cost:									
At 1 April 2012 (Restated)	447,548	108,086	241,049	35,466	117,471	724,351	1,673,971	1,776,223	3,450,194
Exchange adjustments	2,076	502	1,177	122	363	4,273	8,513	2,386	10,899
Additions	—	2,026	13,954	6,906	13,358	402,869	439,113	—	439,113
Transfers	46,182	945	15,568	625	(6,186)	(57,134)	—	—	—
Disposals	—	—	(3,888)	(2,233)	(271)	—	(6,392)	—	(6,392)
At 31 March 2013	495,806	111,559	267,860	40,886	124,735	1,074,359	2,115,205	1,778,609	3,893,814
Accumulated amortisation and depreciation:									
At 1 April 2012 (Restated)	122,260	70,395	97,932	20,291	66,382	—	377,260	30,259	407,519
Exchange adjustments	890	309	373	64	225	—	1,861	143	2,004
Charge for the year	24,680	7,536	26,875	6,520	13,337	—	78,948	38,100	117,048
Written back on disposals	—	—	(2,260)	(2,071)	(256)	—	(4,587)	—	(4,587)
At 31 March 2013	147,830	78,240	122,920	24,804	79,688	—	453,482	68,502	521,984
Net book value:									
At 31 March 2013	347,976	33,319	144,940	16,082	45,047	1,074,359	1,661,723	1,710,107	3,371,830

15 FIXED ASSETS (continued)

(a) The Group (continued)

	Buildings held for own use $'000	Leasehold improvements $'000	Machinery $'000	Motor vehicles $'000	Furniture, fixtures and equipment $'000	Construction in progress $'000	Sub-total $'000	Interests in leasehold land held for own use under operating leases $'000	Total $'000
Cost:									
At 1 April 2011 (Restated)	410,042	78,882	205,569	29,464	59,565	73,653	857,175	709,454	1,566,629
Exchange adjustments	15,680	3,069	6,738	747	2,401	3,586	32,221	27,842	60,063
Additions	—	158	14,842	5,607	12,377	78,581	111,565	4,591	116,156
Acquisition of subsidiaries (note 36(c)&(d))	1,835	18,846	2,893	531	22,865	630,566	677,536	1,034,336	1,711,872
Transfers	19,991	10,113	11,033	—	20,898	(62,035)	—	—	—
Disposals	—	(2,982)	(26)	(883)	(635)	—	(4,526)	—	(4,526)
At 31 March 2012 (Restated)	447,548	108,086	241,049	35,466	117,471	724,351	1,673,971	1,776,223	3,450,194
Accumulated amortisation and depreciation:									
At 1 April 2011 (Restated)	92,729	44,874	71,863	14,338	33,951	—	257,755	4,578	262,333
Exchange adjustments	4,113	1,925	2,887	548	1,229	—	10,702	458	11,160
Acquisition of subsidiaries (note 36(c)&(d))	—	14,660	1,255	525	21,505	—	37,945	5,648	43,593
Charge for the year	25,418	11,917	21,953	5,496	9,754	—	74,538	19,575	94,113
Written back on disposals	—	(2,981)	(26)	(616)	(57)	—	(3,680)	—	(3,680)
At 31 March 2012 (Restated)	122,260	70,395	97,932	20,291	66,382	—	377,260	30,259	407,519
Net book value:									
At 31 March 2012 (Restated)	325,288	37,691	143,117	15,175	51,089	724,351	1,296,711	1,745,964	3,042,675
At 1 April 2011 (Restated)	317,313	34,008	133,706	15,126	25,614	73,653	599,420	704,876	1,304,296

15 FIXED ASSETS (continued)

(b) The Company

	Leasehold improvements $'000	Motor vehicles $'000	Furniture, fixtures and equipment $'000	Total $'000
Cost:				
At 1 April 2012	3,093	5,680	1,471	10,244
Additions	—	—	37	37
At 31 March 2013	3,093	5,680	1,508	10,281
Accumulated depreciation:				
At 1 April 2012	3,093	4,355	1,242	8,690
Charge for the year	—	1,136	87	1,223
At 31 March 2013	3,093	5,491	1,329	9,913
Net book value:				
At 31 March 2013	—	189	179	368

15 FIXED ASSETS (continued)

(b) The Company (continued)

	Leasehold improvements $'000	Motor vehicles $'000	Furniture, fixtures and equipment $'000	Total $'000
Cost:				
At 1 April 2011	3,093	5,680	1,384	10,157
Additions	—	—	87	87
At 31 March 2012	3,093	5,680	1,471	10,244
Accumulated depreciation:				
At 1 April 2011	3,093	3,219	988	7,300
Charge for the year	—	1,136	254	1,390
At 31 March 2012	3,093	4,355	1,242	8,690
Net book value:				
At 31 March 2012	—	1,325	229	1,554

(c) At 31 March 2013, the Group had pledged interests in leasehold land and buildings with an aggregated carrying value of $245,267,000 (2012: $262,505,000), as collateral against certain loans granted to the Group by several banks (see note 29).

15 FIXED ASSETS (continued)

(d) The analysis of net book value of properties is as follows:

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Outside Hong Kong - under medium-term lease	**2,058,083**	2,071,252	1,022,189
Represented by:			
Buildings held for own use	**347,976**	325,288	317,313
Interests in leasehold land held for own use under operating leases	**1,710,107**	1,745,964	704,876
	2,058,083	2,071,252	1,022,189

(e) Fixed asset held under finance leases

The Group leases three motor vehicles under finance leases expiring in 2.5 years to 4.5 years. At the end of the lease term, the Group and the Company have the option to purchase the leased motor vehicles at a price deemed to be a bargain purchase option. The leases do not include contingent rentals.

At the end of the reporting period, the net book value of motor vehicles held under finance leases of the Group was $3,962,000 (2012: $5,908,000) and of the Company was $ nil (2012: $1,325,000).

16 INTANGIBLE ASSETS

	The Group		
	Management service contract rights	**Operating rights of cord blood banks**	**Total**
	$'000	$'000	$'000
Cost:			
At 1 April 2011 (Restated)	880,921	201,346	1,082,267
Exchange adjustments	34,450	6,249	40,699
At 31 March and 1 April 2012 (Restated)	915,371	207,595	1,122,966
Exchange adjustments	2,718	1,438	4,156
At 31 March 2013	**918,089**	**209,033**	**1,127,122**
Accumulated amortisation:			
At 1 April 2011 (Restated)	51,387	22,913	74,300
Exchange adjustments	2,085	73	2,158
Charge for the year	30,437	6,847	37,284
At 31 March and 1 April 2012 (Restated)	83,909	29,833	113,742
Exchange adjustments	426	247	673
Charge for the year	30,426	6,927	37,353
At 31 March 2013	**114,761**	**37,007**	**151,768**
Net book value:			
At 31 March 2013	**803,328**	**172,026**	**975,354**
At 31 March 2012 (Restated)	831,462	177,762	1,009,224
At 1 April 2011 (Restated)	829,534	178,433	1,007,967

The intangible asset of the Group represents the management service contract rights and operating rights of cord blood banks. The amortisation charges for the years ended 31 March 2013 and 2012 are included in cost of sales in the consolidated income statement.

17 GOODWILL

	The Group	
	2013	2012
	$'000	$'000
		Restated
Cost:		
At beginning of the year (Restated)	**569,844**	513,689
Exchange adjustments	**1,378**	17,462
Acquisition of subsidiaries (note 36(c))	**—**	38,693
At end of the year	**571,222**	569,844

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") as follows:

	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Medical devices	**506**	506	506
Cord blood bank	**66,663**	66,663	66,663
Hospital management	**465,360**	463,982	446,520
Hospital operation	**38,693**	38,693	—
	571,222	569,844	513,689

The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long term average growth rate for the business in which the CGU operates.

(Expressed in Hong Kong dollars unless otherwise indicated)

17 GOODWILL (continued)

Impairment tests for cash-generating units containing goodwill (continued)

Key assumptions used for value-in-use calculations:

	2013	2012
	%	%
		Restated
Gross margin		
Medical devices	**63.0**	62.0
Cord blood bank	**76.0**	74.0
Hospital management	**76.0**	73.0
Hospital operation	**57.0**	56.0
Growth rate		
Medical devices	**8.7**	10.0
Cord blood bank	**9.4**	9.4
Hospital management	**8.7**	8.7
Hospital operation	**3.9**	4.1
Discount rate		
Medical devices	**16.4**	16.9
Cord blood bank	**15.7**	15.7
Hospital management	**14.0**	14.0
Hospital operation	**14.0**	14.0

Management determined the budgeted gross margin based on past performance and its expectation for market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The recoverable amounts of the CGUs are higher than their carrying amounts based on value-in-use calculations. Accordingly, no impairment of goodwill is recognised in the consolidated income statement.

18 INTERESTS IN SUBSIDIARIES

(a) Investments in subsidiaries

	The Company	
	2013	2012
	$'000	$'000
Unlisted shares, at cost	**669,566**	451,532
Amounts due from subsidiaries, net	**2,060,479**	2,577,771
Convertible notes issued by subsidiaries (notes 32(b)(i)&(ii))	**697,106**	—
	3,427,151	3,029,303

Amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment but settlement is not expected within one year at the end of the reporting period. They are neither past due nor impaired.

(b) Amounts due to subsidiaries

Amounts due to subsidiaries are unsecured, interest-free and have no fixed terms of settlement but settlement is not expected within one year at the end of the reporting period.

(Expressed in Hong Kong dollars unless otherwise indicated)

18 INTERESTS IN SUBSIDIARIES (continued)

(c) Particulars of principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Company.

Name of the Company	Place of establishment	Proportion of ownership interest: Group's effective holding	Held by the Company	Held by subsidiaries	Issued/ registered capital	Principal activities
Beijing Jingjing Medical Equipment Company Limited (i)	The PRC	95.09%	—	100.00%	US$ 10,100,000	Manufacture and sale of medical devices
China Bright Group Co. Limited ("China Bright")	Hong Kong	95.09%	95.09%	—	$1,494,232	Investment holding
GM Hospital Group Limited ("GMHG")	British Virgin Islands	75.00%	75.00%	—	US$ 100	Investment holding
GM Hospital Management (China) Company Limited ("GMHM (China)") (i)	The PRC	75.00%	—	100.00%	RMB 380,000,000	Provision of hospital management service
GM Investment Company Limited	Hong Kong	100.00%	100.00%	—	$1	Investment holding
Shanghai Baisuihang Pharmaceutical Company Limited ("SHBSH") (i)	The PRC	100.00%	—	100.00%	RMB 150,000,000	Research and development, manufacture and sale of Chinese herbal medicines
Shanghai East International Medical Center ("SEIMC") (ii)	The PRC	42.00%	—	56.00%	US$5,250,000/ US$9,800,000	Hospital operation
Beijing Qinghe Hospital Company Limited ("Qinghe") (iii)	The PRC	43.43%	—	82.73%	RMB 150,000,000	Hospital operation

(Expressed in Hong Kong dollars unless otherwise indicated)

18 INTERESTS IN SUBSIDIARIES (continued)

(c) Particulars of principal subsidiaries (continued)

Name of the Company	Place of establishment	Proportion of ownership interest: Group's effective holding	Held by the Company	Held by subsidiaries	Issued/ registered capital	Principal activities
GM Shanghai Company Limited	Hong Kong	100.00%	—	100.00%	US$ 10,000,000	Software design and production of medical equipments
GM Medicare Management (China) Company Limited (i)	The PRC	70.00%	—	100.00%	US$ 12,852,945/ US$ 15,000,000	Provision of medical insurance administration services
China Cord Blood Corporation ("CCBC") (iv)	Cayman Islands	41.95%	—	41.95%	US$ 7,314	Investment Holding
Beijing Jiachenhong Biological Technologies Company Limited (i)	The PRC	41.95%	—	100.00%	RMB 280,000,000	Provision of cord blood bank services
Guangzhou Municipality Tianhe Nuoya Bio-engineering Company Limited (i)	The PRC	41.95%	—	100.00%	RMB 50,290,183/ RMB 90,000,000	Provision of cord blood bank services
Zhejiang Lukou Biotechnology Company Limited (iii)	The PRC	37.76%	—	90.00%	RMB 50,000,000	Provision of cord blood bank services

(i) These subsidiaries are wholly-owned foreign enterprises.

(ii) SEIMC is a sino-foreign co-operative joint venture. This entity is accounted for as one of the Group's subsidiaries as it is controlled by the Group.

(iii) These subsidiaries are PRC domestic enterprises.

(iv) Although the Group owns less than half of the voting power of this investee since 1 July 2009, the directors have determined that the Group has de facto control over CCBC on the basis that the remaining voting rights in the investee are widely dispersed and that there is no indication that all other shareholders exercise their votes collectively.

18 INTERESTS IN SUBSIDIARIES (continued)

(d) Non-controlling interests in subsidiaries

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests ("NCI"), before any intra-group eliminations.

	2013				
	China Bright $'000	GMHG $'000	CCBC $'000	Other individually immaterial subsidiaries $'000	Total $'000
NCI effective percentage	4.91%	56.97%	58.05%		
Non-current assets	1,368,379	2,699,415	1,727,637		
Current assets	323,274	239,240	2,052,323		
Non-current liabilities	(344,903)	(519,493)	(1,758,795)		
Current liabilities	(477,091)	(1,280,531)	(370,708)		
Net assets	869,659	1,138,631	1,650,457		
Carrying amount of NCI	42,700	648,670	958,090	11,440	1,660,900
Revenue	277,242	126,930	647,265		
Profit/(loss)	121,981	(61,233)	125,501		
Total comprehensive income	115,493	(59,057)	125,017		
Profit/(loss) allocated to NCI	18,770	(15,503)	73,173	(3,333)	73,107
Net cash flow from/(used in) operating activities	108,326	(23,338)	704,614		
Net cash flow from/(used in) investment activities	76,906	(227,453)	(593,761)		
Net cash flow (used in)/from financing activities - before cash dividends to NCI	(689,613)	234,558	755,598		
Net cash flow from financing activities - cash dividends to NCI	—	—	—		
Net (decrease)/increase in cash and cash equivalents	(504,381)	(16,233)	866,451		

18 INTERESTS IN SUBSIDIARIES (continued)

(d) Non-controlling interests in subsidiaries (continued)

	2012				
	China Bright $'000	GMHG $'000	CCBC $'000	Other individually immaterial subsidiaries $'000	Total $'000
NCI effective percentage	23.88%	54.89%	58.64%		
Non-current assets	779,829	2,613,056	1,139,724		
Current assets	804,850	254,654	1,123,754		
Non-current liabilities	(350,497)	(493,405)	(454,970)		
Current liabilities	(479,484)	(1,166,086)	(283,110)		
Net assets	754,698	1,208,219	1,525,398		
Carrying amount of NCI	180,222	663,235	894,494	58,673	1,796,624
Revenue	257,812	147,110	462,647		
Profit	130,949	7,543	157,693		
Total comprehensive income	188,789	42,711	254,034		
Profit/(loss) allocated to NCI	31,271	8,715	94,730	(9,433)	125,283
Net cash flow from operating activities	105,498	2,902	422,022		
Net cash flow from/used in investment activities	2,359	73,413	(136,133)		
Net cash flow used in financing activities - before cash dividends to NCI	(109,775)	(5,336)	(55,991)		
Net cash flow from financing activities - cash dividends to NCI	—	—	—		
Net (decrease)/increase in cash and cash equivalents	(1,918)	70,979	229,898		

19 INTEREST IN ASSOCIATES

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Share of net assets	**601,420**	600,755	638,262
Goodwill	**191,460**	191,460	211,178
	792,880	792,215	849,440

The following list contains the particulars of all associates which affected the results or assets of the Group:

Name of associate	Form of business structure	Place of establishment	Proporation of ownership held by the Group	Issued/ registered capital	Principal activities
Fortress Group Limited ("Fortress")	Incorporated	Cayman Islands	29.4%	US$ 10	Distribution and retail sale of personal electronic goods
China National Medical Equipment Co.,Ltd. ("CMIC") (note (i))	Incorporated	The PRC	Not Applicable	RMB131,970,000	Sale and distribution of medical equipment

19 INTEREST IN ASSOCIATES (continued)

The following table summarised the information of each of the Group's associates, adjusted for any differences in accounting policies and reconciled the carrying amount of the Group's interest in associates and the share of profit and other comprehensive income of equity-accounted investments (net of tax).

	2013		
	Fortress $'000	**CMIC $'000**	**Total $'000**
Place of business	**The PRC**	**The PRC**	
Percentage of interest	**29.4%**	**0.0% (note (i))**	
Non-current assets	**2,923,316**		
Current assets	**5,895,564**		
Non-current liabilities	**(2,042,578)**		
Current liabilities	**(4,732,046)**		
Net assets	**2,044,256**		
Group's share of net assets	**601,420**	**—**	**601,420**
Goodwill	**191,460**	**—**	**191,460**
Carrying amount in the consolidated statement of financial position	**792,880**	**—**	**792,880**
Revenue	**12,245,510**	**717,728**	
Profit	**284,548**	**6,991**	
Other comprehensive income	**7,145**	**—**	
Total comprehensive income	**291,693**	**6,991**	
Group's share of profit	**83,714**	**1,608**	**85,322**
Group's share of total comprehensive income	**85,816**	**1,608**	**87,424**
Dividends received	**—**	**—**	**—**

19 INTEREST IN ASSOCIATES (continued)

	2012 (Restated)		
	Fortress $'000	CMIC $'000	Total $'000
Place of business	The PRC	The PRC	
Percentage of interest	29.4%	23.0%(note (i))	
Non-current assets	2,600,557	225,533	
Current assets	4,268,532	1,479,715	
Non-current liabilities	(2,047,955)	(230,793)	
Current liabilities	(3,051,379)	(1,126,223)	
Net assets	1,769,755	348,232	
Group's share of net assets	520,662	80,093	600,755
Goodwill	191,460	—	191,460
Carrying amount in the consolidated statement of financial position	712,122	80,093	792,215
Revenue	11,177,937	2,511,229	
Profit	340,307	49,491	
Other comprehensive income	72,787	13,193	
Total comprehensive income	413,094	62,684	
Group's share of profit	94,509	11,384	105,893
Group's share of total comprehensive income	110,211	14,417	124,628
Dividends received	—	—	—

(i) On 12 June 2012, the Group entered into an agreement with China National Pharmaceutical Group Corporation ("Sinopharm") to sell its entire interest in CMIC with a consideration of RMB63,454,000 (equivalent to $79,435,000). As a result, the related exchange reserve balance of $10,793,000 was transferred to profit or loss and a gain of $8,527,000 was recorded in profit or loss for the year ended 31 March 2013.

20 INTEREST IN A JOINT VENTURE

	The Group	
	2013 **$'000**	2012 $'000
Share of net assets	**62,951**	62,981

The following list contains the particular of the joint venture which affected the results or assets of the Group:

Name of joint venture	Form of business structure	Place of establishment	Proporation of ownership held by the Group	Issued/ registered capital	Principal activities
Capital Ally Investments Limited	Incorporated	British Virgin Islands	50.00%	US$10,000	Investment holding

Summary financial information of a joint venture:

	2013 **$'000**	2012 $'000
Percentage of interest	**50.0%**	50.0%
Non-current assets	**41,027**	41,027
Current assets (including cash and cash equivalents amounting to $298,000 (2012: $358,000))	**134,406**	134,466
Current liabilities	**(49,531)**	(49,531)
Net assets	**125,902**	125,962
Group's share of net assets and carrying amount in the consolidated statement of financial position	**62,951**	62,981
Revenue	**—**	—
Loss	**(60)**	(268)
Other comprehensive income	**—**	4,038
Total comprehensive (loss)/income	**(60)**	3,770
Group's share of loss	**(30)**	(134)
Group's share of total comprehensive (loss)/income	**(30)**	1,885
Dividends received	**—**	—

21 AVAILABLE-FOR-SALE SECURITIES

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Equity securities			
Listed outside Hong Kong	**109,384**	120,668	71,585
Unlisted	**368,695**	312,556	296,949
	478,079	433,224	368,534
Debt securities			
Unlisted	**1,950**	1,950	—
	480,029	435,174	368,534

During the years ended 31 March 2013 and 2012, no impairment losses on available-for-sale equity and debt securities have been recognised in the consolidated income statement.

22 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Non-current			
Processing costs of donated unbilical cord blood units being capitalised	**48,482**	41,908	37,516
Current			
Raw materials	**15,640**	9,507	9,273
Work in progress	**4,309**	4,899	2,408
Finished goods	**11,596**	17,479	13,225
	31,545	31,885	24,906
	80,027	73,793	62,422

The Group collects, tests, freezes and stores donated umbilical cord blood for future transplantation or research purposes in return for a fee.

Collection, testing and processing costs attributable to the processing of donated umbilical cord blood are capitalised as inventories, and recognised as cost of sales when revenue is recognised upon successful match of the donated cord blood units.

(b) The analysis of the amount of inventories recognised as an expense is as follows:

	The Group	
	2013	2012
	$'000	$'000
		Restated
Carrying amount of inventories sold	**256,831**	218,716

23 NON-CURRENT TRADE AND OTHER RECEIVABLES

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Trade receivables (note 25)	**308,551**	312,405	286,065
Investment deposits (i)	**263,000**	—	961,368
Prepayment and other deposits	**94**	3,518	9,228
	571,645	315,923	1,256,661

(i) The Group paid RMB210,000,000 (equivalent to approximately $263,000,000) as a refundable earnest money for potential healthcare investments.

Non-current trade receivables are due for payments as follows:

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Fiscal years ending 31 March			
2013	**—**	—	27,882
2014	**—**	37,152	27,882
2015	**42,455**	36,771	27,882
2016	**42,068**	35,624	27,882
2017 and thereafter (for 2011)	**40,909**	31,752	221,974
2018 and thereafter (for 2012)	**32,126**	218,574	—
2019 and thereafter (for 2013)	**195,983**	—	—
Less: Allowance for doubtful debts (note 25(b))	**(44,990)**	(47,468)	(47,437)
	308,551	312,405	286,065

24 TRADING SECURITIES

	The Group			The Company	
	2013	2012	1 April 2011	**2013**	2012
	$'000	$'000	$'000	**$'000**	$'000
		Restated	Restated		
Equity securities listed in Hong Kong	**118,155**	117,341	169,550	**—**	—
Debt securities listed in Hong Kong	**94,247**	435	593	**94,247**	—
	212,402	117,776	170,143	**94,247**	—

As at 31 March 2013, the Group had pledged certain debt securities with an aggregated carrying amount of $94,247,000 (2012: $nil), as collateral against certain loans granted to the Group by a bank (see note 29).

25 TRADE AND OTHER RECEIVABLES

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Trade receivables	**718,558**	704,778	597,234
Less: Allowance for doubtful debts (note 25(b))	**(63,826)**	(72,252)	(54,761)
	654,732	632,526	542,473
Representing:			
Non-current portion (note 23)	**308,551**	312,405	286,065
Current portion	**346,181**	320,121	256,408
Prepayment and deposits	**7,470**	8,448	8,986
Other receivables	**35,876**	39,584	30,280
Total current trade and other receivables	**389,527**	368,153	295,674

	The Company	
	2013	2012
	$'000	$'000
Other receivables	**6,573**	6,207

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

25 TRADE AND OTHER RECEIVABLES (continued)

(a) Ageing analysis

Details of the ageing analysis of trade receivables (net of allowance for doubtful debts) that are neither individually nor collectively considered to be impaired are as follows:

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Neither past due nor impaired	**457,666**	467,797	387,286
Past due but not impaired			
Within six months	**58,582**	72,553	41,224
Between seven and twelve months	**66,977**	58,327	68,567
Over one year	**71,507**	33,849	45,396
	197,066	164,729	155,187
	654,732	632,526	542,473

The Group's credit policy is set out in note 38(a).

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

25 TRADE AND OTHER RECEIVABLES (continued)

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 2(l)(i)).

The movement in the allowance for doubtful debts during the year is as follows:

	The Group	
	2013	2012
	$'000	$'000
		Restated
At beginning of the year	**72,252**	54,761
Impairment loss recognised	**9,155**	15,607
Uncollectable amounts written off	**(17,940)**	—
Exchange adjustments	**359**	1,884
At the end of the year	**63,826**	72,252

26 TIME DEPOSITS

The balance represents bank deposits as at 31 March 2013 of $63,102,000 (2012: $49,346,000) which have an original maturity of six months.

27 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	The Group			The Company	
	2013	2012	1 April 2011	**2013**	2012
	$'000	$'000	$'000	**$'000**	$'000
		Restated	Restated		
Cash at bank and on hand	**2,101,322**	1,746,669	1,496,445	**20,823**	7,813
Cash and cash equivalents in the statement of financial position	**2,101,322**	1,746,669	1,496,445	**20,823**	7,813
Bank overdraft (note 29)	**—**	—	(141)		
Cash and cash equivalents in the consolidated cash flow statement	**2,101,322**	1,746,669	1,496,304		

27 CASH AND CASH EQUIVALENTS (continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

	Note	**2013 $'000**	2012 $'000 Restated
Profit before taxation		**298,731**	323,082
Adjustments for:			
Impairment loss on trade receivables	7(c)	**9,155**	15,607
Depreciation of property, plant and equipment	15(a)	**78,948**	74,538
Amortisation of land lease premium	15(a)	**38,100**	19,575
Amortisation of intangible asset	16	**37,353**	37,284
Interest income from bank deposits	5	**(11,306)**	(9,430)
Dividend income from trading securities	5	**(3,115)**	(1,433)
Dividend income from available-for-sale securities	5	**(5,756)**	(8,775)
Gain on disposal of available-for-sale securities	6	**—**	(1,114)
Net realised and unrealised (gain)/loss on trading securities	6	**(2,517)**	52,017
Net loss/(gain) on disposal of property, plant and equipment	6	**1,140**	(68)
Finance costs	7(a)	**57,080**	9,987
Changes in fair value of financial liabilities at fair value through profit or loss	32	**21,469**	32,506
Share of profits of associates	19	**(85,322)**	(105,893)
Share of losses of a joint venture	20	**30**	134
Gain on disposal of interest in associates	19	**(8,527)**	(41,436)
Effect of foreign exchange rates		**543**	(1,182)
Operating profit before changes in working capital		**426,006**	395,399
Increase in trade and other receivables		**(29,438)**	(41,716)
Increase in inventories		**(5,755)**	(8,074)
Increase/(decrease) in trade and other payables		**71,842**	(47,626)
Increase in deferred revenues		**356,629**	203,792
Cash generated from operations		**819,284**	501,775

28 TRADE AND OTHER PAYABLES

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Non-current			
Construction costs payables	**—**	92,600	—
Other payables and accrued expenses	**132,589**	74,244	35,659
	132,589	166,844	35,659
Current			
Trade payables	**115,317**	122,077	125,002
Construction costs payables	**94,204**	125,483	1,473
Payable for exercised put options (note 36(a))	**150,177**	—	—
Other payables and accrued expenses	**157,756**	121,998	173,656
	517,454	369,558	300,131
	650,043	536,402	335,790

	The Company	
	2013	2012
	$'000	$'000
Payable for exercised put options (note 36(a))	**150,177**	—
Other payables and accrued expenses	**10,734**	9,437
	160,911	9,437

All current trade and other payables are expected to be settled within one year.

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:

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Due within three months or on demand	**115,317**	122,077	125,002

29 INTEREST-BEARING BORROWINGS

At 31 March 2013 and 2012, the interest-bearing borrowings were repayable as follows:

	The Group			The Company	
	2013	2012	1 April 2011	**2013**	2012
	$'000	$'000	$'000	**$'000**	$'000
		Restated	Restated		
Within one year or on demand	**498,888**	362,596	172,288	**52,260**	233,898
After one year but within five years	**362,749**	—	233,428	**362,749**	—
	861,637	362,596	405,716	**415,009**	233,898

At 31 March 2013 and 2012, the interest-bearing borrowings were secured as follows:

	The Group			The Company	
	2013	2012	1 April 2011	**2013**	2012
	$'000	$'000	$'000	**$'000**	$'000
		Restated	Restated		
Unsecured bank overdrafts (note 27(a))	**—**	—	141	**—**	—
Bank loans					
– Secured	**600,606**	128,698	172,147	**415,009**	—
– Unsecured	**—**	233,898	233,428	**—**	233,898
	600,606	362,596	405,716	**415,009**	233,898
Unsecured loan from a third party	**261,031**	—	—	**—**	—
	861,637	362,596	405,716	**415,009**	233,898

As 31 March 2013, the bank loans of certain subsidiaries of $185,597,000 (2012: $128,698,000) are secured by interests in leasehold land and buildings as detailed in note 15(c).

The bank loan of the Company of $362,749,000 (2012: $nil) is secured by the convertible notes of a face value of US$50,000,000 issued by CCBC and the ordinary shares of CCBC issued to the Company upon and as a result of any conversion of the convertible notes in accordance with the terms of the convertible notes (note 32(b)(ii)). The loan is measured at amortised cost net of transaction costs paid.

The bank loan of the Company of $52,260,000 (2012: $nil) is secured by the trading securities held by the Company (note 24).

29 INTEREST-BEARING BORROWINGS (continued)

As at 31 March 2012, included in bank loans of the Group and the Company is a loan of $233,898,000 which was unsecured, had a five-year term and carried interest based on changes in an interest rate index. The loan contained an embedded interest rate collar such that interest on the loan lied within the range of 0% to 13% per annum. The embedded derivatives were considered closely related to the host debt contract. The loan was therefore measured at amortised cost and was fully repaid in June 2012.

Bank loan facilities of the Group and the Company of $362,749,000 (2012: $233,898,000) are subject to the fulfilment of covenants relating to certain of the Group's consolidated statement of financial position ratios as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 March 2013 and 2012, none of the covenants relating to drawn down facilities had been breached. Further details of the Group's management of liquidity risk are set out in note 38(b).

30 OBLIGATIONS UNDER FINANCE LEASES

At the end of the reporting period, the Group and the Company had obligations under finance leases repayable as follows:

	The Group			
	2013		2012	
	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	**1,254**	**1,385**	1,767	1,927
After one year but within two years	**1,306**	**1,385**	1,128	1,232
After two years but within five years	**1,179**	**1,216**	2,004	2,075
	2,485	**2,601**	3,132	3,307
	3,739	**3,986**	4,899	5,234
Less: Total future interest expenses		**(247)**		(335)
Present value of lease obligations		**3,739**		4,899

30 OBLIGATIONS UNDER FINANCE LEASES (continued)

	The Company			
	2013		2012	
	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	**—**	**—**	682	695
Less: Total future interest expenses		**—**		(13)
Present value of lease obligations		**—**		682

31 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	The Group		
	2013 $'000	2012 $'000 Restated	1 April 2011 $'000 Restated
PRC income tax payable	**75,739**	66,959	47,665

31 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax liabilities/(assets) recognised:

(i) The components of deferred tax liabilities/(assets) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	The Group					
	Depreciation/ amortisation allowance in excess of the related depreciation/ amortisation $'000	Intangible assets $'000	Allowance for doubtful debts $'000	Withholding tax on dividends $'000	Others $'000	Total $'000
Deferred tax arising from:						
At 1 April 2011 (Restated)	161,655	210,515	(13,791)	14,182	(6,087)	366,474
(Credited)/charged to the consolidated income statement (note 8(a))	(8,081)	(7,102)	(2,261)	(14,182)	475	(31,151)
Exchange adjustments	6,675	8,053	(542)	—	(627)	13,559
At 31 March 2012 (Restated)	160,249	211,466	(16,594)	—	(6,239)	348,882
At 1 April 2012 (Restated)	**160,249**	**211,466**	**(16,594)**	**—**	**(6,239)**	**348,882**
(Credited)/charged to the consolidated income statement (note 8(a))	**(4,065)**	**(7,607)**	**3,056**	**—**	**(830)**	**(9,446)**
Exchange adjustments	**442**	**598**	**(90)**	**—**	**(47)**	**903**
At 31 March 2013	**156,626**	**204,457**	**(13,628)**	**—**	**(7,116)**	**340,339**

31 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax liabilities/(assets) recognised: (continued)

(ii) Reconciliation to the consolidated statement of financial position

	The Group		
	2013	2012	1 April 2011
	$'000	$'000	$'000
		Restated	Restated
Net deferred tax assets recognised in the consolidated statement of financial position	**(29,169)**	(31,215)	(26,488)
Net deferred tax liabilities recognised in the consolidated statement of financial position	**369,508**	380,097	392,962
	340,339	348,882	366,474

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 2(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses of $439,771,000 (2012: $373,488,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Cumulative tax losses of $322,685,000 (2012: $305,671,000) do not expire under the current tax legislation while cumulative tax losses amounting to $117,086,000 (2012: $67,817,000) will expire in five years under the current tax legislation.

(d) Deferred tax liabilities not recognised:

At 31 March 2013, temporary differences relating to the undistributed profits of subsidiaries in the PRC amounted to $883,657,000 (2012: $693,653,000). Deferred tax liabilities of $88,366,000 (2012: $69,365,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

32 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) The components of financial liabilities as fair value through profit or loss recognised in the consolidated statement of financial position are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Convertible notes				
– issued by the Company	**53,202**	56,177	**53,202**	56,177
– issued by subsidiaries	**560,765**	285,540	**—**	—
	613,967	341,717	**53,202**	56,177
Written put and compensation options to non-controlling interests of a subsidiary issued by the Company (note 36(a))	**—**	—	**75,561**	131,987
Total	**613,967**	341,717	**128,763**	188,164
Representing:				
Non-current portion	**560,765**	—	**—**	—
Current portion	**53,202**	341,717	**128,763**	188,164
Total	**613,967**	341,717	**128,763**	188,164

32 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(ii) The movements of financial liabilities at fair value through profit or loss during the year are as follows:

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
At beginning of the year	**341,717**	322,578	**188,164**	234,976
Deemed redemption of convertible notes issued by a subsidiary (note 32(b)(i))	**(251,411)**	—	**—**	—
Issuance of convertible notes by a subsidiary (note 32(b)(ii))	**507,000**	—	**—**	—
Interest paid on convertible notes	**(4,808)**	(13,367)	**(2,475)**	(2,480)
Exercise of a portion of written put and Compensation options issued by the Company	**—**	—	**(232,220)**	—
Changes in fair value of financial liabilities at fair value through profit or loss	**21,469**	32,506	**175,294**	(44,332)
At end of the year	**613,967**	341,717	**128,763**	188,164

As at 31 March 2013, the excess of the fair value of convertible notes and warrants upon initial recognition determined using unobservable inputs over the transaction price of $60,803,000 (2012: $59,400,000) has been deferred and has not yet been recognised.

(a) Convertible notes and warrants issued by the Company

On 20 July and 9 September 2009, the Company issued convertible notes with a 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 have 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 days after 20 July 2009 ("Subscription Option"). The Subscription Option was exercised in full on 14 June 2010.

32 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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

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. The terms and conditions of adjustments to the conversion price were subsequently amended on 20 January 2012, as agreed between the Company and the noteholders.

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. Pursuant to the terms of convertible notes, the noteholders shall have the right to require the Company to redeem the convertible notes on 20 January 2013, which was subsequently extended to 20 January 2014 upon the amendment of terms on 3 January 2013. Accordingly, the carrying amount of the convertible notes issued by the Company is classified as current liability as of 31 March 2013 and 2012.

Upon the closing of the issuance of the convertible notes, the Company has 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 Subscription Option on 14 June 2010, the Company issued additional convertible notes with an aggregate principal amount of US$1,000,000, equivalent to approximately $7,800,000 and has also issued by way of bonus, warrants to the notes holders to subscribe for 1,908,000 ordinary shares of the Company, on the same terms as aforementioned.

As at 31 March 2013, convertible notes with a principal amount of US$10,600,000 remained outstanding (2012: US$10,600,000).

Further details of the convertible notes and warrants and amendments to the terms and conditions of convertible notes are set out in the Company's announcements dated 30 April 2009, 24 August 2009, 3 February 2012 and 4 January 2013.

32 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(b) Convertible notes issued by subsidiaries

(i) Convertible notes issued by GMHG

On 30 October 2009, GMHG issued convertible notes with a 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 share, subject to adjustments under certain terms and conditions of the convertible notes.

On 28 June 2011, GMHG and the noteholders agreed to revise certain terms and conditions to the convertible notes. The initial conversion price was adjusted from US$1,778.10 per share to US$1,673.00 per share.

Unless previously redeemed or converted, the convertible notes will be redeemed at face value on 30 October 2014. Pursuant to the terms of convertible notes, the noteholders at any time starting from the first day of the 37th month after the Completion Date on 30 October 2009, shall have the right to require GMHG to redeem the convertible notes. Accordingly, the carrying amounts of the convertible notes issued by GMHG is classified as current liability as of 31 March 2012.

On 24 August 2012, the Company entered into an agreement with Hope Sky Investments Limited ("Hope Sky") to acquire the entire US$28,000,000 convertible notes issued by GMHG. The consideration of the purchase of the convertible notes was settled by the issuance of 279,344,444 newly issued ordinary shares of the Company. A gain on extinguishment of the financial liabilities of approximately $55,399,000, being the difference of the fair value of convertible notes and the fair value of issued ordinary shares on the transaction date, was recognised and included in the changes in fair value of financial liabilities at fair value through profit or loss. Accordingly, the carrying amounts of the convertible notes issued by GMHG have been fully eliminated in the consolidated statement of financial position.

In the Company's statement of financial position, the convertible notes have been recognised as investment in subsidiaries. As at 31 March 2013, the excess of the fair value of convertible notes upon initial recognition determined using unobservable inputs over the transaction price of $55,399,000 (2012: $nil) has been deferred and has not yet been recognised.

Further details of the convertible notes, the amendments of terms and conditions to the convertible notes and the acquisition of the convertible notes by the Company are set out in the Company's announcements dated 30 September 2009, 28 June 2011 and 24 August 2012 respectively.

32 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(b) Convertible notes issued by subsidiaries (continued)

(ii) Convertible notes issued by CCBC

On 27 April 2012 and 18 September 2012, CCBC issued convertible notes with a face value of US$65,000,000 (equivalent to approximately $507,000,000) and US$50,000,000 (equivalent to approximately $390,000,000) to KKR China Healthcare Investment Limited ("KKR") and to the Company with a maturity date of 27 April 2017 and 18 September 2017 respectively. Both notes bear interest at 7% per annum and are unsecured.

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

— Conversion rights are exercisable at any time up to maturity at the noteholders' option.

— If a noteholder exercises his conversion rights, CCBC is required to deliver CCBC's ordinary shares initially at US$2.838 per share, subject to adjustments under certain terms and conditions of the convertible notes.

Unless previously redeemed or converted, the convertible notes held by KKR and the Company will be redeemed at face value on 27 April 2017 and 18 September 2017 respectively.

The carrying amount of the convertible notes held by the Company has been fully eliminated in the consolidated statement of financial position.

In the Company's statement of financial position, the convertible notes held by the Company have been recognised as investment in subsidiaries. As at 31 March 2013, the difference of the fair value of convertible notes upon initial recognition determined using unobservable inputs less than the transaction price of $6,404,000 (2012: $nil) has been deferred and has not yet been recognised.

Further details of the terms and conditions of the convertibles notes are set out in the Company's announcement dated 18 September 2012.

33 SHARE REPURCHASE OBLIGATIONS

Share repurchase obligations represent the put option written to non-controlling interests for the repurchase of shares of a subsidiary (see note 36(a)) and are stated at amortised cost. Movement of share repurchase obligations during the year is as follows:

	2013 **$'000**	2012 $'000
At beginning of the year	**554,167**	511,791
Amortised to other reserves	**26,316**	42,376
Exercised put options (note 36(a))	**(450,255)**	—
At end of the year	**130,228**	554,167

During the year ended 31 March 2013, the changes in amortised cost of share repurchased obligations of $26,316,000 (2012: $42,376,000) has been recognised directly in equity.

34 DEFERRED INCOME

Deferred income represents prepaid cord blood stem cell examination, processing and storage fees received from customers for which the related services are expected to be rendered within one year or after more than one year from the date of the consolidated statement of the financial position.

	The Group		
	2013 **$'000**	2012 $'000 Restated	1 April 2011 $'000 Restated
Prepayments by customers prior to completion of cord blood processing services	**116,961**	63,489	54,148
Unearned storage fees	**752,882**	444,133	237,296
	869,843	507,622	291,444
Representing:			
Non-current portion	**656,098**	376,670	193,123
Current portion	**213,745**	130,952	98,321
	869,843	507,622	291,444

35 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Note	Share capital $'000	Share premium $'000	Capital redemption reserve $'000	Capital reserve $'000	Retained profits $'000	Total $'000
Balance at 31 March and 1 April 2011		188,903	1,441,870	5,868	30,172	757,852	2,424,665
Changes in equity for the year ended 31 March 2012:							
Profit and total comprehensive income for the year	11	—	—	—	—	31,339	31,339
Acquisition of subsidiaries	35(b)(i)	2,635	31,621	—	—	—	34,256
Acquisition of non-controlling interests	35(b)(ii)	13,176	158,108	—	—	—	171,284
Repurchase of own shares	35(b)(iii)	(5,811)	(43,037)	5,811	—	(5,811)	(48,848)
Balance at 31 March and 1 April 2012		**198,903**	**1,588,562**	**11,679**	**30,172**	**783,380**	**2,612,696**
Changes in equity for the year ended 31 March 2013:							
Profit and total comprehensive income for the year	11	**—**	**—**	**—**	**—**	**96**	**96**
Issuance of shares for deemed redemption of convertible notes issued by a subsidiary	35(b)(iv)	**27,935**	**223,476**	**—**	**—**	**—**	**251,411**
Shares issued in lieu of cash dividends	35(b)(v)	**346**	**2,614**	**—**	**—**	**(22,684)**	**(19,724)**
Balance at 31 March 2013		**227,184**	**1,814,652**	**11,679**	**30,172**	**760,792**	**2,844,479**

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Share capital

	Note	2013 No. of shares ('000)	2013 Amount $'000	2012 No. of shares ('000)	2012 Amount $'000
Authorised:					
Ordinary shares of $0.1 each		**4,000,000**	**400,000**	4,000,000	400,000
Issued and fully paid:					
At the beginning of the year		**1,989,032**	**198,903**	1,889,028	188,903
Acquisition of subsidiaries	(i)	**—**	**—**	26,351	2,635
Acquisition of non-controlling interests	(ii)	**—**	**—**	131,757	13,176
Repurchase of own shares	(iii)	**—**	**—**	(58,104)	(5,811)
Deemed redemption of convertible notes issued by a subsidiary	(iv)	**279,344**	**27,935**	—	—
Shares issued in lieu of cash dividends	(v)	**3,462**	**346**	—	—
At the end of the year		**2,271,838**	**227,184**	1,989,032	198,903

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.

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(b) Share capital (continued)

Notes:

(i) Issue of shares for acquisition of subsidiaries

On 28 June 2011, the Company and GMHG, a subsidiary of the Group entered into a sale and purchase agreement to acquire all equity interests in USHME and its subsidiaries ("the USHME Group") (see note 36(c)) during the year ended 31 March 2012. As part of the consideration for the acquisition, the Company issued 26,351,000 ordinary shares to the vendors and the consideration was measured at the market value of the shares of $34,256,000 as of the date of transfer. Accordingly, $2,635,000 was credited to share capital and $31,621,000 was credited to the share premium account.

(ii) Issue of shares for acquisition of non-controlling interests

On 28 June 2011, the Company entered into an agreement to acquire an additional 15% equity interest in GMHG from a non-controlling shareholder of GMHG. As the consideration of the acquisition, the Company issued 131,757,000 ordinary shares of the Company to the non-controlling shareholder and the consideration was measured at the market value of the shares of $171,284,000 as of the date of transfer. Accordingly, $13,176,000 was credited to share capital and $158,108,000 was credited to share premium account.

(iii) Repurchase of own shares

During the year ended 31 March 2012, a total of a 58,104,000 shares were repurchased at an aggregate price paid of $48,848,000 which includes related expenses of $229,000.

The repurchased shares were cancelled and, accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. Pursuant to section 37(4) of the Companies Law of the Cayman Islands, an amount equivalent to the par value of the shares cancelled of $5,811,000 was transferred from retained profits to the capital redemption reserve. The premium paid on the repurchase of the shares of $43,037,000 was charged to the share premium account.

(iv) Deemed redemption of convertible notes issued by a subsidiary

On 24 August 2012, the Company entered into an agreement with Hope Sky to acquire the US$28,000,000 convertible notes issued by GMHG (see note 32(b)), by the issuance of 279,344,444 of the Company's new ordinary shares on the transaction date as a consideration. The consideration shares were measured at market value on the transaction date. Accordingly, $27,935,000 was credited to share capital and $223,476,000 was credited to share premium account.

(v) Shares issued in lieu of cash dividends

On 20 November 2012, 3,462,032 shares at HK$0.855 per share were issued by the Company as dividends in accordance with the Company's announcement on 5 October 2012. Accordingly, $346,000 was credited to share capital and $2,614,000 was credited to share premium account (see note 35(d)).

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Reserves

Nature and purpose of reserves:

(i) Share premium

Under the Companies Law (2004 Revision) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital redemption reserve

Capital redemption reserve represents the nominal value of the shares repurchased which has been paid out of the distributable reserves of the Company.

(iii) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of outstanding share options granted to employees of the Group and the Company recognised in accordance with the accounting policy adopted for share-based payments in note 2(s)(ii).

(iv) Merger reserve

The merger reserve represents the difference between the nominal value of the share capital of subsidiaries acquired and the nominal value of shares issued by the Company in exchange thereof.

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong. The reserve is dealt with in accordance with the accounting policy set out in note 2(w).

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Reserves (continued)

(vi) Surplus reserve

According to the relevant rules and regulations in the PRC, certain subsidiaries are required to appropriate 10% of after-tax profit (after offsetting prior year losses), based on the PRC statutory financial statements prepared in accordance with the relevant accounting principles and financial regulations applicable to foreign investment enterprises in the PRC, to a surplus reserve until the balance of the reserve reaches 50% of their respective registered capital. Thereafter, any further appropriations can be made at the directors' discretion. The surplus reserve can be utilised to offset prior year losses, or be utilised for issuance of bonus shares on condition that the surplus reserve shall be maintained at a minimum of 25% of the registered capital after such issuance.

(vii) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the end of the reporting period and is dealt with in accordance with the accounting policy set out in note 2(g).

(viii) Other reserves

The following are charged/credited to other reserves:

(1) the excess of purchase consideration on acquisition of non-controlling interests over the carrying value of share of net assets acquired;

(2) gain or loss on dilution of investment in subsidiaries the Group's interest in a subsidiary is increased/decreased without losing control; and

(3) changes in amortised costs of share repurchase obligations.

(d) Distributability of reserves

At 31 March 2013, the aggregate amount of reserves available for distribution to equity shareholders of the Company was $2,575,444,000 (2012: $2,371,942,000). After the end of the reporting period, the directors proposed a final dividend of $0.013 (2012: $0.01) per ordinary share, amounting to $29,534,000 (2012: $19,890,000). This dividend has not been recognised as a liability at the end of the reporting period.

For the year ended 31 March 2012, the directors paid an actual final dividend of $22,684,000, which was approved in the annual general meeting on 25 September 2012. The shareholders of the Company may elect to receive a cash dividend or a scrip dividend of new shares. Further details are set out in the Company's circular dated 16 October 2012.

35 CAPITAL, RESERVES AND DIVIDENDS (continued)

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a debt-to-capital ratio. For this purpose the Group defines debt as total interest-bearing borrowings and debts, obligations under finance leases and financial liabilities at fair value through profit or loss. Capital comprises all components of equity.

During the year ended 31 March 2013, the Group's strategy, which was unchanged from 2012, was to maintain a stable debt-to-capital ratio. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The debt-to-capital ratios at 31 March 2013 and 2012 were as follows:

		The Group		The Company	
	Note	**2013 $'000**	2012 $'000 Restated	**2013 $'000**	2012 $'000
Interest-bearing other payables	28	**150,177**	—	**150,177**	—
Interest-bearing borrowings	29	**861,637**	362,596	**415,009**	233,898
Obligations under finance leases	30	**3,739**	4,899	**—**	682
Financial liabilities at fair value through profit or loss	32	**613,967**	341,717	**128,763**	188,164
Total debt		**1,629,520**	709,212	**693,949**	422,744
Total equity		**6,126,341**	5,860,116	**2,844,479**	2,612,696
Debt-to-capital ratio		**26.60%**	12.10%	**24.40%**	16.18%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements except for those as described in note 29.

36 ACQUISITIONS AND DISPOSALS

(a) Disposal and acquisition 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 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 (together referred as "qualified IPO markets") 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 an obligation of the Group to purchase own equity, and is presented as share repurchase obligations in the consolidated statement of financial position (note 33).

The excess of the sum of (i) the carrying amount 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 with equity. No gain or loss on partial disposal is recognised in profit or loss since the Company retained control over China Bright after the transaction.

On 26 August 2012, a separate listing 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) was not completed. Accordingly, the Compensation option became invalid and the investors have the right to exercise the Put option and require the Company to re-acquire the sold shares of China Bright at $15.88 per share.

On 26 August 2012, the Company reached supplemental agreements with the investors to extend the expiry date of 20.55% of the total Put option shares, representing 7,332,808 ordinary shares or 4.91% equity interest of China Bright from 26 August 2012 to 26 February 2014, and include Taiwan Stock Exchange and Singapore Stock Exchange as qualified IPO market for China Bright to complete a separate listing ("Adjusted Put option"). The Adjusted Put option gives the investors the right to require the Company to reacquire the sold shares of China Bright at a consideration of HK$116,445,000 plus agreed interests for the period from 27 August 2012 and ending on the closing date of the Company's acquisition of the sold shares.

36 ACQUISITIONS AND DISPOSALS (continued)

(a) Disposal and acquisition of partial interests in a subsidiary (continued)

From September to November 2012, the Company reached several agreements with the respective investors to exercise the Put option as follows:

(i) On 27 September 2012, 20.55% of the total Put option shares, representing 7,332,809 ordinary shares or 4.91% equity interest of China Bright, were exercised in full. The consideration of $116,445,000 was fully paid in cash in October 2012, the underlying shares of the Put option were transferred to the Company on settlement date.

(ii) On 18 September 2012, 17.8% of the total Put option shares, representing 6,355,100 ordinary shares or 4.25% equity interest of China Bright, were exercised in full. The consideration is payable by the Company by instalments. 50% and 25% of the total consideration together with agreed interest of $50,459,000 and $27,122,000 were paid in cash in September 2012 and March 2013 respectively. The remaining 25% consideration with agreed interests of $29,014,000 will be payable in September 2013, relevant Put option shares shall be transferred to the Company on the corresponding settlement dates.

(iii) On 16 November 2012, 41.1% of the total Put option shares, representing 14,665,617 ordinary shares or 9.81% equity interest of China Bright, were exercised in full. The consideration is payable by the Company by instalments. 50% and 25% of the total consideration with agreed interests of $116,445,000 and $66,956,000 were paid in cash in November 2012 and May 2013 respectively. The remaining 25% consideration with agreed interests of $66,956,000 will be payable in November 2013.

In the Company's statement of financial position, the Put option and the Compensation option, which represent obligations in respect of a subsidiary's shares, have been recognised as financial liabilities at fair value through profit or loss (see note 32), and were initially recognised at fair value of $167,000,000. The increase in fair value of the exercised Put and Compensation options (79.45% (2012: 0%)) and the outstanding Put and Compensation options (20.55% (2012: 100%)) for the year ended 31 March 2013 of $127,356,000 (2012: $nil) and $48,438,000 (2012: a decrease in fair value of $29,178,000) has been charged/credited to the Company's profit or loss respectively.

Further details and terms and conditions of the Put option and the Adjusted Put option are set out in the Company's announcements dated 20 August 2010, 26 August 2010, 18 September 2012, 27 September 2012 and 16 November 2012.

36 ACQUISITIONS AND DISPOSALS (continued)

(b) Acquistion of additional interests in subsidiaries

(i) As mentioned in note 32(b), on 24 August 2012, the Company acquired the convertible notes issued by GMHG. Pursuant to the terms and conditions of the convertible notes, the convertible notes are convertible into new GMHG shares representing approximately 14.34% of the enlarged issued share capital of GMHG. Assuming the Company elects to convert all the convertible notes into new GMHG shares, the Group's interest in GMHG will increase from 75% to approximately 78.58%.

(ii) On 15 August 2012, CCBC entered into a share repurchase agreement with Cordlife (Hong Kong) Limited ("Cordlife HK"), the non-controlling interest shareholder of China Stem Cells (South) Company Limited ("CSC"), to acquire the 10% equity interest in CSC hold by Cordlife HK with a cash consideration of US$16,841,000 (equivalent to approximately $130,045,000). Simultaneously, CCBC entered into a share repurchase agreement with Cordlife Group Limited ("CGL"), the holding company of Cordlife HK, pursuant to which CGL is obligated to purchase 7,314,015 CCBC's ordinary shares, representing 10% of the issued ordinary shares of CCBC, owned by CCBC and held as treasury stock, for a cash consideration of US$20,845,000 (equivalent to approximately $161,193,000).

Upon the completion of be above transactions on 12 November 2012, CGL acquired 10% of the issued ordinary shares of CCBC and CSC became a wholly-owned subsidiary of CCBC. The cash considerations were settled in net cash basis of US$4,004,000 (equivalent to approximately $31,148,000).

(iii) During the years ended 31 March 2013 and 2012, the Group acquired additional interest in CCBC for a cash consideration of US$1,123,000 (equivalent to approximately $8,759,000) and US$1,983,000 (equivalent to approximately $15,464,000), respectively.

36 ACQUISITIONS AND DISPOSALS (continued)

(c) U.S. Healthcare Management Enterprise Inc. ("USHME") and its subsidiaries

On 27 July 2011, GMHG, a subsidiary of the Group completed the acquisition of the 100% equity interests in USHME. USHME holds a 56% equity interest in SEIMC. Total consideration for the acquisition was $73,256,000, satisfied by issuance of 26,351,000 ordinary shares by the Company and by cash of US$5,000,000 (equivalent to $39,000,000).

The principal activity of SEIMC is the operation of a hospital in Shanghai, the PRC, and such operation has been included in the operating segment of hospital management. The contribution to the Group's revenues and profit for the year is disclosed in note 14.

Details of net assets acquired are as follows:

	Carrying amount	Fair value $'000
Net assets acquired:		
Fixed assets (note 15(a))	5,548	5,548
Inventories	1,000	1,000
Other receivables, deposits and prepayments	7,770	7,770
Cash and cash equivalents	41,949	41,949
Time deposits	21,765	21,765
Other payables and accruals	(17,817)	(17,817)
Net assets acquired		60,215
Non-controlling interests		(25,652)
Goodwill arising from acquisition (note 17)		38,693
Total purchase price paid, satisfied in cash and shares		73,256

Analysis of net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries

	$'000
Total purchase price	73,256
Amount paid in prior years	(21,567)
Fair value of the ordinary shares issued	(34,256)
Cash and cash equivalents acquired	(41,949)
	(24,516)

36 ACQUISITIONS AND DISPOSALS (continued)

(d) Beijing Guohua Jiedi Hospital Management Company Limited ("Guo Hua Jie Di") and its subsidiaries

On 26 December 2011, GMHM (China), a subsidiary of the Group completed the acquisition of the 70% equity interests in Guo Hua Jie Di. Guo Hua Jie Di holds a 82.73% equity interests in Qinghe. The total consideration of $600,000,000 was satisfied in cash.

On the date of acquisition, Guo Hua Jie Di and Qinghe have not yet commenced commercial operation and lacked several factors required to generate a revenue stream and strategic management processes for hospital operation in PRC. As a result, the management considers that Guo Hua Jie Di and Qinghe did not constitute businesses on the acquisition date and the acquisition is treated as an acquisition of assets and liabilities. The principal assets of Guo Hua Jie Di and Qinghe are interests in leasehold land and construction in progress of hospital buildings in Beijing, the PRC.

The following table summarises the cost of the assets acquired and liabilities assumed at the date of acquisition.

	Cost
	$'000
Fixed assets (note 15(a))	1,662,731
Other receivables, deposits and prepayments	37,150
Cash and cash equivalents	3,546
Total assets acquired	1,703,427
Other payables and accruals	(649,754)
Non-controlling interests	(453,673)
Net assets acquired	600,000
Total purchase consideration satisfied by cash paid in prior year	600,000

Analysis of net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries

	$'000
Total purchase price	600,000
Amount paid in prior years	(600,000)
Cash and cash equivalents acquired	3,546
	3,546

37 SHARE OPTIONS

(a) The principal terms of the share option schemes of the Company are summarised as follows:

(i) The Company adopted a share option scheme on 30 July 2002 (the "2002 Scheme"). The Company by shareholders' resolutions passed at the extraordinary general meeting held on 30 March 2005 has adopted a new share option scheme (the "Current Scheme" and, together with the 2002 Scheme, the "Schemes") and terminated the 2002 Scheme. No further share options may be offered under the 2002 Scheme. The Current Scheme was terminated upon the transfer of the listing of the shares of the Company from the GEM to the Main Board of the Stock Exchange on 16 June 2009. No further options may be offered under the Current Scheme. However, in respect of all options which remained exercisable on the said dates of termination, they shall continue to be exercisable subject to the provisions of the 2002 Scheme or the Current Scheme as applicable.

(ii) The purpose of the 2002 Scheme was to recognise the contribution of full-time employees of the Company or any subsidiary and executive and independent non-executive directors of the Company or any subsidiary (the "2002 Participants") by granting share options to them as incentives or rewards.

The purpose of the Current Scheme is to recognise the contribution of the executives, employees, directors (including non-executive directors and independent non-executive directors), consultants, advisers and agents of the Company and its affiliates (the "Current Participants" and, together with the 2002 Participants, the "Participants") by granting share options to them as incentives or rewards.

(iii) The total number of shares which may be issued upon exercise of all share options to be granted under the Schemes each time shall not in aggregate exceed 10% of the total number of shares in issue of the Company as at 30 March 2005, the date on which the Current Scheme was adopted. As at the date of this annual report, no further options may be offered under the Schemes. The total number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Schemes must not exceed 30% of the shares in issue from time to time.

(iv) Pursuant to each of the 2002 Scheme and the Current Scheme, the total number of shares issued and to be issued upon the exercise of all share options granted and to be granted to each Participant (including both exercised and outstanding share options) in any 12-month period up to and including the offer date shall not exceed 1% of the shares in issue as at the offer date.

37 SHARE OPTIONS (continued)

(a) The principal terms of the share option schemes of the Company are summarised as follows: (continued)

(v) Pursuant to the 2002 Scheme, a share option may be exercised at any time during a period notified by the Board to the grantee provided that such period shall not commence earlier than 27 December 2002 and shall not be longer than 10 years from the date of offer. These options have been expired as at 31 March 2013.

Pursuant to the Current Scheme, a share option may be exercised at any time during a period notified by the Board to the grantee, such period shall not be longer than 10 years from the date of offer.

(vi) Pursuant to each of the 2002 Scheme and the Current Scheme, a share option may be granted by the Board upon any terms and conditions as it may think fit subject to the rules of the Schemes and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

(vii) Pursuant to each of the 2002 Scheme and the Current Scheme, acceptance of an offer must be made by the grantee by the date specified in the offer as the last date for acceptance, together with a remittance in favour of the Company of $1 by way of consideration for the grant.

(viii) Pursuant to the 2002 Scheme and the Current Scheme, the exercise price shall be determined by the Board, but shall not be less than the higher of:

(1) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date on which an offer is made to a Participant, which must be a business day;

(2) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which an offer is made; and

(3) the nominal value of the shares.

(Expressed in Hong Kong dollars unless otherwise indicated)

37 SHARE OPTIONS (continued)

(b) The terms and conditions of the grants that existed during the year are as follows, whereby all share options are settled by physical delivery of shares:

	Exercise price $	Number of share options	Vesting conditions	Contract life of share options
Share options granted to directors:				
– on 4 March 2005 ("Option 1")	1.6	4,400,000	– immediately 3 months after the date of grant	Expire at the close of business on 28 February 2015
– on 30 March 2005 ("Option 2")	1.76	63,206,245	– up to 20% immediately after 6 months from the date of grant – up to 60% immediately after 18 months from the date of grant – up to 100% immediately after 30 months from the date of grant	Expire at the close of business on 3 March 2015
– on 27 April 2009 ("Option 3")	1.15	21,700,000	– up to 30% immediately after the date of grant – up to 60% immediately after 6 months from the date of grant – up to 100% immediately after 12 months from the date of grant	Expire at the close of business on 26 April 2019

(Expressed in Hong Kong dollars unless otherwise indicated)

37 SHARE OPTIONS (continued)

(b) The terms and conditions of the grants that existed during the year are as follows, whereby all share options are settled by physical delivery of shares: (continued)

	Exercise price $	Number of share options	Vesting conditions	Contract life of share options
Share options granted to employees:				
– on 4 March 2005 ("Option 1")	1.6	9,870,000	– immediately 3 months after the date of grant	Expire at the close of business on 28 February 2015
– on 27 April 2009 ("Option 3")	1.15	23,633,000	– up to 30% immediately after the date of grant – up to 60% immediately after 6 months from the date of grant – up to 100% immediately after 12 months from the date of grant	Expire at the close of business on 26 April 2019
		122,809,245		

Each share option entitles the holder to subscribe for one ordinary share in the Company.

There are 122,809,245 options outstanding and exercisable at 31 March 2013 (2012: 122,809,245). The options outstanding at 31 March 2013 had an exercise price of $1.15 to $1.76 (2012: $1.15 to $1.76) and a weighted average remaining contractual life of 3.46 years (2012: 4.46 years).

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and the impact of equity prices on the fair value of convertible notes and warrant liabilities.

The Group's exposure to these risks and the financial risk management policies and practices used by the group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. The status of the receivables is closely monitored to minimise any credit risk associated with these receivables. Trade receivables of medical devices segment are due within 60 to 180 days from the date of billing. For trade receivables of cord blood bank segment, receivables are due in accordance with the payment schedule. For receivables of the other operating segments, trade receivables are due on goods delivered or services performed, a regular review is carried out and follow up actions are taken on overdue amounts to minimise the Group's exposure to credit risk. Cash at bank and time deposits are placed with licensed financial institutions with high credit ratings. The Group monitors the exposure to each financial institution.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor with the exception of cord blood bank segment for which outstanding account balances are reviewed on a pooled basis by ageing of such balances. The default risk of the industry and country in which customers operate also has an influence on credit risk.

At the end of the reporting period, the Group has a certain concentration of credit risk as 15% (2012: 15%) and 36% (2012: 34%) of the trade receivables were due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance. Except for the financial guarantees disclosed in note 40, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 40.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 23 and 25.

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

The Group

		2013					2012 (Restated)				
		Contractual undiscounted cash flow					Contractual undiscounted cash flow				
	Note	**Within 1 year or on demand**	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**Total**	**Carrying amount**	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000	$'000
Trade and other payables	28	**530,203**	**132,589**	**—**	**662,792**	**650,043**	369,558	166,844	—	536,402	536,402
Interest-bearing borrowings	29	**533,433**	**16,189**	**398,250**	**947,872**	**861,637**	368,321	—	—	368,321	362,596
Obligations under finance leases	30	**1,385**	**1,385**	**1,216**	**3,986**	**3,739**	1,927	1,232	2,075	5,234	4,899
Convertible notes	32	**120,650**	**35,490**	**613,470**	**769,610**	**613,967**	350,154	—	—	350,154	341,717
Share repurchase obligations	33	**137,405**	**—**	**—**	**137,405**	**130,228**	566,699	—	—	566,699	554,167
Other non-current liabilities		**—**	**415**	**—**	**415**	**415**	—	413		413	413
		1,323,076	**186,068**	**1,012,936**	**2,522,080**	**2,260,029**	1,656,659	168,489	2,075	1,827,223	1,800,194

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(b) Liquidity risk (continued)

The Company

		2013					2012				
		Contractual undiscounted cash flow					Contractual undiscounted cash flow				
	Note	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years but less than 5 years $'000	Total $'000	Carrying amount $'000	Within 1 year or on demand $'000	More than 1 year but less than 2 years $'000	More than 2 years but less than 5 years $'000	Total $'000	Carrying amount $'000
Other payables	28	173,660	–	–	173,660	160,911	9,437	–	–	9,437	9,437
Interest-bearing borrowings	29	68,487	16,189	398,250	482,926	415,009	233,898	–	–	233,898	233,898
Obligations under a finance lease	30	–	–	–	–	–	695	–	–	695	682
Convertible notes	32	85,160	–	–	85,160	53,202	58,657	–	–	58,657	56,177
Written put and compensation options	32	137,405	–	–	137,405	75,561	566,699	–	–	566,699	131,987
		464,712	16,189	398,250	879,151	704,683	869,386	–	–	869,386	432,181
Financial guarantees issued:											
Maximum amount guaranteed	40	–	–	–	–	–	–	218,400	–	218,400	–

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from deposits with banks, interest-bearing borrowings and obligations under finance leases. Instruments bearing interest at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group is also exposed to fair value interest rate risk arising from the impact of interest rate changes on its convertible notes and warrants. The Group regularly reviews its strategy on interest rate risk management in the light of the prevailing market conditions. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group and the Company at the end of the reporting period:

	The Group				The Company			
	2013		2012 (Restated)		**2013**		2012	
	Effective interest rate %	**$'000**	Effective interest rate %	$'000	**Effective interest rate %**	**$'000**	Effective interest rate %	$'000
Fixed rate assets/(liabilities):								
Interest-bearing borrowings	**3.00**	**(261,031)**	—	—	**—**	**—**	—	—
Payable for exercised put option	**19.50**	**(150,177)**	—	—	**19.50**	**(150,177)**	—	—
Share repurchase obligations	**6.18**	**(130,228)**	8.28	(554,167)	**—**	**—**	—	—
Obligations under finance leases	**4.31**	**(3,739)**	4.05	(4,899)	**—**	**—**	5.43	(682)
		(545,175)		(559,066)		**(150,177)**		(682)
Variable rate assets/(liabilities):								
Time deposits	**3.05**	**63,102**	3.05	49,346	**—**	**—**	—	—
Cash and cash equivalents	**0.35**	**2,101,322**	0.49	1,746,669	**0.10**	**20,823**	0.06	7,813
Interest-bearing borrowings	**4.82**	**(600,606)**	2.70	(362,596)	**2.77**	**(415,009)**	0.20	(233,898)
		1,563,818		1,433,419		**(394,186)**		(226,085)

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

It is estimated that a general increase/decrease of 100 basis points in interest rates at 31 March 2013, with all other variables held constant, would have decreased/increased the Group's profit after taxation by approximately \$9,621,000/\$9,621,000, retained profits by approximately \$9,557,000/\$9,557,000 and non-controlling interests by \$64,000/\$64,000 respectively (2012: increased/decreased profit after taxation by approximately \$11,675,000/\$11,675,000, retained profits by approximately \$10,409,000/\$10,409,000 and non-controlling interests by approximately \$1,266,000/\$1,266,000 respectively).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis has been performed on the same basis for 2012.

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk

There is currently no hedging policy adopted by the Group with respect to its foreign exchange exposure. The Group's transactions are in Chinese Renminbi, Hong Kong Dollars ("HKD") and the United States Dollars ("USD"). With the natural hedging of the revenue and costs denominated in Chinese Renminbi, the Group's foreign exchange exposure is considered to be insignificant.

The Group is exposed to currency risk through certain investments, receivables, bank deposits and bank loans which are denominated in USD, Australian Dollars, British Pounds Sterling, Chinese Renminbi, Singaporean Dollars and New Taiwan Dollars. As HKD is pegged to USD, the Company does not expect any significant movements in the USD/HKD exchange rate.

(i) *Exposure to currency risk*

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate:

Exposure to foreign currencies (expressed in Hong Kong dollars)

The Group

	2013					2012 Restated				
	United States Dollars $'000	Chinese Renminbi $'000	Hong Kong Dollars $'000	Singaporea Dollars $'000	Australian Dollars $'000	United States Dollars $'000	Chinese Renminbi $'000	Hong Kong Dollars $'000	Singaporea Dollars $'000	Australian Dollars $'000
Cash at bank	11,242	1,217	15,775	162	1,149	7,597	1,301	1,973	—	429
Available-for-sale equity securities	143,656	226,989	—	99,134	10,250	154,987	159,519	—	109,860	10,808
Other receivables	—	—	—	—	—	—	—	—	1,083	—
Trading securities	49,472	44,775	—	—	—	—	—	—	—	—
Interest-bearing borrowings	(415,009)	(261,031)	—	—	—	(233,898)	—	—	—	—
Convertible notes and warrants	(613,967)	—	—	—	—	(341,717)	—	—	—	—
Overall net exposure	(824,606)	11,950	15,775	99,296	11,399	(413,031)	160,820	1,973	110,943	11,237

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk (continued)

Exposure to foreign currencies (expressed in Hong Kong dollars) (continued)

The Company

	2013		2012	
	United States Dollars $'000	**Chinese Renminbi $'000**	United States Dollars $'000	Chinese Renminbi $'000
Cash at bank	**5,999**	**857**	293	1,301
Trading securities	**49,472**	**44,775**	—	—
Convertible notes issued by subsidiaries	**697,106**	**—**	—	—
Interest-bearing borrowings	**(415,009)**	**—**	(233,898)	—
Convertible notes and warrants	**(128,763)**	**—**	(188,164)	—
Overall net exposure	**208,805**	**45,632**	(421,769)	1,301

(Expressed in Hong Kong dollars unless otherwise indicated)

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong Dollars and the United States Dollars would be materially unaffected by any changes in movement in value of the United States Dollars against other currencies.

	2013			2012		
	Increase/ (decease) in foreign exchange rates	Effect on profit after taxation and retained profit	Effect on other components of equity	Increase/ (decease) in foreign exchange rates	Effect on profit after taxation and retained profit	Effect on other components of equity
Chinese Renminbi	5%	(13,849)	14,043	5%	65	9,840
	(5%)	13,849	(14,043)	(5%)	(65)	(9,840)
Hong Kong Dollars	5%	789	—	5%	99	—
	(5%)	(789)	—	(5%)	(99)	—
Singaporea Dollars	5%	51	4,957	5%	54	5,504
	(5%)	(51)	(4,957)	(5%)	(54)	(5,504)
Australian Dollars	5%	465	512	5%	21	540
	(5%)	(465)	(512)	(5%)	(21)	(540)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rates ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency. The analysis has been performed on the same basis for 2012.

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from trading securities (see note 24) and available-for-sale securities (see note 21). Other than unquoted securities held for strategic purposes, all of these investments are listed.

Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the relevant index and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

The Group is also exposed to equity price risk arising from the impact of changes in equity prices of the Company and a subsidiary on the Group's convertible notes and warrants.

It is estimated that an increase/decrease of 10% in the fair value of the Group's investments in listed securities at 31 March 2013, with all other variables held constant, would have increased/decreased the Group's profit after taxation and retained profits by approximately $21,240,000 (2012: $11,734,000), and the Group's other components of consolidated equity by approximately $11,133,000 (2012: $12,284,000).

It is estimated that an increase/decrease of 10% in the equity prices of the Company and a subsidiary at 31 March 2013, with all other variables held constant, would have resulted in remeasurements of the Group's convertible notes and warrants and increase/decrease the Group's profit after taxation by approximately $29,782,000/$27,602,000 (2012: $2,678,000/$2,508,000), retained profits by approximately $14,435,000/$12,771,000 (2012: $1,977,000/$1,862,000) and non-controlling interests by $15,347,000/$14,831,000 (2012: $701,000/$646,000).

The sensitivity analysis indicates the instantaneous change in the Group's profit after taxation and retained profits and other components of consolidated equity that would arise assuming that the changes in the fair value of equity securities had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that none of the Group's available-for-sale investments would be considered impaired as a result of the decrease in the fair value of the equity securities and that all other variables remain constant. The analysis has been performed on the same basis for 2012.

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(f) Fair values

(i) *Financial instruments carried at fair value*

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

— Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments

— Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data

— Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(f) Fair values (continued)

(i) Financial instruments carried at fair value (continued)

2013

	Note	**The Group** Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets					
Available-for-sale securities	21	**109,384**	**—**	**1,950**	**111,334**
Trading securities	24	**212,402**	**—**	**—**	**212,402**
		321,786	**—**	**1,950**	**323,736**
Liabilities					
Convertible notes	32	**—**	**—**	**613,967**	**613,967**
		—	**—**	**613,967**	**613,967**

2012 (Restated)

	Note	The Group Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets					
Available-for-sale securities	21	120,668	—	1,950	122,618
Trading securities	24	117,776	—	—	117,776
		238,444	—	1,950	240,394
Liabilities					
Convertible notes	32	—	—	341,717	341,717
		—	—	341,717	341,717

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(f) Fair values (continued)

(i) Financial instruments carried at fair value (continued)

2013

	Note	The Company Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets					
Convertible notes	18(a)	—	—	**697,106**	**697,106**
Trading securities	24	**94,247**	—	—	**94,247**
		94,247	—	**697,106**	**791,353**
Liabilities					
Convertible notes	32	—	—	**53,202**	**53,202**
Written put and compensation options	32	—	—	**75,561**	**75,561**
		—	—	**128,763**	**128,763**

2012

	Note	The Company Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities					
Convertible notes	32	—	—	56,177	56,177
Written put and compensation options	32	—	—	131,987	131,987
		—	—	188,164	188,164

During the years there was no transfer between instruments in Level 1 and Level 2.

Movement in the balance of Level 3 fair value measurements is discussed in note 32 (ii).

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(f) Fair values (continued)

(ii) Fair values of financial instruments carried at other than fair value

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2013 and 2012 except as follows:

(1) Amounts due from/to subsidiaries and associates of the Group and/or the Company are unsecured, interest-free and have no fixed repayment terms. Given these terms it is not meaningful to disclose their fair values.

(2) Unlisted equity securities of $368,695,000 (2012: $312,556,000) do not have a quoted market price in an active market and therefore their fair values cannot be reliably measured. They are held for strategic purposes and recognised at cost less impairment losses at the end of the reporting period.

(g) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of the following financial instruments:

(i) Securities

Fair value is based on quoted market prices at the end of the reporting period without any deduction of transaction costs.

(ii) Interest-bearing borrowings, finance lease liabilities and available-for-sale debt securities.

The fair value is estimated as the present value of future cash flows, discounted at the current market interest rates for similar financial instruments.

(iii) Financial guarantees

The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

(Expressed in Hong Kong dollars unless otherwise indicated)

38 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (continued)

(g) Estimation of fair values (continued)

(iv) Financial liabilities at fair value through profit or loss

The estimate of the fair value of the convertible notes and warrants is measured using a binomial lattice model with the following assumptions:

	2013	
	Issued by the Company	**Issued by a subsidiary**
Share price	**$0.95**	**US$2.93**
Expected volatility	**36.36%**	**35.19%**
Expected dividends	**1.11%**	**0%**
Risk-free interest rate	**0.17%**	**0.77%**

	2012	
	Issued by the Company	Issued by a subsidiary
Share price	$0.99	US$1,783
Expected volatility	43.10%	34.04%
Expected dividends	0%	0%
Risk-free interest rate	0.35%	1.30%

The estimate of the fair value of the written put and compensation option is measured using a binomial lattice model with the following assumptions:

	2013	2012
	Issued by the Company	Issued by the Company
Share price	**$8.14**	$12.53
Expected volatility	**53.59%**	46.43%
Expected dividends	**0%**	0%
Risk-free interest rate	**3.77%**	2.84%

39 COMMITMENTS

(a) *Capital commitments for the acquisition of plant and equipment outstanding at 31 March 2013 not provided for in the financial statements were as follows:*

	The Group	
	2013	2012
	$'000	$'000
		Restated
Contracted for	**405,298**	241,827

(b) *As at 31 March 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:*

	The Group		The Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
		Restated		
Within 1 year	**29,398**	25,661	**8,421**	5,667
After 1 year but within 5 years	**28,309**	38,967	**16,140**	—
After 5 years	**—**	51,464	**—**	—
	57,707	116,092	**24,561**	5,667

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.

Lease terms of properties of the Group situated on land held under operating leases are disclosed in note 15(d).

39 COMMITMENTS (continued)

(c) Other commitments

At 31 March 2013, the Group is committed to contribute a further US$6,101,000 (2012: US$9,022,000), equivalent to $47,588,000 (2012: $70,372,000), as further investments in an unlisted private equity fund classified as available-for-sale equity securities.

The Group entered into an agreement with an institution for the research and development of medicines for treatments which make use of cord blood stem cells. Commitments as of 31 March 2013 under this agreement amount to RMB2,000,000 (2012: RMB2,000,000), equivalent to $2,475,000 (2012: $2,467,000).

The Group entered several co-operation agreements with third-parties in relation to the operation of cord blood banks. As at 31 March 2013, the total future minimum payments under co-operation agreements are payable as follows:

	The Group	
	2013	2012
	$'000	$'000
		Restated
Within 1 year	**7,424**	7,402
After 1 year but within 5 years	**29,696**	26,858
After 5 years	**70,527**	49,551
	107,647	83,811

40 CONTINGENT LIABILITIES

As at 31 March 2012, the Company has guaranteed the obligations of a subsidiary under certain convertible notes with a principal amount of $218,400,000 issued by the subsidiary (see note 32(b)(i)). The convertible notes were acquired by the Company on 24 August 2012 and such guarantee became obsolete.

The Company 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.

41 RETIREMENT SCHEMES

Hong Kong

Since December 2001, the Company operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of $20,000 (effective from 1 June 2012, such monthly income cap has been revised to $25,000). Contributions to the scheme vest immediately.

The PRC, other than Hong Kong

Pursuant to the relevant PRC regulations, the Company's PRC subsidiaries are required to make contributions at approximately 20% of the employees' salaries and wages to defined contribution retirement schemes organised by the local Social Security Bureau in respect of the retirement benefits for the Group's employees in the PRC.

Save as disclosed above, the Group has no other significant obligation to make payments in respect of retirement benefits of the employees.

42 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related companies

There were no material related party transactions during the years ended 31 March 2013 and 2012.

(b) Key management personnel remuneration

Key management personnel remuneration represents amounts paid to the Company's directors as disclosed in note 9 and the highest paid employees as disclosed in note 10.

43 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 35(d).

44 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2013

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2013 and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company's and the Group's financial statements.

45 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 March 2013, the directors consider the immediate parent and ultimate controlling party of the Group to be Bio Garden Inc., which is incorporated in British Virgin Islands. This entity does not produce financial statements available for public use.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published financial information of the Group is set out below:

RESULTS

	Year ended 31 March 2009 HK$'000 Restated	Year ended 31 March 2010 HK$'000 Restated	Year ended 31 March 2011 HK$'000 Restated	Year ended 31 March 2012 HK$'000 Restated	**Year ended 31 March 2013 HK$'000**
Turnover	497,756	580,763	721,178	895,869	**1,079,062**
Profit from operations	220,043	205,886	374,213	218,380	**283,461**
Finance costs	(13,091)	(10,756)	(9,356)	(9,987)	**(57,080)**
Gain on deemed disposal of interests in associates and joint ventures	—	—	14,713	—	**—**
(Loss)/gain on disposal of interest in associates	—	—	(2,628)	41,436	**8,527**
Changes in fair value of financial liabilities at fair value through profit or loss	—	(102,357)	36,009	(32,506)	**(21,469)**
Share of profits less losses of associates and joint ventures	(84,621)	57,354	65,968	105,759	**85,292**
Profit before taxation	122,331	150,127	478,919	323,082	**298,731**
Income tax	(41,995)	(50,846)	(84,943)	(44,922)	**(89,964)**
Profit for the year	80,336	99,281	393,976	278,160	**208,767**
Attributable to:					
Equity shareholders of the Company	57,089	74,321	311,252	152,877	**135,660**
Non-controlling interests	23,247	24,960	82,724	125,283	**73,107**
Profit for the year	80,336	99,281	393,976	278,160	**208,767**

Note 1: As a result of the Group's early adoption of HKFRS 10, figures of the years 2009 to 2012 have been restated. Please refer to note 2(c) to the financial statements for further details.

ASSETS AND LIABILITIES

	As at 31 March				
	2009 HK$'000 Restated	2010 HK$'000 Restated	2011 HK$'000 Restated	2012 HK$'000 Restated	**2013** **HK$'000**
Fixed assets	414,769	458,132	1,304,296	3,042,675	**3,371,830**
Intangible assets	84,079	902,156	1,007,967	1,009,224	**975,354**
Goodwill	67,169	494,287	513,689	569,844	**571,222**
Interest in associates	518,715	543,698	849,440	792,215	**792,880**
Interest in joint ventures	712,639	722,417	61,096	62,981	**62,951**
Available-for-sale securities	143,260	165,687	368,534	435,174	**480,029**
Inventories	–	33,039	37,516	41,908	**48,482**
Trade and other receivables	944,346	768,709	1,256,661	315,923	**571,645**
Deferred tax assets	6,794	12,152	26,488	31,215	**29,169**
	2,891,771	4,100,277	5,425,687	6,301,159	**6,903,562**
Current assets	1,222,081	1,455,658	1,987,168	2,313,829	**2,797,898**
Total assets	4,113,852	5,555,935	7,412,855	8,614,988	**9,701,460**
Current liabilities	(128,508)	(386,934)	(620,214)	(1,827,716)	**(1,490,510)**
Total assets less current liabilities	3,985,344	5,169,001	6,792,641	6,787,272	**8,210,950**
Non-current liabilities	(447,822)	(1,021,871)	(1,694,171)	(927,156)	**(2,084,609)**
Net assets	3,537,522	4,147,130	5,098,470	5,860,116	**6,126,341**
Attributable to:					
Equity shareholders of the Company	3,180,360	3,317,556	3,823,316	4,063,492	**4,465,441**
Non-controlling interests	357,162	829,574	1,275,154	1,796,624	**1,660,900**
Total equity	3,537,522	4,147,130	5,098,470	5,860,116	**6,126,341**

Executive Directors

Mr. KAM Yuen *(Chairman)*
Mr. LU Tian Long
Mr. KONG Kam Yu
Mr. YU Kwok Kuen, Harry

Non-executive Director

Ms. ZHENG Ting

Independent Non-executive Directors

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

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Principal Place of Business in Hong Kong

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1 Garden Road
Central
Hong Kong

Place of Listing and Stock Code

The Stock Exchange of Hong Kong Limited
Stock Code: 801

Taiwan Stock Exchange Corporation
Taiwan depositary receipts code: 910801

Qualified Accountant and Company Secretary

Mr. KONG Kam Yu, ACA, AHKSA

Compliance Officer

Mr. KAM Yuen

Audit Committee Members

Prof. CAO Gang *(Chairman)*
Mr. FENG Wen
Prof. GU Qiao

Remuneration Committee Members

Mr. FENG Wen *(Chairman)*
Prof. CAO Gang
Prof. GU Qiao

Nomination Committee Members

Mr. FENG Wen *(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
Minter Ellison Lawyers

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

Bank of China (Hong Kong) Limited
Bank Julius Baer & Co. Ltd
China CITIC Bank International Limited
China Construction Bank – Beijing Branch
Deutsche Bank AG
Taiwan Cooperative Bank (Hong Kong Branch)

Investor Relations

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GOLDEN MEDITECH HOLDINGS LIMITED
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