2013 | 2014

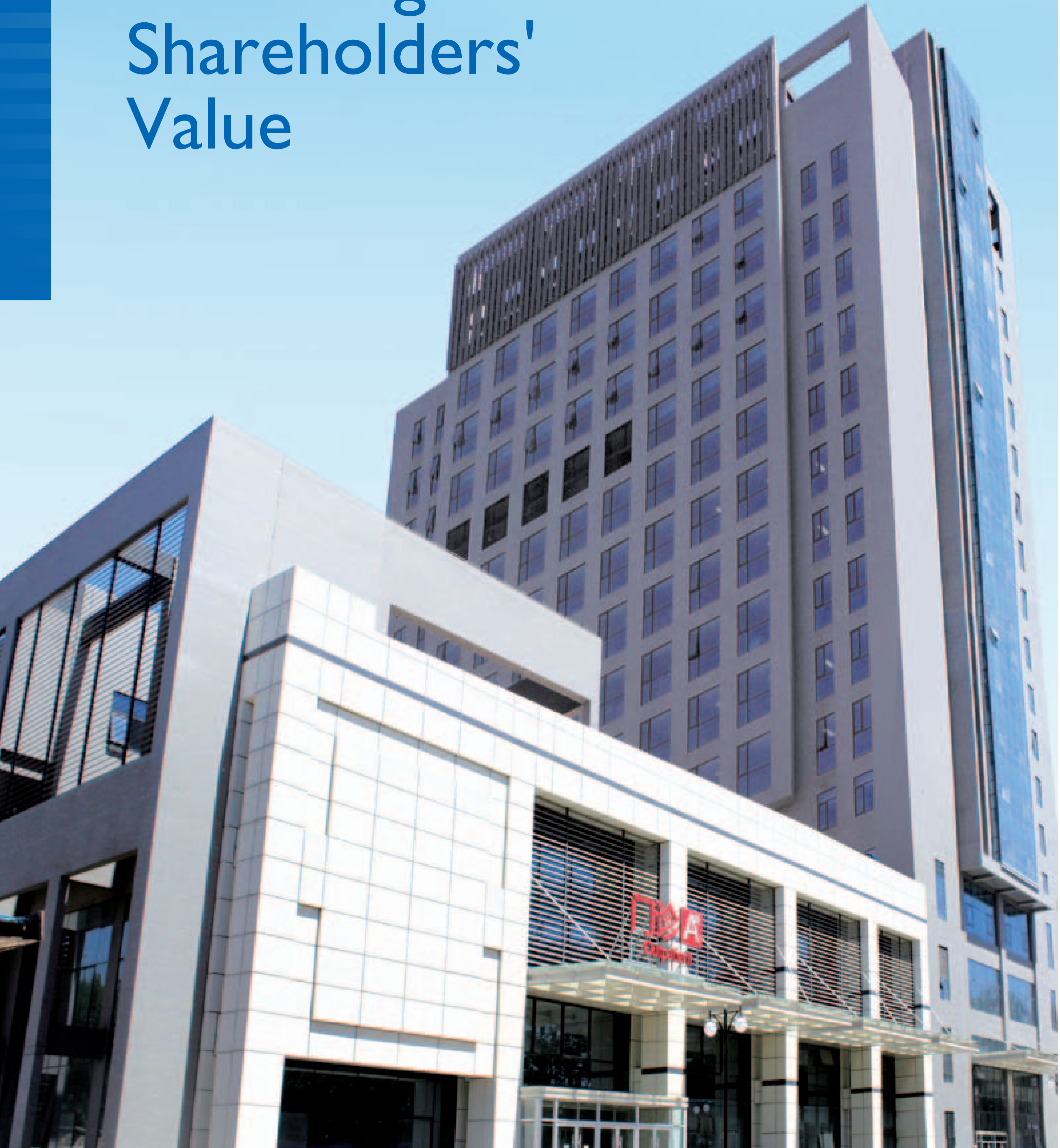
INTERIM REPORT

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



CONTENTS

OVERVIEW

REPORT TO SHAREHOLDERS

UNAUDITED INTERIM FINANCIAL REPORT

STAKEHOLDERS’ INFORMATION

CORPORATE PROFILE

Golden Meditech Holdings Limited (the "Company" or "Golden Meditech"; 801.HK; 910801.TW), 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 Beijing hospital in Beijing's Haidian District is a specialised hospital with various faculties, providing high quality and comprehensive medical services to residents in Beijing.

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 Life Corporation Limited (LFC.AX).

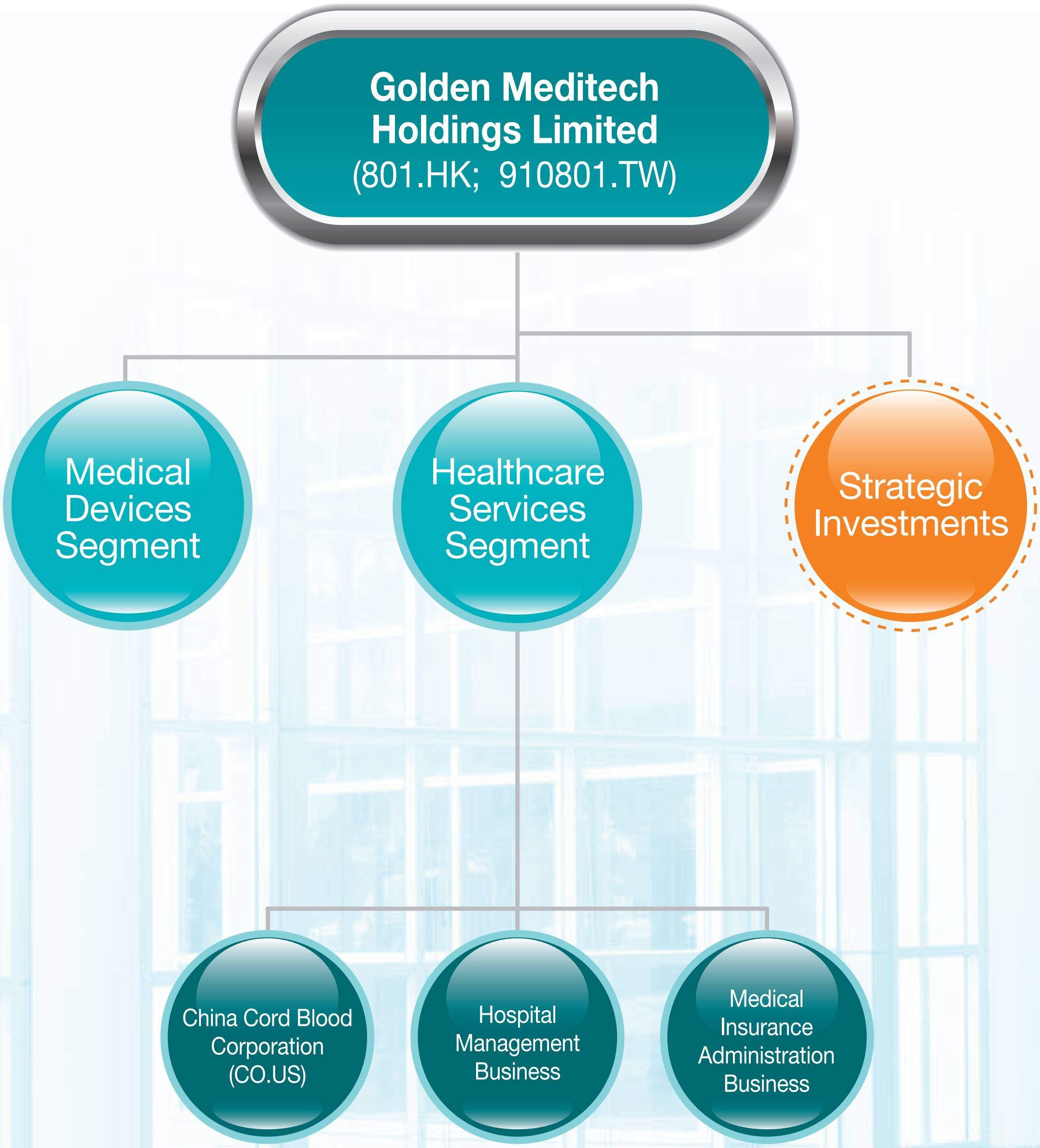
THE MEDICAL DEVICES SEGMENT

The Group primarily engaged 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 China Food and Drug Administration ("CFDA"). We leveraged on our seasoned experience and well-developed sales network to establish imported medical devices distribution business in 2012.

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.

BUSINESS STRUCTURE



MANAGEMENT DISCUSSION AND ANALYSIS

The management is pleased to report the interim results of Golden Meditech Holdings Limited (the "Company" or "Golden Meditech", and together with its subsidiaries, the "Group") for the six months ended 30 September 2013.

The economic stimulus measures implemented by the United States and European countries in the past few years have started to take effect during the reporting period and the developed countries' economies are on the verge of gradual recovery. Nevertheless, the economy of Mainland China (the "Mainland") has experienced a deceleration in economic growth under the government's proactive measures to prevent the possibility of an 'economic hard landing' while pledging more attention to stabilise economic growth for achieving sustainable long-term economic development. With the economy continues to grow and economic reforms being further deepened, the Mainland government places strong emphasis on the overall development of social welfare. The Mainland government is planning to invest approximately RMB400 billion by 2020 to shore up the healthcare system development and has taken actions to address common problems currently faced in the healthcare industry such as excessive treatments and briberies, to allow the industry to grow healthily and provide a better environment for patients.

From a long-term perspective, the economic growth prospect of the Mainland is expected to hold up, though it is set to moderate in the near term. The Mainland government's commitment to deepen economic and healthcare reform is anticipated to contribute lasting benefits to the growth of healthcare industry. Golden Meditech believes the compelling measures implemented by the Mainland government will further solidify the economic development and at the same time expand domestic demand and enhance standard of living. Together with the aging population, the demand for prime medical devices and healthcare services is set to increase and become the new growth driver for Golden Meditech. Meanwhile, the consolidation of healthcare industry will enable Golden Meditech, which has been striving for excellence and prudence, to gain prominence in the healthcare industry. The Company is well-positioned to seize the new opportunities as they emerge and dedicated to building stronger platforms for the core businesses.

Being a visionary in the integrated healthcare industry, Golden Meditech operates all of its core businesses in the Mainland and has been unremittingly driving the development of the healthcare services segment upon the solid foundation of the medical devices segment to facilitate business diversification and uphold its leading position in the integrated healthcare industry in the Mainland.

During the reporting period, the performance of all business segments was in line with management's expectations and the healthcare services segment as a whole recorded a steady growth. The Company is proud that its new Beijing hospital will be operational in December 2013 which is expected to further solidify the development of the hospital management business, expedite the diversification of business portfolio and deliver a more balanced revenue stream and cash flow.

Even though the sales of medical devices has been affected by the reduction of procurement from hospitals as a result of the recent crackdown on bad practices in the healthcare industry such as excessive treatments, the sales of medical accessories has continued to perform satisfactorily driven by the favourable blood transfusion policies. The imported medical devices distribution business has made a great stride during the reporting period as the exclusive distribution of the AXP System, an automated device used for the process of extracting stem cells from cord blood, has received approval from the China Food and Drug Administration ("CFDA"). This paves a solid foundation for the future development of the Company's imported medical devices distribution business in the Mainland.

During the reporting period, the Group's total revenue increased by 2.1% to HK$534,641,000 as compared to HK$523,656,000 for the previous reporting period. Loss attributable to shareholders of the Company and basic loss per share were HK$14,095,000 and HK0.62 cents respectively as compared to a profit of HK$85,255,000 and a basic earnings per share of HK4.23 cents for the previous reporting period. Such loss was mainly attributable to the non-cash loss as a result of the fair value accounting treatment of the convertible notes issued by one of the subsidiaries of the Group, China Cord Blood Corporation ("CCBC"). As of 30 September 2013, the share price of CCBC rose to US$3.80 per share, 33.9% above the conversion price of the convertible notes issued by CCBC, resulting in an increase in the fair value of such convertible notes. The loss attributable to shareholders of the Company was also due to the unrealised loss as a result of the decline in market values of certain security investments held by the Group, as opposed to a gain recorded in the corresponding period last year. These losses were non-cash in nature and have no impact on the Group's business operations for the current reporting period. Excluding the above mentioned non-cash losses, adjusted profit for the period amounted to HK$81,834,000, representing a decrease of 27.1% 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:

	Six months ended 30 September	
	2013 **$'000**	2012 $'000 Restated
Revenue from cord blood bank business	**339,113**	299,192
Revenue from hospital management business	**41,377**	71,173
Revenue from medical insurance administration business	**2,249**	497
Selling and general administrative expenses	**193,391**	167,609
Profit before interest and tax	**110,995**	113,861
(Loss)/profit after taxation	**(107,975)**	60,046

During the reporting period, revenue from the healthcare services segment remained steady at HK$382,739,000. Revenue generated from cord blood bank business, hospital management business and medical insurance administration business were HK$339,113,000, HK$41,377,000 and HK$2,249,000, respectively.

Cord Blood Bank Business

Revenue from CCBC, a subsidiary of Golden Meditech, increased by 13.3% to HK$339,113,000 resulted from its success in recruiting the targeted premium clientele and optimising cash flow through the implementation of the new pricing policies.

Although the number of new borns has returned to a more normalised trend this year as compared to a record number of births recorded during the Dragon Year last year, CCBC has continuously focused on penetrating the targeted mid-to-high end market which enabled CCBC to record 31,188 new subscribers and 343,170 accumulated subscribers in the first half of the financial year. Given the combined scale of Guangdong and Zhejiang markets is 5 to 10 times larger than the Beijing market, CCBC carried out two expansion plans during fiscal 2013. The new facility in Guangdong is expected to be put into service in the near term and the Zhejiang facility is anticipated to be completed within fiscal 2014, providing the necessary capacities to capture the surging demand in both provinces.

Hospital Management Business

In view of the long-term development of the hospital management business, the newly-built hospital located in Beijing will officially open in December 2013 and revenue of the hospital management business is expected to be greatly improved in the forthcoming period. Being a specialised hospital with various faculties, the new Beijing hospital will provide high quality and comprehensive medical services to residents in Beijing. The new Beijing hospital has a floor area of approximately 75,000 square meters with 600 beds, including 48 beds for the haematology wards. With a view to ensuring high calibre doctors to be hired at the hospital, Golden Meditech has partnered with the Peking University People's Hospital (北京大學人民醫院), the largest hospital group in Beijing to support the provision of high quality medical personnel and services. In addition, its reputable Shanghai East International Medical Center ("SEIMC") has continuously reported satisfactory performance in-line with the management's expectation. SEIMC is deepening its penetration to the high-end and expatriate markets in Shanghai and the neighbouring regions.

Medical Insurance Administration Business

GM-Medicare Management (China) Company Limited which engages in the medical insurance administration business has made great progress during the reporting period. It serves as the bridge between the healthcare insurance companies, hospitals and patients by providing claims processing and bill settlement services as long-term investment and development.

MEDICAL DEVICES SEGMENT

A segmental financial breakdown of the Group's medical devices segment (currently consists of the manufacture and sale of medical devices and related accessories) is as follows:

	Six months ended 30 September	
	2013	2012
	$'000	$'000
Revenue from medical devices	**79,407**	83,432
Revenue from medical accessories	**63,276**	57,217
Selling and general administrative expenses	**22,320**	18,235
Profit before interest and tax	**78,374**	76,947
Profit after taxation	**63,040**	62,709
Share of profits from an associate	**—**	1,608

Revenue from the Group's medical devices segment amounted to HK$142,683,000, representing a 1.4% increase compared to the previous corresponding period, accounting for 26.7% of the Group's total revenue.

Golden Meditech has invested ample resources in research and development and production know-how over the years which enables the Company to develop and manufacture its blood related medical devices in the Mainland and reap a considerable market share in the sector. Golden Meditech is well-equipped to capture opportunities arise from the government's policies aiming to improve the standard of healthcare industry. The Company anticipates that the demand for autologous blood recovery systems and its accessories will rise in the long run as the Mainland government is promoting healthcare policies related to the clinical use of blood.

Golden Meditech embarked on the imported medical devices distribution business through signing a product purchase and distribution agreement of the AXP System, an automated device used for the processing of stem cells from cord blood with NASDAQ-listed ThermoGenesis Corporation in 2012. During the reporting period, the CFDA approved the AXP System and its accessories and Golden Meditech has started to exclusively distribute the product which paves the foundation for the future development of its distribution business in the Mainland.

STRATEGIC INVESTMENTS

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

	Six months ended 30 September	
	2013	2012
	$'000	$'000
Revenue from Chinese herbal medicine business	**9,219**	12,145
Selling and general administrative expenses	**22,371**	24,935
Loss before interest and tax	**(19,004)**	(16,531)
Loss after taxation	**(17,170)**	(14,736)
Share of profits from an associate - Fortress Group Limited ("Fortress")	**17,730**	24,435

The Group currently holds two strategic investments, a 27.9% 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.

Although the mobile phone retailing business of Fortress's subsidiary, FunTalk, has persistently achieved remarkable progress, its administrative cost increased as the company was applying for a Mobile Virtual Network Operator license. As a result, its contribution to Golden Meditech has dropped 27.4% to HK$17,730,000 as compared to the previous reporting period.

Meanwhile, the management has taken up measures to constrain losses of the Chinese herbal medicine business' overseas operations during the reporting period as it reported an operating loss of HK$19,004,000 for the reporting period. The Company is examining all options in the development of 58,000 square meters production site located in Shanghai, to unlock its commercial value.

GROUP STRATEGY AND OUTLOOK

Looking forward, Golden Meditech will continue to develop value-added businesses along the value chain of healthcare industry, and accelerate the development of its medical devices and healthcare services segments in pursuance of sustaining its leading position in all businesses that it operates through leveraging on its reputation, brand recognition and professional expertise. The Mainland government is striving to achieve a stable and sustainable economic environment through deepening the economic and healthcare reforms and Golden Meditech is well-positioned to seize the arising opportunities. The opening of the new Beijing hospital will generate growth momentum to the Company and its cash flow will allow the Company to capture new business opportunities and enable the market to appreciate the intrinsic values of its businesses. Although there may be challenges ahead, the Company is confident in the prospects of its core businesses and will unremittingly strive to strengthen its integrated healthcare business platforms.

GROUP FINANCIAL REVIEW

Our core businesses reported steady revenue growth for the six months ended 30 September 2013 at HK$534,641,000, representing an increase of 2.1% as compared to the corresponding period last year. The healthcare services segment remained the largest source of revenue and contributed HK$382,739,000, with a 3.2% increase compared to same period last year. Revenue from medical devices segment totalled HK$142,683,000 and accounted for 26.7% of the Group's total revenue.

Gross Margin

The Group's gross profit margin increased by 1.1 percentage point to 69.7% compared to the same period last year. Our core businesses, the healthcare services segment and the medical devices segment reported gross profit margins of 73.5% and 64.4% respectively, compared to 72.6% and 60.3% in the corresponding period last year.

Selling and Administrative Expenses

The Group continued to enhance its marketing and business development initiatives across all business segments, particularly in its hospital management business and medical insurance administration service business. Selling and administrative expenses incurred for the current period totalled HK$258,802,000, up 1.6% compared to the same period last year. The management strictly monitors any expenditure to ensure costs are maintained at an acceptable level.

Other Net (Loss)/Income

During the reporting period, the Group recorded other net loss of HK$32,754,000. Such amount mainly represented HK$23,828,000 net realised and unrealised loss on trading securities held by the Group and a net exchange loss of HK$10,267,000 as a result of changes in foreign exchange rates.

Operating Profit

The Group recorded operating profit of HK$114,637,000, representing a 26.1% decrease in compared to the prior period. Such decrease was largely attributable to the changes in market values of trading securities held by the Group. During the reporting period, the Group recorded a net realised and unrealised loss on trading securities of HK$23,828,000, as opposed to a net gain of HK$27,101,000 for previous corresponding period.

Finance Costs

The Group's finance costs for the period amounted to HK$26,917,000. 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 six months ended 30 September 2013, the Group recorded a non-cash loss of HK$236,233,000 as a result of changes in fair values of the convertible notes issued by the Company and its subsidiary.

Income Tax

The Group's total income tax expense was HK$47,444,000, representing a 44.2% increase from that of the previous reporting period. Such increase was mainly attributable to the withholding tax imposed on dividends distributed by a Group's subsidiary in the Mainland.

(Loss)/Profit Attributable to Equity Shareholders of the Company

During the reporting period, the Group recorded a loss attributable to equity shareholders of the Company of HK$14,095,000 as compared to a profit of HK$85,255,000 in the previous reporting period. Such fluctuation was mainly attributable to the non-cash loss as a result of the fair value changes of financial liabilities and financial assets held by the Group. Excluding such non-cash losses, adjusted profit for the period was HK$81,834,000, representing a 27.1% decrease as compared to the previous reporting period.

Current Assets and Total Assets

As of 30 September 2013, the Group's total current assets and total assets were HK$2,983,110,000 and HK$10,151,087,000 (31 March 2013: HK$2,797,898,000 and HK$9,701,460,000), respectively.

Liquidity and Financial Resources

As of 30 September 2013, the Group's cash and bank deposits amounted to HK$2,408,082,000 (31 March 2013: HK$2,164,424,000); total interest-bearing debts stood at HK$1,747,481,000 (31 March 2013: HK$1,629,520,000); share repurchase obligations amounted to HK$134,135,000 (31 March 2013: HK$130,228,000).

Debt Ratio

On the basis of total interest bearing liabilities divided by total equity, the Group's debt ratio was 28.5% as of 30 September 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 ventures, the Group employed 1,686 full-time staff. During the reporting period, total staff costs (including directors' remuneration and the Mandatory Provident Fund) amounted to HK$112,641,000.

Details of the Group's Pledged Assets

As of 30 September 2013, the Group had multiple bank loans in the amount of approximately HK$583,030,000, which were secured by the Group's interests in certain leasehold land and buildings with an aggregate carrying value of approximately HK$242,361,000, trading securities held by the Company with an aggregate carrying value of approximately HK$16,410,000, as well as the convertible notes of a face value of US$50,000,000 issued by CCBC to the Company and any ordinary shares of CCBC issued to the Company as a result of any conversion of such convertible notes.

Dividend Payable

At the Company's annual general meeting held on 24 September 2013, the directors recommended and shareholders approved the payment of a final dividend of HK1.3 cents per share for the year ended 31 March 2013 (year ended 31 March 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. Dividend payable of HK$29,534,000 was recorded as at 30 September 2013.

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September 2013 - unaudited
(Expressed in Hong Kong dollars)

	Note	Six months ended 30 September **2013** **$'000**	 2012 $'000 Restated
Turnover	4	**534,641**	523,656
Cost of sales		**(161,946)**	(164,371)
Gross profit		**372,695**	359,285
Other revenue	5	**33,498**	24,446
Other net (loss)/income	6	**(32,754)**	26,152
Selling expenses		**(85,046)**	(67,850)
Administrative expenses		**(173,756)**	(186,982)
Profit from operations		**114,637**	155,051
Finance costs	7(a)	**(26,917)**	(8,796)
Changes in fair value of financial liabilities at fair value through profit or loss	18	**(236,233)**	1,675
Share of profits of associates		**17,730**	26,043
(Loss)/profit before taxation	7	**(130,783)**	173,973
Income tax	8	**(47,444)**	(32,896)
(Loss)/profit for the period		**(178,227)**	141,077
Attributable to:			
Equity shareholders of the Company		**(14,095)**	85,255
Non-controlling interests		**(164,132)**	55,822
(Loss)/profit for the period		**(178,227)**	141,077
(Loss)/earnings per share	9		
Basic (in cents)		**(0.62)**	4.23
Diluted (in cents)		**(0.62)**	4.22

The notes on pages 18 to 55 form part of this interim financial report.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2013 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
(Loss)/profit for the period	**(178,227)**	141,077
Other comprehensive income for the period (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	**96,312**	(27,846)
Changes in fair value of available-for-sale equity securities recognised during the period	**104,802**	(24,661)
Share of other comprehensive income of associates, net of nil tax	**11,585**	(3,588)
Other comprehensive income for the period	**212,699**	(56,095)
Total comprehensive income for the period	**34,472**	84,982
Attributable to:		
Equity shareholders of the Company	**106,481**	51,226
Non-controlling interests	**(72,009)**	33,756
Total comprehensive income for the period	**34,472**	84,982

The notes on pages 18 to 55 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 September 2013 - unaudited
(Expressed in Hong Kong dollars)

	Note	At 30 September 2013		At 31 March 2013	
		$'000	$'000	$'000	$'000
Non-current assets					
Fixed assets	10				
– Property, plant and equipment			**1,789,959**		1,661,723
– Interests in leasehold land held for own use under operating leases			**1,706,205**		1,710,107
			3,496,164		3,371,830
Intangible assets			**975,766**		975,354
Goodwill			**580,561**		571,222
Interest in an associate			**825,488**		792,880
Interest in a joint venture			**62,951**		62,951
Available-for-sale securities			**589,644**		480,029
Inventories	11		**53,498**		48,482
Trade and other receivables	12		**564,937**		571,645
Deferred tax assets			**18,968**		29,169
			7,167,977		6,903,562
Current assets					
Trading securities		**110,688**		212,402	
Inventories	11	**42,597**		31,545	
Trade and other receivables	13	**421,743**		389,527	
Time deposits		**104,758**		63,102	
Cash and cash equivalents	14	**2,303,324**		2,101,322	
		2,983,110		2,797,898	
Current liabilities					
Trade and other payables	15	**496,923**		517,454	
Interest-bearing borrowings	16	**487,455**		498,888	
Obligations under finance leases	17	**1,280**		1,254	
Current taxation		**71,021**		75,739	
Financial liabilities at fair value through profit or loss	18	**109,074**		53,202	
Share repurchase obligations	19	**134,135**		130,228	
Deferred income		**229,495**		213,745	
Dividend payable	20(b)	**29,534**		—	
		1,558,917		1,490,510	

at 30 September 2013 - unaudited
(Expressed in Hong Kong dollars)

	Note	At 30 September 2013		At 31 March 2013	
		$'000	$'000	$'000	$'000
Net current assets			**1,424,193**		1,307,388
Total assets less current liabilities			**8,592,170**		8,210,950
Non-current liabilities					
Other payables	15	**169,069**		132,589	
Interest-bearing borrowings	16	**368,199**		362,749	
Obligations under finance leases	17	**1,839**		2,485	
Financial liabilities at fair value through profit or loss	18	**714,879**		560,765	
Deferred tax liabilities		**367,483**		369,508	
Deferred income		**839,613**		656,098	
Other non-current liabilities		**423**		415	
			2,461,505		2,084,609
NET ASSETS			**6,130,665**		6,126,341
CAPITAL AND RESERVES					
Share capital	20(a)		**227,184**		227,184
Reserves			**4,314,590**		4,238,257
Total equity attributable to equity shareholders of the Company			**4,541,774**		4,465,441
Non-controlling interests			**1,588,891**		1,660,900
TOTAL EQUITY			**6,130,665**		6,126,341

The notes on pages 18 to 55 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2013 - unaudited
(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 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**
Dividend declared for the year ended 31 March 2013	20(b)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(29,534)**	**(29,534)**	**–**	**(29,534)**
Change in carrying amount of share repurchase obligations	19	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,907)**	**–**	**(3,907)**	**–**	**(3,907)**
Share of other reserves of associates		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,293**	**–**	**3,293**	**–**	**3,293**
Transfer to surplus reserve		**–**	**–**	**–**	**–**	**–**	**–**	**11,281**	**–**	**–**	**(11,281)**	**–**	**–**	**–**
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**–**	**76,613**	**–**	**43,963**	**–**	**(14,095)**	**106,481**	**(72,009)**	**34,472**
Balance at 30 September 2013		**227,184**	**1,814,652**	**11,679**	**33,395**	**54,193**	**562,320**	**176,137**	**76,724**	**(515,773)**	**2,101,263**	**4,541,774**	**1,588,891**	**6,130,665**
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
Dividend declared for the year ended 31 March 2012	20(b)	–	–	–	–	–	–	–	–	–	(22,684)	(22,684)	–	(22,684)
Change in carrying amount of share repurchase obligations	19	–	–	–	–	–	–	–	–	(12,532)	–	(12,532)	–	(12,532)
Deemed redemption of convertible notes issued by a subsidiary	21(b)(i)	27,935	223,476	–	–	–	–	–	–	–	–	251,411	–	251,411
Purchase of own shares by a subsidiary as treasury stock	21(b)(ii)	–	–	–	–	–	–	–	–	(89,259)	–	(89,259)	–	(89,259)
Acquisition of additional interest in a subsidiary	21(b)(iii)	–	–	–	–	–	–	–	–	195	–	195	(6,480)	(6,285)
Acquisition of non-controlling interest by exercise of put options	21(a)	–	–	–	–	–	–	–	–	74,113	–	74,113	(74,113)	–
Share of other reserves of associates		–	–	–	–	–	–	–	–	(2,973)	–	(2,973)	–	(2,973)
Total comprehensive income for the period		–	–	–	–	–	(23,725)	–	(10,304)	–	85,255	51,226	33,756	84,982
Balance at 30 September 2012 (Restated)		226,838	1,812,038	11,679	33,395	54,193	449,431	144,669	27,162	(572,371)	2,125,955	4,312,989	1,749,787	6,062,776

The notes on pages 18 to 55 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September 2013 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
Net cash generated from operating activities	**410,822**	320,037
Net cash used in investing activities	**(64,130)**	(360,220)
Net cash (used in)/generated from financing activities	**(182,566)**	273,218
Net increase in cash and cash equivalents	**164,126**	233,035
Cash and cash equivalents at 1 April	**2,101,322**	1,746,669
Effect of foreign exchange rate changes	**37,876**	(7,188)
Cash and cash equivalents at 30 September	**2,303,324**	1,972,516

The notes on pages 18 to 55 form part of this interim financial report.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). It was authorised for issue on 25 November 2013.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 March 2013, except for the accounting policy changes that are not yet effective in the current accounting period. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 March 2013. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information relating to the financial year ended 31 March 2013 that is included in this interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2013 are available from the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 June 2013.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs. The adoption of the HKFRSs that are first effective for the Group's accounting period beginning on 1 April 2013 has had no material impact on the content of this interim report except for the followings:

—	HKAS 1(Amendments)	"Presentation of Items of Other Comprehensive Income"
—	HKFRS 13	"Fair Value Measurement"

Presentation of the consolidated statement of comprehensive income has been modified to meet the requirement of HKAS 1(Amendments); and additional disclosures have been made in this interim financial report as required by HKFRS 13.

The following new and revised HKFRSs effective for accounting period beginning on or after 1 January 2013 have been early adopted by the Group in its consolidated financial statements for the year ended 31 March 2013:

—	HKFRS 10	"Consolidated Financial Statements"
—	HKFRS 11	"Joint Arrangements"
—	HKFRS 12	"Disclosure of Interests in Other Entities"
—	HKAS 28 (2011)	"Investments in Associates and Joint Ventures"

The impact of early adoption of the above HKFRSs has been disclosed in the Group's financial statements for the year ended 31 March 2013.

For those HKFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

2 CHANGES IN ACCOUNTING POLICIES (continued)

Impact of the adoption of new accounting policies to the comparative period ended 30 September 2012 is summarised as below:

Consolidated Income Statement:

	For the period ended 30 September 2012		
	As previously reported $'000	Adjustments $'000	As restated $'000
Turnover	224,464	299,192	523,656
Cost of sales	(100,652)	(63,719)	(164,371)
Other revenue	12,652	11,794	24,446
Other net income	27,033	(881)	26,152
Selling expenses	(15,409)	(52,441)	(67,850)
Administrative expenses	(116,001)	(70,981)	(186,982)
Finance costs	(5,203)	(3,593)	(8,796)
Changes in fair value of financial liabilities at fair value through profit or loss	27,859	(26,184)	1,675
Share of profits of associates	56,163	(30,120)	26,043
Income tax	(14,003)	(18,893)	(32,896)
Overall impact on profit attributable to non-controlling interests		**44,174**	

The changes in accounting policy had an immaterial impact on earnings per share for the comparative period ended 30 September 2012.

Consolidated Statement of Comprehensive Income:

	For the period ended 30 September 2012		
	As previously reported $'000	Adjustments $'000	As restated $'000
Profit for the period	96,903	44,174	141,077
Exchange differences on translation of financial statements of companies outside Hong Kong	(22,002)	(5,844)	(27,846)
Changes in fair value of available-for-sale equity securities recognised during the period	—	(24,661)	(24,661)
Share of other comprehensive income of associates, net of nil tax	(11,780)	8,192	(3,588)
Overall impact on total comprehensive income attributable to non-controlling interests		**21,861**	

2 CHANGES IN ACCOUNTING POLICIES (continued)

Consolidated Cash Flow Statement:

	For the period ended 30 September 2012		
	As previously reported $'000	**Adjustments $'000**	**As restated $'000**
Net cash (used in)/generated from operating activities	(8,981)	329,018	320,037
Net cash used in investing activities	(263,505)	(96,715)	(360,220)
Net cash (used in)/generated from financing activities	(144,086)	417,304	273,218
Effect of foreign exchange rates changes	(4,897)	(2,291)	(7,188)
Overall impact on cash and cash equivalents		**647,316**	

3 SEGMENT REPORTING

The Group manages its business by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following 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 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 People's Republic of China ("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, manufacture and sale of Chinese herbal medicines.

3 SEGMENT REPORTING (continued)

(a) Segment results

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

Revenue and expenses are allocated to reportable segments with reference to revenue generated by those segments and 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 segment performance assessment and resources allocation for the periods ended 30 September 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**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
				Restated								Restated
For the six months ended 30 September												
Revenue from external customers	**142,683**	140,649	**339,113**	299,192	**41,377**	71,173	**2,249**	497	**9,219**	12,145	**534,641**	523,656
Segment profit/(loss)	**78,374**	76,947	**150,342**	122,964	**(18,849)**	10,400	**(20,498)**	(19,503)	**(19,004)**	(16,531)	**170,365**	174,277

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

(b) Reconciliations of reportable segment revenue and profit or loss

Segment revenue

The total amount of reportable segment revenue is equal to the consolidated turnover for the periods ended 30 September 2013 and 2012.

3 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue and profit or loss (continued)

Segment profit

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
Reportable segment profit	**170,365**	174,277
Finance costs	**(26,917)**	(8,796)
Changes in fair value of financial liabilities at fair value through profit or loss	**(236,233)**	1,675
Share of profits of associates	**17,730**	26,043
Net realised and unrealised (loss)/gain on trading securities	**(23,828)**	27,101
Dividend income from trading securities	**3,085**	1,487
Unallocated head office and corporate expenses	**(34,985)**	(47,814)
Consolidated (loss)/profit before taxation	**(130,783)**	173,973

4 TURNOVER

The Company acts as an investment holding company and the Group is principally engaged in the development, manufacture and sale of medical devices and related accessories; the provision of cord blood bank services; the provision of hospital management services and hospital operation; the provision of medical insurance administration services and the research and development, manufacture and sale of Chinese herbal medicines.

Turnover represents the sales value of goods supplied to customers, income from provision of cord blood bank services, income from provision of hospital management services and hospital operation and income from provision of medical insurance administration services, less applicable VAT or business tax.

4 TURNOVER (continued)

The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
Sales of medical devices and accessories	**142,683**	140,649
Cord blood bank service income	**339,113**	299,192
Hospital management service and hospital operation income	**41,377**	71,173
Medical insurance administration service income	**2,249**	497
Sales of Chinese herbal medicines	**9,219**	12,145
	534,641	523,656

5 OTHER REVENUE

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
Interest income from bank deposits	**5,794**	6,120
Interest income from trade receivables	**6,528**	5,225
VAT refunds	**6,621**	6,965
Dividend income from available-for-sale securities	**10,907**	2,973
Dividend income from trading securities	**3,085**	1,487
Sundry income	**563**	1,676
	33,498	24,446

6 OTHER NET (LOSS)/INCOME

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
Net realised and unrealised (loss)/gain on trading securities	**(23,828)**	27,101
Net exchange loss	**(10,267)**	—
Net gain/(loss) on disposal of property, plant and equipment	**18**	(1,362)
Others	**1,323**	413
	(32,754)	26,152

7 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
(a) Finance costs		
Interests on interest-bearing borrowings wholly repayable within five years	**15,708**	5,778
Interests on interest-bearing other payable	**10,608**	1,414
Transaction costs of issuance of convertible notes by a subsidiary	**529**	1,504
Finance charges on obligations under finance leases	**72**	100
	26,917	8,796

7 (LOSS)/PROFIT BEFORE TAXATION (continued)

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
(b) Staff costs		
Salaries, wages and other benefits	**101,402**	104,254
Contributions to defined contribution retirement plans	**11,239**	10,349
	112,641	114,603
(c) Other items		
Depreciation of property, plant and equipment	**35,065**	40,527
Amortisation of land lease premium	**19,196**	7,846
Amortisation of intangible assets	**19,042**	18,631
Research and development costs	**10,283**	9,426
Operating lease charges: minimum lease payments		
– assets held for use under operating leases	**14,046**	15,119
– other assets	**98**	89

8 INCOME TAX

Income tax in the consolidated income statement represents:

	Six months ended 30 September	
	2013	2012
	$'000	$'000
		Restated
Current tax - PRC income tax	**46,104**	40,784
Deferred tax	**1,340**	(7,888)
	47,444	32,896

(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 period ended 30 September 2013 (period ended 30 September 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 (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 period ended 30 September 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 30 September 2013, $1,631,000 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 (as at 31 March 2013: $nil).

8 INCOME TAX (continued)

(ii) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made for the periods ended 30 September 2013 and 2012 as the Group did not have any profits assessable to Hong Kong Profits Tax during the current and prior periods.

(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.

9 (LOSS)/EARNINGS PER SHARE

(a) *Basic (loss)/earnings per share*

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of $14,095,000 (2012: profit of $85,255,000) divided by the weighted average number of 2,271,838,000 (2012: 2,016,508,000) ordinary shares in issue during the interim period, calculated as follows:

Weighted average number of ordinary shares

	Six months ended 30 September	
	2013	2012
	Shares	Shares
	'000	'000
Issued ordinary shares at the beginning of the period	**2,271,838**	1,989,032
Effect of issue of shares for deemed redemption of convertible notes issued by a subsidiary (note 20(a)(i))	**—**	27,476
Weighted average number of ordinary shares	**2,271,838**	2,016,508

	2013	2012
	$'000	$'000
(Loss)/profit attributable to equity shareholders of the Company	**(14,095)**	85,255
Basic (loss)/earnings per share (HK cents)	**(0.62)**	4.23

9 (LOSS)/EARNINGS PER SHARE (continued)

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of 14,095,000 (2012: profit of $85,161,000) and the weighted average number of 2,271,838,000 (2012: 2,016,508,000) ordinary shares in issue during the interim period after adjusting for the effect of all dilutive potential shares, calculated as follows:

(i) (Loss)/profit attributable to equity shareholders of the Company (diluted)

	Six months ended 30 September	
	2013	2012
	$'000	$'000
(Loss)/profit attributable to equity shareholders of the Company	**(14,095)**	85,255
Dilutive impact on profit of dilutive potential shares of associates	**—**	(94)
(Loss)/profit attributable to equity shareholders of the Company (diluted)	**(14,095)**	85,161

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

	Six months ended 30 September	
	2013	2012
	Shares	Shares
	'000	'000
		Restated
Weighted average number of ordinary shares for the periods ended 30 September	**2,271,838**	2,016,508
Effect of all dilutive potential shares	**—**	—
Weighted average number of ordinary shares (diluted)	**2,271,838**	2,016,508
Diluted (loss)/earnings per share (HK cents)	**(0.62)**	4.22

10 FIXED ASSETS

The movements in property, plant and equipment and interests in leasehold land held for own use under operating leases for the period/year ended 30 September 2013 and 31 March 2013 are analysed as follows:

	Property, plant and equipment $'000	Interests in leasehold land held for own use under operating leases $'000	Total $'000
As at 1 April 2013	**1,661,723**	**1,710,107**	**3,371,830**
Exchange adjustments	**32,486**	**15,294**	**47,780**
Additions	**131,021**	**—**	**131,021**
Disposals	**(206)**	**—**	**(206)**
Depreciation/amortisation charge for the period	**(35,065)**	**(19,196)**	**(54,261)**
As at 30 September 2013	**1,789,959**	**1,706,205**	**3,496,164**

	Property, plant and equipment $'000	Interests in leasehold land held for own use under operating leases $'000	Total $'000
As at 1 April 2012	1,296,711	1,745,964	3,042,675
Exchange adjustments	6,652	2,243	8,895
Additions	439,113	—	439,113
Disposals	(1,805)	—	(1,805)
Depreciation/amortisation charge for the year	(78,948)	(38,100)	(117,048)
As at 31 March 2013	1,661,723	1,710,107	3,371,830

11 INVENTORIES

Inventories in the consolidated statement of financial position comprise:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Non-current		
Processing costs of donated umbilical cord blood units being captalised	**53,498**	48,482
Current		
Raw materials	**27,910**	15,640
Work in progress	**7,749**	4,309
Finished goods	**6,938**	11,596
	42,597	31,545
	96,095	80,027

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.

12 NON-CURRENT TRADE AND OTHER RECEIVABLES

	At 30 September 2013 $'000	At 31 March 2013 $'000
Trade receivables (note 13)	**297,948**	308,551
Investment deposits (i)	**263,000**	263,000
Prepayment and deposits	**3,989**	94
	564,937	571,645

(i) The group paid approximately $263,000,000 as a refundable earnest money for potential healthcare investment.

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

	At 30 September 2013 $'000	At 31 March 2013 $'000
Fiscal years ending 31 March		
2015	**21,368**	42,455
2016	**42,735**	42,068
2017	**42,735**	40,909
2018	**32,961**	32,126
2019 and thereafter	**206,547**	195,983
Less: Allowance for doubtful debts	**(48,398)**	(44,990)
	297,948	308,551

13 TRADE AND OTHER RECEIVABLES

	At 30 September 2013 $'000	At 31 March 2013 $'000
Trade receivables	**727,622**	718,558
Less: Allowance for doubtful debts	**(70,102)**	(63,826)
	657,520	654,732
Representing:		
Non-current portion (note 12)	**297,948**	308,551
Current portion	**359,572**	346,181
Prepayment and deposits	**23,723**	7,470
Other receivables	**38,448**	35,876
Total current trade and other receivables	**421,743**	389,527

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

13 TRADE AND OTHER RECEIVABLES (continued)

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:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Neither past due nor impaired	**461,128**	457,666
Past due but not impaired		
Within six months	**44,595**	58,582
Between seven and twelve months	**76,283**	66,977
Over one year	**75,514**	71,507
	196,392	197,066
	657,520	654,732

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.

14 CASH AND CASH EQUIVALENTS

Cash and bank equivalents represent:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Cash at bank and on hand	**2,303,324**	2,101,322

15 TRADE AND OTHER PAYABLES

	At 30 September 2013 $'000	At 31 March 2013 $'000
Non-current		
Other payables and accrued expenses	**169,069**	132,589
	169,069	132,589
Current		
Trade payables	**139,181**	115,317
Construction costs payables	**99,433**	94,204
Payable for exercised put options (note 21(a))	**64,755**	150,177
Other payables and accrued expenses	**193,554**	157,756
	496,923	517,454
	665,992	650,043

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:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Due within three months or on demand	**139,181**	115,317

16 INTEREST-BEARING BORROWINGS

At 30 September 2013 and 31 March 2013, the interest-bearing borrowings were repayable as follows:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Within one year or on demand	**487,455**	498,888
After one year but within five years	**368,199**	362,749
	855,654	861,637

At 30 September 2013 and 31 March 2013, the interest-bearing borrowings were secured as follows:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Secured bank loans	**583,030**	600,606
Unsecured loan from a third party	**272,624**	261,031
	855,654	861,637

16 INTEREST-BEARING BORROWINGS (continued)

At 30 September 2013, the bank loans of certain subsidiaries of $201,944,000 (31 March 2013: $185,597,000) are secured by interests in certain leasehold land and buildings.

The bank loan of the Company of $368,199,000 (31 March 2013: $362,749,000) is secured by the convertible notes of a face value of US$50,000,000 issued by a subsidiary, China Cord Blood Corporation ("CCBC") and any ordinary shares of CCBC issued to the Company as a result of any conversion of the convertible notes in accordance with the terms of the convertible notes. The loan is measured at amortised cost net of transaction costs paid.

The bank loan of the Company of $12,887,000 (31 March 2013: $52,260,000) is secured by the trading securities held by the Company.

Bank loan facilities of the Group and the Company of $368,199,000 (31 March 2013: $362,749,000) 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 30 September 2013 and 31 March 2013, none of the covenants relating to drawn down facilities had been breached.

17 OBLIGATIONS UNDER FINANCE LEASES

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

	At 30 September 2013		At 31 March 2013	
	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	**1,280**	**1,385**	1,254	1,385
After one year but within two years	**1,333**	**1,385**	1,306	1,385
After two years but within five years	**506**	**524**	1,179	1,216
	1,839	**1,909**	2,485	2,601
	3,119	**3,294**	3,739	3,986
Less: Total future interest expenses		**(175)**		(247)
Present value of lease obligations		**3,119**		3,739

18 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 September 2013 $'000	At 31 March 2013 $'000
Convertible notes		
– issued by the Company	**109,074**	53,202
– issued by a subsidiary	**714,879**	560,765
	823,953	613,967
Representing:		
Non-current portion	**714,879**	560,765
Current portion	**109,074**	53,202
	823,953	613,967

Movements of financial liabilities at fair value through profit or loss during the period/ year are as follows:

	Note	**At 30 September 2013 $'000**	At 31 March 2013 $'000
At beginning of the period/year		**613,967**	341,717
Deemed redemption of convertible notes issued by a subsidiary	(b)(i)	**—**	(251,411)
Issuance of convertible notes by a subsidiary	(b)(ii)	**—**	507,000
Interests paid on convertible notes		**(36,730)**	(4,808)
Interests capitalised to fixed assets		**10,483**	—
Changes in fair value of financial liabilities at fair value through profit or loss		**236,233**	21,469
At end of the period/year		**823,953**	613,967

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

(a) Convertible notes and warrants issued by the Company

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

The terms and conditions of the convertible notes are the same except that the noteholders of the July issue 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 approximately $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.

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 and 3 January 2013, 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 last amended terms of convertible notes, the noteholders shall have the right to require the Company to redeem the convertible notes on 20 January 2014. Accordingly, the carrying amount of the convertible notes issued by the Company is classified as current liability in the consolidated statement of financial position as of 30 September 2013 and 31 March 2013.

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.

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

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

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 noteholders to subscribe for 1,908,000 ordinary shares of the Company, on the same terms as aforementioned.

As at 30 September 2013, convertible notes with a principal amount of US$10,600,000 remained outstanding (31 March 2013: 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.

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

(b) Convertible notes issued by subsidiaries

(i) Convertible notes issued by GM Hospital Group Limited ("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.

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 profit or loss in the year ended 31 March 2013. Accordingly, the carrying amount of the convertible notes issued by GMHG has been fully eliminated in the consolidated statement of financial position as of 30 September 2013 and 31 March 2013.

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.

18 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 as of 30 September 2013 and 31 March 2013.

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

19 SHARE REPURCHASE OBLIGATIONS

Share repurchase obligations represent the put options written to non-controlling interests for the repurchase of shares of a subsidiary (see note 21(a)) and are stated at amortised cost. Movement of share repurchase obligations during the period/year is as follows:

	At 30 September 2013 $'000	At 31 March 2013 $'000
At the beginning of the period/year	**130,228**	554,167
Amortised to other reserves	**3,907**	26,316
Exercised put options (note 21(a))	**—**	(450,255)
At end of the period/year	**134,135**	130,228

During the period ended 30 September 2013, movement in amortised cost of share repurchase obligation of $3,907,000 (period ended 30 September 2012: $12,532,000) has been recognised directly in equity.

20 CAPITAL AND DIVIDENDS

(a) Share capital

	Note	At 30 September 2013 No. of shares '000	At 30 September 2013 Amount $'000	At 31 March 2013 No. of shares '000	At 31 March 2013 Amount $'000
Authorised:					
Ordinary shares of 0.1 each		**4,000,000**	**400,000**	4,000,000	400,000
Issued and fully paid:					
At beginning of the period/year		**2,271,838**	**227,184**	1,989,032	198,903
Shares issued for deemed redemption of convertible notes issued by a subsidiary	(i)	**—**	**—**	279,344	27,935
Shares issued in lieu of cash dividends	(ii)	**—**	**—**	3,462	346
At end of the period/year		**2,271,838**	**227,184**	2,271,838	227,184

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 general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20 CAPITAL AND DIVIDENDS (continued)

(a) *Share capital* (continued)

Notes:

(i) Shares issued for 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 18(b)(i)), by the issuance of 279,344,444 of the Company's new ordinary shares on the transaction date as 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.

(ii) 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 respective of the year ended 31 March 2012, 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.

(b) *Dividends*

The directors do not recommend the payment of a dividend in respect of the period ended 30 September 2013 (period ended 30 September 2012: $nil).

Final dividend payable approved during the period in respect of the year ended 31 March 2013 amounted to $29,534,000 (HK1.3 cents per share) (year ended 31 March 2012: $22,684,000 (HK1 cent per share)).

21 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 Group Co. Ltd ("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 (see note 19).

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 approximately 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.

21 ACQUISITIONS AND DISPOSALS (continued)

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

From September to November 2012 and in November 2013, the Company reached several supplemental 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 approximately $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%, 25% and 25% of the total consideration together with agreed interest totalling approximately $50,459,000, $27,122,000 and $29,014,000 were paid in cash in September 2012, March 2013 and September 2013 respectively. Relevant Put option shares were 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 totalling approximately $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 totalling approximately $68,583,000 will be payable in December 2013.

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.

21 ACQUISITIONS AND DISPOSALS (continued)

(b) Acquisition of additional interests in subsidiaries

(i) As mentioned in note 18(b)(i), 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(S)"), to acquire the 10% equity interest in CSC(S) held 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).

As of 30 September 2012, the transaction has not yet completed. During the period ended 30 September 2012, CCBC paid a total of US$11,443,000 (equivalent to approximately $89,259,000) cash consideration to purchase its own shares from open market as treasury stock.

Upon the completion of the above transactions on 12 November 2012, CGL acquired 10% of the issued ordinary shares of CCBC and CSC(S) 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 period ended 30 September 2012, the Group acquired additional interest in CCBC for a cash consideration of US$806,000 (equivalent to approximately $6,285,000).

22 FAIR VALUES OF FINANCIALS INSTRUMENTS

The following tables present 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: fair values measured using unadjusted quoted prices 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: fair values measured using valuation techniques in which any significant input is not based on observable market data

As at 30 September 2013

	Note	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets					
Available-for-sale securities		**214,186**	**—**	**1,950**	**216,136**
Trading securities		**110,688**	**—**	**—**	**110,688**
		324,874	**—**	**1,950**	**326,824**
Liabilities					
Convertible notes	18	**—**	**—**	**823,953**	**823,953**
		—	**—**	**823,953**	**823,953**

22 FAIR VALUES OF FINANCIALS INSTRUMENTS (continued)

As at 31 March 2013

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets					
Available-for-sale securities		109,384	—	1,950	111,334
Trading securities		212,402	—	—	212,402
		321,786	—	1,950	323,736
Liabilities					
Convertible notes	18	—	—	613,967	613,967
		—	—	613,967	613,967

Movement in the balance of Level 3 convertible notes is discussed in note 18. There is no movement in the balance of Level 3 available-for-sale securities during the reporting period.

All other financial instruments are carried at amounts not materially different from their fair values as at 30 September 2013 except the unlisted equity securities of $373,508,000 (31 March 2013: $368,695,000), which 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.

23 COMMITMENTS

(a) Capital commitments outstanding at the end of the reporting period not provided for in the financial reports were as follows:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Contracted for	**188,095**	254,168

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

	At 30 September 2013 $'000	At 31 March 2013 $'000
Within one year	**19,165**	20,398
After one year but within five years	**19,487**	27,309
	38,652	47,707

The Group leases a number of propertie 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.

23 COMMITMENTS (continued)

(c) Other commitments

At 30 September 2013, the Group is committed to contribute a further US$5,101,000 (31 March 2013: US$6,101,000), equivalent to approximately $39,788,000 (31 March 2013: $47,588,000), 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 30 September 2013 under this agreement amount to RMB2,000,000 (31 March 2013: RMB2,000,000), equivalent to approximately $2,524,000 (31 March 2013: $2,467,000).

The Group entered several co-operation agreements with third-parties in relation to the operation of cord blood banks. As at 30 September 2013 and 31 March 2013, the total future minimum payments under co-operation agreements are payable as follows:

	At 30 September 2013 $'000	At 31 March 2013 $'000
Within one year	**6,020**	7,003
After one year but within five years	**20,194**	19,796
After five years	**48,173**	49,700
	74,387	76,499

24 CONTINGENT LIABILITIES

The Company guaranteed the obligations of a subsidiary under certain convertible notes with a principal amount of $218,400,000 issued by the subsidiary (see note 18(b)(i)). The convertible notes were acquired by the Company on 24 August 2012 and such guarantee became obsolete.

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

25 EVENT AFTER THE REPORTING PERIOD

On 19 November 2013, the Company announced its proposal to raise approximately $570,000,000 (before deducting expenses), by way of open offer of 1,139,195,777 offer shares on the basis of one offer share for every two shares held by eligible shareholders on 6 December 2013 at the subscription price of $0.50 per offer share payable in full on application. Further details please refer to the announcement of the Company dated 19 November 2013.

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

As at 30 September 2013, the interests and short positions of the directors (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 of Hong Kong Limited (the"Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("the Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

(a) The Company

		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 30 September 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 CORPORATIONS

(continued)

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

	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 30 September 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 have taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

SHARE OPTION SCHEMES

The principal terms of the share option schemes of the Company (which have all been terminated) are summarised in note 37(a) to the financial statements as included in the annual report of the Company for the year ended 31 March 2013. 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 2013	Numbers of underlying shares in respect of which share options were exercised during the period ended 30 September 2013	Number of underlying shares in respect of which share options were outstanding as at 30 September 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
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	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]	9,870,000	—	9,870,000	1.60	1.60
	27 April 2009[3]	23,633,000	—	23,633,000	1.15	1.14
		122,809,245	—	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)

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) Save as disclosed above, no share options granted under the share option schemes of the Company were exercised, cancelled or lapsed during the six months ended 30 September 2013.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

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

As at 30 September 2013, the interests and short positions of the shareholders (not being Directors or the chief executives of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

(a) Long positions of substantial shareholders

Name	Capacity and nature of interest	No. of shares/ underlying shares	Approximate percentage of the Company's issued share capital
Bio Garden[(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	403,992,702	17.78%
New Horizon Capital III, L.P. ("NH Capital")[(6)]	Interest of controlled corporation	411,101,200	18.10%
New Horizon Capital Partners III Ltd. ("NH Partners")[(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% interests	Capacity and nature of interest	No. of shares/ underlying shares	Approximate percentage of the Company's issued share capital
Jayhawk Private Equity Fund II, L.P. ("Jayhawk")[(5)]	Investment manager	223,296,980	9.83%
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 30 September 2013. Gold Rich and Gold View were in turn indirectly wholly-owned by Credit Suisse Trust Limited as trustee of certain discretionary trusts referred to in (1) above. Accordingly, Credit Suisse Trust Limited was deemed, under the SFO, to have an interest in the 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 30 September 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 represented the same block of shares.

(5) The individual substantial shareholder notice filed by Mr. Kent C. McCarthy indicated that among these 431,228,702 Shares, 403,992,702 Shares are long position and 29,002,098 Shares are long position in underlying shares under equity derivative interests. Mr. Kent C. McCarthy held his interests in the shares of the Company (including underlying shares under equity derivative interests) through his 100% controlled corporations, including Jayhawk which was interested in 223,296,980 Shares and the said 29,002,098 underlying Shares. Under the SFO, Mr. Kent C. McCarthy was deemed to be interested in these 431,228,702 Shares as he, in his capacity as investment manager, controlled those corporations which held such Shares as disclosed above.

(6) Each of Hope Sky and Top Strength is an investment holding company incorporated in the BVI, which is wholly owned by NH Capital, a private equity fund specialising in investments in China. NH Partners is a controller of NH Capital.

Save as disclosed above, as at 30 September 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.

REPORT ON CORPORATE GOVERNANCE

Throughout the six months ended 30 September 2013, the Company has complied with the code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Listing Rules, except for code provision A.2.1. The following summarises the requirements under the relevant code provision and the Company's reasons for such deviation:

Code Provision A.2.1

Under code provision A.2.1 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 of directors of the Company (the "Board") and the Company together with its subsidiaries' (collectively referred to as the "Group") 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 judgment, knowledge and experience to the Board's deliberations. The Board believes that this structure is conducive to strong and consistent leadership for the Group, enabling it to make and implement decisions promptly and efficiently.

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

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

During the six months ended 30 September 2013, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the model code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with, or they were not aware of any non-compliance with the required standards of dealings during the six months ended 30 September 2013.

COMPETITION AND CONFLICT OF INTERESTS

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

AUDIT COMMITTEE

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

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

The audit committee, together with the management team of the Company, has reviewed the accounting principles and practices adopted by the Group and discussed accounting issues, internal control and financial reporting matters with the Directors, including a review of the unaudited interim report for the six months ended 30 September 2013.

By order of the Board
KAM Yuen
Chairman

HONG KONG, 25 November 2013

CORPORATE INFORMATION

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

Registered Office

Appleby Corporate Services (Cayman) Limited
P.O. Box 1350 GT
Clifton House
75 Fort Street, George Town
Grand Cayman, Cayman Islands
British West Indies

Head Office and Principal Place of Business in the PRC

No. 11 Wan Yuan Street
Beijing Economic Technological Development Area,
Beijing, 100176 China

Principal Place of Business in Hong Kong

48/F, Bank of China Tower
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 Officer

Ms. Charlotte Cheung, Investor Relations Manager
Email: ir@goldenmeditech.com

Website

www.goldenmeditech.com