China Gogreen Assets Investment Limited
中國保綠資產投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 397)

Annual report

for the financial year ended 31 December 2009

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Fung Yiu Tong, Bennet *(Chairman)*
Mr. Cho Kwai Yee, Kevin
Mr. Lawrence Tang
Mr. Liu Wenmao

Independent Non-executive Directors

Mr. Chan Chi Yuen
Mr. Lo Chun Nga
Mr. Chik Chi Man

AUDIT COMMITTEE

Mr. Chan Chi Yuen *(Chairman)*
Mr. Lo Chun Nga
Mr. Chik Chi Man

REMUNERATION COMMITTEE

Mr. Lo Chun Nga *(Chairman)*
Mr. Chan Chi Yuen
Mr. Chik Chi Man

COMPANY SECRETARY

Mr. Lam Chun Kei

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower, The Landmark
11 Pedder Street, Central
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Shop 2B & 2C, Level 1
Hilton Plaza Commercial Centre
3-9 Shatin Centre Street
Shatin, New Territories
Hong Kong

PRINCIPAL BANKERS

Dah Sing Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

WEBSITE

www.chinagogreen.com.hk

Chairman's Statement

2009 was undeniably an adventurous and exciting year for China Gogreen Assets Investment Limited ("China Gogreen" or the "Company", formerly known as Hong Kong Health Check and Laboratory Holdings Company Limited) and its subsidiaries (the "Group"), marking the transformation and growth of the Group. For the period ended 31 December 2009, the revenue of the Group recorded approximately HK$105,536,000 and profit attributable to owners of the Company was approximately HK$87,074,000.

BUSINESS REVIEW

Health Check Business Sustains Healthy Growth

The Group's health check business segment has enjoyed steady growth, driven by the branding effect and economies of scale. The Group continues to maintain strong ties and partnerships with private clinics and the Hospital Authority, to leverage its leading market position and broaden the customer base.

During the period ended 31 December 2009, the Group raised its equity interest in Group Benefit Development Limited ("Group Benefit") to 98.53% which further strengthens the market-leading position of the Group's health check business segment. Besides, all benefits, interests, rights, liabilities and obligations under the management agreement dated 20 February 2008 relating to operation and management of 中山醫康健醫療中心 (unofficial English translation being Zhongshanyi Town Health Medical Centre) (the "Zhongshanyi TH Health Check Centre") of the Group would be transferred to and taken up by Guangzhou Yikang Medical Investment and Management Limited ("Yikang"), an associated company of Town Health International Holdings Company Limited. This move allowed the Group to better utilize its resources for financing the acquisition of properties and the funding needs for diversifying the Group's business.

Strategic Investments Drive Strong Performance

China Gogreen has put its emphasis on prudent cash resources management and seized the opportunity to diversify into other businesses. The Group's financial well-being allowed it to identify and explore possible investment opportunities that offer strong growth potential and stable returns.

During the period under review, further to keeping the healthy growth of the health check business segment, the Group focused on the efficient utilization of its resources in investing in listed and unlisted securities and quality properties in Hong Kong. Exceptional performance of the Group's revenue and profit is attributable to the management's successful strategies in investment which became one of the major sources of income during the period under review.

The Group has been recently facing increasing pressure in rental hikes in Hong Kong. The local property market has been booming steadily and the Group is of a positive view towards the property market and asset investments. The Group will continue to diversify into the property investment business prudently. In addition, the Group will invest in listed and unlisted securities to diversify business risk and enhance shareholder value.

Chairman's Statement

Solar Energy Business Leads the Path to Exponential Growth

With a prudent and deliberated planning, in 2009, we took a significant move by leveraging our strong financial base and long established business network to diversify our business into the new and promising renewable energy-related businesses in the People's Republic of China (the "PRC").

According to the amendment to the 2006 renewable energy law which was adopted on 26 December 2009 by the standing committee of the National People's Congress, the new PRC law requires power grid operators to buy all the electricity produced by renewable energy generators. The Group believes that the silicon based thin-film solar energy industry will expand rapidly in the future due to the price competitiveness of silicon based thin-film solar photovoltaic cells and modules and the PRC Government's supportive initiatives.

With our close Government relationship in the PRC, China Gogreen Energy Limited ("China Gogreen Energy"), an indirect wholly-owned subsidiary of the Company, entered into a cooperative agreement with 鄭州高科技創業投資有限公司 (unofficial English translation being Zhengzhou High-Tech Start-up Investment Co., Ltd.) ("Zhengzhou High-Tech"), which is controlled by the Zhengzhou Municipal People's Government in the PRC, to establish a sino-foreign equity joint venture enterprise (the "Joint Venture Company") to develop a-Si thin-film solar photovoltaics manufacturing business.

We believe that the formation of the Joint Venture Company provides the Group with a golden opportunity to venture into new and promising renewable energy-related businesses in the PRC, which will ultimately benefit our shareholders.

Chairman's Statement

PROSPECT

Promising Outlook Gives Motivation

China Gogreen is aggressively going forward and is optimistic about its business mix. The Group's strategic moves will help it adapt to the changing market conditions and position it for continued growth and improved profitability. We believe diversification is the way ahead and will benefit the Group's overall performance.

To put forth the diversification plans, apart from keeping the health check business on track, the Group is committed to putting more resources on developing the new and promising solar energy business.

In the year ahead, we will devote our effort in completing the first phase development of the solar energy business by the Joint Venture Company which involves the construction of annual 100 megawatt production line(s) for silicon based thin-film solar photovoltaic cells and modules with total investment amount of RMB650 million (equivalent to HK$741 million), which is to be completed in the second half of 2010. With the support and assistance of the joint venture partner, which is a state-owned enterprise, the Group is very positive about obtaining a good market share in the solar energy industry, both worldwide and in the PRC, in the near future.

Our strategies and aspirations are clearly defined. The Group focuses on delivering the greatest value to our shareholders over time. We achieved these objectives by working towards our vision while continuing to innovate and adapt to an ever-changing environment at the same time. 2010 will be a challenging year and we are well-prepared to strive for the best.

Fung Yiu Tong, Bennet
Chairman
Hong Kong, 16 April 2010

Management Discussion and Analysis

FINANCIAL REVIEW

"Consolidation, Diversification and Growth" are the three themes that capture the successful business strategy implemented by China Gogreen during the period ended 31 December 2009. They also serve as the guidepost the Group will follow in the next year and beyond.

For the period ended 31 December 2009, China Gogreen continued to record steady operating performance, which was the result of the popularity of its services as well as the Group's commitment and capability in creating shareholder value. In view of the stability in the health check business, the Group has broadened its portfolio by venturing into the investment business, which further expands its sources of income.

During the period under review, the Group's revenue was approximately HK$105,536,000 (for the year ended 31 March 2009: approximately HK$106,538,000). Profit attributable to owners of the Company for the period ended 31 December 2009 was approximately HK$87,074,000 (for the year ended 31 March 2009: loss of approximately HK$637,879,000).

Basic earnings per share for the period ended 31 December 2009 was HK$0.17. This was a substantial improvement from a loss per share for the year ended 31 March 2009 of HK$3.00.

REVIEW OF OPERATIONS

Health Check Business Segment

Our strategy is to increase our market share through internal growth and strategic business acquisitions. The Group has also made a strategic investment to develop a stable profit structure by further enhancing the health check and medical diagnosis services business. In June 2009, the Group raised its equity interest in Group Benefit, a local company that specializes in the provision of medical diagnostic scanning and laboratory services, to 98.53%. The strategic move brought four more health check centers under the Group's control. This further increased the market share of the Group's health check business segment and customer base in the local health check industry, strengthening its market-leading position.

The Group has also put much effort in seeking opportunities to better utilize its resources for financing the acquisition of properties, and the funding needs for diversifying the Group's business. On 14 October 2009, Guangdong Town Health Hospital Management Co. Ltd. ("Guangdong Town Health"), the Group's then wholly-owned subsidiary which established the Zhongshanyi TH Health Check Centre, entered into a transfer agreement with Yikang. Under the deal, all benefits, interests, rights, liabilities and obligations of Guangdong Town Health under the management agreement dated 20 February 2008 relating to operation and management of Zhongshanyi TH Health Check Centre would be transferred to and taken up by Yikang. The consideration payable by Yikang to Guangdong Town Health is approximately RMB5.54 million (equivalent to HK$6.32 million) in cash.

Management Discussion and Analysis

Strategic Investments Segment

China Gogreen has put its emphasis on prudent cash resources management and seized the opportunity to diversify into the investment business. The Group's financial well-being allowed it to identify and explore possible investment opportunities that offer strong growth potential and stable returns.

The Group has efficiently utilized its resources to invest in listed and unlisted securities and quality properties in Hong Kong. The investments provided opportunities for attractive appreciation in value. The success of the diversified business model was reflected in sound revenue growth in the Group's final results. The investment business became one of the major sources of income during the period under review.

Solar Energy Business Segment

The Group has been actively exploring new business opportunities with a view to increase the value of the Company through diversification of business.

On 2 December 2009, China Gogreen Energy, an indirect wholly-owned subsidiary of the Company, entered into the legally binding cooperative agreement pursuant to which China Gogreen Energy and Zhengzhou High-Tech, have conditionally agreed to establish the Joint Venture Company, which will be principally engaged in the a-Si thin-film solar photovoltaics manufacturing business, in the Zhengzhou High and New Technology Industries Development Zone at Zhengzhou, Henan Province, the PRC. The total investment amount is expected to be RMB3.25 billion (equivalent to HK$3.705 billion). Zhengzhou High-Tech is a state-owned enterprise established in Zhengzhou by the Administration Committee of Zhengzhou High and New Technology Industries Development Zone which is controlled by the Zhengzhou Municipal People's Government, Henan Province, the PRC. The collaboration signifies the close Government relationship the Group has established in the PRC and it is believed that the formation of the Joint Venture Company provides the Group with a golden opportunity to venture into new and promising renewable energy-related businesses in the PRC.

In order to better reflect the Group's plan to diversify its business into assets management and green energy businesses, the Group has changed its name to "China Gogreen Assets Investment Limited" and registered a secondary name "中國保綠資產投資有限公司".

The Group considers that the demand for the silicon based thin-film solar photovoltaic cells and modules will grow rapidly in the future with the PRC Government's supportive attitude and the competitive price of the silicon based thin-film solar photovoltaic cells and modules.

Moving into the next financial year, the Group will reallocate its talent and resources to those areas which we see have the best potential for growth. The Group will also continue to pursue strategic opportunities that enhance value and generate significant returns.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2009, the Group held cash and bank balances of approximately HK$335,702,000 (31 March 2009: approximately HK$152,472,000). Net current assets amounted to approximately HK$465,219,000 (31 March 2009: approximately HK$218,061,000). Current ratio (defined as total current assets divided by total current liabilities) was 29.5 times (31 March 2009: 15.2 times).

The gearing ratio of the Group, defined as total liabilities to total assets was approximately 4.3% (31 March 2009: 6.6%).

As at 31 December 2009, the Group had outstanding bank borrowings of approximately HK$5,553,000 (31 March 2009: Nil). The Group's bank balances and borrowings were denominated in Hong Kong dollars and Renminbi, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

CAPITAL STRUCTURE

As at 31 December 2009, the Group had shareholders' equity of approximately HK$630,540,000 (31 March 2009: approximately HK$327,941,000).

On 3 March 2009, the Group announced to implement the capital reorganisation that every 50 existing shares were consolidated into one consolidated share and the issued share capital of the Company was reduced through a cancellation of the paid up capital of the Company to the extent of HK$0.49 on each of the issued consolidated shares such that the nominal value of each issued consolidated share was reduced from HK$0.50 to HK$0.01. The capital reorganization was effective on 6 April 2009. Details were disclosed in an announcement of the Company dated 3 March 2009.

On 30 July 2009, the Company and the placing agents entered into the placing agreement pursuant to which the placing agents have conditionally agreed, as agents for the Company, to place and procure the placing of, a total of 232,500,000 placing shares of the Company, on a several and fully underwritten basis, to four institutional or professional investors who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons and not connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) of the Company at a price of HK$0.40 per placing share. Details were disclosed in an announcement of the Company dated 30 July 2009. The placing was completed on 3 September 2009.

Management Discussion and Analysis

On 30 July 2009, the placing agents and the Company entered into another placing agreement pursuant to which, the Company has agreed to place, through the placing agents, 134,400,000 placing shares, on a best effort basis, to not fewer than six placees who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons and not connected persons (as defined in the Listing Rules) of the Company at a price of HK$0.50 per placing share. Details were disclosed in an announcement of the Company dated 30 July 2009. The placing was completed on 16 September 2009.

On 7 December 2009, the Company and the placing agent entered into the placing agreement pursuant to which the placing agent has conditionally agreed, as agent for the Company, to place and procure the placing of, a total of 73,000,000 placing shares of the Company, on a best effort basis, to placees (expected to be not fewer than six) who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons and not connected persons (as defined in the Listing Rules) of the Company at a price of HK$0.40 per placing share. Details were disclosed in an announcement of the Company dated 7 December 2009. The placing was completed on 17 December 2009.

On 7 December 2009, the placing agent and the Company entered into two other placing agreements pursuant to which, the Company has agreed to place, through the placing agent, 276,000,000 placing shares on a best effort basis, and 276,000,000 placing shares on a fully underwritten basis, to placees (expected to be not fewer than six under each agreement) who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons and not connected persons (as defined in the Listing Rules) of the Company at a price of HK$0.40 per placing share. Details were disclosed in an announcement of the Company dated 7 December 2009. The placing was completed on 17 March 2010.

Profiles of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. Fung Yiu Tong, Bennet, aged 43, Chairman of the Company. Dr. Fung graduated from The University of Hong Kong and holds the qualifications of MBBS (HK), MRCGP, DCH (London), DFM (CUHK) and Dip Med (CUHK). He is responsible for the strategic development of the Group's health check business and in-charge of the overall supervision of the medical health check division of the Group. Dr. Fung was appointed as an executive director and the Chairman of the Company on 22 May 2006 and 13 March 2007 respectively. Dr. Fung was an executive director of Town Health International Holdings Company Limited (stock code: 3886) from August 1999 to September 2008.

Mr. Cho Kwai Yee, Kevin, aged 48, Chief Executive Officer of the Company, has been an executive director of the Company since March 2006. Mr. Cho graduated from Newcastle Upon Tyne University in the United Kingdom with a bachelor degree in 1990. He also holds a Diploma in Management Studies from The Hong Kong Polytechnic University. Mr. Cho has been holding various senior executive positions in a number of corporations. He is a director of a number of subsidiaries of the Company. Mr. Cho was an executive director of Town Health International Holdings Company Limited (stock code: 3886) from July 2001 to September 2008.

Mr. Lawrence Tang, aged 34, has been an executive director of the Company since December 2009. Mr. Tang graduated from the University of Staffordshire in the United Kingdom with a Bachelor of Arts Degree in Law and Accounting. He has over 10 years' experience in international trade and marketing in Europe, North America, Hong Kong and the PRC out of which 6 years were at top management level. Mr. Tang also possesses extensive knowledge and hands-on experience in the PRC market and industrial management. Prior to joining the Company, Mr. Tang had been working in the manufacturing sector for 6 years and held a chief executive officer position in a manufacturing company for 3 years. He is a member of the Chamber of International Commerce Ningbo. Mr. Tang is a director of a number of subsidiaries of the Company.

Mr. Liu Wenmao, aged 39, has been an executive director of the Company since January 2010. Mr. Liu graduated from North China Electric Power University (the "University") in the PRC with a bachelor degree in engineering majoring in automation process. He also holds a master degree in engineering from the University. Mr. Liu has completed a PhD program in engineering at the University and passed the thesis oral defence, and will later be awarded the PhD. Mr. Liu has over 10 years of experience in the energy and renewable energy industry in the PRC. Since 2007, Mr. Liu has been acting as a vice president (operation) of China Study Public Policy & Management Consulting (Beijing) Co., Ltd. which is a member company of Tsinghua Holdings Co., Ltd. Mr. Liu has been appointed as a senior consultant in new energy of China Electricity Council, and providing assistance in the establishment of an energy policy research centre in the University.

Profiles of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Chi Yuen, aged 44, has been an independent non-executive director of the Company since January 2005. Mr. Chan holds a bachelor degree with honours in Business Administration and a master of science degree in Corporate Governance and Directorship. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and is an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance.

Mr. Chan is currently an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), China Gamma Group Limited (stock code: 164), China Grand Forestry Green Resources Group Limited (stock code: 910), Richly Field China Development Limited (stock code: 313), Rojam Entertainment Holdings Limited (stock code: 8075), Superb Summit International Timber Company Limited (stock code: 1228) and The Hong Kong Building and Loan Agency Limited (stock code: 145). Mr. Chan was an executive director of New Times Energy Corporation Limited (stock code: 166) since 10 May 2006 and was re-designated as a non-executive director from 25 October 2006 onwards. He was also an executive director of Amax Holdings Limited (stock code: 959) from August 2005 to January 2009, China E-Learning Group Limited (stock code: 8055) from July 2007 to September 2008 and Kong Sun Holdings Limited (stock code: 295) from February 2007 to November 2009. Mr. Chan is also the chairman of the audit committee and a member of the remuneration committee of the Company.

Mr. Lo Chun Nga, aged 59, has been an independent non-executive director the Company since May 2006. Mr. Lo has over 30 years experience in business management in Hong Kong and the PRC. He is currently a director of Hong Kong Commerce and Industry Associations Limited and also a director of Hong Kong Shatin Industries and Commerce Association Limited. Mr. Lo is also a member of the audit committee and the chairman of the remuneration committee of the Company.

Mr. Chik Chi Man, aged 56, has been an independent non-executive director of the Company since October 2006. Mr. Chik has over 42 years experience in the building and construction industry in Hong Kong. He is currently the vice chairman of Sha Tin East District Scout Council and also the treasury of the committee in Sha Tin District of the Friends of the Community Chest. In July 2006, Mr. Chik has been awarded the Chief Executive's Commendation for Community Service by The Government of the Hong Kong Special Administrative Region. He is also a member of each of the audit committee and the remuneration committee of the Company.

Profiles of Directors and Senior Management

SENIOR MANAGEMENT

Dr. Wynnie Lam Wai Man, graduated from The University of Hong Kong, holds the following medical degrees, including MBBS (HKU), MD (CUHK), FRCR (UK), FHKAM(Radiology) and FHKCR(HK). She has been an academic staff serving the Medical Faculty of The Chinese University of Hong Kong since 1994. During her academic years, she has published more than 230 papers in indexed journals with her main research interest in MRI and CT. Currently, she is in the editorial board for two overseas medical journals, namely European Journal of Radiology and Journal of Cardiovascular Magnetic Resonance. She is also the invited reviewer for many other indexed journals, including Stroke, Journal of Magnetic Resonance Imaging and Clinical Radiology. Besides medical qualifications, she also holds MBA (University of Hull) and LLB(2nd upper Hons, London University). She has joined the Company since August 2008 and has held the position of Chief of Radiology Department in the Group.

Dr. Chan Po Nin, David, currently as Consultant Radiologist of the Group. Dr. Chan graduated from The Chinese University of Hong Kong and holds the qualifications of MBChB (CUHK), FRCR (UK), FHKCR and FHKAM (Radiology). He joined the Group in August 2006.

Ms. Carrie Woo, currently as General Manager of the Group. Ms. Woo's primary responsibilities include overseeing operational issues among different business units within the Group as well as assisting the Chief Executive Officer of the Company in enhancing and driving the performance and efficiencies of the operation of the Group. Ms. Woo has over 22 years of professional experience in the healthcare and medical field and has taken up senior management roles since 2000. She is a registered nurse and holds a Bachelor's degree in Psychology. Prior to joining the Group in February 2007, she worked for a number of major hospitals and healthcare organizations.

Mr. Lam Chun Kei, currently as Financial Controller of the Group. Mr. Lam holds a bachelor degree in Accountancy from the City University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Lam has over 11 years of experience in accounting, auditing and financial management and previously worked in an international accounting firm and a listed group. He joined the Group in August 2007.

Report of the Directors

The directors of the Company (the "Directors") present their report and the audited consolidated financial statements for the nine months ended 31 December 2009 (the "Period").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in Note 22 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the Period is set out in Note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Period and the state of affairs of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 32 to 137 of this annual report.

The Directors do not recommend the payment of a final dividend for the Period.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results of the Group for the last five financial years is set out on page 138 of this annual report.

DONATIONS

Charitable donations made by the Group during the Period amounted to approximately HK$293,000.

Report of the Directors

SUBSIDIARIES

Details of acquisition/disposal of subsidiaries during the Period are set out in Notes 38 and 39 to the consolidated financial statements.

Details of the Company's principal subsidiaries as at 31 December 2009 are set out in Note 22 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK$13,938,000 for the expansion of its business.

Details of movements in property, plant and equipment of the Group during the Period are set out in Note 18 to the consolidated financial statements.

INVESTMENT PROPERTY

Particulars of investment property of the Group are set out in Note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Period are set out in Note 34 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in Note 35 to the consolidated financial statements.

Report of the Directors

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Period.

RESERVES

Details of movements in the reserves of the Group during the Period are set out in page 37 of this annual report.

Details of movements in the reserves of the Company during the Period are set out in Note 37 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2009, the Company's reserves available for distribution calculated in accordance with the Companies Act 1981 of Bermuda (as amended) amounted to approximately HK$113,204,000. The contributed surplus may only be distributable in certain circumstances.

MAJOR SUPPLIERS AND CUSTOMERS

For the Period, the percentage of turnover attributable to the Group's five largest customers is less than 30% of the Group's total turnover. The five largest suppliers of the Group and the largest supplier accounted for approximately 28% and 11% of the Group's total purchases respectively.

As far as the Directors are aware, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest at any time during the Period in any of the Group's five largest customers and suppliers.

Report of the Directors

DIRECTORS

The Directors who held office during the Period and up to the date of this report are:

Executive Directors

Dr. Fung Yiu Tong, Bennet *(Chairman)*	
Mr. Cho Kwai Yee, Kevin	
Mr. Lawrence Tang	(appointed on 7 December 2009)
Mr. Liu Wenmao	(appointed on 28 January 2010)
Mr. Siu Kam Chau	(retired on 28 August 2009)
Dr. Hui Ka Wah, Ronnie, JP	(retired on 28 August 2009)
Mr. Lee Chik Yuet	(resigned on 15 October 2009)
Dr. Cho Kwai Chee	(resigned on 22 October 2009)
Miss Choi Ka Yee, Crystal	(resigned on 22 October 2009)

Independent Non-executive Directors

Mr. Chan Chi Yuen

Mr. Lo Chun Nga

Mr. Chik Chi Man

In accordance with bye-law 99 of the Company's bye-laws and to comply with the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Cho Kwai Yee, Kevin, Mr. Chan Chi Yuen and Mr. Lo Chun Nga will retire by rotation at the forthcoming annual general meeting of the Company. The retiring Directors being eligible, all offer themselves for re-election.

The biographical details of the Directors as at the date of this report are set out in the section headed "Profiles of Directors and Senior Management" on pages 10 to 12 of this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of Directors and the five highest paid individuals of the Group are set out in Notes 14 and 15 to the consolidated financial statements.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the Period.

COMPETING BUSINESS

None of the Directors was interested in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the Period.

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions not exempt under Chapter 14A of the Listing Rules

During the Period, the Group has entered into the following tenancy agreements with subsidiaries of Town Health International Holdings Company Limited ("Town Health") for leasing of office and commercial premises to conduct the Group's business operations:

(i) the tenancy agreement dated 19 December 2008 entered into between Town Health Food & Beverage Culture Company Limited, an indirect wholly-owned subsidiary of Town Health, as landlord and Polylight Technology Limited, a non wholly-owned subsidiary of the Company, as tenant in respect of the leasing of the premises at Ground Floor, Ultragrace Commercial Building, No. 5 Jordan Road, Kowloon, Hong Kong (the "Jordan Tenancy Agreement") for a term of three years commencing from 1 December 2008 and expiring on 30 November 2011 at a rental of HK$81,000 per month; and

(ii) the tenancy agreement dated 1 December 2009 entered into between Profit Sources Limited, an indirect wholly-owned subsidiary of Town Health, as landlord and Hong Kong Health Check and Medical Diagnostic Centre Limited, a non wholly-owned subsidiary of the Company, as tenant in respect of the leasing of the premises at 4th Floor, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong (the "Shatin Tenancy Agreement") for a term of two years commencing from 1 December 2009 and expiring on 30 November 2011 at a rental of HK$137,500 per month and management fee of HK$27,500 per month with a rent-free period of six months.

The aggregate rentals paid by the Group under the Jordan Tenancy Agreement for the Period is HK$729,000. The management fee paid by the Group under the Shatin Tenancy Agreement for the Period is HK$27,500.

The aggregate rentals payable by the Group under the Jordan Tenancy Agreement for the financial year ending 31 December 2010 and the eleven months ending 30 November 2011 are expected not to exceed HK$972,000 and HK$891,000 respectively. The aggregate rentals and management fees payable by the Group under the Shatin Tenancy Agreement for the financial year ending 31 December 2010 and the eleven months ending 30 November 2011 are expected not to exceed HK$1,292,500 and HK$1,815,000 respectively.

The independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into by the Group in its ordinary and usual course of business, on normal commercial terms, and in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The independent auditors of the Company has provided a letter to the board of Directors confirming that the aforesaid continuing connected transactions:–

(i) have received the approval of the board of Directors;

(ii) are in accordance with the pricing policies of the Group;

(iii) have been conducted on terms in accordance with the terms of the relevant agreements governing the transactions; and

(iv) have not exceeded the expected aggregate rentals and management fees as disclosed in the relevant announcement of the Company.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(I) Interests and short positions in shares, underlying shares and debentures of the Company

As at 31 December 2009, none of the Directors had recorded any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(II) Share options

The Company adopted a share option scheme on 17 November 2003 (the "Scheme") for the primary purpose of providing incentives to Directors and employees. Under the Scheme, the Company may grant options to eligible persons, including directors of the Company and its subsidiaries, to subscribe for shares of the Company.

Particulars of the Scheme and details of movements of share options during the Period are set out in Note 35 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above, at no time during the Period was the Company, its subsidiaries, its fellow subsidiaries or its holding companies, a party to any arrangement to enable the Directors or chief executives of the Company or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2009, the following companies and persons had interests or short positions in the shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in ordinary shares of the Company:

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Approximate % of the Company's issued share capital as at 31 December 2009
Kingston Securities Limited	Beneficial owner (Note 1)	276,000,000	34.09%
Ms. Chu Yuet Wah	Interest of controlled corporations (Note 1)	276,000,000	34.09%
Ms. Ma Siu Fong	Interest of controlled corporations (Note 1)	276,000,000	34.09%
Kingsway Lion Spur Technology Limited	Beneficial owner (Note 2)	62,500,000	7.72%
Festival Developments Limited	Interest of controlled corporations (Note 2)	62,500,000	7.72%
SW Kingsway Capital Holdings Limited	Interest of controlled corporations (Note 2)	62,500,000	7.72%
World Developments Limited	Interest of controlled corporations (Note 2)	62,500,000	7.72%

Name of shareholder	Capacity	Number of ordinary shares of the Company held	Approximate % of the Company's issued share capital as at 31 December 2009
Innovation Assets Limited	Interest of controlled corporations (Note 2)	62,500,000	7.72%
Kingsway International Holdings Limited	Interest of controlled corporations (Note 2)	62,500,000	7.72%
Mr. Choi Koon Shum Jonathan	Interest of controlled corporations (Note 3)	62,500,000	7.72%
Ms. Kwan Wing Kam, Janice	Interest of spouse (Note 4)	62,500,000	7.72%
Mrs. Lam Wong Yuk Sin Mary	Interest of controlled corporations (Note 5)	62,500,000	7.72%

Notes:

1. These 276,000,000 shares of the Company represent the shares to be placed by Kingston Securities Limited on a fully underwritten basis pursuant to the placing agreement dated 7 December 2009 entered into between the Company and Kingston Securities Limited to which Kingston Securities Limited is deemed to be interested pursuant to the SFO. Kingston Securities Limited is owned as to 51% by Ms. Chu Yuet Wah and as to 49% by Ms. Ma Siu Fong.

2. These 62,500,000 shares of the Company are held by Kingsway Lion Spur Technology Limited, a company wholly owned by Festival Developments Limited which is, in turn, wholly owned by SW Kingsway Capital Holdings Limited. SW Kingsway Capital Holdings Limited is a company owned as to 74% interest by World Developments Limited. World Developments Limited is a company wholly owned by Innovation Assets Limited which is, in turn, wholly owned by Kingsway International Holdings Limited.

3. Mr. Choi Koon Shum Jonathan holds 47% interest of Kingsway International Holdings Limited and is deemed to be interested in the 62,500,000 shares of the Company.

4. Ms. Kwan Wing Kam, Janice is the spouse of Mr. Choi Koon Shum Jonathan. Accordingly, Ms. Kwan Wing Kam, Janice is deemed to be interested in the 62,500,000 shares of the Company.

5. Mrs. Lam Wong Yuk Sin Mary holds 40% interest of Kingsway International Holdings Limited and is deemed to be interested in the 62,500,000 shares of the Company.

Save as disclosed above, the Company has not been notified of any interest or short position in the shares and underlying shares of the Company as at 31 December 2009 which has been recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

POST BALANCE SHEET EVENTS

Details of significant events occurring after the balance sheet date are set out in Note 46 to the consolidated financial statements.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2009, the Group employed approximately 200 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance. In addition, the Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

The emoluments of the Directors are decided by the board of Directors, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme, share options may be granted to eligible staff. Details of the scheme are set out in Note 35 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules as at the date of this report.

Report of the Directors

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 24 to 29 of this annual report.

AUDITORS

The consolidated financial statements have been audited by Messrs. HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Fung Yiu Tong, Bennet
Chairman
Hong Kong, 16 April 2010

Corporate Governance Report

The board of directors (the "Director") of the Company (the "Board") is committed to maintaining a good corporate governance standard. The Board believes that a good corporate governance standard will provide a framework for the Group to formulate the business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to the shareholders and creditors.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with all the applicable code provisions in the Code throughout the nine months ended 31 December 2009 (the "Period"), except that under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. None of the existing independent non-executive Directors was appointed for a specific term. However, the independent non-executive Directors are subject to retirement by rotation and re-election at annual general meetings of the Company at least once every three years in accordance with the provisions of the bye-laws of the Company (the "Bye-Laws"). As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, the Directors have complied with the required standard set out in the Model Code throughout the period from 1 April 2009 to 31 December 2009.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises seven members, four of which are executive Directors, namely Dr. Fung Yiu Tong, Bennet who is the Chairman of the Board, Mr. Cho Kwai Yee, Kevin, Mr. Lawrence Tang and Mr. Liu Wenmao. The other three members are independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Lo Chun Nga and Mr. Chik Chi Man. The biographical details of the Directors are set out in the section headed "Profiles of Directors and Senior Management" on pages 10 to 12 of this annual report.

Corporate Governance Report

The Board held three regular meetings during the Period. The Board is responsible for the formulation of the Group's business strategies and overall policies, and monitoring the performance of the management. The executive Directors are delegated with the power to execute the business strategies, develop and implement the policies in the daily operation of the Group. The independent non-executive Directors provide their professional advices to the Group whenever necessary.

Composition of the Board, including names of the independent non-executive Directors, is disclosed in all corporate communications to shareholders of the Company.

All the Directors have full and timely access to all the information and accounts of the Group. The Directors may seek independent professional advice in appropriate circumstances, at the expense of the Company. The Company will, upon request, provide separate independent professional advice to the Directors to assist them to discharge their duties to the Company. The Company has arranged appropriate insurance cover for the Directors.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr. Fung Yiu Tong, Bennet is the Chairman of the Company and Mr. Cho Kwai Yee, Kevin is the Chief Executive Officer of the Company, they have segregated and clearly defined roles. The Chairman provides leadership for the Board. The Chief Executive Officer has responsibility for the Group's business development and daily management generally.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to rule 3.10 of the Listing Rules, the Company has three independent non-executive Directors, one of them has appropriate professional qualifications or accounting or related financial management expertise. The Company has received a written confirmation of independence from each of the independent non-executive Directors pursuant to rule 3.13 of the Listing Rules. The Company considers that each of the independent non-executive Directors is independent.

None of the independent non-executive Directors is appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the provisions of the Bye-Laws.

REMUNERATION COMMITTEE

The Board has established a Remuneration Committee with specific written terms of reference in accordance with the provisions set out in the Code. The principal duties of the Remuneration Committee are to formulate the Company's remuneration policy and recommend remuneration packages for the Directors and senior management to the Board for approval. The Company's remuneration policy is to provide a competitive level of remuneration in accordance with current market conditions to attract and motivate the Directors and staff for their contribution.

As at the date of this annual report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Lo Chun Nga as the Chairman of the Remuneration Committee, Mr. Chan Chi Yuen and Mr. Chik Chi Man.

The Remuneration Committee held one meeting during the Period. The Remuneration Committee reviewed the remuneration policy of the Company, assessed the performance of the executive Directors and senior management and recommended specific remuneration packages of the Directors and senior management to the Board.

DIRECTORS' APPOINTMENT AND RE-ELECTION

The Company has not established a nomination committee. The Board as a whole is responsible for the appointment of its members. In considering the appointment of a new Director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. The Board is also responsible for nomination of appropriate person for election by shareholders at general meeting of the Company, either to fill a casual vacancy or as an addition to the Board.

According to the Bye-Laws, any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and who shall then be eligible for re-election at such general meeting.

The circular to shareholders of the Company with notice of the general meeting contains biographical details of all the Directors proposed to be elected and re-elected at the meeting to enable shareholders of the Company to make an informed decision on election and re-election of Directors.

AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's auditors, HLB Hodgson Impey Cheng, for their audit services and non-audit services for the Period are set out as follows:

	Fees paid/payable HK$
Services rendered	
Audit for the Period	930,000
Non-audit services	
Tax compliance	60,000
Acting as reporting accountants to report on certain financial information included in the Company's circulars issued during the Period	760,000
	820,000
Total	1,750,000

AUDIT COMMITTEE

The Board has established an Audit Committee with specific written terms of reference in accordance with the provisions set out in the Code. The principal duties of the Audit Committee is to consider the appointment and remuneration of the external auditor, to monitor the integrity of the Group's financial statements with focus on the changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern assumptions, and compliance with accounting standards, the Listing Rules and other applicable legal requirements, and to review the Group's financial reporting system and internal control procedures.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen as the Chairman of the Audit Committee, Mr. Lo Chun Nga and Mr. Chik Chi Man.

Corporate Governance Report

The Audit Committee held two meetings during the Period. The Audit Committee reviewed the Group's financial statements for the year ended 31 March 2009 and for the six months ended 30 September 2009 respectively, discussed audit scope and findings with the Company's independent auditors and reviewed the Group's financial reporting system and internal control procedures.

The Audit Committee has reviewed the Group's unaudited financial statements for the six months ended 30 September 2009 and the audited financial statements for the nine months ended 31 December 2009 prior to recommending them to the Board for approval.

DIRECTORS' ATTENDANCE AT MEETINGS

The attendance of the Directors at the meetings of the Board, the Audit Committee and the Remuneration Committee during the Period are set out below:

	Number of meetings attended/held		
Directors	**Board**	**Audit Committee**	**Remuneration Committee**
Executive Directors			
Dr. Fung Yiu Tong, Bennet	3/3	N/A	N/A
Mr. Cho Kwai Yee, Kevin	3/3	N/A	N/A
Mr. Lawrence Tang (appointed on 7 December 2009)	0/1	N/A	N/A
Mr. Liu Wenmao (appointed on 28 January 2010)	N/A	N/A	N/A
Mr. Siu Kam Chau (retired on 28 August 2009)	2/2	N/A	N/A
Mr. Hui Ka Wah, Ronnie, JP (retired on 28 August 2009)	2/2	N/A	N/A
Mr. Lee Chik Yuet (resigned on 15 October 2009)	2/2	N/A	N/A
Dr. Cho Kwai Chee (resigned on 22 October 2009)	2/2	N/A	N/A
Miss Choi Ka Yee, Crystal (resigned on 22 October 2009)	2/2	N/A	N/A
Independent non-executive Directors			
Mr. Chan Chi Yuen	3/3	2/2	1/1
Mr. Lo Chun Nga	3/3	2/2	1/1
Mr. Chik Chi Man	3/3	2/2	1/1

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the state of affairs of the Group and of the profit and cash flows for the financial year ended 31 December 2009. The Directors have prepared the financial statements of the Group on a going concern basis, and have selected appropriate accounting policies and applied them consistently, with applicable disclosures required under the Listing Rules and pursuant to the relevant statutory requirements.

The statement issued by the independent auditors of the Company, HLB Hodgson Impey Cheng, regarding their reporting responsibilities is set out in the section headed "Independent Auditors' Report" on pages 30 to 31 of this annual report.

INTERNAL CONTROLS

The Board has the overall responsibility for the internal control of the Group, including risk management, and sets appropriate policies having regard to the objectives of the Group. The Board, through the Audit Committee, reviews the effectiveness of the Group's system of financial and non-financial controls. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Controls are monitored by management review.

COMMUNICATION WITH SHAREHOLDERS

The Company provides information in relation to the Group to the shareholders in a timely manner through a number of formal channels, including interim and annual reports, announcements and circulars. Such published documents together with the corporate information of the Group are also available on the Company's website.

During the Period, separate resolutions were proposed at the general meetings of the Company for each substantial issue, including the re-election of Directors.

The chairman explained the procedures for conducting a poll at the beginning of each general meeting of the Company held during the Period. The results of the poll were published on the websites of the Stock Exchange and the Company respectively.

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
CHINA GOGREEN ASSETS INVESTMENT LIMITED
(FORMERLY KNOWN AS "HONG KONG HEALTH CHECK AND LABORATORY HOLDINGS COMPANY LIMITED")
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Gogreen Assets Investment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 137 which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

Independent Auditors' Report

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the nine-month period ended 31 December 2009 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong, 16 April 2010

Consolidated Statement of Comprehensive Income

For the nine months ended 31 December 2009

	Notes	**(Nine months) Period ended 31 December 2009 HK$'000**	(Twelve months) Year ended 31 March 2009 HK$'000
Revenue	8	**105,536**	106,538
Other income	10	**2,890**	8,066
Changes in inventories and clinical supplies consumed		**(26,418)**	(36,785)
Employee benefits expense		**(66,619)**	(78,785)
Depreciation and amortization expenses		**(13,953)**	(15,989)
Gain/(Loss) arising on change in fair value of held–for–trading investments		**39,941**	(56,612)
Gain on deemed disposal of subsidiaries	39	**11,572**	–
Gain on disposal of subsidiaries	39	**4,756**	–
Gain on disposal of an associate	39	**23,836**	–
Gain on disposal of an associate classified as held for sale	39	**54,229**	–
Gain arising on change in fair value of investment property	20	**1,000**	–
Finance costs	11	**(71)**	(10,053)
Impairment losses on goodwill	21	**–**	(553,972)
Impairment losses on available-for-sale investments	25	**(5,040)**	–
Share of results of a jointly controlled entity	24	**–**	(203,581)
Share of results of an associate	23	**525**	–
Gain on early redemption of convertible bonds issued by the Company		**–**	57,293
Gain on fair value changes of convertible bonds issued by a former listed subsidiary which were classified as financial liabilities designated as at fair value through profit or loss		**–**	253,828
Loss on fair value changes of conversion options embedded in convertible bonds held by the Group		**–**	(13,197)
Loss on fair value changes of early redemption options embedded in convertible bonds issued by the Company		**–**	(14,554)
Other operating expenses		**(53,416)**	(58,857)

Consolidated Statement of Comprehensive Income

For the nine months ended 31 December 2009

	Notes	**(Nine months) Period ended 31 December 2009 HK$'000**	(Twelve months) Year ended 31 March 2009 HK$'000
Profit/(Loss) before tax		**78,768**	(616,660)
Income tax	12	**146**	2,220
Profit/(Loss) for the period/year	13	**78,914**	(614,440)
Other comprehensive income			
Share of investment revaluation reserve of a jointly controlled entity		**–**	2,132
Other comprehensive income for the period/year, net of tax		**–**	2,132
Total comprehensive income/(loss) for the period/year		**78,914**	(612,308)
Profit/(Loss) attributable to:			
Owners of the Company	16	**87,074**	(637,879)
Minority interests		**(8,160)**	23,439
		78,914	(614,440)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**87,074**	(635,747)
Minority interests		**(8,160)**	23,439
		78,914	(612,308)
Dividends		**–**	–
Earnings/(Loss) per share			
– Basic (HK dollars per share)	17	**0.17**	(3.00)
– Diluted (HK dollars per share)	17	**0.17**	(3.58)

Consolidated Statement of Financial Position

At 31 December 2009

	Notes	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Non-current assets			
Property, plant and equipment	18	**106,452**	119,164
Prepaid lease payments	19	**26,051**	–
Investment property	20	**25,000**	–
Goodwill	21	**65,613**	–
Interest in an associate	23	**1,054**	–
Interest in a jointly controlled entity	24	**–**	–
Available-for-sale investments	25	**–**	23,785
		224,170	142,949
Current assets			
Amounts due from minority interests	26	**1,181**	–
Inventories of clinical supplies, at cost		**1,478**	891
Trade and other receivables	27	**31,675**	34,625
Tax recoverable		**878**	–
Held-for-trading investments	28	**100,650**	35,437
Pledged bank deposits	29	**10,000**	10,000
Bank balances and cash	30	**335,702**	152,472
		481,564	233,425
Current liabilities			
Amounts due to minority interests	26	**1,450**	–
Trade and other payables	31	**14,509**	15,364
Bank borrowings – due within one year	32	**386**	–
		16,345	15,364
Net current assets		**465,219**	218,061
Total assets less current liabilities		**689,389**	361,010

Consolidated Statement of Financial Position

At 31 December 2009

	Notes	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Non-current liabilities			
Deferred tax liabilities	33	**8,684**	9,514
Bank borrowings – due after one year	32	**5,167**	–
		13,851	9,514
Net assets		**675,538**	351,496
Capital and reserves			
Share capital	34	**8,095**	169,571
Reserves		**622,445**	158,370
Equity attributable to owners of the Company		**630,540**	327,941
Minority interests		**44,998**	23,555
Total equity		**675,538**	351,496

The consolidated financial statements were approved and authorized for issue by the board of directors on 16 April 2010 and were signed on its behalf by:

Fung Yiu Yong, Bennet
Director

Cho Kwai Yee, Kevin
Director

Statement of Financial Position

At 31 December 2009

	Notes	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Non-current assets			
Interests in subsidiaries	22	**93,989**	–
Current assets			
Amounts due from subsidiaries	22	**458,024**	315,976
Trade and other receivables	27	**133**	808
Held-for-trading investments	28	**93,682**	26,277
Bank balances and cash	30	**39,939**	92,158
		591,778	435,219
Current liabilities			
Amounts due to subsidiaries	22	**12,581**	88,190
Trade and other payables	31	**2,633**	5,205
		15,214	93,395
Net current assets		**576,564**	341,824
Total assets less current liabilities		**670,553**	341,824
Net assets		**670,553**	341,824
Capital and reserves			
Share capital	34	**8,095**	169,571
Reserves	37	**662,458**	172,253
		670,553	341,824

Fung Yiu Yong, Bennet
Director

Cho Kwai Yee, Kevin
Director

Consolidated Statement of Changes In Equity

For the nine months ended 31 December 2009

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (Note (i))	Translation reserve HK$'000 (Note (ii))	Convertible bonds equity reserve HK$'000 (Note (iii))	Share-based payments reserve HK$'000 (Note (iv))	Investment revaluation reserve HK$'000 (Note (v))	Accumulated losses HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 April 2008	45,596	395,852	861	29,390	270	115,739	11,290	(2,132)	(38,216)	558,650	481	559,131
Total comprehensive loss for the year	–	–	–	–	–	–	–	2,132	(637,879)	(635,747)	23,439	(612,308)
Acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	(365)	(365)
Recognition of equity-settled share-based payments	–	–	–	–	–	–	15,282	–	–	15,282	–	15,282
Early redemption of convertible bonds	–	–	–	–	–	(126,633)	–	–	835	(125,798)	–	(125,798)
Deferred tax	–	–	–	–	–	10,894	–	–	–	10,894	–	10,894
Issue of new shares by way of placements	26,000	2,600	–	–	–	–	–	–	–	28,600	–	28,600
Issue of new shares under a securities exchange offer	84,825	347,783	–	–	–	–	–	–	–	432,608	–	432,608
Transaction costs attributable to issue of new shares	–	(8,793)	–	–	–	–	–	–	–	(8,793)	–	(8,793)
Repurchase of shares	(4,300)	(11,020)	–	–	–	–	–	–	–	(15,320)	–	(15,320)
Issue of shares upon exercise of share options	17,450	64,649	–	–	–	–	(14,534)	–	–	67,565	–	67,565
At 31 March 2009	169,571	791,071	861	29,390	270	–	12,038	–	(675,260)	327,941	23,555	351,496

Consolidated Statement of Changes In Equity

For the nine months ended 31 December 2009

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (Note (i))	Translation reserve HK$'000 (Note (ii))	Convertible bonds equity reserve HK$'000 (Note (iii))	Share-based payments reserve HK$'000 (Note (iv))	Investment revaluation reserve HK$'000 (Note (v))	Retained earnings/ (accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 April 2009	169,571	791,071	861	29,390	270	-	12,038	-	(675,260)	327,941	23,555	351,496
Total comprehensive income for the period	-	-	-	-	-	-	-	-	87,074	87,074	(8,160)	78,914
Effects of the Capital Reorganization (Note 34(f))	(166,180)	(777,327)	-	282,400	-	-	-	-	661,107	-	-	-
Recognition of equity-settled shared-based payments	-	-	-	-	-	-	11,988	-	-	11,988	-	11,988
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	3,658	3,658
Deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	17,525	17,525
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(40,632)	(40,632)
Addition through acquisition of Health Walk Limited (Note 38(b))	-	-	-	-	-	-	-	-	-	-	49,052	49,052
Issue of new shares by way of placements	4,399	185,001	-	-	-	-	-	-	-	189,400	-	189,400
Transaction costs attributable to issue of new shares	-	(5,084)	-	-	-	-	-	-	-	(5,084)	-	(5,084)
Issue of shares upon exercise of share options	305	21,811	-	-	-	-	(2,895)	-	-	19,221	-	19,221
At 31 December 2009	8,095	215,472	861	311,790	270	-	21,131	-	72,921	630,540	44,998	675,538

Consolidated Statement of Changes In Equity

For the nine months ended 31 December 2009

Notes:

(i) The contributed surplus represents reserves arising from (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the corporate reorganization prior to the listing of the Company's shares on the Stock Exchange in 1993; and (ii) the Company's capital reorganization exercises in current period and prior financial years. Under the Companies Act of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

(ii) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

(iii) The convertible bonds equity reserve represents the equity component of the convertible bonds issued in the prior years.

(iv) The share-based payments reserve relates to share options granted to employees and service providers under the Company's share option scheme and other agreement. Further information about share-based payments to employees and service providers is set out in Note 36.

(v) The investments revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale investments that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those investments have been disposed of or are determined to be impaired.

Consolidated Statement of Cash Flows

For the nine months ended 31 December 2009

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Operating activities		
Profit/(Loss) for the period/year	**78,914**	(614,440)
Adjustments for:		
Income tax	**(146)**	(2,220)
Gain on deemed disposal of subsidiaries	**(11,572)**	–
Gain on disposal of subsidiaries	**(4,756)**	–
Gain on disposal of an associate	**(23,836)**	–
Gain on disposal of an associate classified as held for sale	**(54,229)**	–
Gain arising on change in fair value of investment property	**(1,000)**	–
Gain arising on change in fair value of held-for-trading investments	**(39,941)**	–
Loss on disposal of property, plant and equipment	**10,501**	1,581
Finance costs	**71**	10,053
Interest income	**(378)**	(3,200)
Depreciation and amortization expenses	**13,953**	15,989
Total equity-settled share-based payments expenses	**11,988**	15,282
Share of results of a jointly controlled entity	**–**	203,581
Share of results of an associate	**(525)**	–
Impairment losses on goodwill	**–**	553,972
Impairment losses on available-for-sale investments	**5,040**	–
Gain on early redemption of convertible bonds issued by the Company	**–**	(57,293)
Gain on fair value changes of convertible bonds issued by a former listed subsidiary which were classified as financial liabilities designated as at fair value through profit or loss	**–**	(253,828)
Loss on fair value changes of conversion options embedded in convertible bonds held by the Group	**–**	13,197
Loss on fair value changes of early redemption options embedded in convertible bonds issued by the Company	**–**	14,554
Operating cash flows before movements in working capital	**(15,916)**	(102,772)
Inventories	**(153)**	(79)
Held-for-trading investments	**(36,922)**	288,139
Trade and other receivables	**(3,831)**	3,868
Trade and other payables	**(2,229)**	237
Cash (used in)/generated by operations	**(59,051)**	189,393
Hong Kong profits tax paid	**(3,217)**	(1,156)
Net cash (used in)/generated by operating activities	**(62,268)**	188,237

Consolidated Statement of Cash Flows

For the nine months ended 31 December 2009

	Notes	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Investing activities			
Interest received		**378**	3,200
Dividends received from a jointly controlled entity		**–**	32,061
Dividends received from an associate		**520**	–
Payments for property, plant and equipment		**(5,388)**	(16,011)
Proceeds from disposal of property, plant and equipment		**674**	–
Payments for prepaid lease payments		**(14,281)**	–
Payment for investment property		**(24,000)**	–
Net cash outflow on acquisition of additional interest in a subsidiary	38	**–**	(365)
Net cash (outflow)/inflow on acquisition of subsidiaries	38	**(9,417)**	178,169
Net cash outflow on acquisition of an associate		**(25,600)**	–
Acquisition of available-for-sale investments	25	**(5,040)**	–
Net cash outflow on disposal of subsidiaries	39	**(24,531)**	–
Net cash inflow on disposal of an associate	39	**34,985**	–
Disposal of an associate classified as held for sale	39	**84,825**	–
Repayment of amount due from a related party		**–**	50,120
Repayment of amount due from a jointly controlled entity		**–**	33,706
Decrease in pledged bank deposits		**–**	2,000
Net cash generated by investing activities		**13,125**	282,880
Financing activities			
Interest paid		**(71)**	(2,811)
Proceeds from issue of shares		**237,718**	96,165
Payments for share issue expenses		**(5,084)**	(8,793)
Payments for repurchases of shares		**–**	(15,320)
Payments for early redemption of convertible bonds		**–**	(496,622)
Repayment of borrowings		**(190)**	(10,240)
Net cash generated by/(used in) financing activities		**232,373**	(437,621)
Net increase in cash and cash equivalents		**183,230**	33,496
Cash and cash equivalents at the beginning of the financial period/year		**152,472**	118,700
Effect of foreign exchange rate changes		**–**	276
Cash and cash equivalents at the end of the financial period/year		**335,702**	152,472
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		**335,702**	152,472

Notes to the Financial Statements

For the nine months ended 31 December 2009

1. GENERAL

China Gogreen Assets Investment Limited (formerly known as Hong Kong Health Check and Laboratory Holdings Company Limited) (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 October 1993. The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda, and its principal place of business is situated at Shop 2B & 2C, Level 1, Hilton Plaza Commercial Centre, 3-9 Shatin Centre Street, Shatin, New Territories, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the development, production and sale of silicon based thin-film solar photovoltaic cells and modules; assets investment; and provision of health check and health care related services.

The Company announced on 21 July 2009 that the financial year end date of the Company was changed from 31 March to 31 December commencing from the financial year 2009. Accordingly, the financial statements for the current period cover the nine-month period from 1 April 2009 to 31 December 2009. The corresponding amounts shown for the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes cover the twelve-month period from 1 April 2008 to 31 March 2009 and therefore may not be comparable with the amounts shown for the current period.

Pursuant to the special resolution passed by the shareholders at the special general meeting of the Company held on 20 January 2010, the English name of the Company was changed from "Hong Kong Health Check and Laboratory Holdings Company Limited" to "China Gogreen Assets Investment Limited" and a secondary name "中國保綠資產投資有限公司" was registered for the Company with effect from 26 January 2010.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current period, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendment)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendment)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised in 2007) Presentation of Financial Statements

HKAS 1 (Revised in 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see Note 9).

Improving Disclosures about Financial Instruments

(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements and liquidity risk. The Group has not presented comparative information for the expanded disclosures in relation to fair value measurements in accordance with the transitional provision set out in the amendments.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendment)	Prepayments to a Minimum Funding Requirement[6]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Improving Disclosures about Financial Instruments (Continued)

(Amendments to HKFRS 7 Financial Instruments: Disclosures) (Continued)

[1] Effective for annual periods beginning on or after 1 July 2009

[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

[3] Effective for annual periods beginning on or after 1 January 2010

[4] Effective for annual periods beginning on or after 1 February 2010

[5] Effective for annual periods beginning on or after 1 July 2010

[6] Effective for annual periods beginning on or after 1 January 2011

[7] Effective for annual periods beginning on or after 1 January 2013

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the financial performance and financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in subsidiaries are presented separately from the equity of the owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Acquisition of additional interest in a subsidiary

On acquisition of additional interest in a subsidiary, goodwill is calculated as the difference between the consideration paid for the additional interest and the carrying amount of the net assets of the subsidiary attributable to the additional interest acquired. If the Group's additional interest in the net assets of the subsidiary exceeds the consideration paid for the additional interest, the excess is recognized immediately as income.

On disposal of partial interest in subsidiaries, the difference between the proceeds from the disposal of partial interest in subsidiaries and the carrying amount of the net assets of the subsidiaries disposed of is recognized in the consolidated statement of comprehensive income.

Business combinations

Acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the relevant conditions for recognition under HKFRS 3 Business Combinations are generally recognized at their fair values at the acquisition date.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The minority interest in the acquiree is initially measured at the minority interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalized is included in the determination of the amount of profit or loss on disposal.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the associates, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are provided only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Jointly controlled entities (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entity recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Where a group entity transacts with a jointly controlled entity of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant jointly controlled entity.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

The Group discontinue the use of equity method of accounting from the date that its interests in associates are classified as held for sale in accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are measured at the lower of the interest in associates' previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the course of the ordinary activities, net of discounts and sales related taxes.

Property rental income is recognized on a straight-line basis over the terms of the relevant leases.

Revenue from the provision of health check and health care related services is recognized when services are provided.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition (Continued)

Revenue from the sales of products is recognized on the transfer of risks and rewards of ownership which generally coincide with the time when goods are delivered and title has passed.

Dividend income from investments excluding financial asset at fair value through profit or loss is recognized when the shareholders' rights to receive payment have been established.

Interest income from a financial asset (other than a financial asset at fair value through profit or loss) is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognized as a reduction of rental expense over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing (Continued)

Leasehold land for own use

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land is accounted for as operating leases and amortized over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the exchange rates prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognized in other comprehensive income in the consolidated financial statements and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are recognized directly in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies (Continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to minority interests as appropriate).

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to minority interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognized in the foreign currency translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs (Continued)

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

Share-based payment transactions

Share options granted to employees in an equity-settled share-based payment transaction

The fair value of services received from employees determined by reference to the fair value of shares granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revised its estimates of the number of shares that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognized in profit or loss, with a corresponding adjustment to share options reserve.

For share options that are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the time when the shares are subsequently exercised, the amount previously recognized in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share options reserve will be transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in other comprehensive income or directly in equity, in which case, the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost or fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment other than freehold land and properties under construction are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Leasehold land and buildings

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and released over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under that Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as revaluation increase under that Standard.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out method.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss *(Continued)*

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve until the financial asset is disposed of or determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see accounting policy in respect of impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments, they are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, amounts due from minority interests, pledged bank deposits, bank balances and cash) are measured at amortized cost using the effective interest method, less any impairment (see accounting policy in respect of impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets *(Continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to an impairment loss is recognized directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Effective interest method *(Continued)*

Interest expense is recognized on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest paid on the financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Other financial liabilities

Other financial liabilities (including bank borrowings, trade and other payables, and amounts due to minority interests) are subsequently measured at amortized cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at FVTPL is recognized initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. At the end of the reporting period, the Group measures the financial guarantee contact at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with HKAS 37; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with HKAS 18.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates based on past experiences, expectations of the future and other information. The key sources of estimation uncertainty that may significantly affect the amounts recognized in the consolidated financial statements are disclosed below:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value.

Impairment loss on trade and other receivables

The policy for allowance for bad and doubtful debts of the Group is based on the evaluation of collectability of accounts and on management's estimate. In determining whether impairment is required, the Group takes into consideration the likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognized on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and the carrying value.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consisted of net debt (which includes bank borrowings), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

5. CAPITAL RISK MANAGEMENT *(Continued)*

Net debt-to-equity ratio

The Group reviews the capital structure on a semi-annual basis and considers the cost of capital and the risks associated with each class of capital.

The net debt-to-equity ratio at the end of the reporting period was as follows:

	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Debt (Note (i))	**5,553**	–
Cash and cash equivalents	**(335,702)**	(152,472)
Net debt	**(330,149)**	(152,472)
Equity (Note (ii))	**675,538**	351,496
Net debt-to-equity ratio	**N/A**	N/A

Notes:

(i) Debt comprised bank borrowings as detailed in Note 32.

(ii) Equity includes all capital and reserves attributable to owners of the Group.

6. CATEGORIES OF FINANCIAL INSTRUMENTS

	Notes	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Financial assets			
Loans and receivables:			
– Amounts due from minority interests	26	**1,181**	–
– Trade and other receivables	27	**28,584**	34,625
– Pledged bank deposits	29	**10,000**	10,000
– Bank balances and cash	30	**335,702**	152,472
Available-for-sale financial assets:			
– Available-for-sale investments	25	**–**	23,785
Fair value through profit or loss:			
– Held-for-trading investments	28	**100,650**	35,437
Financial liabilities			
Amortized cost:			
– Amounts due to minority interests	26	**1,450**	–
– Trade and other payables	31	**14,509**	15,364
– Bank borrowings	32	**5,553**	–

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, amounts due from minority interests, pledged bank deposits, bank balances and cash, available-for-sale investments, held-for-trading investments, trade and other payables, bank borrowings and amounts due to minority interests. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's exposure relating to financial instruments or the manner in which it manages and measures the risks.

Market risk

The Group's activities expose it to market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group does not enter any trade derivative financial instruments for speculative purposes.

(i) Foreign currency risk

During the period ended 31 December 2009, the Group mainly operated in Hong Kong and the majority of the Group's transactions and balances as at and for the period ended 31 December 2009 were denominated in Hong Kong dollars. The directors consider that the currency risk is not significant and the Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank deposits and borrowings. It is the Group's policy to keep its borrowings at floating interest rate so as to minimize the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of bank deposit interest rate arising from the Group's variable-rate bank deposits and on the fluctuation of lending rate arising from the Group's Hong Kong dollar denominated borrowings.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk (Continued)

(ii) Interest rate risk (Continued)

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for derivative and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole period. A 50 basis point (for the year ended 31 March 2009: 50 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (for the year ended 31 March 2009: 50 basis point) higher/lower and all other variables were held constant, the Group's profit for the period ended 31 December 2009 would increase/decrease by approximately HK$452,000 (loss for the year ended 31 March 2009: increase/decrease by approximately HK$1,101,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and borrowings (for the year ended 31 March 2009: its variable-rate bank deposits).

(iii) Price risk on listed securities under held-for-trading investments

The Group is exposed to equity price risk mainly through its investments in listed equity instruments quoted in the respective stock exchanges. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks and return portfolio.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk of investments held for trading at the end of the reporting period.

If the prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, the Group's profit for the period ended 31 December 2009 would increase/decrease by approximately HK$5,033,000 (loss for year ended 31 March 2009: increase/decrease by approximately HK$1,772,000) as a result of the changes in fair value of held-for-trading investments.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk

At 31 December 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% (at 31 March 2009: 100%) of the total trade receivables as at 31 December 2009. The Group has no significant concentration of credit risk by customers, with exposure spread over a number of counterparties and customers.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk (Continued)

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
At 31 December 2009						
Non-derivative financial liabilities						
Trade and other payables	14,509	–	–	–	14,509	14,509
Bank borrowings	520	521	1,562	3,862	6,465	5,553
Amounts due to minority interests	1,450	–	–	–	1,450	1,450
	16,479	**521**	**1,562**	**3,862**	**22,424**	**21,512**
At 31 March 2009						
Non-derivative financial liabilities						
Trade and other payables	15,364	–	–	–	15,364	15,364

Fair value of financial instrument

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and cash prices respectively;

- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models e.g. discounted cash flow analysis using observable and/or unobservable inputs; and

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Fair value of financial instrument (Continued)

- for an option-based derivative, the fair value is estimated using either the Binomial model or the Black-Scholes model and fair values of derivative instruments are calculated with reference to the valuation carried out by Greater China Appraisal Limited ("GCAL"), an independent firm of professional valuers not connected with the Group. GCAL possesses appropriate qualifications and recent experiences in the valuation of similar derivative instruments.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at either amortized cost or fair value through profit or loss in the consolidated financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	At 31 December 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets				
Held-for-trading				
listed equity securities	**100,650**	**–**	**–**	**100,650**

8. REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the period/year. An analysis of the Group's revenue for the period/year is as follows:

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Provision of health check and health care related services	**104,360**	106,471
Sales of radioactive isotopes used for medical diagnostic purposes	**1,176**	–
Sales of healthcare and pharmaceutical products	**–**	67
	105,536	106,538

9. SEGMENT INFORMATION

Application of HKFRS 8 Operating Segments

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor standard HKAS 14 Segment Reporting required an entity to identify two sets of segments, business and geographical, using a risks and returns approach. The directors consider that the adoption of HKFRS 8 has not resulted in a redesignation of the reportable segments for the Group compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

9. SEGMENT INFORMATION *(Continued)*

Application of HKFRS 8 Operating Segments (Continued)

Under HKFRS 8, reported segment information is based on internal management reporting information that is regularly reviewed by the directors, being the CODM of the Group. The measurement policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements. The directors assess segment profit or loss using a measure of operating profit whereby certain items, central administration costs, share-based payments, bank interest income and income tax are not included in arriving at the segment results of operating segments.

The Group's operating segments under HKFRS 8 are as follows:

- Health check business segment – Provision of health check and health care related services; and

- Strategic investments segment – Investment in listed and unlisted securities and investment properties.

Information regarding the Group's reportable segments is presented below.

9. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

Revenue and results

	Health check business segment		Strategic investments segment		Consolidated	
	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000	**(Nine months) Period ended 31 December 2009 HK$'000**	(Twelve months) Year ended 31 March 2009 HK$'000	**(Nine months) Period ended 31 December 2009 HK$'000**	(Twelve months) Year ended 31 March 2009 HK$'000
Revenue						
Segment revenue	**105,536**	106,538	**-**	–	**105,536**	106,538
Results						
Segment results	**(37,849)**	(608,741)	**38,947**	(57,248)	**1,098**	(665,989)
Unallocated income	**-**	–	**-**	–	**378**	3,924
Unallocated corporate expenses	**-**	–	**-**	–	**(17,555)**	(24,331)
Gain on deemed disposal of subsidiaries	**-**	–	**-**	–	**11,572**	–
Gain on disposal of subsidiaries	**-**	–	**-**	–	**4,756**	–
Gain on disposal of an associate					**23,836**	
Gain on disposal of an associate classified as held for sale	**-**	–	**-**	–	**54,229**	–
Finance costs	**-**	–	**-**	–	**(71)**	(10,053)
Share of results of a jointly controlled entity	**-**	(203,581)	**-**	–	**-**	(203,581)
Share of results of an associate	**525**	–	**-**	–	**525**	–
Gain on early redemption of convertible bonds issued by the Company	**-**	–	**-**	–	**-**	57,293
Gain on fair value changes of convertible bonds issued by a former listed subsidiary which were classified as financial liabilities designated as at fair value through profit or loss	**-**	–	**-**	–	**-**	253,828
Loss on fair value changes of conversion options embedded in convertible bonds held by the Group	**-**	–	**-**	–	**-**	(13,197)
Loss on fair value changes of early redemption options embedded in convertible bonds issued by the Company	**-**	–	**-**	–	**-**	(14,554)
Profit/(Loss) before tax					**78,768**	(616,660)
Income tax					**146**	2,220
Profit/(Loss) for the period/year					**78,914**	(614,440)

9. SEGMENT INFORMATION *(Continued)*

Segment revenue and results (Continued)

Revenue reported above represents revenue generated from customers. There were no inter-segment sales for the period ended 31 December 2009 (for the year ended 31 March 2009: Nil). Segment results represent the results generated by each segment without allocation of central administration costs, bank interest income and income tax. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

	Health check business segment		Strategic investments segment		Consolidated	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
Consolidated statement of financial position						
Assets						
Segment assets	**265,000**	135,429	**125,796**	35,437	**390,796**	170,866
Unallocated corporate assets					**314,938**	205,508
Consolidated total assets					**705,734**	376,374
Liabilities						
Segment liabilities	**13,149**	8,481	**212**	–	**13,361**	8,481
Unallocated corporate liabilities					**16,835**	16,397
Consolidated total liabilities					**30,196**	24,878

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets other than unallocated corporate assets are allocated to reportable segments. Goodwill is allocated to provision of health check business segment; and
- all liabilities other than unallocated corporate liabilities, bank borrowings, current and deferred tax liabilities are allocated to reportable segments.

9. SEGMENT INFORMATION *(Continued)*

Segment revenue and results (Continued)

Other segment information

	Health check business segment		Strategic investments segment		Consolidated	
	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000	**(Nine months) Period ended 31 December 2009 HK$'000**	(Twelve months) Year ended 31 March 2009 HK$'000	**(Nine months) Period ended 31 December 2009 HK$'000**	(Twelve months) Year ended 31 March 2009 HK$'000
Capital addition (excluding goodwill)	**41,114**	18,495	**24,000**	–	**65,114**	18,495
Addition of goodwill	**65,613**	531,851	**–**	–	**65,613**	531,851
Gain arising on change in fair value of investment property	**–**	–	**1,000**	–	**1,000**	–
Gain/(Loss) arising on change in fair value of held-for-trading investments	**–**	–	**39,941**	(56,612)	**39,941**	(56,612)
Impairment losses on goodwill	**–**	553,972	**–**	–	**–**	553,972
Impairment losses on available-for-sale investments	**5,040**	–	**–**	–	**5,040**	–
Loss on disposal of property, plant and equipment	**10,501**	1,581	**–**	–	**10,501**	1,581
Depreciation of property, plant and equipment	**13,452**	15,989	**–**	–	**13,452**	15,989
Amortization of prepaid lease payments	**501**	–	**–**	–	**501**	–
Equity-settled share-based payments expenses	**11,988**	15,282	**–**	–	**11,988**	15,282

Geographical information

No further geographical information is presented as 100% of the Group's revenue is derived from customers in Hong Kong and over 90% of the Group's assets are located in Hong Kong.

Revenue from major products and services

Analysis of revenue by category is disclosed in Note 8 to the consolidated financial statements.

Information about major customers

No customer contributed 10% or more of total revenue during the period ended 31 December 2009 (for the year ended 31 March 2009: Nil).

10. OTHER INCOME

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Interest income on:		
Debt securities classified as available-for-sale investments	**172**	50
Bank deposits	**156**	2,442
Amount due from a related party	**–**	83
Amount due from a jointly controlled entity	**–**	625
Others	**50**	–
Total interest income	**378**	3,200
Dividend income from listed investments classified as held-for-trading	**–**	670
Income from provision of advertising and public relationship services	**–**	1,238
Rental income from investment property	**273**	–
Sundry income	**2,239**	2,958
	2,890	8,066

11. FINANCE COSTS

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Interest on:		
– Bank borrowings not wholly repayable within five years	**71**	–
– Bank borrowings wholly repayable within five years	**–**	58
– Bank overdrafts	**–**	64
– Convertible bonds issued by the Company	**–**	9,931
	71	10,053

12. INCOME TAX

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Current tax:		
– Hong Kong profits tax	**625**	–
– (Over)/Under provision of current tax in prior years	**(5)**	125
	620	125
Deferred tax (Note 33):		
– Current period/year	**(766)**	(1,230)
– Attributable to a change in tax rate	**–**	(1,115)
	(766)	(2,345)
Tax credit for the period/year	**(146)**	(2,220)

Hong Kong Profits Tax is calculated at 16.5% (for the year ended 31 March 2009: 16.5%) of the estimated assessable profit for the period.

No People's Republic of China (the "PRC") income tax has been provided in respect of the Group's PRC subsidiary since it incurred tax losses for the period (for the year ended 31 March 2009: Nil).

12. INCOME TAX *(Continued)*

The tax credit for the period/year can be reconciled to the profit/(loss) before tax per the consolidated statement of comprehensive income as follows:

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Profit/(Loss) before tax	**78,768**	(616,660)
Tax at the Hong Kong profits tax rate of 16.5%	**12,997**	(101,749)
Tax effect of expenses not deductible for tax purpose	**27,750**	153,001
Tax effect of income not taxable for tax purpose	**(73,652)**	(56,650)
(Over)/Under provision of current tax in prior years	**(5)**	125
Decrease in opening deferred tax liability resulting from a decrease in applicable tax rate	**–**	(1,115)
Tax effect of tax losses not recognized	**32,784**	4,168
Others	**(20)**	–
Tax credit for the period/year	**(146)**	(2,220)

13. PROFIT/(LOSS) FOR THE PERIOD/YEAR

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Profit/(Loss) for the period/year has been arrived at after charging:		
Staff costs:		
– Directors' emoluments (Note 14)	**2,592**	4,567
– Other staff costs	**51,002**	57,893
– Other staff retirement benefits scheme contributions	**1,037**	1,384
– Equity-settled share-based payments expenses	**11,988**	14,941
	66,619	78,785
Auditors' remuneration	**930**	680
Cost of inventories recognized as an expense	**26,418**	36,785
Depreciation of property, plant and equipment	**13,452**	15,989
Amortization of prepaid lease payments	**501**	–
Loss on disposal of property, plant and equipment	**10,501**	1,581
Operating lease rentals in respect of land and buildings	**12,166**	14,828
Total equity-settled share-based payments expenses	**11,988**	15,282

14. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to every director of the Company were as follows:

	Fees HK$'000	Salaries and other benefits HK$'000	Performance bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total emoluments HK$'000
For the period ended 31 December 2009					
Executive directors					
Dr. Fung Yiu Tong, Bennet	–	388	–	9	397
Mr. Lawrence Tang (appointed on 7 December 2009)	–	30	–	–	30
Mr. Cho Kwai Yee, Kevin	–	300	–	9	309
Dr. Cho Kwai Chee (resigned on 22 October 2009)	–	350	–	–	350
Miss Choi Ka Yee, Crystal (resigned on 22 October 2009)	–	350	–	–	350
Mr. Lee Chik Yuet (resigned on 15 October 2009)	–	875	–	7	882
Mr. Siu Kam Chau (retired on 28 August 2009)	–	113	–	5	118
Dr. Hui Ka Wah, Ronnie, *JP* (retired on 28 August 2009)	–	50	–	–	50
Independent non-executive directors					
Mr. Chan Chi Yuen	54	–	–	–	54
Mr. Lo Chun Nga	26	–	–	–	26
Mr. Chik Chi Man	26	–	–	–	26
Total	**106**	**2,456**	**–**	**30**	**2,592**

14. DIRECTORS' EMOLUMENTS *(Continued)*

	Fees HK$'000	Salaries and other benefits HK$'000	Performance bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total emoluments HK$'000
For the year ended 31 March 2009					
Executive directors					
Dr. Fung Yiu Tong, Bennet	–	240	–	12	252
Mr. Lee Chik Yuet	–	2,240	–	12	2,252
Mr. Cho Kwai Yee, Kevin	–	360	–	12	372
Dr. Cho Kwai Chee	–	300	–	–	300
Miss Choi Ka Yee, Crystal	–	600	–	–	600
Mr. Siu Kam Chau	–	248	–	12	260
Dr. Hui Ka Wah, Ronnie, *JP*	200	220	–	3	423
Independent non-executive directors					
Mr. Chan Chi Yuen	60	–	–	–	60
Mr. Lo Chun Nga	24	–	–	–	24
Mr. Chik Chi Man	24	–	–	–	24
Total	308	4,208	–	51	4,567

15. EMPLOYEES' EMOLUMENTS

The emoluments of the five individuals with the highest emoluments in the Group were as follows:

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Salaries and other benefits	**10,363**	12,319
Performance bonus	**3,500**	–
Contributions to retirement benefits scheme	**9**	60
	13,872	12,379

Their emoluments fell within the following bands:

	Number of individuals	
	(Nine months) Period ended 31 December 2009	(Twelve months) Year ended 31 March 2009
Nil – HK$1,000,000	**–**	–
HK$1,000,001 – HK$1,500,000	**–**	–
HK$1,500,001 – HK$2,000,000	**–**	1
HK$2,000,001 – HK$2,500,000	**2**	2
HK$2,500,001 – HK$3,000,000	**1**	–
HK$3,000,001 – HK$3,500,000	**2**	2
	5	5

During the period/year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

16. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit/(loss) attributable to owners of the Company includes a profit of approximately HK$113,204,000 (for the year ended 31 March 2009: a loss of approximately HK$464,882,000) which has been dealt with in the financial statements of the Company.

17. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Earnings/(Loss) for the purpose of basic earnings/(loss) per share		
Profit/(Loss) for the period/year attributable to owners of the Company	**87,074**	(637,879)
Effect of dilutive potential ordinary shares:		
– Interest expenses on convertible bonds issued by the Company	**–**	9,931
– Gain on early redemption of convertible bonds issued by the Company	**–**	(57,293)
– Loss on fair value changes of early redemption options embedded in convertible bonds issued by the Company	**–**	14,554
– Deferred tax effect	**–**	(952)
Adjustment to the share of post-acquisition results of a former listed subsidiary based on dilution of its earnings per share assuming conversion of the convertible bonds issued by a former listed subsidiary, Core Healthcare Investment Holdings Limited	**–**	(161,978)
Earnings/(Loss) for the purpose of diluted earnings/(loss) per share	**87,074**	(833,617)

17. EARNINGS/(LOSS) PER SHARE *(Continued)*

	(Nine months) Period ended 31 December 2009 '000	(Twelve months) Year ended 31 March 2009 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share (as adjusted for the share consolidation which became effective on 6 April 2009 (Note 34(f))	**510,830**	212,607
Effect of dilutive potential ordinary shares:		
– Share options issued by the Company	**–**	–
– Convertible bonds issued by the Company	**–**	20,376
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share (as adjusted for the share consolidation which became effective on 6 April 2009 (Note 34(f))	**510,830**	232,983
Basic earnings/(loss) per share	**HK$0.17**	(HK$3.00)
Diluted earnings/(loss) per share	**HK$0.17**	(HK$3.58)

For the period ended 31 December 2009, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options since the exercise prices of the Company's outstanding share options were higher than the average market price for the period ended 31 December 2009.

For the year ended 31 March 2009, the computation of diluted loss per share did not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold improvements HK$'000	Plant, machinery and equipment HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
COST							
At 1 April 2008	–	28,637	99,713	5,557	1,128	–	135,035
Acquisition of subsidiaries	–	1,309	991	184	–	–	2,484
Additions	–	4,900	9,275	1,060	212	564	16,011
Disposals	–	(1,432)	(1,139)	(182)	(8)	–	(2,761)
At 31 March 2009	–	33,414	108,840	6,619	1,332	564	150,769
Acquisition of subsidiaries	2,258	762	4,864	290	47	329	8,550
Additions	220	936	3,756	443	33	–	5,388
Disposal of subsidiaries	–	(1,310)	(775)	(385)	–	(135)	(2,605)
Disposals	–	(11,813)	(1,305)	(873)	(668)	–	(14,659)
Exchange realignment	–	–	–	–	–	2	2
At 31 December 2009	2,478	21,989	115,380	6,094	744	760	147,445

18. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings HK$'000	Leasehold improvements HK$'000	Plant, machinery and equipment HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
DEPRECIATION AND IMPAIRMENT							
At 1 April 2008	–	2,782	13,387	535	92	–	16,796
Provided for the year	–	3,410	11,725	672	130	52	15,989
Eliminated on disposals	–	(378)	(791)	(3)	(8)	–	(1,180)
At 31 March 2009	–	5,814	24,321	1,204	214	52	31,605
Provided for the period	40	2,714	9,967	555	102	74	13,452
Eliminated on disposals	–	(2,419)	(504)	(348)	(211)	–	(3,482)
Eliminated on disposal of subsidiaries	–	(262)	(202)	(98)	–	(20)	(582)
At 31 December 2009	40	5,847	33,582	1,313	105	106	40,993
CARRYING AMOUNTS							
At 31 December 2009	**2,438**	**16,142**	**81,798**	**4,781**	**639**	**654**	**106,452**
At 31 March 2009	–	27,600	84,519	5,415	1,118	512	119,164

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	:	Over the shorter of the terms of the lease, or 40 years
Leasehold improvements	:	10% to 20%
Plant, machinery and equipment	:	10% to 20%
Office equipment	:	10% to 40%
Furniture and fixtures	:	10% to 40%
Motor vehicles	:	20%

At 31 December 2009, buildings with a carrying amount of approximately HK$1,086,000 have been pledged to secure a mortgage loan granted by a bank to the Group amounting to approximately HK$5,553,000.

19. PREPAID LEASE PAYMENTS

	HK$'000
COST	
At 1 April 2009	–
Acquisition of a subsidiary	12,895
Additions	14,281
At 31 December 2009	27,176
AMORTIZATION	
At 1 April 2009	–
Charged for the period	501
At 31 December 2009	501
CARRYING AMOUNTS	
At 31 December 2009	**26,675**
At 31 March 2009	–

19. PREPAID LEASE PAYMENTS *(Continued)*

	At 31 December 2009 HK$'000
The prepaid lease payments comprise:	
Land in Hong Kong	
Long-term lease	**26,675**
Analyzed for reporting purposes as:	
Current assets (included in trade and other receivables)	624
Non-current assets	26,051
	26,675

At 31 December 2009, prepaid lease payments with a carrying amount of approximately HK$11,263,000 have been pledged to secure a mortgage loan granted by a bank to the Group amounting to approximately HK$5,553,000.

20. INVESTMENT PROPERTY

	HK$'000
FAIR VALUE	
At 1 April 2009	–
Additions	24,000
Gain arising on change in fair value	1,000
At 31 December 2009	**25,000**

The Group's property interest held under operating lease to earn rentals or for capital appreciation purposes are measured using the fair value model and is classified and accounted for as investment property.

The fair value of the Group's investment property at 31 December 2009 was arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuers not connected to the Group. DTZ are members of the Hong Kong Institute of Surveyors, and have appropriate qualifications and recent experiences in the valuation of properties in the relevant locations. The valuation, which conformed to Hong Kong Institute of Surveyors Valuation Standards on Properties, was carried at by reference to market evidence of transaction prices for similar properties.

The carrying amount of investment property shown above comprises:

	At 31 December 2009 HK$'000
Land in Hong Kong	
Medium-term lease	**25,000**

21. GOODWILL

	HK$'000
COST	
At 1 April 2008	22,121
Additions arising from:	
– Acquisition of Core Healthcare Investment Holdings Limited (Note 38(c))	528,800
– Acquisition of Hong Kong Health Management Limited (Note 38(d))	51
– Acquisition of China Natural Pharmaceutical Holdings Company Limited (Note 38(e))	3,000
At 31 March 2009 and 1 April 2009	553,972
Additions arising from:	
– Acquisition of Group Benefit Development Limited (Note 38(a))	27,176
– Acquisition of Health Walk Limited (Note 38(b))	38,437
	65,613
Disposal of Core Healthcare Investment Holdings Limited (Note 39(a))	(531,851)
At 31 December 2009	87,734
IMPAIRMENT	
At 1 April 2008	–
Impairment loss recognized in respect of:	
– Polyray Technology Limited and Polylight Technology Limited	22,121
– Core Healthcare Investment Holdings Limited	528,800
– Hong Kong Health Management Limited	51
– China Natural Pharmaceutical Holdings Company Limited	3,000
	553,972
At 31 March 2009 and 1 April 2009	553,972
Eliminated on disposal of Core Healthcare Investment Holdings Limited	(531,851)
At 31 December 2009	22,121
CARRYING AMOUNTS	
At 31 December 2009	**65,613**
At 31 March 2009	–

21. GOODWILL *(Continued)*

Impairment testing on goodwill

For the purposes of impairment testing, goodwill has been allocated to two cash-generating units ("CGUs") representing the operating activities of Group Benefit Development Limited and its subsidiaries (the "Group Benefit Group") which are the provision of health check and health care related services, and the operating activities of Health Walk Limited and its subsidiaries (the "Health Walk Group") which are the sales of radioactive isotopes used for medical diagnostic purposes.

The recoverable amounts of the CGUs were determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by the management. Cash flows beyond the five-year period are extrapolated using a zero growth rate. The cash flow projections of the Group Benefit Group and the Health Walk Group are discounted at pre-tax discount rates of 11.53% and 16.02% per annum respectively which reflect the specific risks relating to these CGUs.

The key assumptions for the value-in-use calculations are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and management's expectations for the market development. No growth rate has been taken into account in the cash flow projections as the management considers that the growth rate cannot be reliably estimated.

The impairment testing was carried out by management based on the value-in-use calculations and with reference to valuations carried out by an independent professional valuer, BMI Appraisals Limited.

22. INTERESTS IN SUBSIDIARIES

Company	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Unlisted shares at cost, net of provision for impairment losses	93,989	–

Particulars of the Company's subsidiaries at 31 December 2009 are as follows:

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Attributable equity interest held by the Company Indirectly
Hong Kong Health Check and Medical Diagnostic Centre Limited	Hong Kong	Ordinary share HK$1	Provision of health check and related services	–	51% (note (ii))
Prosperity Management Limited	Hong Kong	Ordinary share HK$1	Provision of administrative services	–	51% (note (ii))
Polyray Technology Limited	Hong Kong	Ordinary shares HK$17,000	Provision of health check and related services	–	51% (note (ii))
Polylight Technology Limited	Hong Kong	Ordinary shares HK$3,200,000	Provision of health check and related services	–	51% (note (ii))
Classictime Investments Limited	British Virgin Islands	Ordinary share US$1	Investment holding & securities trading	100%	–

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Attributable equity interest held by the Company Indirectly
International Health Decoding Group Limited	Hong Kong	Ordinary shares HK$915	Provision of health check and related services	–	51% (note (ii))
Hong Kong Health Check and Medical Diagnostic Group Limited	British Virgin Islands	Ordinary shares US$1,000	Investment holding	–	51% (note (ii))
Hong Kong Health Check Centre Limited	Hong Kong	Ordinary share HK$1	Provision of health check and related services	–	51% (note (ii))
Luck Key Investment Limited	British Virgin Islands	Ordinary shares US$10,000	Investment holding	51%	–
Well Goal Management Limited	Hong Kong	Ordinary share HK$1	Holding of trademark	–	51% (note (ii))
Town Health Medical Technology (China) Company Limited	British Virgin Islands	Ordinary shares US$1,000	Not yet commenced business	–	100%
Hong Kong Gastrointestinal Endoscopy Investigation Centre Limited	Hong Kong	Ordinary share HK$1	Not yet commenced business	–	51% (note (ii))

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Attributable equity interest held by the Company Indirectly
Hong Kong Health Check Centre Membership Limited	Hong Kong	Ordinary share HK$1	Provision of health check and related services	–	51% (note (ii))
Team Profit (China) Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	51% (note (ii))
HK Health Check Limited	Hong Kong	Ordinary share HK$1	Not yet commenced business	–	51% (note (ii))
Hong Kong Health Check Prenatal Diagnostic Centre Limited	Hong Kong	Ordinary share HK$1	Not yet commenced business	–	51% (note (ii))
International Health Check and Laboratory Holdings Company Limited	Hong Kong	Ordinary share HK$1	Not yet commenced business	–	51% (note (ii))
China Health Check and Laboratory Holdings Company Limited	Hong Kong	Ordinary share HK$1	Not yet commenced business	–	51% (note (ii))
Joy Surplus International Limited	British Virgin Islands	Ordinary share US$1	Not yet commenced business	–	51% (note (ii))

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company	
				Directly	Indirectly
Speedco Pacific Limited	British Virgin Islands	Ordinary share US$1	Investment holding	–	51% (note (ii))
廣東康健醫院管理有限公司 (transliterated as Guangdong Town Health Hospital Management Co. Ltd.) ("Guangdong Town Health") (Note (i))	PRC	Registered capital RMB50 million	Not yet commenced business	–	51% (note (ii))
Group Benefit Development Limited	Hong Kong	Ordinary shares HK$3,403,333	Investment holding & provision of diagnostic scanning services	–	50.25%
Union Wise Enterprises Limited	Hong Kong	Ordinary shares HK$3,850,001	Provision of diagnostic scanning services	–	31.33%
Champion Projects Limited	Hong Kong	Ordinary shares HK$1,950,000	Provision of diagnostic scanning services	–	25.51%
Good Fortune Technologies Limited	Hong Kong	Ordinary shares HK$2,550,000	Provision of diagnostic scanning services	–	26.60%

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company	
				Directly	Indirectly
New Union Holdings Limited	Hong Kong	Ordinary shares HK$2	Provision of diagnostic scanning services	–	50.25%
Allied Rich Development Limited	Hong Kong	Ordinary shares HK$6	Property investment	–	50.25%
Health Walk Limited	British Virgin Islands	Ordinary shares US$100	Investment holding	–	51%
First Oriental Medical Technology Group Limited	British Virgin Islands	Ordinary shares US$1,100	Investment holding	–	51%
First Oriental Medical Technology Limited	Hong Kong	Ordinary shares HK$1,000,000	Investment holding	–	51%
First Oriental Cyclotron Limited	Hong Kong	Ordinary shares HK$10,000	Production of radioactive isotopes for medical uses	–	47.94%
Plenty Cash Investment Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company	
				Directly	Indirectly
Funa Assets Limited	British Virgin Islands	Ordinary share US$1	Property investment	–	100%
Dragon Oriental Investment Limited	British Virgin Islands	Ordinary share US$1	Property investment	–	100%
Island Kingdom Company Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–
Business Hunter Company Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–
China Gogreen Assets Investment Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%
China Gogreen Energy Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%

Notes:

(i) Guangdong Town Health is a limited liability company established in the PRC with an initial operational term of 30 years from 15 January 2008 to 15 January 2038.

(ii) The attributable equity interests of these subsidiaries directly or indirectly held by the Company were 100% at 31 March 2009.

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Amounts due to and due from subsidiaries

The amounts due to and due from subsidiaries as shown on the Company's statement of financial position are unsecured, interest-free and repayable on demand.

At 31 March 2009, a provision for impairment against the amounts due from subsidiaries of approximately HK$120,000,000 was recognized as the recoverable amounts of the amounts due from subsidiaries with reference to the net asset value of the respective subsidiaries were estimated to be less than their carrying amounts. Accordingly, the carrying amounts of the related amounts due from subsidiaries were reduced to their recoverable amounts.

23. INTEREST IN AN ASSOCIATE

	At 31 December 2009 HK$'000
Addition through acquisition of subsidiaries (Note 38(a)):	
Investment in an unlisted associate	1,049
Share of post acquisition profits and other comprehensive income, net of dividends received	5
	1,054

At 31 December 2009, the Group had interests in the following associate:

Name of entity	Form of entity	Place of incorporation	Particulars of issued share capital	Attributable equity interest held by Group Benefit	Principal activities
First Oriental Nuclear Medicine Limited	Incorporated	Hong Kong	Ordinary shares, HK$200	26%	Provision of PET scanning services

23. INTEREST IN AN ASSOCIATE *(Continued)*

The summarized financial information in respect of the Group's associate is set out below:

	At 31 December 2009 HK$'000
Total assets	6,463
Total liabilities	2,409
Net assets	4,054
Group's share of net assets of associate	1,054
Revenue	10,184
Profit for the period	2,820
Group's share of profits of associate for the period	**525**
Group's share of other comprehensive income of associate	**–**

24. INTEREST IN A JOINTLY CONTROLLED ENTITY

	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Cost of unlisted investment in a jointly controlled entity	**–**	–
Share of post acquisition profits and other comprehensive income	**–**	–
	–	–

As at 31 December 2009, the Group had interests in the following jointly controlled entity:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activity
Precious Success Group Limited	Incorporated	British Virgin Islands	Hong Kong	Ordinary	50%	50%	Investment holding

24. INTEREST IN A JOINTLY CONTROLLED ENTITY *(Continued)*

The summarized financial information in respect of the Group's jointly controlled entity (which is accounted for using the equity method) is set out below:

	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Current assets	**–**	–
Non-current assets	**–**	–
Current liabilities	**–**	–
Non-current liabilities	**–**	–
Net assets	**–**	–
Group's share of net assets of jointly controlled entity	**–**	–
Income	**–**	18,990
Expenses (Note (i))	**–**	(426,151)
Loss for the period/year	**–**	(407,161)
Group's share of results of the jointly controlled entity for the period/year	**–**	(203,581)

Note:

(i) Included in the expenses of the jointly controlled entity for the period ended 31 March 2009 was a loss of approximately HK$33,007,000 representing the loss on redemption of the debt element of unlisted convertible bonds issued by a former listed subsidiary, Core Healthcare Investment Holdings Limited ("Core Healthcare") (the "CHI CB") and a loss of approximately HK$393,139,000 representing the loss on fair value changes of the conversion option embedded in the CHI CB between 1 April 2008 and 30 March 2009, being the date of redemption of the CHI CB by Core Healthcare.

25. AVAILABLE-FOR-SALE INVESTMENTS

	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Unlisted equity securities (Notes (a) and (b))	**–**	23,785

Notes:

(a) At 31 December 2009, the unlisted equity securities represent (i) the Group's investment in approximately 10% equity interest in Kam Hope Limited, a private limited liability company incorporated in Hong Kong which is principally engaged in the provision of PET scanning services, at a cost of HK$1; and (ii) the Group's investment in approximately 19.35% equity interest in Vida Laboratories Limited, a private limited liability company incorporated in Hong Kong which is principally engaged in the provision of manufacturing, trading and packaging of pharmaceutical products at a cost of HK$5,040,000. The above investments are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. At 31 December 2009, a provision for impairment against the Group's investment in Vida Laboratories Limited of approximately HK$5,040,000 was recognized in profit or loss in view of the net liability position of this investee company.

(b) At 31 March 2009, the unlisted equity securities represented the Group's investment in approximately 48.87% equity interest in Group Benefit Development Limited ("Group Benefit"), a private limited liability company incorporated in Hong Kong which is principally engaged in the provision of medical diagnostic scanning and laboratory services in Hong Kong. This equity interest was not classified as an associate as the Group did not have significant influence over Group Benefit at 31 March 2009. The Group did not have representation on the board of directors and did not participate in the policy-making processes of Group Benefit at 31 March 2009.

During the period ended 31 December 2009, the Group acquired additional 49.66% equity interest in Group Benefit in June 2009 and Group Benefit became a subsidiary of the Group thereafter (Note 38(a)).

26. AMOUNTS DUE FROM/(TO) MINORITY INTERESTS

The amounts due are unsecured, interest-free and repayable on demand.

27. TRADE AND OTHER RECEIVABLES

	Group		Company	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
Trade receivables	**14,559**	8,504	**–**	–
Other receivables	**17,116**	26,121	**133**	808
Total trade and other receivables	**31,675**	34,625	**133**	808

Notes:

(i) Most of the customers of the medical check centers settle in cash. The Group allows an average credit period of 30 to 90 days to its trade customers.

The following is an aged analysis of trade receivables at the end of the reporting period:

	Group		Company	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
0-60 days	**11,373**	6,205	**–**	–
61-90 days	**1,407**	752	**–**	–
Over 90 days	**1,779**	1,547	**–**	–
	14,559	8,504	**–**	–

27. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(ii) Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK$1,779,000 which are past due at 31 December 2009 (at 31 March 2009: HK$1,547,000) which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 114 days (at 31 March 2009: 132 days). These receivables relate to a wide range of customers for whom there is no recent history of default.

(iii) The Group's trade and other receivables at 31 December 2009 included an amount of approximately HK$2,824,000 (at 31 March 2009: HK$1,312,000) that is denominated in Renminbi.

28. HELD-FOR-TRADING INVESTMENTS

	Group		**Company**	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
FAIR VALUE				
Unlisted investment funds	**–**	7,040	**–**	–
Listed equity securities in Hong Kong	**100,650**	28,397	**93,682**	26,277
	100,650	35,437	**93,682**	26,277

The fair values of the listed equity securities held for trading were determined based on the quoted market bid prices available on the Stock Exchange.

29. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to banks to secure banking facilities granted to the Group. The deposits have been pledged to secure short-term bank borrowings and are therefore classified as current assets.

The deposits carry interest rate at 0.3% (at 31 March 2009: 1%) per annum. The pledged bank deposits will be released upon the settlement of relevant borrowings.

30. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 0.01% to 1.35% (at 31 March 2009: 0.1% to 2.42%) per annum and have original maturity of three months or less.

Bank balances and cash of the Group include an amount of approximately RMB1,373,000 (equivalent to HK$1,561,000) (at 31 March 2009: RMB2,426,000 (equivalent to HK$2,746,000)) that is denominated in Renminbi and an aggregate amount of approximately HK$47,194,000 (at 31 March 2009: HK$11,795,000) that is kept in Mainland China. The conversion of these Renminbi denominated balances into foreign currencies and the remittance of these funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

31. TRADE AND OTHER PAYABLES

	Group		**Company**	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
Trade payables	**3,646**	3,335	**–**	–
Other payables	**10,863**	12,029	**2,633**	5,205
	14,509	15,364	**2,633**	5,205

31. TRADE AND OTHER PAYABLES *(Continued)*

The following is an aged analysis of trade payables at the end of the reporting period:

	Group		Company	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
0-60 days	**3,394**	3,191	**–**	–
61-90 days	**15**	8	**–**	–
Over 90 days	**237**	136	**–**	–
	3,646	3,335	**–**	–

32. BANK BORROWINGS

	Group		Company	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
Bank loan, secured	**5,553**	–	**–**	–
Carrying amount repayable:				
On demand or within one year	**386**	–	**–**	–
More than one year, but not exceeding two years	**396**	–	**–**	–
More than two years, but not more than five years	**1,249**	–	**–**	–
More than five years	**3,522**	–	**–**	–
	5,553	–	**–**	–
Less: Amounts due within one year shown under current liabilities	**(386)**	–	**–**	–
	5,167	–	**–**	–

At 31 December 2009, the bank loan is secured by a mortgage over the Group's buildings with a carrying amount of approximately HK$1,086,000 (Note 18) and prepaid lease payments with a carrying amount of approximately HK$11,263,000 (Note 19) and bears interest at 2.50% below the lender's Hong Kong dollars best lending rate per annum. The weighted average effective interest rate on the bank loan is 2.50% per annum.

33. DEFERRED TAXATION

The following are the major deferred tax balances recognized and movements thereon during the current period and prior year:

Deferred tax liabilities

Group	Accelerated tax depreciation HK$'000	Convertible bonds HK$'000	Total HK$'000
At 1 April 2008	11,521	9,142	20,663
Credit to profit or loss	(295)	(952)	(1,247)
Eliminated on redemption of convertible bonds	–	(7,668)	(7,668)
Effect of change in tax rate	(658)	(522)	(1,180)
At 31 March 2009	10,568	–	10,568
Credit to profit or loss	(1,294)	–	(1,294)
At 31 December 2009	**9,274**	**–**	**9,274**

Deferred tax assets

Group	Tax losses HK$'000
At 1 April 2008	1,136
Charge to profit or loss	(17)
Effect of change in tax rate	(65)
At 31 March 2009	1,054
Acquisition of subsidiaries	189
Charge to profit or loss	(653)
At 31 December 2009	**590**

33. DEFERRED TAXATION *(Continued)*

For the purpose of statement of financial position presentation, the deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Group	**At 31 December 2009 HK$'000**	At 31 March 2009 HK$'000
Deferred tax assets	**590**	1,054
Deferred tax liabilities	**(9,274)**	(10,568)
	(8,684)	(9,514)

At 31 December 2009, the Group has unused tax losses of approximately HK$198,691,000 (at 31 March 2009: HK$303,114,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

Deferred tax liabilities

Company	**Convertible bonds** HK$'000
At 1 April 2008	9,142
Credit to profit or loss	(952)
Eliminated on redemption of convertible bonds	(7,668)
Attributable to a change in tax rate	(522)
At 31 March 2009 and 31 December 2009	**–**

33. DEFERRED TAXATION *(Continued)*

At 31 December 2009, the Company has unused tax losses of approximately HK$315,537,000 (at 31 March 2009: HK$77,069,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

34. SHARE CAPITAL

Authorized: **Ordinary shares of HK$0.01 each**	**Number of shares**	**Total value** HK$'000
At 1 April 2008, 31 March 2009 and 31 December 2009	**30,000,000,000**	**300,000**

Issued and fully paid: **Ordinary shares of HK$0.01 each**	**Number of shares**	**Total value** HK$'000
At 1 April 2008	4,559,616,346	45,596
Issue of shares upon exercise of share options (Notes (a) and (b))	1,745,000,000	17,450
Issue of shares under a securities exchange offer (Note (c))	8,482,507,980	84,825
Issue of shares by way of placements (Note (d))	2,600,000,000	26,000
Repurchase of shares (Note (e))	(430,000,000)	(4,300)
At 31 March 2009	16,957,124,326	169,571
Capital Reorganization (Note (f))	(16,617,981,840)	(166,180)
Issue of shares upon exercise of share options (Note (g))	30,510,000	305
Issue of shares by way of placements (Notes (h), (i) and (j))	439,900,000	4,399
At 31 December 2009	**809,552,486**	**8,095**

34. SHARE CAPITAL *(Continued)*

Notes:

The movements of the ordinary share capital for the year ended 31 March 2009 were as follows:

(a) In April and May 2008, 440,000,000 share options were exercised, resulting in the issue of 440,000,000 ordinary shares of HK$0.01 each in the capital of the Company at the exercise price of HK$0.115 per share.

(b) In January 2009, 1,305,000,000 share options were exercised, resulting in the issue of 1,305,000,000 ordinary shares of HK$0.01 each in the capital of the Company at the exercise price of HK$0.013 per share.

(c) On 9 September 2008, the Company issued 8,482,507,980 ordinary shares of HK$0.01 each in the capital of the Company at the closing market price of HK$0.051 per share under a securities exchange offer launched by the Group for the shares of Core Healthcare.

(d) On 12 December 2008, the Company placed, through the placing agent, 2,600,000,000 ordinary shares of HK$0.01 each in the capital of the Company to independent investors at a price of HK$0.011 per share.

(e) During the year ended 31 March 2009, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares of HK$0.01 each	Price per share Highest price paid HK$	Price per share Lowest price paid HK$	Aggregate consideration paid HK$'000
September 2008	110,000,000	0.053	0.045	5,590
October 2008	320,000,000	0.039	0.024	9,730
	430,000,000			15,320

The above shares were cancelled upon repurchase.

34. SHARE CAPITAL *(Continued)*

Notes: *(Continued)*

The movements of the ordinary share capital for the period ended 31 December 2009 were as follows:

(f) Capital reorganization

On 3 March 2009, the Company proposed to put forward for approval by the shareholders of the Company a capital reorganization (the "Capital Reorganization") which involved the following:

(i) consolidation (the "Share Consolidation") of every 50 existing ordinary shares of HK$0.01 each in the capital of the Company into 1 consolidated share of HK$0.50 each (the "Consolidated Share");

(ii) reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK$0.49 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share would be reduced from HK$0.50 to HK$0.01;

(iii) cancellation of the entire amount standing to the credit of the share premium account of the Company;

(iv) the credit arising in the books of the Company from (a) the reduction of the paid-up capital as aforesaid and (b) the cancellation of the share premium account of the Company would be credited to the contributed surplus account of the Company, and an amount equivalent to the amount of the accumulated losses standing to the credit of the contributed surplus account would be applied towards the elimination of such accumulated losses; and

(v) sub-division of each of the authorized but unissued Consolidated Shares of HK$0.50 each into 50 adjusted shares of HK$0.01 each.

The special resolution approving the Capital Reorganization was duly passed by the shareholders of the Company at the special general meeting held on 3 April 2009 and the Capital Reorganization became effective on 6 April 2009.

(g) In August 2009, 30,510,000 share options were exercised, resulting in the issue of 30,510,000 ordinary shares of HK$0.01 each in the capital of the Company at the exercise price of HK$0.63 per share.

(h) In September 2009, the Company placed, through the placing agents, 232,500,000 ordinary shares of HK$0.01 each in the capital of the Company to independent investors at a price of HK$0.40 per share.

34. SHARE CAPITAL *(Continued)*

Notes: *(Continued)*

(i) In September 2009, the Company placed, through the placing agents, 134,400,000 ordinary shares of HK$0.01 each in the capital of the Company to independent investors at a price of HK$0.50 per share.

(j) In December 2009, the Company placed, through the placing agent, 73,000,000 ordinary shares of HK$0.01 each in the capital of the Company to independent investors at a price of HK$0.40 per share.

All the shares issued during the period/year rank *pari passu* with the then existing ordinary shares in all respects.

35. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to an ordinary resolution passed by the Company's shareholders at the special general meeting of the Company held on 17 November 2003.

The maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in this limit being exceeded.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on 17 November 2003 unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The Share Option Scheme will remain in force for a period of 10 years commencing from 17 November 2003. Options complying with the provisions of the Listing Rules which are granted during the duration of the Share Option Scheme and remain unexercised immediately prior to the end of the 10-year period shall continue to be exercisable in accordance with their terms of grant within the option period for which such options are granted, notwithstanding the expiry of the Share Option Scheme.

35. SHARE OPTION SCHEME *(Continued)*

The subscription price for shares under the Share Option Scheme shall be a price determined by the board of directors of the Company (the "Board"), but shall not be lower than the highest of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date on which the Board approves the making of the offer for the grant of options (the "Date of Grant"), which must be a trading day; (ii) the average closing price of shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of a share.

The following table discloses the details of the Company's share options held by employees and consultants of the Company and the movements in such holdings:

At 31 December 2009

		Number of options					
Grant date	Exercise price (After the Capital Reorganization (Note 34(f))) HK$	Outstanding at 31 March 2009	Share Consolidation (Note 34(f))	Issued during the period ended 31 December 2009	Exercised during the period ended 31 December 2009	Lapsed during the period ended 31 December 2009	Outstanding at 31 December 2009
Employees							
9 October 2007	9.900	284,900,000	(279,202,000)	–	–	–	5,698,000
18 April 2008	5.750	15,000,000	(14,700,000)	–	–	–	300,000
23 July 2009	0.630	–	–	33,900,000	(30,510,000)	–	3,390,000
30 December 2009	0.640	–	–	36,900,000	–	–	36,900,000
Total		**299,900,000**	**(293,902,000)**	**70,800,000**	**(30,510,000)**	**–**	**46,288,000**

35. SHARE OPTION SCHEME *(Continued)*

At 31 March 2009

		Number of share options			
Grant date	Exercise price HK$	Outstanding at 1 April 2008	Issued during the year ended 31 March 2009	Exercised during the year ended 31 March 2009	Outstanding at 31 March 2009
Employees					
9 October 2007	0.198	284,900,000	–	–	284,900,000
18 April 2008	0.115	–	455,000,000	(440,000,000)	15,000,000
5 January 2009	0.013	–	1,305,000,000	(1,305,000,000)	–
Total		284,900,000	1,760,000,000	(1,745,000,000)	299,900,000

During the period ended 31 December 2009, 30,510,000 (for the year ended 31 March 2009: 1,745,000,000) share options exercised resulted in the issue of 30,510,000 (for the year ended 31 March 2009: 1,745,000,000) ordinary shares of the Company and new share capital of HK$305,100 (for the year ended 31 March 2009: HK$17,450,000) and share premium of approximately HK$21,811,000 (for the year ended 31 March 2009: HK$64,649,000). The related weighted average share price at the time of exercise was HK$0.62 per share (for the year ended 31 March 2009: HK$0.04 per share).

At 31 December 2009, the Company had 46,288,000 (at 31 March 2009: 299,900,000) share options outstanding for the share options granted under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 46,288,000 (at 31 March 2009: 299,900,000) additional shares of HK$0.01 each in the capital of the Company and additional share capital of HK$462,880 (at 31 March 2009: HK$2,999,000) and share premium of HK$83,424,000 (at 31 March 2009: HK$53,561,000).

36. SHARE-BASED PAYMENTS

Agent Option

On 16 January 2007, Hong Kong Health Check and Medical Diagnostic Centre Limited, a wholly-owned subsidiary of the Company, entered into a service agreement (the "Service Agreement") with China Health Care Travel Service Limited (the "Agent"), pursuant to which the Agent was appointed for the promotion of, and referral of customers for the health check business of the Group. In return, the Agent was entitled to an administration fee based on the turnover derived by the Group from the Agent's referred customers. As part of the incentive for the Agent to render the services contemplated under the Service Agreement and for a nominal consideration of HK$1.00, the Company granted the Agent an option (the "Agent Option") to subscribe for 40,000,000 shares of HK$0.01 each in the capital of the Company at an exercise price of HK$0.13 per share (subject to adjustments), which was exercisable at any time during the period of one year commencing from the date of issue of the certificate of the Agent Option. The grant of the Agent Option was conditional upon the fulfillment of certain conditions within two years from the date of the Service Agreement, including, inter alia, the accumulated turnover derived by the Group from the referred customers for the two years from the date of the Service Agreement reaching HK$15,000,000 or above.

The total fair value of the Agent Option was determined by the directors to be approximately HK$862,000 with reference to a valuation performed by an independent firm of professional valuers using the Black-Scholes option pricing model. The inputs to the model included grant date share price of HK$0.11, exercise price of HK$0.13 per share, expected volatility of 39.61%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 3.71%. The expected volatility was determined by using the historical volatility of the Company's share price over the previous one year.

For the year ended 31 March 2009, the Group recognized equity-settled share-based payment expense of approximately HK$341,000 in respect of the Agent Option. The Service Agreement was terminated during the year ended 31 March 2009.

Employee share options

Detail of the Share Option Scheme is disclosed in Note 35.

The fair value of 455,000,000 share options granted under the Share Option Scheme on 18 April 2008 was determined by the directors to be approximately HK$12,331,000 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.115, exercise price of HK$0.115 per share, expected volatility of 134.58%, expected option life of 10 years, no expected dividend and estimated risk-free interest rate of 2.626%.

36. SHARE-BASED PAYMENTS *(Continued)*

Employee share options (Continued)

The fair value of 1,305,000,000 share options granted under the Share Option Scheme on 5 January 2009 was determined by the directors to be approximately HK$2,610,000 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.013, exercise price of HK$0.013 per share, expected volatility of 86.89%, expected option life of 1 year, no expected dividend and estimated risk-free interest rate of 0.37%.

The fair value of 33,900,000 share options granted under the Share Option Scheme on 23 July 2009 was determined by the directors to be approximately HK$3,217,110 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.60, exercise price of HK$0.63 per share, expected volatility of 107.532%, expected option life of 1 year, no expected dividend and estimated risk-free interest rate of 0.110%.

The fair value of 36,900,000 share options granted under the Share Option Scheme on 30 December 2009 was determined by the directors to be approximately HK$8,771,130 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.64, exercise price of HK$0.64 per share, expected volatility of 92.665%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 0.561%.

The expected volatilities of the share prices were estimated by the best available average annualized standard deviations of the continuously compounded rates of return on the Company's share prices since the date of business transformation of the Group.

For the period ended 31 December 2009, the Group recognized equity-settled share-based payments expenses in aggregate of approximately HK$11,988,000 (for the year ended 31 March 2009: HK$14,941,000) in respect of the Share Option Scheme.

37. RESERVES

Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Convertible bonds equity reserve HK$'000	Share-based payments reserve HK$'000	Accumulated losses HK$'000	Total reserves HK$'000
At 1 April 2008	395,852	861	29,390	115,739	11,290	(197,060)	356,072
Recognition of equity-settled share-based payments	–	–	–	–	15,282	–	15,282
Early redemption of convertible bonds	–	–	–	(126,633)	–	835	(125,798)
Deferred tax	–	–	–	10,894	–	–	10,894
Issue of new shares by way of placements	2,600	–	–	–	–	–	2,600
Issue of new shares under a securities exchange offer	347,783	–	–	–	–	–	347,783
Transaction costs attributable to issue of new shares	(8,793)	–	–	–	–	–	(8,793)
Repurchase of shares	(11,020)	–	–	–	–	–	(11,020)
Issue of shares upon exercise of share options	64,649	–	–	–	(14,534)	–	50,115
Loss for the year and total comprehensive loss for the year	–	–	–	–	–	(464,882)	(464,882)
At 31 March 2009	791,071	861	29,390	–	12,038	(661,107)	172,253

37. RESERVES *(Continued)*

Company (Continued)

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Convertible bonds equity reserve HK$'000	Share-based payments reserve HK$'000	Retained earnings/ (accumulated losses) HK$'000	Total reserves HK$'000
At 1 April 2009	791,071	861	29,390	–	12,038	(661,107)	172,253
Effects of the Capital Reorganization (Note 34(f))	(777,327)	–	282,400	–	–	661,107	166,180
Recognition of equity-settled share-based payments	–	–	–	–	11,988	–	11,988
Issue of new shares by way of placements	185,001	–	–	–	–	–	185,001
Transaction costs attributable to issue of new shares	(5,084)	–	–	–	–	–	(5,084)
Issue of shares upon exercise of share options	21,811	–	–	–	(2,895)	–	18,916
Profit for the period and total comprehensive income for the period	–	–	–	–	–	113,204	113,204
At 31 December 2009	**215,472**	**861**	**311,790**	**–**	**21,131**	**113,204**	**662,458**

38. ACQUISITION OF SUBSIDIARIES

For the period ended 31 December 2009

(a) *Acquisition of Group Benefit Development Limited*

In June 2009, the Group acquired additional 49.66% equity interest in Group Benefit Development Limited at a cash consideration of approximately HK$31,105,000.

The net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets acquired:	
Property, plant and equipment	6,281
Prepaid lease payments	12,895
Interest in an associate	1,049
Deferred tax assets	189
Inventories	153
Trade and other receivables	4,762
Amounts due from minority interests	1,181
Tax recoverable	456
Bank balances and cash	13,420
Trade and other payables	(2,409)
Amounts due to minority interests	(1,450)
Tax liabilities	(38)
Bank borrowings	(5,743)
	30,746
Minority interests	(3,032)
	27,714
Goodwill (Note 21)	27,176
	54,890

38. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the period ended 31 December 2009 (Continued)

(a) Acquisition of Group Benefit Development Limited (Continued)

	Acquirees' carrying amount before combination and fair value HK$'000
Transferred from available-for-sale investments	23,785
Cash consideration paid	31,105
	54,890
Net cash outflow arising on acquisition:	
Cash consideration paid	(31,105)
Bank balances and cash acquired	13,420
	(17,685)

Group Benefit Development Limited contributed a profit of approximately HK$3,400,000 to the Group's profit for the period between the date of acquisition and 31 December 2009.

If the acquisition had been completed on 1 April 2009, total Group's revenue for the period ended 31 December 2009 would have been approximately HK$112,293,000, and profit for the period ended 31 December 2009 would have been approximately HK$79,775,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, nor is it intended to be a projection of future results.

38. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the period ended 31 December 2009 (Continued)

(b) Acquisition of Health Walk Limited

In December 2009, Luck Key Investment Limited (a wholly-owned subsidiary of the Company before the completion of the acquisition) acquired the entire issued share capital of Health Walk Limited in consideration of the transfer of 49% equity interest in Luck Key Investment Limited to the vendor.

The net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets acquired:	
Property, plant and equipment	2,269
Inventories	281
Trade and other receivables	3,390
Bank balances and cash	8,268
Trade and other payables	(661)
Amounts due to minority interests	(44)
Tax liabilities	(2,262)
	11,241
Minority interests	(626)
	10,615
Goodwill (Note 21)	38,437
Consideration satisfied by the transfer of 49% equity interest in Luck Key Investment Limited to the vendor	49,052
Net cash inflow arising on acquisition:	
Bank balances and cash acquired	8,268

38. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the period ended 31 December 2009 (Continued)

(b) Acquisition of Health Walk Limited (Continued)

Health Walk Limited contributed a loss of approximately HK$379,000 to the Group's profit for the period between the date of acquisition and 31 December 2009.

If the acquisition had been completed on 1 April 2009, total Group's revenue for the period ended 31 December 2009 would have been approximately HK$122,826,000, and profit for the period ended 31 December 2009 would have been approximately HK$82,960,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, nor is it intended to be a projection of future results.

For the year ended 31 March 2009

(c) Acquisition of Core Healthcare Investment Holdings Limited

During the year ended 31 March 2009, the Group launched a securities exchange offer for the shares of Core Healthcare Investment Holdings Limited ("Core Healthcare"). The transaction involved the issue by the Company of 8,482,507,980 ordinary shares of HK$0.01 each in the capital of the Company at the closing market price of HK$0.051 per share in exchange for 5,937,755,591 issued ordinary shares of Core Healthcare, immediately followed by the placing down of 1,500,000,000 ordinary shares of Core Healthcare at a price of HK$0.113 per share to independent investors for gross proceeds of approximately HK$169,500,000. The net gain arising from the acquisition and placing down of the same parcel of 1,500,000,000 ordinary shares of Core Healthcare was accounted for as gain on fair value changes on held-for-trading investments in the consolidated statement of comprehensive income of the Group for the year ended 31 March 2009. Upon completion of the transaction, the Group has effectively acquired 4,437,755,591 issued ordinary shares of Core Healthcare, representing 60.12% of the issued share capital of Core Healthcare.

38. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 March 2009 (Continued)

(c) *Acquisition of Core Healthcare Investment Holdings Limited (Continued)*

The net liabilities assumed in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net liabilities assumed:	
Property, plant and equipment	2,361
Inventories	49
Trade and other receivables	23,757
Held-for-trading investments	13,309
Bank balances and cash	181,694
Trade and other payables	(1,435)
Tax liabilities	(1,541)
Convertible bonds classified as financial liabilities designated as at fair value through profit or loss	(423,672)
	(205,478)
Goodwill (Note 21)	528,800
Consideration satisfied by the issue of 6,339,650,840 ordinary shares of HK$0.01 each in the capital of the Company at the closing market price of HK$0.051 per share on 9 September 2008	323,322
Net cash inflow arising on acquisition:	
Bank balances and cash acquired	181,694

38. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 March 2009 (Continued)

(d) Acquisition of Hong Kong Health Management Limited

On 13 October 2008, the Group acquired the entire issued share capital of Hong Kong Health Management Limited at a cash consideration of approximately HK$675,000.

The net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets acquired:	
Property, plant and equipment	123
Other receivables	497
Bank balances and cash	150
Trade and other payables	(146)
	624
Goodwill (Note 21)	51
Total consideration satisfied by cash	675
Net cash outflow arising on acquisition:	
Cash consideration paid	(675)
Bank balances and cash acquired	150
	(525)

38. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 March 2009 (Continued)

(e) *Acquisition of China Natural Pharmaceutical Holdings Company Limited*

On 10 February 2009, the Group acquired the entire issued share capital of China Natural Pharmaceutical Holdings Company Limited at a cash consideration of approximately HK$3,000,000.

The net assets/liabilities assumed in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets/liabilities assumed:	
Goodwill (Note 21)	3,000
Total consideration satisfied by cash	3,000
Net cash outflow arising on acquisition:	
Cash consideration paid	(3,000)

(f) *Acquisition of remaining equity interest in International Health Decoding Group Limited*

International Health Decoding Group Limited was a 81.96% owned subsidiary of the Group at 31 March 2008. On 4 July 2008, the Group further acquired the remaining 18.04% equity interest from minority shareholders at a cash consideration of HK$365,000. Immediately after the acquisition, International Health Decoding Group Limited became a wholly-owned subsidiary of the Group. As the consideration paid for the acquisition was equal to 18.04% of the net assets of International Health Decoding Group Limited, there were no goodwill and profit or loss arising from the acquisition.

39. DISPOSAL OF SUBSIDIARIES

(a) *Deemed disposal and disposal of Core Healthcare Investment Holdings Limited*

On 13 May 2009, a former listed subsidiary of the Group, Core Healthcare, placed 1,200,000,000 new ordinary shares of HK$0.001 each in the capital of Core Healthcare to independent investors at a price of HK$0.025 per share. Upon completion of the placing of the aforesaid new shares, the Group's equity interest in Core Healthcare was diluted from approximately 60.12% to 51.71%, resulting in a gain on deemed disposal of subsidiaries of approximately HK$11,572,000.

Between 14 and 18 May 2009, the Group disposed of a total of 180,000,000 shares of Core Healthcare on the market at aggregate cash consideration of approximately HK$5,760,000. Immediately following such disposal, the Group's equity interest in Core Healthcare was reduced from approximately 51.71% to 49.61%. Accordingly, Core Healthcare ceased to be a subsidiary of the Company at 18 May 2009 and became an associate of the Group thereafter. Core Healthcare did not contribute significantly to the Group's operating results for the period ended 31 December 2009.

The consolidated net assets of Core Healthcare at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	2,023
Trade and other receivables	15,552
Held-for-trading investments	11,650
Bank balances and cash	56,659
Trade and other payables	(1,740)
	84,144
Minority interests	(40,632)
	43,512
Gain on disposal of a subsidiary	3,993
Transferred to interest in an associate	(41,745)
Cash consideration	5,760
Net cash outflow arising on disposal:	
Cash consideration	5,760
Bank balances and cash disposed of	(56,659)
	(50,899)

39. DISPOSAL OF SUBSIDIARIES *(Continued)*

(a) *Deemed disposal and disposal of Core Healthcare Investment Holdings Limited (Continued)*

Between 19 and 27 May 2009, the Group further disposed of 1,137,780,000 shares of Core Healthcare on the market at aggregate cash consideration of approximately HK$34,985,000. Immediately following such disposal, the Group's equity interest in Core Healthcare was reduced from approximately 49.61% to 36.36% at 27 May 2009, resulting in a gain on disposal of an associate of approximately HK$23,836,000.

As the special general meeting held on 30 June 2009, the resolution approving the proposal to dispose of the Group's entire equity interest in Core Healthcare was passed by the shareholders and accordingly the Group's investment in Core Healthcare was reclassified as an associate classified as held for sale. In June and July 2009, the Group further disposed of its entire remaining equity interest in Core Healthcare, representing 3,119,975,591 shares of Core Healthcare, on the market at aggregate cash consideration of approximately HK$84,825,000, resulting in a gain on disposal of an associate classified as held for sale of approximately HK$54,229,000.

(b) *Disposal of Fair Jade*

In June 2009, the Group disposed of its entire equity interest in Fair Jade Limited at a cash consideration of approximately HK$26,368,000. The consolidated net assets of Fair Jade Limited at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Interest in an associate	25,600
Trade and other receivables	5
	25,605
Gain on disposal of a subsidiary	763
Cash consideration	26,368
Net cash inflow arising on disposal:	
Cash consideration	26,368

40. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum leases payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Within one year	**9,310**	17,667
In the second to fifth years inclusive	**10,878**	6,266
	20,188	23,933

Operating lease payments represent rentals payable by the Group for certain of its health check centers and office premises. Leases are negotiated and rentals are fixed for terms ranging from 1 to 5 years.

The Group as lessor

Property rental income earned during the period ended 31 December 2009 was approximately HK$273,000 (for the year ended 31 March 2009: Nil). The Group's investment property is held for rental purpose. It is expected to generate rental yields of 3.9% on an ongoing basis. The properties held have committed tenants for the next two years.

40. OPERATING LEASE COMMITMENTS *(Continued)*

The Group as lessor (Continued)

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Within one year	**486**	–
In the second to fifth years inclusive	**112**	–
	598	–

At 31 December 2009, the Company has no significant operating lease commitments (at 31 March 2009: Nil).

41. CAPITAL COMMITMENTS

(i) At 31 December 2009, the Group was committed to contribute an amount of approximately HK$19,800,000 pursuant to the cooperation agreement dated 12 July 2007 entered into between the Group and 中國中醫藥科技開發交流中心 (transliterated as National Centre of Traditional Chinese Medicine) for the joint development of health check and medical diagnostic centers in the PRC.

41. CAPITAL COMMITMENTS *(Continued)*

(ii) Pursuant to a management agreement dated 20 February 2008 (the "Management Agreement") entered into among Guangdong Town Health (a wholly-owned subsidiary of the Company), 中山大學附屬第六醫院（中山大學附屬胃腸肛門醫院）(transliterated as The Sixth Affiliated (Gastrointestinal) Hospital, Sun Yat-sen University) and 廣州中山醫博濟醫院管理有限公司 (transliterated as Guangzhou Zhongshanyi Boji Hospital Management Co. Ltd.) ("Boji"), the parties to the Management Agreement agreed that (i) 中山醫康健醫療中心 (transliterated as Zhongshanyi Town Health Medical Centre) ("Zhongshanyi TH Health Check Centre") would be established in Tianhe District, Guangzhou City, the PRC by The 6th Affiliated Hospital and would be principally engaged in health check, medical diagnostic and medical laboratory services; and (ii) Guangdong Town Health with primary role and Boji with secondary role were respectively appointed by The 6th Affiliated Hospital to operate and manage the Zhongshanyi TH Health Check Centre exclusively for 20 years from the date of the Management Agreement. Pursuant to the Management Agreement, Guangdong Town Health would inject RMB50 million to the Zhongshanyi TH Health Check Centre by way of injecting medical equipment, other facilities or assets, or by way of providing necessary working capital for operation and management of the Zhongshanyi TH Health Check Centre. The medical equipment, other facilities or assets injected by Guangdong Town Health would still be beneficially owned by Guangdong Town Health. The Group had made a capital contribution of RMB15,000,000 (equivalent to approximately HK$17,000,000) to the registered capital of Guangdong Town Health up to 31 March 2009, and had a capital commitment of RMB35,000,000 (equivalent to approximately HK$40,000,000) at 31 March 2009.

Pursuant to a transfer agreement dated 14 October 2009 entered into between Guangdong Town Health and Guangzhou Yikang Medical Investment and Management Limited ("Yikang"), an associated company of Town Health International Holdings Company Limited, the Group agreed to transfer all benefits, interests, rights, liabilities and obligations of Guangdong Town Health under the Management Agreement relating to operation and management of Zhongshanyi TH Health Check Centre to Yikang at a cash consideration of RMB5,540,000 (equivalent to approximately HK$6,320,000).

(iii) At 31 December 2009, the Company had no significant capital commitments (at 31 March 2009: Nil).

42. PLEDGE OF ASSETS

At 31 December 2009, certain property, plant and equipment of the Group with carrying value of approximately HK$45,470,000 (at 31 March 2009: HK$41,613,000) and bank deposits of HK$10,000,000 (at 31 March 2009: HK$10,000,000) were pledged to secure general bank facilities granted to the Group.

At 31 December 2009, the bank loan is secured by a mortgage over the Group's buildings with a carrying amount of approximately HK$1,086,000 (Note 18) and prepaid lease payments with a carrying amount of approximately HK$11,263,000 (Note 19).

43. CORPORATE GUARANTEES

	Company	
	At 31 December 2009 HK$'000	At 31 March 2009 HK$'000
Corporate guarantees provided by the Company in respect of banking facilities of subsidiaries	**40,000**	40,000

At 31 December 2009, the amount of such facilities utilized by the subsidiaries and covered by the Company's guarantees amounted to approximately HK$10,000,000 (at 31 March 2009: HK$10,000,000). In the opinion of the directors of the Company, no material liabilities would arise from the above corporate guarantees which arose in the ordinary course of business and the fair values of the corporate guarantees granted by the Company were immaterial.

44. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme subject to a maximum of HK$1,000 per month, which contribution is matched by employees.

During the period ended 31 December 2009, the total amount contributed by the Group to the scheme and charged to the consolidated statement of comprehensive income amounted to approximately HK$1,067,000 (for the year ended 31 March 2009: HK$1,435,000). At 31 December 2009, there were no forfeited contributions available for the Group to offset contributions payable in future years (at 31 March 2009: Nil).

45. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group entered into the following significant related party transactions during the current period and prior year:

	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 March 2009 HK$'000
Laboratory fee received from Town Health International Holdings Company Limited	**–**	233
Service fees paid to Town Health International Holdings Company Limited (Note (i))	**–**	3,414

Note:

(i) The service fees paid to Town Health International Holdings Company Limited for provision of consultation and management services were based on a service agreement dated 7 August 2006 entered into between the Company and Town Health International Holdings Company Limited. The service agreement was terminated on 31 March 2009.

45. RELATED PARTY TRANSACTIONS *(Continued)*

The directors of the Company consider that they are the only key management personnel of the Group and details of their compensation are set out in Note 14.

46. EVENTS AFTER THE REPORTING PERIOD

(a) *Acquisition of Talent Link Holdings Limited*

In January 2010, the Group acquired the entire equity interest in Talent Link Holdings Limited ("Talent Link") and its indebtedness, obligations and liabilities due or owing to the vendor for aggregate cash consideration of HK$30,500,000. The principal activity of Talent Link and its wholly-owned subsidiary is the holding of properties situated in Hong Kong. At the date of approval of these financial statements, the management of the Group was still in the midst of determining the financial effect of the aforesaid acquisition.

(b) *Placing of 552,000,000 new shares of HK$0.01 each in the capital of the Company*

In March 2010, the Group placed, through the placing agent, an aggregate of 552,000,000 new shares of HK$0.01 each in the capital of the Company to independent investors at a price of HK$0.40 per share.

(c) *Formation of a joint venture company*

Pursuant to a conditional cooperative agreement dated 2 December 2009 and a Sino-foreign equity joint venture contract dated 16 December 2009 entered into between the Group and 鄭州高科技創業投資有限公司 (transliterated as Zhengzhou High-Tech Start-up Investment Co., Ltd.) (the "JV Partner"), the Group and the JV Partner agreed to establish a Sino-foreign equity joint venture enterprise in the PRC (the "JV Company") for the joint development, production and sale of the a-Si thin-film solar photovoltaic cells and modules (the "Thin-Film Solar PV Business"). Further details are disclosed in the Company's circular dated 28 December 2009.

The JV Company was duly established under the laws of the PRC on 20 January 2010. The equity interest of the JV Company is held by the Group and the JV Partner as to 65% and 35% respectively, and accordingly, the JV Company is accounted for as a subsidiary of the Group.

46. EVENTS AFTER THE REPORTING PERIOD *(Continued)*

(c) *Formation of a joint venture company (Continued)*

The Group was committed to contribute the registered capital of the JV Company in the total amount of RMB350 million (equivalent to HK$399 million), of which the Group's portion of approximately RMB228 million (equivalent to approximately HK$260 million) was paid by the Group in February 2010.

(d) *Acquisition of system for the Thin-Film Solar PV Business*

In February 2010, the Group entered into various contracts in respect of the purchase of a system for the production of silicon based thin-film solar photovoltaic cells and modules, further details of which are disclosed in the Company's circular dated 24 March 2010.

Five-year Financial Summary

RESULTS

	Nine months ended 31 December	Year ended 31 March			
	2009	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**105,536**	106,538	70,132	15,813	1,450
Profit/(Loss) before tax	**78,768**	(616,660)	41,556	(44,211)	(45,346)
Income tax	**146**	2,220	494	(8,967)	–
Profit/(Loss) for the period/year	**78,914**	(614,440)	42,050	(53,178)	(45,346)
Attributable to:					
Owners of the Company	**87,074**	(637,879)	43,077	(52,818)	(45,346)
Minority interests	**(8,160)**	23,439	(1,027)	(360)	–
	78,914	(614,440)	42,050	(53,178)	(45,346)