



HUA XIA HEALTHCARE HOLDINGS LIMITED

華夏醫療集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code 股份代號: 8143)



Annual Report 年報

09/10



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本報告乃根據聯交所創業板證券上市規則（「創業板上市規則」）提供有關華夏醫療集團有限公司之資料，華夏醫療集團有限公司各董事願就本報告之內容共同及個別承擔全部責任。各董事在作出一切合理查詢後確認，據彼等所深知及確信，本報告所載之資料於各重大方面均屬準確完整，且無誤導或欺騙成分，而本報告亦無遺漏其他事實，以致本報告所載任何陳述或本報告有所誤導。

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EXECUTIVE DIRECTORS

Yung Kwok Leong (*Chairman and Chief Executive Officer*)
Jiang Tao (*Deputy Chief Executive*)
Weng Jiaxing (*Deputy Chief Executive*)
Zheng Gang
Huang Jiaqing
Chen Jin Shan

NON-EXECUTIVE DIRECTOR

Wong Yu Man, James

INDEPENDENT NON-EXECUTIVE DIRECTORS

Wong Ka Wai, Jeanne
Hu Shanlian
Lu Chuanzhen

COMPLIANCE OFFICER

Yung Kwok Leong

AUTHORISED REPRESENTATIVES

Yung Kwok Leong
Zheng Gang

COMPANY SECRETARY

Lam Williamson

AUDIT COMMITTEE

Wong Ka Wai, Jeanne
Hu Shanlian
Lu Chuanzhen

REMUNERATION COMMITTEE

Zheng Gang
Wong Ka Wai, Jeanne
Hu Shanlian
Lu Chuanzhen

執行董事

翁國亮 (*主席兼行政總裁*)
蔣濤 (*行政副總裁*)
翁加興 (*行政副總裁*)
鄭鋼
黃加慶
陳金山

非執行董事

王裕民

獨立非執行董事

黃嘉慧
胡善聯
呂傳真

監察主任

翁國亮

授權代表

翁國亮
鄭鋼

公司秘書

林全智

審核委員會

黃嘉慧
胡善聯
呂傳真

薪酬委員會

鄭鋼
黃嘉慧
胡善聯
呂傳真

Corporate Information

公司資料

REGISTERED OFFICE

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Grand Cayman
KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

(with effect from 28 June 2010)

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House, 68 Fort Street
P.O. Box 705, George Town
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British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26/F., Tesbury Centre
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PRINCIPAL BANKER

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Cricket Square
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Cayman Islands

總辦事處及香港主要營業地點

(自二零一零年六月二十八日起生效)

香港
英皇道101號
新翼19樓

主要股份過戶登記處

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Grand Cayman, Cayman Islands
British West Indies

香港股份過戶登記分處

卓佳登捷時有限公司
香港灣仔
皇后大道東28號
金鐘匯中心26樓

主要往來銀行

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香港
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AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
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STOCK CODE

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Chairman's Statement

主席報告

For and on behalf of the board of directors (the "Board") of Hua Xia Healthcare Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2010.

FINANCIAL REVIEW

Despite the slow economic growth of the People's Republic of China (the "PRC") and uncertainty in the economic recovery during the period of global recession, financial tsunami and dampens on market sentiment (such as the Europe's debt crisis), the Group's achieved a revenue growth for the year ended 31 March 2010. Turnover of the Group for the year was approximately HK\$179.765 million in comparison with HK\$170.087 million in 2009. The improvement in revenue for the year ended 31 March 2010 was mainly driven by the contribution in turnover generated from the general hospital services and the pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the PRC. Gross profit of the Group was approximately HK\$64.384 million in comparison with HK\$97.337 million in 2009.

OPERATION REVIEW

During the year ended 31 March 2010, the Group successfully diversified its healthcare business into the pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the Fujian Province, the PRC.

本人謹代表華夏醫療集團有限公司(「本公司」)董事會(「董事會」)，欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一零年三月三十一日止年度之年報。

財務回顧

儘管中華人民共和國(「中國」)經濟增長放緩，加上環球衰退、金融海嘯及市場氣氛消沉(如歐洲債務危機)，令經濟復蘇充滿變數，惟於截至二零一零年三月三十一日止年度，本集團仍能錄得收益增長。本集團於本年度之營業額約為179,765,000港元，而二零零九年為170,087,000港元。截至二零一零年三月三十一日止年度之收益改善，主要由綜合性醫院服務及於中國之藥物批發及分銷業務以及藥物零售連鎖店業務所產生之營業額貢獻所帶動。本集團之毛利約為64,384,000港元，而二零零九年為97,337,000港元。

營運回顧

截至二零一零年三月三十一日止年度，本集團成功將其醫療業務擴充至中國福建省之藥物批發及分銷業務以及藥物零售連鎖店業務。

On 8 March 2010, the Group completed the acquisition of the entire equity interest of Huihao Medicine Wholesale Group (comprises of Hui Hao (HK) Group Limited, Fujian Province Fuzhou City Huihao Pharmaceutical Co. Ltd, Putian Medicine Co. Ltd and Fujian Huiming Medicine Co. Ltd) (“Huihao Medicine Wholesale Group”), one of the leading distributors and providers of supply chain services for pharmaceutical and healthcare products in the Fujian Province, the PRC in terms of scale of operation, distribution network and operates the largest national pharmaceutical centre in the Fujian Province, the PRC in terms of operation and centre area. The Group also completed the acquisition of 99.29% equity interest (through control agreements) of Fujian Huihao Sihai Pharmaceutical Chain Company Limited (“Huihao Sihai”), the leader in pharmaceutical retail chain with 85 retail drug stores located in major cities in the Fujian Province, the PRC. The total consideration of HK\$600 million was settled by cash, promissory note and convertible preference shares.

On 29 January 2010, Ally Health International Limited (“Ally Health”), a wholly owned subsidiary of the Company entered into the sale and purchase agreement pursuant to which Ally Health agreed to sale the entire issued share capital of Direct Way Group Limited (“Direct Way”) and Smart Peak Limited (“Smart Peak”) (two wholly owned subsidiaries of the Company) at the cash consideration of HK\$4.5 million and HK\$2 million respectively. The principal asset of Direct Way is the indirect 70% interest in Foshan Qide Hospital and the principal asset of Smart Peak is the indirect 100% interest in Fuzhou Zhuoxin Enterprises Management Consultancy Limited (a wholly owned subsidiary of Smart Peak) which controls (through control agreements) of Bengbu Aomeijia Hospital. The disposal of these 2 hospitals has enhanced the Group hospital portfolio and streamlined the Group’s general hospital services operation.

於二零一零年三月八日，本集團已完成收購惠好藥品批發集團(包括惠好(香港)醫藥集團有限公司、福建省福州市惠好藥業有限公司、福建莆田惠好醫藥有限公司及福建省惠明醫藥有限公司) (「惠好藥品批發集團」) 之全部股本權益，就經營規模及分銷網絡而言，惠好藥品批發集團乃中國福建省一家領先之藥品及保健產品供應鏈服務分銷商及供應商，並經營全省營運規模及中心面積最大的藥品分銷中心。本集團亦透過控制協議完成收購福建惠好四海醫藥連鎖有限責任公司 (「惠好四海」) 99.29% 股本權益，惠好四海為領先之藥品零售連鎖店，於中國福建省各主要城市擁有85家零售藥店。總代價為600,000,000港元，已以現金、承兌票據及可換股優先股支付。

於二零一零年一月二十九日，本公司全資附屬公司康匯國際有限公司 (「康匯」) 訂立買賣協議，據此，康匯同意出售本公司兩間全資附屬公司直通集團有限公司 (「直通」) 及賢豐有限公司 (「賢豐」) 之全部已發行股本，代價分別為4,500,000港元及2,000,000港元。直通之主要資產為佛山市啟德醫院之70%間接權益，而賢豐之主要資產為於賢豐全資附屬公司福州卓信企業管理諮詢有限公司之全部間接權益，福州卓信企業管理諮詢有限公司則透過控制協議控制蚌埠市澳美佳醫院。出售此兩間醫院有助優化本集團之醫院組合，並簡化本集團之綜合性醫院服務營運。

Chairman's Statement

主席報告

The Board announced that on 14 October 2009, Zhuhai Zhongkangan, a wholly owned subsidiary of the Company, entered into the service agreement with the Zhuhai Jiulong Hospital Limited and its existing shareholders (the "Jiulong's Shareholders") pursuant to which (i) Zhuhai Zhongkangan agreed to provide management service in relation to Zhuhai Jiulong Hospital, a hospital owned by the Zhuhai Jiulong Hospital Limited for a term of 10 years and at an annual management fee calculated with reference to the revenue and profit of that hospital; and (ii) the Jiulong's Shareholders granted the call option to Zhuhai Zhongkangan to purchase all or part of the Jiulong's Shareholders equity interest in that hospital at a price with reference to an estimated after-tax profit of the Zhuhai Jiulong Hospital Limited as may be agreed by the parties.

APPRECIATION

The year under review is a year full of developments within the Group. Our Group has been deploying resources effectively in launching new services, identifying new business partners as well as other investment opportunities aiming at improving both the Group's earning base and asset base.

I would like to thank our management team and all our staff for their untiring efforts and significant contribution during the past year. I would also like to take this opportunity to express my sincere gratitude and appreciation to all our fellow shareholders and institutional investors for their continuous support and confidence in our Group.

Yung Kwok Leong

Chairman

Hong Kong, 25 June 2010

董事會宣佈，於二零零九年十月十四日，珠海眾康安（本公司之一間全資附屬公司）與珠海九龍醫院有限公司及其現有股東（「九龍股東」）訂立服務協議，據此(i)珠海眾康安同意為珠海九龍醫院（一間由珠海九龍醫院有限公司擁有的醫院）提供為期十年之管理服務，而管理年費參考該醫院之收入及溢利而計算；及(ii)九龍股東向珠海眾康安授出認購期權，按訂約各方經參考珠海九龍醫院有限公司之估計稅後溢利而可能協定之價格以收購九龍股東於該醫院之全部或部份股權。

致謝

於回顧年度內，本集團取得長足發展。本集團一直善用資源推出新服務、物色新業務夥伴及其他投資機會，以提升本集團之盈利基礎及資產基礎。

本人謹此感謝管理層及全體員工於過去一年之竭誠服務及寶貴貢獻，並向各股東及機構投資者對本集團之鼎力支持及信任致以衷心謝意。

主席

翁國亮

香港，二零一零年六月二十五日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL HIGHLIGHTS

Summary of the results of the Group for the financial year ended 31 March 2010 is as follows:

- Turnover was approximately HK\$179.765 million as compared to a turnover of approximately HK\$170.087 million for the previous year.
- Gross profit was approximately HK\$64.384 million as compared to a gross profit of approximately HK\$97.337 million for the previous year.
- Net loss attributable to owners of the Company was approximately HK\$211.283 million as compared to a net loss attributable to owners of approximately HK\$200.548 million for the previous year.
- The Board does not recommend the payment of a final dividend for the year ended 31 March 2010 (2009: Nil).

BUSINESS REVIEW

The Group is principally engaged in the provision of general hospital and healthcare and hospital management services, pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the PRC.

Results of the Group for the year ended 31 March 2010 have shown improvement in turnover compared with the previous year. Turnover of the Group for the year was approximately HK\$179.765 million in comparison with HK\$170.087 million in 2009. The improvement in revenue for the year ended 31 March 2010 was mainly driven by the contribution in turnover generated from the general hospital services and the pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the PRC. Gross profit of the Group was approximately HK\$64.384 million in comparison with HK\$97.337 million in 2009. The decrease in gross profit of the Group was mainly affected by the performance of individual hospitals in the PRC.

財務概要

本集團截至二零一零年三月三十一日止財政年度之業績概要如下：

- 營業額約為179,765,000港元，而去年營業額則約為170,087,000港元。
- 毛利約為64,384,000港元，而去年毛利則約為97,337,000港元。
- 本公司擁有人應佔虧損淨額約為211,283,000港元，而去年擁有人應佔虧損淨額則約為200,548,000港元。
- 董事會不建議就截至二零一零年三月三十一日止年度派發末期股息（二零零九年：無）。

業務回顧

本集團主要在中國從事提供綜合性醫院服務以及醫療及醫院管理服務、藥物批發及分銷業務以及藥物零售連鎖店業務。

本集團截至二零一零年三月三十一日止年度業績顯示營業額較去年度有所改善。本集團於本年度之營業額約為179,765,000港元，而二零零九年為170,087,000港元。截至二零一零年三月三十一日止年度之收益改善，主要由綜合性醫院服務及於中國之藥物批發及分銷以及藥物零售連鎖店業務所產生之營業額貢獻所帶動。本集團之毛利約為64,384,000港元，而二零零九年為97,337,000港元。本集團毛利減少及主要受到個別位於中國之醫院之業績影響所致。

Management Discussion and Analysis

管理層討論及分析

Net loss attributable to owners of the Company for the year ended 31 March 2010 was approximately HK\$211.283 million (2009: net loss approximately HK\$200.548 million). The net loss was mainly due to the impairment loss on the goodwill of approximately HK\$171.422 million which arised during the acquisition of the hospitals in the PRC between 2007 and 2008.

Selling and distribution expenses for the year ended 31 March 2010 to approximately HK\$22.277 million as compared to approximately HK\$19.426 million for the corresponding period last year. Such increase was related to the marketing and promotional expenses of the hospitals in the PRC.

Administrative expenses for the year ended 31 March 2010 amounted to approximately HK\$52.914 million (2009: approximately HK\$50.416 million). The increases were mainly due to the increased in numbers of staff and related staff costs. Also, the professional expenses incurred for the acquisition of the pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the Fujian Province, the PRC.

BUSINESS REVIEW AND OUTLOOK

General hospital services

During the year ended 31 March 2010, the Group had 5 general hospitals operating in different cities of the PRC (i.e. Chongqing, Jiaying, Shangrao, Foshan and Bengbu) which principally engaged in the provision of general hospital services including but not limited to medicine ward, surgical ward, cosmetic surgery, dermatology department and medical checkup and examination. The total turnover contributed by these general hospitals for the year ended 31 March 2010 was approximately HK\$125.360 million (2009: approximately HK\$155.719 million).

截至二零一零年三月三十一日止年度本公司擁有人應佔之虧損淨額約為211,283,000港元(二零零九年：虧損淨額約200,548,000港元)。該虧損淨額主要由於在二零零七至二零零八年間在中國收購醫院產生的商譽減值虧損約171,422,000港元所致。

截至二零一零年三月三十一日止年度，銷售及分銷費用約為22,277,000港元，而去年同期則約為19,426,000港元。該增加與位於中國之醫院之營銷及推廣費用有關。

截至二零一零年三月三十一日止年度，行政開支約為52,914,000港元(二零零九年：約50,416,000港元)。該增加主要乃由於員工人數及相關成本增加，以及收購於中國福建省之藥物批發及分銷以及藥物零售連鎖店業務所產生之專業費用所致。

業務回顧及展望

綜合性醫院服務

截至二零一零年三月三十一日止年度，本集團於中國不同城市(即重慶市、嘉興市、上饒市、佛山市及蚌埠市)營運五間綜合性醫院，該等醫院主要從事提供綜合性醫院服務，包括但不限於醫院病房、手術室、美容手術、皮膚專科以及身體檢查及檢驗。截至二零一零年三月三十一日止年度，該等綜合性醫院貢獻之總營業額約為125,360,000港元(二零零九年：約155,719,000港元)。

Management Discussion and Analysis

管理層討論及分析

Healthcare and hospital management services

The Group provides healthcare management and training and consultancy for hospitals in the PRC which included advising on management strategies, operation and business model, logistics and procurement, workflow and human resources, market strategies and providing training and administrative support. The turnover contributed by the healthcare and hospital management services for the year ended 31 March 2010 was approximately HK\$1.550 million (2009: approximately HK\$14.368 million).

Pharmaceutical wholesale and distribution

On 8 March 2010, the Group has successfully completed the acquisition of the entire equity interest of Huihao Medicine Wholesale Group. The Huihao Medicine Wholesale Group maintains solid business connections with thousands of drug manufacturers on a provincial basis, and has formed strategic co-operation with other major pharmaceutical corporations in six neighborhood provinces in the PRC. The turnover contributed by the pharmaceutical wholesale and distribution from 8 March to 31 March 2010 was approximately HK\$43.071 million.

Pharmaceutical retail chain

On 8 March 2010, the Group has successfully completed the acquisition of 99.29% equity interest (through control agreements) of Huihao Sihai. Major business of Huihao Sihai is the retailing of pharmaceutical products. Its pharmaceutical retail chain operation is the leader in pharmaceutical retail chains in the Fujian Province, the PRC in terms of number of retail drug stores. There are currently 85 direct drug stores located in major cities in the Fujian Province, the PRC under the brand name "Huihao Sihai". The turnover contributed by pharmaceutical retail chain from 8 March to 31 March 2010 was approximately HK\$9.784 million.

醫療及醫院管理服務

本集團向位於中國的醫院提供醫療管理、培訓及顧問服務，當中包括就管理策略、經營及業務模式、物流及採購、工作流程及人力資源、市場推廣策略提供意見，以及提供培訓及行政支援。截至二零一零年三月三十一日止年度，醫療及醫院管理服務貢獻之營業額約為1,550,000港元（二零零九年：約14,368,000港元）。

藥物批發及分銷

於二零一零年三月八日，本集團已成功完成收購惠好藥品批發集團之全部股本權益。惠好藥品批發集團與各省數以千計的製藥商維持牢固的業務關係，並已與中國六個鄰近省份的其他大型藥品商業集團建立策略合作關係。二零一零年三月八日至三月三十一日，藥物批發及分銷業務貢獻之營業額約為43,071,000港元。

藥物零售連鎖店

於二零一零年三月八日，本集團已成功透過控制協議完成收購惠好四海99.29%股本權益。惠好四海之主要業務為零售藥品。就零售藥店數量而言，其藥品零售連鎖店經營乃中國福建省領先藥品連鎖企業。現時在中國福建省主要城市以「惠好四海」品牌經營有85家直營藥店。二零一零年三月八日至三月三十一日，藥物零售連鎖店業務貢獻之營業額約為9,784,000港元。

Management Discussion and Analysis

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Future Prospects

The directors expect that the global economic environment will remain challenging for the year 2010. The management of the Group will continue to adapt to the changing business environment with effective and efficient measures and continue to keep focus on its core healthcare and pharmaceutical businesses in the PRC. The strong economic growth and increasing healthcare expenditures in the PRC are major drivers for greater demands for quality hospital services and affordable pharmaceutical products. The directors therefore remain optimistic about the promising healthcare and pharmaceutical sectors in the PRC in the long-run including but not limited to possible future investments in or co-operations with healthcare and pharmaceutical businesses in the PRC (making use of various acquisition means, such as integrating hospitals and streamlining resources to expand the healthcare and pharmaceutical businesses more effectively.) At the same time, the implementation of the healthcare reform measures and the government-dictated improvement of the healthcare standards on a national basis will lead to seamless co-operation between hospital management enterprises and distributors of pharmaceutical products in the PRC, thus increasing the business opportunities for the Group as a whole. After taking into account such factors and undertaking those businesses which are complementary to the existing healthcare business of the Group as a further step, the diversification into the pharmaceutical sector would consequently create synergetic effects among the core business divisions, ultimately contributing noticeable benefits to the Group and enhancing shareholders' returns in the long-run.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had total cash and bank balances of approximately HK\$59.712 million as at 31 March 2010 (2009: approximately HK\$88.506 million). For the year ended 31 March 2010, the Group paid HK\$20 million as cash consideration for the acquisition of the pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the Fujian Province, the PRC.

The Group recorded total current assets of approximately HK\$413.372 million as at 31 March 2010 (2009: approximately HK\$115.735 million) and total current liabilities of approximately HK\$301.031 million as at 31 March 2010 (2009: approximately HK\$38.734 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 1.373 as at 31 March 2010 (2009: approximately 2.988).

未來展望

董事預期，二零一零年全球經濟環境仍將充滿挑戰。本集團管理層將繼續採取有效及高效率之措施以應對不斷變化之業務環境，繼續專注其於中國之核心醫藥業務。國內強勁的經濟發展和日益增長的醫療衛生費用開支，推動對高質醫院服務和可及藥品的需求。因此，長遠而言，董事仍對具廣闊前景之中國醫藥產業持樂觀態度，將採取包括但不限於可能進一步投資於中國的醫藥業務或與其合作（憑藉不同的收購方式，如整合醫院和優化資源，從而更有效地擴展醫藥業務）。與此同時，由於目前新醫改方案實施和政府致力提高國家醫療基準將會令中國醫院管理企業與醫藥產品分銷商之間的合作越加密切，從而整體而言為本集團創造商機。於考慮有關因素及從事與本集團現有醫療業務互補之業務作為收購之進一步行動後，擴充至藥物業終必在各核心業務之間產生協同效益，為本集團帶來可觀利潤，長遠而言增加股東之回報。

流動資金及財政資源

本集團於二零一零年三月三十一日之總現金及銀行結餘約為59,712,000港元（二零零九年：約88,506,000港元）。截至二零一零年三月三十一日止年度，本集團支付20,000,000港元，作為收購於中國福建省之藥物批發及分銷以及藥物零售連鎖店業務之現金代價。

本集團於二零一零年三月三十一日之流動資產總值約為413,372,000港元（二零零九年：約115,735,000港元），而於二零一零年三月三十一日之流動負債總額則約為301,031,000港元（二零零九年：約38,734,000港元）。以流動資產除以流動負債計算，本集團於二零一零年三月三十一日之流動比率約為1.373（二零零九年：約2.988）。

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Summary of the Group's material acquisition and disposal of subsidiaries for the year ended 31 March 2010 is as follows:

1. On 29 January 2010, Ally Health a wholly owned subsidiary of the Company entered into the sale and purchase agreement pursuant to which Ally Health agreed to sale the entire issued share capital of Direct Way and Smart Peak (two wholly owned subsidiaries of the Company) at the cash consideration of HK\$4.5 million and HK\$2 million respectively. The principal asset of Direct Way is the indirect 70% interest in Foshan Qide Hospital and the principal asset of Smart Peak is the indirect 100% interest in Fuzhou Zhuoxin Enterprises Management Consultancy Limited (a wholly owned subsidiary of Smart Peak) which controls (through control agreements) of Bengbu Aomeijia Hospital. The disposal of these 2 hospitals has enhanced the Group hospital portfolio and streamlined the Group's general hospital services operation.
2. On 8 March 2010, the Group completed the acquisition of the entire equity interest of Huihao Medicine Wholesale Group, one of the leading distributors and providers of supply chain services for pharmaceutical and healthcare products in the Fujian Province, the PRC in terms of scale of operation, distribution network and operates the largest national pharmaceutical centre in the Fujian Province, the PRC in terms of operation and centre area. The Group also completed the acquisition of 99.29% equity interest (through control agreements) of Huihao Sihai, the leader in pharmaceutical retail chain with 85 direct drug stores located in major cities in the Fujian Province, the PRC. The total consideration of HK\$600 million was settled by cash, promissory note and convertible preference shares.

Details of the acquisition and disposal of subsidiaries are disclosed in the Notes 34 and 35 to the financial statements on pages 133 to 137.

收購及出售附屬公司

本集團於截至二零一零年三月三十一日止年度之重大收購及出售附屬公司之概要如下：

1. 於二零一零年一月二十九日，本公司全資附屬公司康匯訂立買賣協議，據此，康匯同意出售本公司兩間全資附屬公司直通及賢豐之全部已發行股本，代價分別為4,500,000港元及2,000,000港元。直通之主要資產為佛山市啟德醫院之70%間接權益，而賢豐之主要資產為於賢豐全資附屬公司福州卓信企業管理諮詢有限公司之全部間接權益，福州卓信企業管理諮詢有限公司則透過控制協議控制蚌埠市澳美佳醫院。出售此兩間醫院有助優化本集團之醫院組合，並簡化本集團之綜合性醫院服務營運。
2. 於二零一零年三月八日，本集團已完成收購惠好藥品批發集團之全部股本權益，就經營規模及分銷網絡而言，惠好藥品批發集團乃中國福建省一家領先之藥品及保健產品供應鏈服務分銷商及供應商，並經營全省營運規模及中心面積最大的藥品分銷中心。本集團亦透過控制協議完成收購惠好四海99.29%股本權益，惠好四海為領先之藥品零售連鎖店，於中國福建省各主要城市擁有85家直營藥店。總代價為600,000,000港元，已以現金、承兌票據及可換股優先股支付。

有關該等收購及出售附屬公司的詳情分別於第133至137頁之財務報表附註34及35披露。

Management Discussion and Analysis

管理層討論及分析

CONTINGENT LIABILITIES

As at 31 March 2010, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the directors to be pending or threatened against any member of the Group.

FOREIGN EXCHANGE RISK

Since almost all transactions of the Group are denominated in Renminbi and Hong Kong dollars and most of the bank deposits are being kept in Renminbi and Hong Kong dollars to minimize exposure to foreign exchange risk, the directors believe that there is no significant foreign exchange risk to the Group. Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure during the year.

CHARGES ON GROUP ASSETS

As at 31 March 2010, the Group had bank-borrowing outstanding balances of approximately HK\$47.310 million. The Group's pledged bank deposits of approximately HK\$17.274 million were used to secure banking facilities granted to the Group.

SEGMENT INFORMATION

During the year, the revenue of the Group was principally generated from: (1) provision of general hospital services; (2) provision of healthcare and hospital management service; (3) pharmaceutical wholesale and distribution and pharmaceutical retail chain business. Geographically, the Group has expanded business operations into the Fujian Province, the PRC. Financial information in respect of these operations is presented in Note 5 to the financial statements.

或然負債

於二零一零年三月三十一日，本集團之成員公司概無涉及任何重大訴訟或仲裁，且就董事所知，本集團之任何成員公司亦無尚未了結或可能面臨威脅之重大訴訟或索償。

外匯風險

由於本集團絕大部份交易均以人民幣及港元計價，而大部分銀行存款均以人民幣及港元存置，藉此盡量減低外匯風險，故此董事相信本集團並無承受重大外匯風險。因此，本集團於年內並無實施任何正式對沖或其他替代政策以應付有關風險。

集團資產抵押

於二零一零年三月三十一日，本集團之未償還銀行借款約為47,310,000港元。本集團一項已抵押銀行存款約17,274,000港元已用作本集團獲授之銀行信貸的抵押品。

分類資料

於本年度，本集團之收益主要來自：(1)提供綜合性醫院服務；(2)提供醫療及醫院管理服務；(3)藥物批發及分銷業務以及藥物零售連鎖店業務。地域方面，本集團已將業務擴展至中國福建省。有關該等業務之財務資料載於財務報表附註5。

Management Discussion and Analysis

管理層討論及分析

CAPITAL STRUCTURE

As at 31 March 2010, the total issued share capital of the Company was approximately HK\$466.423 million (2009: approximately HK\$224.756 million) divided into 4,495,111,986 ordinary shares and 4,833,333,333 non-voting convertible preference shares (2009: 4,495,111,986 ordinary shares) of HK\$0.05 each.

Details of movements in the share capital of the Company during the year are set out in Note 16 to the financial statements.

EMPLOYEE INFORMATION

As at 31 March 2010, the Group had 1,552 (2009: 670) full time employees (including directors) as shown in the following table:

| Location | 地區 | Number of Staff 員工人數 |
|---|-------------------------------|-------------------------|
| Hong Kong | 香港 | 17 |
| PRC (including cities of Beijing, Chongqing, Jiaying, Shangrao, Zhuhai and the Fujian Province) | 中國（包括北京市、重慶市、嘉興市、上饒市、珠海市及福建省） | 1,535 |

For the year ended 31 March 2010, staff costs (including directors emoluments) amounted to approximately HK\$31.103 million (2009: approximately HK\$16.621 million). The Group remunerates its employees based on individual performance and qualification. Apart from the basic remuneration, staff benefits include the contribution to the Mandatory Provident Fund Scheme, bonus and medical coverage in Hong Kong; and basic insurance for the elderly, basic medical insurance, work injury insurance and unemployment insurance to the employees in the PRC. The Group also adopted employee share option scheme to provide eligible employees a performance incentive for continuous and improved services with the Group and to enhance their contributions to increase profits by encouraging capital accommodation and share ownership.

股本架構

於二零一零年三月三十一日，本公司全部已發行股本約為466,423,000港元（二零零九年：約224,756,000港元），分為4,495,111,986股每股面值0.05港元之普通股及4,833,333,333股無投票權可換股優先股（二零零九年：4,495,111,986股普通股）。

有關本公司股本年內之變動詳情，載於財務報表附註16。

僱員資料

於二零一零年三月三十一日，本集團聘有1,552名（二零零九年：670名）全職僱員（包括董事），詳情載於下表：

截至二零一零年三月三十一日止年度之員工成本（包括董事酬金）約為31,103,000港元（二零零九年：約16,621,000港元）。本集團根據僱員之個別表現及資歷釐定僱員報酬。除基本酬金外，於香港之員工福利亦包括強制性公積金計劃供款、花紅及醫療保險，而中國內地員工則享有基本長者保險、基本醫療保險、工傷保險及失業保險。本集團亦採納僱員購股權計劃，向合資格員工提供績效獎勵，推動員工繼續為本集團提供更優質之服務，並藉著吸引之資本分派及股份擁有權，讓彼等為增加盈利作出更大之貢獻。

Directors' and Senior Management's Profiles

董事及高級管理人員簡歷

EXECUTIVE DIRECTORS

Mr. Yung Kwok Leong ("Mr. Yung"), aged 45, the Chairman of the Board, being a registered economist in the Fujian Province in the PRC, has over 20 years' experience in corporate management and investment in the healthcare and environmental protection sectors in the PRC. Mr. Yung is currently the chairman of Hong Kong Putian Co. and the honorable chairman of Hong Kong Puxian Native Association. Mr. Yung is also currently the vice-chairman of the National Committee of the Health, the Health Insurance Association of Fujian and the committee member of Putian City, Fujian Committee of Chinese Political Consultative Conference. Mr. Yung was appointed as an executive director of the Company, the Chairman of the Board and Chief Executive Officer of the Company on 2 March 2005, 29 April 2005 and 26 March 2010 respectively.

Dr. Jiang Tao ("Dr. Jiang"), aged 54, holds a doctorate degree in audiology from the Arizona School of Health Sciences, Kirksville College of Osteopathic Medicine in the United States of America (the "USA") and two master degrees in audiology and special education from Lamar University of Texas in the USA. He served as senior management in several enterprises in the USA, Canada and the PRC with over 20 years of experience in senior management, consultancy and investment in the PRC, Hong Kong, Canada and the USA. Dr. Jiang is currently the professor of Kunming Normal University in the PRC and visiting professor of Sun Yat-sen Medical University and Sichuan Foreign Language University in the PRC. Dr. Jiang was appointed as an executive director and Deputy Chief Executive of the Company on 3 January 2007 and 26 March 2010 respectively.

Mr. Weng Jiaying ("Mr. Weng"), aged 34, holds a bachelor degree in finance. Mr. Weng has over 10 years of managerial experience in retail chain, healthcare and pharmaceutical businesses. Mr. Weng was appointed as an executive director and Deputy Chief Executive of the Company on 26 March 2010.

Mr. Zheng Gang ("Mr. Zheng"), aged 42, holds a master degree in business administration from Cardiff Business School in the United Kingdom and a bachelor degree in engineering from Xiamen University in the PRC. Mr. Zheng has over 15 years of management experience in finance, investment and trading. Mr. Zheng was appointed as an executive director of the Company on 1 August 2007.

執行董事

翁國亮先生 (「翁國亮先生」), 45歲, 董事會主席, 乃中國福建省之認可經濟師, 於企業管理及中國醫療和環保行業投資擁有逾20年經驗。翁國亮先生目前為香港莆田商會會長及香港莆仙同鄉聯合會榮譽會長。翁國亮先生現時亦為全國衛生協會副理事長、福建省醫療保險協會副理事長, 及福建省莆田市政協委員。彼於二零零五年三月二日、二零零五年四月二十九日及二零一零年三月二十六日分別獲委任為本公司執行董事、董事會主席及行政總裁。

蔣濤博士 (「蔣博士」), 54歲, 持有美利堅合眾國 (「美國」) Kirksville College of Osteopathic Medicine之亞力桑那醫學院之聽力學醫學博士學位, 並於美國德克薩斯州拉瑪爾大學持有聽力學及特殊教育兩個碩士學位。彼曾於美國、加拿大及中國多家企業擔任高級管理層職位, 於中國、香港、加拿大及美國之高層管理、顧問及投資方面擁有逾20年經驗。彼現時為中國昆明師範大學之教授, 亦為中國中山醫科大學及四川外語大學之客席教授。蔣博士於二零零七年一月三日及二零一零年三月二十六日分別獲委任為本公司之執行董事及行政副總裁。

翁加興先生 (「翁加興先生」), 34歲, 持有金融學學士學位。翁加興先生在零售連鎖、醫療及醫藥業務擁有逾10年管理經驗。翁加興先生於二零一零年三月二十六日獲委任為本公司執行董事兼行政副總裁。

鄭綱先生 (「鄭先生」), 42歲, 持有英國 Cardiff Business School工商管理碩士學位, 以及中國廈門大學工程學士學位。鄭先生於金融、投資及貿易方面累積逾15年管理經驗。鄭先生於二零零七年八月一日獲委任為本公司執行董事。

Directors' and Senior Management's Profiles 董事及高級管理人員簡歷

Dr. Huang Jiaqing ("Dr. Huang"), aged 59, has over 25 years of professional experience in the PRC's medical fields, including clinical, preventive and emergency medicine. Dr. Huang has served as clinical doctor, director of hospital's emergency centre, head of the sanitation and anti-epidemic department in hospital, head of the hospital and medical administration bureau in the PRC municipal government. To honour Dr. Huang's distinguished expertise in the medical fields, he enjoys special subsidisation from the State Council of the PRC. Dr. Huang is currently the executive vice president of the Group. Dr. Huang was appointed as an executive director of the Company on 30 July 2009.

Mr. Chen Jin Shan ("Mr. Chen"), aged 42, holds a bachelor degree in finance and accounting in the PRC. Mr. Chen has over 15 years of accounting experience in private companies. He had also been a project manager for more than 6 years in an accounting firm. He is currently an independent non-executive director of Citychamp Dartong Company Limited which is listed on the Shanghai Stock Exchange. Mr. Chen was appointed as an executive director of the Company on 25 April 2006.

NON-EXECUTIVE DIRECTOR

Dr. Wong Yu Man, James ("Dr. Wong"), aged 56, holds two bachelor degrees in medicine and surgery from the University of Hong Kong. Dr. Wong also holds a doctorate degree in medicine from Freiburg University in Germany. He has over 27 years of experience in medical and healthcare services in Hong Kong. Dr. Wong was appointed as the non-executive director of the Company on 20 March 2007.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Ka Wai, Jeanne ("Ms. Wong"), aged 46, has over 20 years of experience in finance, accounting, taxation and corporate affairs. She is a member of the Institute of Chartered Accountants in Australia, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Society of Trust and Estate Practitioners. Ms. Wong holds a bachelor degree in economics from the University of Sydney, Australia. Ms. Wong is currently the managing director of a private company providing consulting and management services, a registered Insurance Agent, as well as the chief financial officer of a local law firm and consultant of a local CPA firm. Ms. Wong

黃加慶醫生 (「黃醫生」), 59歲, 於國內醫學方面擁有逾25年專業經驗, 包括臨床、預防及急症醫學。黃醫生曾任診所醫生、急症中心主任、醫院公共衛生及防疫部門主管、醫院及中國市政府之公共醫療管理局主管。為表彰黃醫生在醫學方面之卓越成就, 彼享有中國國務院發出之特殊津貼。黃醫生現任本集團之執行副總裁。黃醫生於二零零九年七月三十日獲委任為本公司執行董事。

陳金山先生 (「陳先生」), 42歲, 持有中國之金融及會計學士學位。陳先生在私人公司方面擁有逾15年會計經驗。彼亦曾於會計公司擔任項目經理逾6年。彼現時於上海證券交易所上市公司冠城大通股份有限公司擔任獨立非執行董事。陳先生於二零零六年四月二十五日獲委任為本公司執行董事。

非執行董事

王裕民醫生 (「王醫生」), 56歲, 持有香港大學內外全科醫學士學位。王醫生亦持有德國弗萊堡大學醫學博士學位, 在香港累積逾27年醫療保健服務經驗。王醫生於二零零七年三月二十日獲委任為本公司非執行董事。

獨立非執行董事

黃嘉慧女士 (「黃女士」), 46歲, 於金融、會計、稅務及企業事務擁有逾20年經驗。彼為澳洲特許會計師公會之會員、香港會計師公會之執業會計師及信託及遺產學會會員。黃女士持有澳洲悉尼大學經濟學士學位。黃女士現時為一間提供顧問及管理服務之私人公司及一間註冊保險代理之董事總經理, 亦為一間本地律師行之財務總監及一間本地註冊會計師事務所之顧問。黃女士亦為鐳聯科技集團有限公司

Directors' and Senior Management's Profiles

董事及高級管理人員簡歷

is also currently an independent non-executive director and a member of the remuneration committee and the chairman of the audit committee of Cardlink Technology Group Limited which is listed on the GEM of the Stock Exchange. Ms. Wong was appointed as an independent non-executive director of the Company on 1 November 2007.

Prof. Hu Shanlian (“Prof. Hu”), aged 73, is a professor in health economics and has a master degree in science from the London School of Tropical Medicine and Hygiene. At present, he is the director of Training Centre for Health Management and Pharmacoeconomics Research and Evaluation Centre at School of Public Health at Fudan University in the PRC. Prof. Hu is also the director of Health Development Research Centre in the Shanghai Bureau of Health. Prof. Hu also held senior positions in the National Health Economic Institution and China Network of Training and Research in Health Economics and Financing between 1991 and 2005, which were supported by the Ministry of Health of the PRC and World Bank respectively. Prof. Hu was appointed as an independent non-executive director of the Company on 30 July 2009.

Prof. Lu Chuanzhen (“Prof. Lu”), aged 72, is a neurologist and has over 40 years of medical professional experience. Prof. Lu is currently the lifetime professor of Shanghai Huashan Hospital in the PRC and a director in the World Health Organisation's Neuroscience Research and Training Centre. Prof. Lu is also the chairman and director of the Institute of Neurology in Shanghai Medical University, the chairman of the Chinese Association of Neurology and chairman of the Shanghai association of Neurology in the Chinese Medical Society. Prof. Lu also has an international membership with New York Academy of Sciences. Prof. Lu was appointed as an independent non-executive director of the Company on 30 July 2009.

SENIOR MANAGEMENT

Mr. Lam Williamson (“Mr. Lam”), aged 35, joined the Group in December 2007. Mr. Lam is the Group's chief financial officer and company secretary of the Company. He has over 10 years' experience in finance and company secretarial functions. Mr. Lam is a member of the Certified Practising Accountant in Australia and also a fellow member of the Hong Kong Institute of Certified Public Accountants.

(該公司於聯交所創業板上市)之獨立非執行董事、薪酬委員會成員及審核委員會主席。黃女士於二零零七年十一月一日獲委任為本公司獨立非執行董事。

胡善聯教授 (「胡教授」)，73歲，為衛生經濟學教授，並持有London School of Tropical Medicine and Hygiene之理學碩士學位。目前，彼為中國復旦大學公共衛生學院衛生管理培訓中心及藥物經濟學評價與研究中心主任。胡教授亦為上海衛生部衛生發展研究中心主任。胡教授於一九九一年至二零零五年亦曾出任中國衛生經濟研究所及中國衛生經濟培訓與研究網絡之高級職位，該等組織分別獲中國衛生局及世界銀行支持。胡教授於二零零九年七月三十日獲委任為本公司獨立非執行董事。

呂傳真教授 (「呂教授」)，72歲，為神經病學家，擁有逾40年醫療專業經驗。呂教授目前為中國上海華山醫院終身教授及世界衛生組織神經科學研究與培訓合作中心主任。呂教授亦為上海醫科大學神經病學研究所所長及主任、中華醫學會之中華神經病學學會主席及上海市神經病學學會主席。呂教授亦為New York Academy of Sciences之國際會員。呂教授於二零零九年七月三十日獲委任為本公司獨立非執行董事。

高級管理人員

林全智先生 (「林先生」)，35歲，於二零零七年十二月加入本集團。林先生為本集團之財務總監兼本公司之公司秘書。彼於財務及公司秘書職務方面擁有逾10年經驗。林先生乃澳洲會計師公會會員及香港會計師公會資深會員。

CORPORATE GOVERNANCE PRACTICES

Subject to the deviations as disclosed in this report, the Company has complied with all the code provisions on Corporate Governance Practices as set out in the GEM Listing Rules by establishing formal and transparent procedures to protect and maximise the interests of shareholders during the year under review.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by the directors throughout the year ended 31 March 2010.

BOARD OF DIRECTORS AND BOARD MEETING

The Board members for the year ended 31 March 2010 and up to the date of this report were:

Executive directors:

Mr. Yung Kwok Leong (*Chairman and Chief Executive Officer*)

Dr. Jiang Tao (*Deputy Chief Executive*)

Mr. Weng Jiaying (*Deputy Chief Executive*)

(appointed on 26 March 2010)

Mr. Zheng Gang

Ms. Shum Ngai Pan

(retired on 30 July 2009)

Dr. Huang Jiaqing

(appointed on 30 July 2009)

Mr. Chen Jin Shan

Non-executive director:

Dr. Wong Yu Man, James

企業管治常規

除本報告所披露的偏離事項外，於回顧年度內，本公司設立正式及具透明度的程序保障股東，並為其爭取最大利益，藉以遵守創業板上規則所載的企業管治常規之所有守則條文。

董事證券交易

本公司已採納一套有關董事證券交易之行事守則，其條款嚴謹度並不低於創業板上規則第5.48至5.67條所載列之規定買賣標準。經向全體董事作具體查詢後得悉，董事於截至二零一零年三月三十一日止年度內，一直遵守該行事守則及規定買賣標準，以及有關董事進行證券交易之行事守則。

董事會和董事會會議

截至二零一零年三月三十一日止年度及直至本報告日期之董事會成員如下：

執行董事：

翁國亮先生 (*主席兼行政總裁*)

蔣濤博士 (*行政副總裁*)

翁加興先生 (*行政副總裁*)

(於二零一零年三月二十六日獲委任)

鄭鋼先生

沈毅斌女士

(於二零零九年七月三十日辭任)

黃加慶醫生

(於二零零九年七月三十日獲委任)

陳金山先生

非執行董事：

王裕民醫生

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Independent non-executive directors:

Ms. Wong Ka Wai, Jeanne

Mr. Hsu William Shiu Foo

(retired on 30 July 2009)

Prof. Yu Chai Mei

(retired on 30 July 2009)

Prof. Hu Shanlian

(appointed on 30 July 2009)

Prof. Lu Chuanzhen

(appointed on 30 July 2009)

The Board is currently composed of six executive directors (including the Chairman), one non-executive director and three independent non-executive directors with a balance of skills and experience appropriate for the requirements of the Group. The Board is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transaction, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for the Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

The directors' biographical information is set out on pages 16 to 18 of this Annual Report. All executive directors have given sufficient time and attention to the affairs of the Group. Each executive director has sufficient experience to hold the position as to carry out his or her duties effectively and efficiently. There is no relationship among the members of the Board.

獨立非執行董事：

黃嘉慧女士

徐筱夫先生

(於二零零九年七月三十日辭任)

余濟美教授

(於二零零九年七月三十日辭任)

胡善聯教授

(於二零零九年七月三十日獲委任)

呂傳真教授

(於二零零九年七月三十日獲委任)

董事會現時由六位執行董事(包括主席)、一位非執行董事及三位獨立非執行董事組成，在適合本集團需求的技能及經驗方面均取得平衡。董事會負責制訂企業策略、審批全年及中期業績、接續規劃、風險管理、主要收購、出售及股本交易，以及其他重大營運及財務事宜。董事會特別委託管理層處理的主要企業事務包括：編製全年及中期賬目，以便於對外公佈前由董事會審批，執行董事會採納的業務策略及計劃行動，落實足夠的內部監控系統和風險管理程序，以及遵守有關法定規定、規則及條例。

董事之個人履歷載於本年報第16至第18頁。全體執行董事均已付出足夠時間和精神在本集團的事務上。每位執行董事均具備充足經驗擔當有關職位，能有效及富效率地履行職責。董事會內各董事之間並無關係。

The Company appointed three independent non-executive directors who have appropriate and sufficient experience and qualifications to carry out their duties so as to protect the interests of shareholders. All of them have been appointed for a term of one year from the date of appointment and will continue thereafter until terminated by either party giving each other not less than one month's notice. Each director should be subject to retirement by rotation at least once every three years.

Pursuant to the requirements of the GEM Listing Rules, the Company has received written confirmation from each independent non-executive director of his independence to the Company. Based on such confirmations of independence, the Company considers all of the independent non-executive directors to be independent.

The Board held a regular board meeting for each quarter to consider and approve the Group's results announcement.

本公司已委任三位獨立非執行董事，彼等具備適當及充足之經驗及資歷以執行彼等之職責，從而保障股東利益。全體獨立非執行董事之任期均由委任起計為期一年，其後將持續獲委任，直至任何一方向對方發出不少於一個月通知予以終止。每位董事應最少每三年輪值告退一次。

根據創業板上市規則之規定，本公司已收到各獨立非執行董事就其於本公司之獨立性發出之確認書。根據該等獨立性確認，本公司認為全體獨立非執行董事均為獨立人士。

董事會每季定期舉行會議，以審議及批准本集團業績公佈。

Corporate Governance Report

企業管治報告

Details of the attendance of the meetings of the Board are as follows:

董事出席董事會會議之詳情如下：

| Directors 董事 | Attendance 出席率 |
|--|-------------------|
| Mr. Yung Kwok Leong (<i>Chairman and Chief Executive Officer</i>) 翁國亮先生 (主席兼行政總裁) | 2/4 |
| Dr. Jiang Tao (<i>Deputy Chief Executive</i>) 蔣濤博士 (行政副總裁) | 4/4 |
| Mr. Weng Jiaxing (<i>Deputy Chief Executive</i>) (appointed on 26 March 2010) 翁加興先生 (行政副總裁) (於二零一零年三月二十六日獲委任) | 0/4 |
| Mr. Zheng Gang 鄭鋼先生 | 4/4 |
| Ms. Shum Ngai Pan (retired on 30 July 2009) 沈毅斌女士 (於二零零九年七月三十日辭任) | 0/4 |
| Dr. Huang Jiaqing (appointed on 30 July 2009) 黃加慶醫生 (於二零零九年七月三十日獲委任) | 1/4 |
| Mr. Chen Jin Shan 陳金山先生 | 3/4 |
| Dr. Wong Yu Man, James 王裕民醫生 | 1/4 |
| Ms. Wong Ka Wai, Jeanne 黃嘉慧女士 | 4/4 |
| Mr. Hsu William Shiu Foo (retired on 30 July 2009) 徐筱夫先生 (於二零零九年七月三十日辭任) | 0/4 |
| Prof. Yu Chai Mei (retired on 30 July 2009) 余濟美教授 (於二零零九年七月三十日辭任) | 0/4 |
| Prof. Hu Shanlian (appointed on 30 July 2009) 胡善聯教授 (於二零零九年七月三十日獲委任) | 3/4 |
| Prof. Lu Chuanzhen (appointed on 30 July 2009) 呂傳真教授 (於二零零九年七月三十日獲委任) | 1/4 |

Apart from the above regular board meetings of the year, the Board will meet on other occasions when a Board level decision on a particular matter is required.

除了年內上述之董事會定期會議外，倘在其他情況需要董事會就某特定事項作出決定，董事會亦會召開會議。

Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer of the Company are not segregated and are exercised by the same individual. Mr. Yung Kwok Leong serves as the Chairman of the Board and Chief Executive Officer. The Board believes that vesting the roles of the Chairman and the Chief Executive Officer in the same person provides consistent and sustainable development of the Group, strong and consistent leadership in the Company's decision making and operational efficiency.

Non-executive Director

Code provision A.4.1 provides that non-executive director should be appointed for a specific term and subject to re-election. The Company's non-executive director has been appointed for specific term and subject to re-election.

REMUNERATION OF DIRECTORS

The remuneration committee was established on 3 June 2005 in compliance with the code provision. The chairman of the committee is Mr. Zheng Gang, an executive director of the Company, and other members include Ms. Wong Ka Wai, Jeanne, Prof. Hu Shanlian and Prof. Lu Chuanzhen, all of them are the independent non-executive directors of the Company.

The role and function of the remuneration committee include the determination of the specific remuneration package of all executive directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board of the remuneration of non-executive directors. The remuneration committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

During the year ended 31 March 2010, no meeting was held but resolutions in writing from the remuneration committee members were passed to consider and approve the emoluments of the new executive directors and independent non-executive directors.

主席及行政總裁

本公司之主席及行政總裁之職位並無加以區分，乃由同一人出任。翁國亮先生出任董事會主席兼行政總裁。董事會相信，由同一人出任主席及行政總裁之職位有助本集團貫切持續發展，亦可在本公司決策及營運效益方面，提供強大貫切的領導。

非執行董事

守則第A.4.1條規定，非執行董事應按特定任期獲委任，並須膺選連任。本公司之非執行董事均按特定任期獲委任，並須膺選連任。

董事薪酬

遵照守則條文，薪酬委員會於二零零五年六月三日成立。委員會主席為本公司執行董事鄭鋼先生，其他成員包括黃嘉慧女士、胡善聯教授及呂傳真教授，彼等皆為本公司之獨立非執行董事。

薪酬委員會的職責及功能包括釐訂所有執行董事的具體薪酬組合，包括實物福利、退休金權益及報酬款項，包括任何就離職或終止委任應付之補償，並就非執行董事的酬金向董事會提出建議。薪酬委員會考慮之因素包括相若公司支付之薪金、各董事付出之時間及所負職責，本集團其他職位之僱用條件，以及是否適宜推出與業績掛鈎的酬金等。

於截至二零一零年三月三十一日止年度，薪酬委員會並無舉行會議，但委員會成員曾通過書面決議案，以審議及批准新任執行董事與獨立非執行董事之薪酬。

Corporate Governance Report

企業管治報告

NOMINATION OF DIRECTORS

The Board does not establish a nomination committee in consideration of the size of the Group. The Board is empowered under the Company's articles of association to appoint any person as a director either to fill a casual vacancy on or as an additional member of the Board. Suitable candidates will be proposed to the Board for consideration, and the Board will review the qualifications of the relevant candidate for determining the suitability to the Group on the basis of his qualifications, experience and background.

AUDITORS' REMUNERATION

During the year ended 31 March 2010, the fees paid or payable to the auditors in respect of audit and non-audit services provided by the auditors of the Group were as follows:

| Nature of services 服務性質 | Amount (HK\$'000) 金額(千港元) |
|-----------------------------|------------------------------|
| Audit services 審核服務 | 1,050 |
| Non-audit services 非審核服務 | 1,200 |

AUDIT COMMITTEE

The Company established an audit committee on 2 November 2001, with written terms of reference in compliance with rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the audit committee are: (i) to ensure the adequacy and effectiveness of the accounting and financial controls of the Group; (ii) oversee the performance of internal control systems and financial reporting process; and (iii) monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors. The audit committee comprises three members, including Ms. Wong Ka Wai, Jeanne, Prof. Hu Shanlian and Prof. Lu Chuanzhen. All of them are the independent non-executive directors. The chairlady of the audit committee is Ms. Wong Ka Wai, Jeanne.

董事之提名

考慮到本集團之規模，董事會並無成立提名委員會。董事會根據本公司之組織章程細則獲授權委任任何人士出任董事，以填補臨時空缺或出任董事會之新增成員。合適人選將提呈董事會以供考慮，而董事會將根據候選人之資歷、經驗及背景評估其是否適合本集團之需要。

核數師酬金

於截至二零一零年三月三十一日止年度，就本集團核數師提供之審核及非審核服務已付或應付予核數師之費用如下：

審核委員會

本公司於二零零一年十一月二日成立審核委員會，並遵照創業板上市規則第5.28條至5.29條以書面制訂其職權範圍。審核委員會的主要職責為：(i)確保本集團之會計及財務監控充足而成效；(ii)監督內部監控系統及財務申報程序之表現；及(iii)監察財務報表是否完備及符合法定和上市規定，以及監督外聘核數師之獨立性及資格。審核委員會由三位成員組成，包括黃嘉慧女士、胡善聯教授及呂傳真教授。彼等皆為獨立非執行董事。審核委員會主席為黃嘉慧女士。

The audit committee held four meetings during the year under review. Details of the attendance of the audit committee meetings are as follows:

審核委員會於回顧年度內曾舉行四次會議。各成員出席審核委員會會議之詳情如下：

| Members 成員 | Attendance 出席率 |
|---|-------------------|
| Ms. Wong Ka Wai, Jeanne 黃嘉慧女士 | 4/4 |
| Mr. Hsu William Shiu Foo (resigned on 30 July 2009) 徐筱夫先生(於二零零九年七月三十日辭任) | 0/4 |
| Prof. Yu Chai Mei (resigned on 30 July 2009) 余濟美教授(於二零零九年七月三十日辭任) | 0/4 |
| Prof. Hu Shanlian (appointed on 30 July 2009) 胡善聯教授(於二零零九年七月三十日獲委任) | 3/4 |
| Prof. Lu Chuanzhen (appointed on 30 July 2009) 呂傳真教授(於二零零九年七月三十日獲委任) | 1/4 |

The Group's unaudited quarterly and interim results and annual audited results during the year ended 31 March 2010 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

於截至二零一零年三月三十一日止年度，本集團之未經審核季度及中期業績，以及經審核全年業績，均已經由審核委員會審閱。審核委員會認為，該等業績已遵照適用會計準則及規定編製，並已作出充份披露。

INTERNAL CONTROLS

The Board is responsible for maintaining the Group's internal control and for reviewing the effectiveness of these controls. Internal control systems are designed to meet the particular needs of the Group and the risk to which it is exposed.

內部監控

董事會負責維持本集團之內部監控，並檢討該等監控是否行之有效。內部監控制度乃根據本集團之特殊需要及所面對之風險設計。

Corporate Governance Report

企業管治報告

In consideration of the size of the Group, the Board does not consider to establish an internal audit team at present. However, the key control procedure established by the Group is a day-to-day supervision of the business by the executive directors, supported by the managers responsible for the operation and the key division support functions of finance, information system and human resources. Key elements of internal control described below have been in place throughout the year under review:

- procedures for the approval of capital expenditure and payments;
- regular financial information provided to management for reviewing the Group's performance; and
- clearly defined management structure and lines of responsibility.

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or condition that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual, interim and quarterly reports, other price-sensitive announcements and other financial disclosures required under the GEM Listing Rules.

經考慮本集團之規模，董事會認為毋須於現時設立內部審核團隊。然而，本集團設立之主要監控程序乃執行董事對日常業務作出之監控，並由負責營運以及財務、資訊系統及人力資源等主要部門之經理提供支援。下文所述內部監控之主要元素已於整個回顧年度內執行：

- 批准資本開支及付款之程序；
- 定期向管理層提供財務資料以檢討本集團之表現；及
- 明確界定管理層之架構及職務。

問責及審核

董事會確認其有責任就各財政年度編製能真實而公平地反映本集團財政狀況之財務報表。董事會並不知悉任何與若干事件或情況有關之重大不明確因素，可能會對本公司之持續經營能力構成重大疑問。因此，董事會採用持續經營基準編製本公司之財務報表。

董事會亦確認，其有責任在本公司年報、中期及季度報告、其他股價敏感公佈及創業板上市規則規定之其他財務披露中，提供平衡、清晰及易於理解之評估。

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Board believes that a transparent and timely disclosure of the Group's information will enable shareholders and investors to make the best investment decision and to have better understanding on the Group's business performance and strategies. It is also vital for developing and maintaining continuing investor relations with the Company's potential and existing investors.

The Company maintains a website at "www.huaxia-healthcare.com" as a communication platform with shareholders and investors, where information and updates on the Group's financial information and other information are available for public access.

與股東及投資者溝通

董事會相信，透明而適時披露本集團之資料，有助股東及投資者作出最佳投資決定，並加深了解本集團業務表現及策略。與本公司之準投資者及現有投資者發展及維持持續之投資者關係亦至為重要。

本公司設有網站「www.huaxia-healthcare.com」，作為與股東及投資者溝通之平台，本集團會在網站公佈及更新財務資料與其他資料以供公眾查閱。

Report of the Directors

董事會報告

The directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2010.

DATE OF INCORPORATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 28 May 2001 under the Companies Law (Revised) of the Cayman Islands.

The shares of the Company were listed on the GEM of the Stock Exchange on 10 May 2002.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company while its subsidiaries are principally engaged in the provision of general hospital and healthcare and hospital management services, pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the PRC. Details of the principal activities of its subsidiaries are set out in Note 43 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customers accounted for approximately 5% of the Group's total sales and sales to the largest customer included therein amounted to approximately 1.7%.

The aggregate purchases during the year attributable to the Group's five largest suppliers were approximately 17% of the Group's total purchases and purchases from the largest supplier included therein amounted to approximately 5%.

None of the directors, their associates or any shareholder, which to the knowledge of the directors owned more than 5% of the Company's issued share capital, had any interest in the share capital of any of the five largest customers of the Group.

董事謹提呈本集團截至二零一零年三月三十一日止年度之年報及經審核財務報表。

註冊成立日期

本公司於二零零一年五月二十八日根據開曼群島公司法(經修訂)在開曼群島註冊成立及登記為獲豁免有限公司。

本公司股份於二零零二年五月十日在聯交所創業板上市。

主要業務

本公司為一間投資控股公司，而其附屬公司主要在中國從事提供綜合性醫院及醫療及醫院管理服務、藥物批發及分銷業務以及藥物零售連鎖店業務。本公司附屬公司主要業務之詳情載於財務報表附註43。

主要客戶及供應商

年內，本集團五大客戶銷售額約佔本集團銷售總額5%，其中最大客戶銷售額約佔1.7%。

年內，本集團五大供應商採購總額約佔本集團採購總額17%，其中最大供應商約佔5%。

董事、彼等之聯繫人士或就董事所知擁有本公司已發行股本超過5%之任何股東，在本集團五大客戶之股本中概無擁有任何權益。

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2010 and the state of the Company's and the Group's affairs as at 31 March 2010 are set out in the financial statements on pages 45 to 155.

The directors do not recommend the payment of a dividend.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in Note 16 to the financial statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out on page 105 to 106 and in Note 17 to the financial statements and in the consolidated statement of changes in equity respectively.

The Company had no distributable reserves as at 31 March 2010. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account, of the Company.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 6 to the financial statements.

業績及股息

本集團截至二零一零年三月三十一日止年度之業績及本公司及本集團於二零一零年三月三十一日之財務狀況載於第45至155頁之財務報表。

董事並不建議派發股息。

股本

本公司年內之股本變動詳情載於財務報表附註16。

儲備

本公司及本集團年內之儲備變動詳情分別載於第105至第106頁、財務報表附註17，以及綜合權益變動表內。

於二零一零年三月三十一日，本公司並無可供分派儲備。根據開曼群島公司法第22章（經修訂），於本公司之組織章程大綱及組織章程細則規限下，如緊隨分派或派息後本公司有能力償還其於日常業務過程中到期之債務，則本公司之股份溢價可以分派或以股息方式派付予股東。根據本公司之組織章程細則，股息須自本公司保留溢利或其他儲備（包括股份溢價賬）撥付。

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載於財務報表附註6。

Report of the Directors

董事會報告

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report are:

Executive directors:

Mr. Yung Kwok Leong (*Chairman and Chief Executive Officer*)

Dr. Jiang Tao (*Deputy Chief Executive*)

Mr. Weng Jiaxing (*Deputy Chief Executive*)

(appointed on 26 March 2010)

Mr. Zheng Gang

Ms. Shum Ngai Pan

(retired on 30 July 2009)

Dr. Huang Jiaqing

(appointed on 30 July 2009)

Mr. Chen Jin Shan

Non-executive director:

Dr. Wong Yu Man, James

Independent non-executive directors:

Ms. Wong Ka Wai, Jeanne

Mr. Hsu William Shiu Foo

(retired on 30 July 2009)

Prof. Yu Chai Mei

(retired on 30 July 2009)

Prof. Hu Shanlian

(appointed on 30 July 2009)

Prof. Lu Chuanzhen

(appointed on 30 July 2009)

In accordance with Article 87 of the Company's Articles of Association, Mr. Weng Jiaxing, Mr. Zheng Gang and Mr. Chen Jin Shan, the executive directors of the Company, will retire and, being eligible, offer themselves for re-election at the forthcoming general meeting.

董事及董事服務合約

年內及截至本報告日期本公司之董事如下：

執行董事：

翁國亮先生 (*主席兼行政總裁*)

蔣濤博士 (*行政副總裁*)

翁加興先生 (*行政副總裁*)

(於二零一零年三月二十六日獲委任)

鄭鋼先生

沈毅斌女士

(於二零零九年七月三十日辭任)

黃加慶醫生

(於二零零九年七月三十日獲委任)

陳金山先生

非執行董事：

王裕民醫生

獨立非執行董事：

黃嘉慧女士

徐筱夫先生

(於二零零九年七月三十日辭任)

余濟美教授

(於二零零九年七月三十日辭任)

胡善聯教授

(於二零零九年七月三十日獲委任)

呂傳真教授

(於二零零九年七月三十日獲委任)

根據本公司之組織章程細則第87條，本公司執行董事翁加興先生、鄭鋼先生及陳金山先生將於應屆股東大會上輪值告退，惟符合資格並願意膺選連任。

Mr. Yung Kwok Leong, the executive director of the Company and chairman of the Board has signed a letter of appointment with the Company for a period of one year commencing from 1 February 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Dr. Jiang Tao has been appointed as an executive director by way of a letter of appointment with the Company for a period of one year commencing from 3 January 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Mr. Weng Jiaxing has been appointed as an executive director by way of a letter of appointment with the Company for a period of one year commencing from 26 March 2010 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Mr. Zheng Gang has been appointed as an executive director by way of a letter of appointment with the Company for a period of one year commencing from 1 August 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Mr. Chen Jin Shan has been appointed as an executive director by way of a letter of appointment with the Company for a period of one year commencing from 25 April 2006 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Dr. Huang Jiaqing has been appointed as an executive director by way of a letter of appointment with the Company for a period of one year commencing from 30 July 2009 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

本公司執行董事兼董事會主席翁國亮先生已與本公司簽訂委任書，由二零零七年二月一日起計為期一年，並將於其後續任，直至任何一方向另一方發出不少於一個月之書面通知終止聘任為止。

蔣濤博士已獲本公司以委任書委任為執行董事，自二零零七年一月三日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

翁加興先生已獲本公司以委任書委任為執行董事，自二零一零年三月二十六日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

鄭鋼先生已獲本公司以委任書委任為執行董事，自二零零七年八月一日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

陳金山先生已獲本公司以委任書委任為執行董事，自二零零六年四月二十五日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

黃加慶醫生已獲本公司以委任書委任為執行董事，自二零零九年七月三十日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

Report of the Directors 董事會報告

Dr. Wong Yu Man, James, has been appointed as the non-executive director by way of a letter of appointment with the Company for a period of one year commencing from 20 March 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Ms. Wong Ka Wai, Jeanne, has been appointed as an independent non-executive director by way of a letter of appointment with the Company for a period of one year commencing from 1 November 2007 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Prof. Hu Shanlian and Prof. Lu Chuanzhen have been appointed as independent non-executive directors by way of letters of employment with the Company for a period of one year commencing from 30 July 2009 which will continue thereafter until terminated by either party giving to the other party not less than one month's notice in writing.

Save as disclosed above, none of the directors has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

王裕民醫生已獲本公司以委任書委任為非執行董事，自二零零七年三月二十日起計為期一年，並將於其後續任，直至任何一方向另一方發出不少於一個月之書面通知終止聘任為止。

黃嘉慧女士已獲本公司以委任書委任為獨立非執行董事，自二零零七年十一月一日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

胡善聯教授及呂傳真教授已獲本公司以委任書委任為獨立非執行董事，自二零零九年七月三十日起計為期一年，並將於其後續任，直至任何一方向另外一方發出不少於一個月之書面通知終止聘任為止。

除上文所披露者外，並無董事與本公司或其任何附屬公司訂立本集團不得於一年內毋須補償（法定補償除外）而終止之服務合約。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Disclosure of Interests

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at 31 March 2010, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealings by directors of the Company as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Interests in shares:

| Name of director | Nature of interest | Number of shares | Position | Approximate percentage of the total issued shares |
|------------------------------|---------------------------------------|--------------------------------|------------|---|
| 董事姓名 | 權益性質 | 股份數目 | 倉位 | 佔已發行股份總數之概約百分比 |
| Mr. Yung Kwok Leong 翁國亮先生 | Corporate interest (Note) 公司權益(附註) | 1,209,605,000 | Long 好倉 | 26.91% 26.91% |
| | Personal interest 個人權益 | 4,848,802,083 4,848,802,083 | Long 好倉 | 107.87% 107.87% |
| Mr. Weng Jiaying 翁加興先生 | Personal interest 個人權益 | 14,062,500 14,062,500 | Long 好倉 | 0.31% 0.31% |
| Mr. Zheng Gang 鄭鋼先生 | Personal interest 個人權益 | 9,000,000 9,000,000 | Long 好倉 | 0.20% 0.20% |

董事及主要行政人員於股份、相關股份及債權證之權益

權益披露

(a) 董事於本公司及其相聯法團之證券之權益及淡倉

於二零一零年三月三十一日，本公司董事及主要行政人員在本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債權證中擁有根據證券及期貨條例第352條須由本公司存置之登記冊所載之權益及淡倉，或根據創業板上市規則第5.46至5.67條所述本公司董事進行買賣之規定標準須知會本公司及聯交所之權益及淡倉如下：

(i) 股份權益：

Report of the Directors

董事會報告

Note 1: These shares are held through Easeglory Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by Mr. Yung Kwok Leong.

附註1：此等股份乃透過易耀控股有限公司（於英屬處女群島註冊成立之有限公司）持有。其全部已發行股本由翁國亮先生擁有。

Note 2: The 4,848,802,083 shares represent (i) the 15,468,750 shares beneficially owned by Mr. Yung Kwok Leong, and (ii) the 4,833,333,333 convertible preference shares.

附註2：該4,848,802,083股股份指(i)翁國亮先生實益擁有之15,468,750股股份；及(ii)4,833,333,333股可換股優先股。

(ii) Interests in share options under Post-IPO share option scheme:

(ii) 首次公開發售後購股權計劃項下之購股權權益：

| Name of director | Exercise period | Exercise price | Number of share options granted | Position |
|------------------------------|--|----------------------|---------------------------------|------------|
| 董事姓名 | 行使期 | 行使價 | 已授出之購股權數目 | 倉位 |
| Mr. Yung Kwok Leong 翁國亮先生 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一九年三月二十九日 | HK\$0.050 0.050港元 | 17,000,000 | Long 好倉 |
| Dr. Jiang Tao 蔣濤博士 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一九年三月二十九日 | HK\$0.050 0.050港元 | 8,000,000 | Long 好倉 |
| | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 15,000,000 | Long 好倉 |
| Mr. Weng Jiaying 翁加興先生 | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 19,000,000 | Long 好倉 |

| Name of director | Exercise period | Exercise price | Number of share options granted | Position |
|----------------------------|------------------------------------|----------------|---------------------------------|----------|
| 董事姓名 | 行使期 | 行使價 | 已授出之購股權數目 | 倉位 |
| Mr. Zheng Gang 鄭鋼先生 | 30 September 2009 to 29 March 2019 | HK\$0.050 | 17,000,000 | Long |
| | 二零零九年九月三十日至 二零一九年三月二十九日 | 0.050港元 | 17,000,000 | 好倉 |
| | 23 March 2010 to 22 March 2015 | HK\$0.117 | 27,000,000 | Long |
| | 二零一零年三月二十三日至 二零一五年三月二十二日 | 0.117港元 | 27,000,000 | 好倉 |
| Dr. Huang Jiaqing 黃加慶醫生 | 30 September 2009 to 29 March 2014 | HK\$0.05 | 10,000,000 | Long |
| | 二零零九年九月三十日至 二零一四年三月二十九日 | 0.050港元 | 10,000,000 | 好倉 |
| | 23 March 2010 to 22 March 2015 | HK\$0.117 | 3,000,000 | Long |
| | 二零一零年三月二十三日至 二零一五年三月二十二日 | 0.117港元 | 3,000,000 | 好倉 |
| Mr. Chen Jin Shan 陳金山先生 | 30 September 2009 to 29 March 2019 | HK\$0.050 | 17,000,000 | Long |
| | 二零零九年九月三十日至 二零一九年三月二十九日 | 0.050港元 | 17,000,000 | 好倉 |
| | 23 March 2010 to 22 March 2015 | HK\$0.117 | 20,000,000 | Long |
| | 二零一零年三月二十三日至 二零一五年三月二十二日 | 0.117港元 | 20,000,000 | 好倉 |

Save as disclosed above, as at 31 March 2010, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

除上文所披露者外，於二零一零年三月三十一日，本公司各董事或主要行政人員概無在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債權證中擁有根據證券及期貨條例第352條須由本公司存置之登記冊所載之權益或淡倉，或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所之權益或淡倉。

Report of the Directors

董事會報告

Substantial shareholders' interests and short positions in shares and underlying shares

As at 31 March 2010, other than the interests of a director or chief executive of the Company as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shares and debentures" above, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in shares of the Company:

| Name of shareholder | Number of shares | Position | Capacity | Approximate percentage of the total issued shares |
|-------------------------------------|------------------|----------|--------------------|---|
| 股東名稱 | 股份數目 | 倉位 | 身份 | 佔已發行股份總數之概約百分比 |
| Easeglory Holdings Limited (Note 1) | 1,209,605,000 | Long | Beneficial owner | 26.91% |
| 易耀控股有限公司(附註1) | 1,209,605,000 | 好倉 | 實益擁有人 | 26.91% |
| Mrs. Yung Muk Ying (Note 1) | 6,075,407,083 | Long | Interest of spouse | 135.16% |
| 翁木英女士(附註1) | 6,075,407,083 | 好倉 | 配偶權益 | 135.16% |

Note 1: The issued share capital of Easeglory Holdings Limited is 100% beneficially owned by Mr. Yung Kwok Leong, an executive director and the Chairman of the Board and Chief Executive Officer of the Company. By virtue of her being the spouse of Mr. Yung Kwok Leong, Mrs. Yung Muk Ying is deemed to be interested in 1,209,605,000 shares held by Easeglory Holdings Limited and 15,468,750 shares and 17,000,000 share options and 4,833,333,333 convertible preference shares beneficially held by Mr. Yung Kwok Leong in personal capacity.

Save as disclosed above, as at 31 March 2010, the directors of the Company were not aware of any other person (other than the directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東於股份及相關股份之權益及淡倉

於二零一零年三月三十一日，除上文「董事及主要行政人員於股份、相關股份及債權證之權益」一節所披露本公司董事或主要行政人員之權益外，以下人士於本公司股份及相關股份中擁有根據證券及期貨條例第336條須由本公司存置之登記冊所載之權益及淡倉：

本公司股份之好倉：

附註1：易耀控股有限公司之全部已發行股本由本公司執行董事、董事會主席兼行政總裁翁國亮先生實益擁有。由於翁木英女士為翁國亮先生之配偶，故被視作於易耀控股有限公司所持1,209,605,000股股份及由翁國亮先生以個人身份實益持有之15,468,750股股份、17,000,000份購股權及4,833,333,333股可換股優先股中擁有權益。

除上文所披露者外，於二零一零年三月三十一日，本公司董事並不知悉任何其他人士（本公司董事及主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須由本公司存置之登記冊所載之權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

Apart from as disclosed under the heading "Directors' and chief executive's interests in shares, underlying shares and debentures" above, at no time since incorporation of the Company were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEMES

As at 31 March 2010, there were 483,142,203 outstanding share options, of which, 2,281,370 and 480,860,833 share options were granted pursuant to the respective Pre-IPO share option scheme and Post-IPO share option scheme. Details of the outstanding share options as at 31 March 2010 were as follows:

(i) Pre-IPO scheme

As at 31 March 2010, there were 2,281,370 outstanding share options pursuant to the Pre-IPO scheme adopted on 20 April 2002. A breakdown setting out the number of outstanding share options, their respective exercise price and respective exercise period under the Pre-IPO scheme was as follows:

| Categories of grantees 承授人類別 | Exercise period 行使期 | Exercise price 行使價 | Number of share options outstanding 尚未行使之 購股權數目 |
|--|---|-----------------------|---|
| Former employee and advisor of the Group 本集團前僱員及顧問 | 25 April 2002 to 24 April 2012 二零零二年四月二十五日至 二零一二年四月二十四日 | HK\$0.245 0.245港元 | 2,281,370 2,281,370 |

董事購買證券之權利

除上文「董事及主要行政人員於股份、相關股份及債權證之權益」一節所披露者外，本公司自註冊成立以來，概無向任何董事或彼等各自之配偶或未滿十八歲之子女授出任何權利，致使彼等可透過購入本公司或任何其他法人團體的股份或債權證而獲益，而彼等亦概無行使該等權利；且本公司、其控股公司或其任何附屬公司亦概無參與任何安排，致使董事、彼等各自之配偶或未滿十八歲之子女可獲得任何其他法人團體之該等權利。

購股權計劃

於二零一零年三月三十一日，尚未行使之購股權有483,142,203份，其中2,281,370份及480,860,833份購股權乃分別根據首次公開發售前購股權計劃及首次公開發售後購股權計劃授出。有關於二零一零年三月三十一日尚未行使之購股權之詳情如下：

(i) 首次公開發售前計劃

於二零一零年三月三十一日，根據於二零零二年四月二十日採納之首次公開發售前計劃項下有2,281,370份購股權尚未行使。首次公開發售前計劃項下尚未行使購股權數目、其各自之行使價及行使期明細如下：

Report of the Directors

董事會報告

(ii) Post-IPO share option scheme

On 12 July 2006, 21 March 2007, 30 March 2009 and 18 March 2010 respectively, the Company passed Board resolutions pursuant to the Post-IPO scheme adopted on 20 April 2002 to grant a total of 480,860,833 share options to directors, consultants and employees of the Group. It was resolved that share options be offered to the directors, consultants and employees respectively with a 5 year and 10 year exercise period each commencing from 13 July 2006, 21 March 2007, 30 September 2009 and 23 March 2010 respectively. The exercise prices of the share options granted on 13 July 2006 and 21 March 2007 have been adjusted to HK\$0.376 and HK\$0.306 respectively as a result of the open offer become unconditional on 12 March 2009. A breakdown setting out the number of the share options outstanding, their respective exercise price and exercise period for the year ended 31 March 2010 was as follows:

(ii) 首次公開發售後購股權計劃

於二零零六年七月十二日、二零零七年三月二十一日、二零零九年三月三十日及二零一零年三月十八日，本公司分別通過董事會決議案，根據於二零零二年四月二十日採納之首次公開發售後計劃，向本集團董事、顧問及僱員授出合共480,860,833份購股權。本公司議決分別向董事、顧問及僱員授出購股權，行使期分別由二零零六年七月十三日、二零零七年三月二十一日、二零零九年九月三十日及二零一零年三月二十三日起，各分別為期5年及10年。由於公開發售於二零零九年三月十二日成為無條件，因此，於二零零六年七月十三日及二零零七年三月二十一日授出之購股權之行使價已分別調整為0.376港元及0.306港元。截至二零一零年三月三十一日止年度，尚未行使之購股權數目、其各自之行使價及行使期明細如下：

| Categories of grantees 承授人類別 | Exercise period 行使期 | Exercise price 行使價 | Number of share options outstanding 尚未行使之購股權數目 |
|---------------------------------|--|-----------------------|---|
| Directors | | | |
| 董事 | | | |
| Mr. Yung Kwok Leong 翁國亮先生 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一零年三月二十九日 | HK\$0.050 0.050港元 | 17,000,000 17,000,000 |
| Dr. Jiang Tao 蔣濤博士 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一零年三月二十九日 | HK\$0.050 0.050港元 | 8,000,000 8,000,000 |
| | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 15,000,000 15,000,000 |

Report of the Directors

董事會報告

| Categories of grantees 承授人類別 | Exercise period 行使期 | Exercise price 行使價 | Number of share options outstanding 尚未行使之 購股權數目 |
|---------------------------------|--|-----------------------|---|
| Mr. Weng Jiaying 翁加興先生 | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 19,000,000 19,000,000 |
| Mr. Zheng Gang 鄭鋼先生 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一九年三月二十九日 | HK\$0.050 0.050港元 | 17,000,000 17,000,000 |
| | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 27,000,000 27,000,000 |
| Dr. Huang Jiaqing 黃加慶醫生 | 30 September 2009 to 29 March 2014 二零零九年九月三十日至 二零一四年三月二十九日 | HK\$0.05 0.050港元 | 10,000,000 10,000,000 |
| | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 3,000,000 3,000,000 |
| Mr. Chen Jin Shan 陳金山先生 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一九年三月二十九日 | HK\$0.050 0.050港元 | 17,000,000 17,000,000 |
| | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 20,000,000 20,000,000 |

Report of the Directors

董事會報告

| Categories of grantees 承授人類別 | Exercise period 行使期 | Exercise price 行使價 | Number of share options outstanding 尚未行使之 購股權數目 |
|---|--|-----------------------|---|
| Employees and consultants of the Group 本集團僱員及顧問 | 13 July 2006 to 12 July 2016 二零零六年七月十三日至 二零一六年七月十二日 | HK\$0.376 0.376港元 | 11,027,500 11,027,500 |
| | 21 March 2007 to 20 March 2017 二零零七年三月二十一日至 二零一七年三月二十日 | HK\$0.306 0.306港元 | 20,833,333 20,833,333 |
| | 30 September 2009 to 29 March 2019 二零零九年九月三十日至 二零一九年三月二十九日 | HK\$0.050 0.050港元 | 102,000,000 102,000,000 |
| | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至 二零一五年三月二十二日 | HK\$0.117 0.117港元 | 194,000,000 194,000,000 |
| Total 總計 | | | 480,860,833 |

DIRECTORS' INTERESTS IN CONTRACTS

There were no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事於合約之權益

本公司或其任何附屬公司概無訂立於年結時或年內任何時間仍然有效而本公司董事直接或間接擁有重大權益之重大合約。

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

During the year ended 31 March 2010, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

購買、出售或贖回本公司上市股份

截至二零一零年三月三十一日止年度，本公司及其任何附屬公司並無購買、出售或贖回本公司之上市證券。

PRE-EMPTIVE RIGHTS

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

優先購股權

本公司之組織章程細則或開曼群島法例並無有關本公司須向現有股東按比例提呈新股份之優先購股權之規定。

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 156. This summary does not form part of the audited financial statements.

COMPETING INTERESTS

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

AUDITORS

The financial statements of the Company for the year ended 31 March 2010 were audited by HLB Hodgson Impey Cheng who will retire at the forthcoming annual general meeting and being eligible, offer themselves for reappointment.

On behalf of the Board

Yung Kwok Leong

Chairman

Hong Kong, 25 June 2010

五年財務摘要

過往五個財政年度本集團已刊發之業績及資產、負債及少數股東權益摘要載於第156頁，有關資料乃摘錄自經審核財務報表，並於適當情況下作出重列。此摘要並非經審核財務報表之一部分。

競爭權益

董事及管理層股東（定義見創業板上市規則）及彼等各自之聯繫人士概無在與本集團業務存在或可能存在競爭之業務中擁有任何權益，亦無根據創業板上市規則與本集團存在或可能存在利益衝突。

核數師

國衛會計師事務所已審核本公司截至二零一零年三月三十一日止年度之財務報表。國衛會計師事務所將於應屆股東週年大會上退任，並合資格及願意獲續聘。

代表董事會

主席

翁國亮

香港，二零一零年六月二十五日

Independent Auditors' Report

獨立核數師報告



Chartered Accountants
Certified Public Accountants

TO THE SHAREHOLDERS OF HUA XIA HEALTHCARE HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Hua Xia Healthcare Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 45 to 155, which comprise the consolidated and company statements of financial position as at 31 March 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year 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.

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Hong Kong

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

致華夏醫療集團有限公司全體股東

(於開曼群島註冊成立之有限公司)

吾等已審核列載於第45至155頁之華夏醫療集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此財務報表包括於二零一零年三月三十一日之綜合及公司財務狀況表與截至該日止年度之綜合全面損益賬、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務申報準則及香港公司條例之披露規定編製及真實而公平地呈列綜合財務報表。該責任包括設計、實施及維護與編製及真實而公平地呈列綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況作出合理之會計估計。

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, 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.

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.

核數師之責任

吾等之責任是根據吾等之審核對綜合財務報表作出意見，並僅向整體股東報告而不作其他用途。吾等概不就本報告之內容，對任何其他人士負責或承擔責任。吾等已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求吾等遵守道德規範，並規劃及執行審核，從而合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地呈列綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司之內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體呈列方式。

吾等相信，吾等所獲得之審核憑證充足和適當，為吾等之審核意見提供基礎。

Independent Auditors' Report

獨立核數師報告

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

Hong Kong, 25 June 2010

意見

吾等認為，綜合財務報表已根據香港財務申報準則真實而公平地反映 貴公司及 貴集團於二零一零年三月三十一日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥善編製。

國衛會計師事務所

英國特許會計師
香港執業會計師

香港，二零一零年六月二十五日

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 March 2010 於二零一零年三月三十一日

| | | | 2010 二零一零年 | 2009 二零零九年 |
|---|-------------|------------------|-----------------|-----------------|
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 6 | 43,438 | 43,668 | |
| Prepaid lease payments | 7 | 32,268 | 28,989 | |
| Investment properties | 8 | 5,586 | – | |
| Goodwill | 10 | 788,068 | 206,585 | |
| | | 869,360 | 279,242 | |
| Current assets | | | | |
| Inventories | 13 | 95,154 | 3,696 | |
| Trade and other receivables and deposits | 14 | 241,136 | 18,275 | |
| Derivative financial instruments | 15 | 96 | 3 | |
| Pledged bank deposits | | 17,274 | 5,255 | |
| Cash and bank balances | 9 | 59,712 | 88,506 | |
| | | 413,372 | 115,735 | |
| Total assets | | 1,282,732 | 394,977 | |
| EQUITY: | | | | |
| Capital and reserves attributable to the owners of Company | | | | |
| Share capital | 16 | 466,423 | 224,756 | |
| Reserves | | 237,561 | 103,067 | |
| | | 703,984 | 327,823 | |
| Minority interests | | 32,858 | 28,239 | |
| Total equity | | 736,842 | 356,062 | |

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 March 2010 於二零一零年三月三十一日

| | | | 2010 二零一零年 | 2009 二零零九年 |
|--|------------------|-------------|------------------|-----------------|
| | | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| LIABILITIES | 負債 | | | |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付款項 | 18 | 250,748 | 30,607 |
| Bank borrowings | 銀行借貸 | 19 | 47,310 | – |
| Amounts due to minority shareholders | 應付少數股東之款項 | 20 | 719 | 540 |
| Convertible note | 可換股票據 | 21 | – | 6,469 |
| Tax payable | 應付稅項 | | 2,254 | 1,118 |
| | | | <u>301,031</u> | <u>38,734</u> |
| Long-term liabilities | 長期負債 | | | |
| Promissory note | 承兌票據 | 22 | 240,482 | – |
| Convertible note | 可換股票據 | 21 | 3,741 | – |
| Deferred taxation | 遞延稅項 | 36 | 636 | 181 |
| | | | <u>244,859</u> | <u>181</u> |
| Total liabilities | 負債總額 | | <u>545,890</u> | <u>38,915</u> |
| Total equity and liabilities | 權益及負債總額 | | <u>1,282,732</u> | <u>394,977</u> |
| Net current assets | 流動資產淨值 | | <u>112,341</u> | <u>77,001</u> |
| Total assets less current liabilities | 資產總值減流動負債 | | <u>981,701</u> | <u>356,243</u> |

Approved by the Board of Directors on 25 June 2010 and signed on its behalf by:

於二零一零年六月二十五日由董事會批准，並由下列董事代表簽署：

Yung Kwok Leong
Director

Jiang Tao
Director

董事
翁國亮

董事
蔣濤

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部分。

Statement of Financial Position

財務狀況表

At 31 March 2010 於二零一零年三月三十一日

| | | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|-------------|----------------------|----------------------------------|----------------------------------|
| | Notes 附註 | | | |
| ASSETS | | 資產 | | |
| Non-current assets | | 非流動資產 | | |
| Interests in subsidiaries | 12 | 於附屬公司之權益 | 112,100 | 377,011 |
| Current assets | | 流動資產 | | |
| Prepayment, deposits and other receivables | 14 | 預付款項、按金及其他應收款項 | 382 | 279 |
| Derivative financial instruments | 15 | 衍生金融工具 | 96 | 3 |
| Cash and bank balances | | 現金及銀行結餘 | 14,645 | 26,057 |
| Amounts due from subsidiaries | 12 | 應收附屬公司款項 | 847,859 | 71,314 |
| | | | 862,982 | 97,653 |
| Total assets | | 資產總值 | 975,082 | 474,664 |
| EQUITY: | | 股本： | | |
| Capital and reserves attributable to owners of the Company | | 本公司擁有人應佔資本及儲備 | | |
| Share capital | 16 | 股本 | 466,423 | 224,756 |
| Reserves | 17 | 儲備 | 233,716 | 219,611 |
| Total equity | | 權益總額 | 700,139 | 444,367 |
| LIABILITIES | | 負債 | | |
| Current liabilities | | 流動負債 | | |
| Accruals and other payables | | 應計費用及其他應付款項 | 4,400 | 550 |
| Financial guarantee contracts | | 財務擔保合約 | 3,410 | 746 |
| Convertible note | 21 | 可換股票據 | - | 6,469 |
| Amounts due to subsidiaries | 12 | 應付附屬公司款項 | 22,274 | 22,351 |
| | | | 30,084 | 30,116 |

Statement of Financial Position

財務狀況表

At 31 March 2010 於二零一零年三月三十一日

| | | | 2010 | 2009 |
|--|------------------|-------|----------------|------------|
| | | | 二零一零年 | 二零零九年 |
| | | Notes | HK\$'000 | HK\$'000 |
| | | 附註 | 千港元 | 千港元 |
| Long-term liabilities | 長期負債 | | | |
| Promissory note | 承兌票據 | 22 | 240,482 | – |
| Convertible note | 可換股票據 | 21 | 3,741 | – |
| Deferred taxation | 遞延稅項 | 36 | 636 | 181 |
| | | | <u>244,859</u> | <u>181</u> |
| Total liabilities | 負債總額 | | <u>274,943</u> | 30,297 |
| Total equity and liabilities | 權益及負債總額 | | <u>975,082</u> | 474,664 |
| Net current assets | 流動資產淨值 | | <u>832,898</u> | 67,537 |
| Total assets less current liabilities | 資產總值減流動負債 | | <u>944,998</u> | 444,548 |

Approved by the Board of Directors on 25 June 2010 and signed on its behalf by:

於二零一零年六月二十五日由董事會批准，並由下列董事代表簽署：

Yung Kwok Leong
Director

Jiang Tao
Director

董事
翁國亮

董事
蔣濤

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部分。

Consolidated Statement of Comprehensive Income

綜合全面損益賬

For the year ended 31 March 2010 截至二零一零年三月三十一日止年度

| | | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|----------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Turnover | 營業額 | 24 | 179,765 | 170,087 |
| Cost of sales | 銷售成本 | | (115,381) | (72,750) |
| Gross profit | 毛利 | | 64,384 | 97,337 |
| Other revenue | 其他收益 | 24 | 1,337 | 422 |
| Other income | 其他收入 | 25 | 461 | 2,085 |
| Selling and distribution expenses | 銷售及分銷費用 | | (22,277) | (19,426) |
| Administrative expenses | 行政開支 | | (52,914) | (50,416) |
| Impairment loss on goodwill | 商譽減值虧損 | 10 | (171,422) | (202,547) |
| Loss on disposal of subsidiaries | 出售附屬公司之虧損 | 35 | (23,185) | (3,865) |
| Loss from operations | 經營業務虧損 | 25 | (203,616) | (176,410) |
| Finance costs | 財務費用 | 28 | (1,297) | (1,822) |
| Loss before taxation | 除稅前虧損 | | (204,913) | (178,232) |
| Taxation | 稅項 | 29 | (1,723) | (12,228) |
| Loss for the year | 本年度虧損 | | (206,636) | (190,460) |
| Other comprehensive income | 其他全面收入 | | | |
| Exchange differences on translating foreign operations | 換算海外經營業務之匯兌差額 | | (201) | 7,142 |
| Other comprehensive income for the year, net of tax | 本年度其他全面收入，扣除稅項 | | (201) | 7,142 |
| Total comprehensive income for the year | 本年度全面收入總額 | | (206,837) | (183,318) |
| Dividends | 股息 | 32 | - | - |

Consolidated Statement of Comprehensive Income

綜合全面損益賬

For the year ended 31 March 2010 截至二零一零年三月三十一日止年度

| | | 2010 二零一零年 | 2009 二零零九年 |
|---|---------------------|-----------------------------|---------------------------|
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Loss attributable to: | 應佔虧損： | | |
| Owners of the Company | 本公司擁有人 | (211,283) | (200,548) |
| Minority interests | 少數股東權益 | 4,647 | 10,088 |
| | | <u>(206,636)</u> | <u>(190,460)</u> |
| Total comprehensive income attributable to: | 應佔全面收入總額： | | |
| Owners of the Company | 本公司擁有人 | (211,456) | (194,110) |
| Minority interests | 少數股東權益 | 4,619 | 10,792 |
| | | <u>(206,837)</u> | <u>(183,318)</u> |
| Loss per share attributable to owners of the Company | 本公司擁有人應佔每股虧損 | | |
| – basic and diluted | – 基本及攤薄 | 31 <u>HK (4.40) cents港仙</u> | <u>HK (10.35) cents港仙</u> |

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2010 截至二零一零年三月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | |
|---|------------------------|---|-----------------|--|---------------------|-----------------------------|--------------------------|--|--------------------|--------------------|-----------------|
| | | Share capital | Share premium | Special reserve | Translation reserve | Share-based payment reserve | Convertible note reserve | Statutory reserve | Accumulated losses | Minority interests | Total equity |
| | | 股本 | 股份溢價 | 特別儲備 | 匯兌儲備 | 為基礎之 以股份 付款儲備 | 可換股 票據儲備 | 法定儲備 | 累計虧損 | 少數 股東權益 | 權益總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 (Note (a)) (附註(a)) | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 (Note (b)) (附註(b)) | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 April 2008 | 於二零零八年四月一日 | 89,902 | 425,169 | (6,735) | 1,461 | 4,658 | 24,693 | 753 | (62,099) | 26,682 | 504,484 |
| Exchange difference on translation of financial statements of overseas subsidiaries | 換算海外附屬公司財務報表產生之匯兌差額 | - | - | - | 6,438 | - | - | - | - | 704 | 7,142 |
| Net income recognised directly in equity | 直接在權益確認之收入淨額 | - | - | - | 6,438 | - | - | - | - | 704 | 7,142 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | - | (200,548) | 10,088 | (190,460) |
| Total comprehensive income for the year | 本年度全面收入總額 | - | - | - | 6,438 | - | - | - | (200,548) | 10,792 | (183,318) |
| Issue of shares | 發行股份 | 44,952 | - | - | - | - | - | - | - | - | 44,952 |
| Bonus issue of shares | 發行紅股 | 89,902 | (89,902) | - | - | - | - | - | - | - | - |
| Increase in minority interests resulting from acquisition of subsidiaries | 收購附屬公司導致少數股東權益增加 | - | - | - | - | - | - | - | - | 4,705 | 4,705 |
| Release upon redemption of convertible note | 於贖回可換股票據後解除 | - | - | - | - | - | (20,245) | - | 19,424 | - | (821) |
| Dividend paid | 已付股息 | - | - | - | - | - | - | - | - | (13,940) | (13,940) |
| Transfer to reserve | 轉入儲備 | - | - | - | - | - | - | 534 | (534) | - | - |
| At 31 March 2009 and 1 April 2009 | 於二零零九年三月三十一日及二零零九年四月一日 | 224,756 | 335,267 | (6,735) | 7,899 | 4,658 | 4,448 | 1,287 | (243,757) | 28,239 | 356,062 |
| Exchange difference on translation of financial statements of overseas subsidiaries | 換算海外附屬公司財務報表產生之匯兌差額 | - | - | - | (173) | - | - | - | - | (28) | (201) |
| Net income recognised directly in equity | 直接在權益確認之收入淨額 | - | - | - | (173) | - | - | - | - | (28) | (201) |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | - | (211,283) | 4,647 | (206,636) |
| Total comprehensive income for the year | 本年度全面收入總額 | - | - | - | (173) | - | - | - | (211,283) | 4,619 | (206,837) |
| Release upon disposal of subsidiaries | 於出售附屬公司後解除 | - | - | - | (537) | - | - | - | - | - | (537) |
| Issue of share option | 發行購股權 | - | - | - | - | 5,617 | - | - | - | - | 5,617 |
| Equity component of convertible note | 可換股票據之權益部份 | - | - | - | - | - | (1,410) | - | 4,448 | - | 3,038 |
| Deferred tax related to convertible note | 與可換股票據有關之遞延稅項 | - | - | - | - | - | (501) | - | - | - | (501) |
| Share options cancelled | 註銷購股權 | - | - | - | - | (4,045) | - | - | 4,045 | - | - |
| Issue of convertible preference shares | 發行可換股優先股 | 241,667 | 338,333 | - | - | - | - | - | - | - | 580,000 |
| At 31 March 2010 | 於二零一零年三月三十一日 | 466,423 | 673,600 | (6,735) | 7,189 | 6,230 | 2,537 | 1,287 | (446,547) | 32,858 | 736,842 |

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 March 2010 截至二零一零年三月三十一日止年度

Notes:

- (a) Included in the special reserve amounting to approximately HK\$2,935,000 of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the share capital of a subsidiary acquired pursuant to a group reorganisation in 2001.

The decrease in special reserve amounting to approximately HK\$41,580,000 of the Group represents the difference between the fair value and the contracted value of consideration shares paid for acquisition of subsidiaries during the year ended 31 March 2007.

The increase in special reserve amounting to approximately HK\$31,910,000 of the Group represents the difference between the fair value and the contracted value of consideration shares paid for acquisition of subsidiaries during the year ended 31 March 2008.

- (b) As stipulated by the relevant PRC laws and regulations, the subsidiaries of the Company established in the PRC shall set aside 10% of its net profit after taxation for the statutory surplus reserve fund (except where the reserve balance has reached 50% of the subsidiaries' paid-up capital). The reserve fund can only be used, upon approval by the board of directors and by the relevant authority, to offset accumulated losses or increase capital.

The accompanying notes form an integral part of these consolidated financial statements.

附註：

- (a) 已計入本集團之特別儲備約2,935,000港元指本公司發行之股份面值與於二零零一年進行集團重組時所收購一家附屬公司股本總額之差額。

本集團之特別儲備減少約41,580,000港元，減少金額相當於截至二零零七年三月三十一日止年度內收購附屬公司之已付代價股份之公平值與約定值間之差額。

本集團之特別儲備增加約31,910,000港元，增加金額相當於截至二零零八年三月三十一日止年度內收購附屬公司之已付代價股份之公平值與約定值間之差額。

- (b) 根據中國相關法規，於中國成立之本公司附屬公司須撥出10%除稅後純利為法定公積金（除非公積金已達至附屬公司繳足資本之50%）。待董事會及有關當局批准後，法定公積金僅可用作抵銷累計虧損或增加資本。

隨附附註為本綜合財務報表之一部分。

Consolidated Statement of Cash Flow

綜合現金流量表

For the year ended 31 March 2010 截至二零一零年三月三十一日止年度

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES 經營業務之現金流量 | | | |
| Loss before taxation | 除稅前虧損 | (204,913) | (178,232) |
| Adjustments for: | 調整項目： | | |
| Interest income | 利息收入 | (532) | (422) |
| Interest expenses | 利息開支 | 1,297 | 1,822 |
| Impairment loss on goodwill | 商譽減值虧損 | 171,422 | 202,547 |
| Amortisation of prepaid lease payments | 預付租賃款項攤銷 | 977 | 962 |
| Depreciation of property, plant and equipment | 物業、廠房及 設備折舊 | 11,200 | 10,629 |
| Fair value change of derivative financial instruments | 衍生金融工具公平值 變動 | (93) | 511 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及 設備之虧損 | 28 | 10 |
| Loss on disposal of subsidiaries | 出售附屬公司之虧損 | 23,185 | 3,865 |
| Provision for impairment loss of trade and other receivables | 貿易及其他應收款項 減值虧損撥備 | 489 | 1,381 |
| Share-based payment expenses | 以股份為基礎之付款開支 | 5,617 | - |
| Operating cash inflows before movements in working capital | 營運資金變動前 經營現金流入 | 8,677 | 43,073 |
| Increase in inventories | 存貨增加 | (2,947) | (522) |
| (Increase)/decrease in trade and other receivables and deposits | 貿易及其他應收款項 及按金(增加)/減少 | (29,674) | 121,373 |
| Decrease in amount due from an associate | 應收聯營公司款項減少 | - | 2,999 |
| Decrease in trade and other payables | 貿易及其他應付款項減少 | (17,154) | (31,274) |
| Increase in amounts due to minority shareholders | 應付少數權益股東 款項增加 | 255 | 149 |
| Net cash (used in)/generated from operations | 業務(所用)/所得 現金淨額 | (40,843) | 135,798 |
| Compensation received from vendors | 自賣方收到之補償 | 7,764 | - |
| Overseas tax paid | 已付海外稅項 | (1,906) | (11,620) |
| Net cash (used in)/generated from operating activities | 經營業務(所用)/所得 現金淨額 | (34,985) | 124,178 |

Consolidated Statement of Cash Flow

綜合現金流量表

For the year ended 31 March 2010 截至二零一零年三月三十一日止年度

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---|--------------------------------|----------------------------------|----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | 投資活動之現金流量 | |
| Interest received | 已收利息 | 532 | 379 |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (7,401) | (13,636) |
| Net cash outflow from acquisition of subsidiaries | 收購附屬公司之現金 流出淨額 | (699) | (105,480) |
| Net cash inflow from disposal of subsidiaries | 出售附屬公司之現金 流入淨額 | 5,484 | 1,550 |
| Dividend paid | 已付股息 | - | (13,940) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備 所得款項 | 555 | - |
| Net cash used in investing activities | 投資活動所用現金淨額 | (1,529) | (131,127) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | 融資活動之現金流量 | |
| Interest paid | 已付利息 | (47) | (585) |
| Proceeds from issue of shares | 發行股份所得款項 | - | 44,952 |
| Decrease in pledged bank deposits | 已抵押銀行存款減少 | 2,076 | - |
| Redemption of convertible note | 贖回可換股票據 | - | (29,000) |
| Proceeds from new bank loans | 新增銀行貸款所得款項 | 6,270 | - |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 8,299 | 15,367 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等值項目(減少)/ 增加淨額 | (28,215) | 8,418 |
| Cash and cash equivalents at the beginning of the year | 年初之現金及現金等值項目 | 88,506 | 78,134 |
| Effect of foreign currency exchange rate changes | 外幣匯率變動之影響 | (579) | 1,954 |
| Cash and cash equivalents at the end of the year | 年終之現金及現金等值項目 | 59,712 | 88,506 |
| Analysis of the balances of cash and cash equivalents | 現金及現金等值項目 結餘分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 59,712 | 88,506 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註為本綜合財務報表之一部分。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 28 May 2001 as an exempted company with limited liability. The shares of the Company are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681 GT George Town, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is located at 19/F., New Wing, 101 King's Road, Hong Kong (with effect from 28 June 2010).

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

The Company acts as an investment holding company while its subsidiaries are principally engaged in the provision of general hospital services, healthcare and hospital management services and pharmaceutical wholesale and distribution and pharmaceutical retail chain business in the PRC.

1. 公司資料

本公司於二零零一年五月二十八日在開曼群島註冊成立為一家獲豁免有限公司。本公司股份在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。本公司註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681 GT George Town, Grand Cayman, KY1-1111, Cayman Islands。本公司之總辦事處及香港主要營業地點位於香港英皇道101號新翼19樓（自二零一零年六月二十八日起生效）。

綜合財務報表乃以本公司之功能貨幣港元呈列。

本公司為一間投資控股公司，而其附屬公司之主要業務為在中國從事提供綜合性醫院服務、醫療及醫院管理服務，以及藥物批發及分銷業務以及藥物零售連鎖店業務。

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

In the current year, the Group has applied, for the first time, of the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) which are effective for the Group’s financial year beginning on or after 1 April 2009. A summary of the new HKFRSs are set out as below:

| | |
|--|--|
| HKAS 1 (Revised) | Presentation of Financial Statements |
| HKAS 20 (Amendment) | Accounting for Government Grants and Disclosure of Government Assistance |
| HKAS 23 (Revised) | Borrowing Costs |
| HKAS 32 & 1 (Amendments) | Puttable Financial Instruments and Obligation Arising on Liquidation |
| HKAS 38 (Amendment) | Intangible Assets |
| HKAS 40 (Amendment) | Investment Properties |
| 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 | Transfer of Assets from Customers |
| HKFRSs (Amendments) | Improvements to HKFRS issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009 |
| HKFRSs (Amendments) | Improvements to HKFRS issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39 |

2. 應用新訂及經修訂香港財務申報準則(「香港財務申報準則」)

於本年度，本集團已首次應用以下由香港會計師公會(「香港會計師公會」)頒佈，並於二零零九年四月一日或以後開始之本集團財政年度生效之新準則、修訂及詮釋(「新香港財務申報準則」)。新香港財務申報準則概要載列如下：

| | |
|---------------------------------------|---|
| 香港會計準則第1號(經修訂) | 財務報表之呈列 |
| 香港會計準則第20號(修訂本) | 政府補助之會計處理及政府援助之披露 |
| 香港會計準則第23號(經修訂) | 借貸成本 |
| 香港會計準則第32號及第1號(修訂本) | 可沽售金融工具及清盤產生之責任 |
| 香港會計準則第38號(修訂本) | 無形資產 |
| 香港會計準則第40號(修訂本) | 投資物業 |
| 香港財務申報準則第2號(修訂本) | 歸屬條件及註銷 |
| 香港財務申報準則第7號(修訂本) | 有關金融工具披露之改進 |
| 香港財務申報準則第8號 | 經營分類 |
| 香港(國際財務詮釋委員會) – 詮釋第9號及香港會計準則第39號(修訂本) | 嵌入式衍生工具 |
| 香港(國際財務詮釋委員會) – 詮釋第13號 | 客戶忠誠計劃 |
| 香港(國際財務詮釋委員會) – 詮釋第15號 | 房地產建造協議 |
| 香港(國際財務詮釋委員會) – 詮釋第16號 | 對沖海外業務之投資淨額 |
| 香港(國際財務詮釋委員會) – 詮釋第18號 | 從客戶轉移資產 |
| 香港財務申報準則(修訂本) | 於二零零八年頒佈之香港財務申報準則之改進，惟對香港財務申報準則第5號之修訂除外，其於二零零九年七月一日或以後開始之年度期間生效 |
| 香港財務申報準則(修訂本) | 於二零零九年頒佈之香港財務申報準則之改進，有關香港會計準則第39號第80段之修訂 |

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

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

HKAS 1 (Revised) Presentation of Financial Statements

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

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group’s reportable segments.

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 accordance with the transitional provision set out in the amendments.

2. 應用新訂及經修訂香港財務申報準則（「香港財務申報準則」）－續

除下文所述者外，採納新訂及經修訂香港財務申報準則對本集團本年度或過往年度之綜合財務報表並無重大影響。

香港會計準則第1號（經修訂）財務報表之呈列

香港會計準則第1號（經修訂）引入術語變動（包括修訂財務報表之標題）及財務報表格式及內容變動。

香港財務申報準則第8號經營分類

香港財務申報準則第8號乃一項披露準則，其引致本集團須重新劃分其須報告分類。

有關金融工具披露之改進（香港財務申報準則第7號金融工具：披露之修訂）

香港財務申報準則第7號的修訂擴大有關公平值計量及流動資金風險之披露。本集團根據該修訂載列之過渡條文，並無呈列經擴大披露範圍之比較資料。

Notes to the Financial Statements

財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures) – continued

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

| | | | |
|--------------------------------|---|-----------------------------|--|
| HKFRSs (Amendments) | Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹ | 香港財務申報準則(修訂本) | 香港財務申報準則第5號之修訂作為於二零零八年頒佈香港財務申報準則之改進的一部份 ¹ |
| HKFRSs (Amendments) | Improvements to HKFRSs issued in 2009 ² | 香港財務申報準則(修訂本) | 於二零零九年頒佈香港財務申報準則之改進 ² |
| HKAS 24 (Revised) | Related Party Disclosures ⁶ | 香港會計準則第24號(經修訂) | 關聯人士披露 ⁶ |
| HKAS 27 (Revised) | Consolidated and Separate Financial Statements ¹ | 香港會計準則第27號(經修訂) | 綜合及單獨財務報表 ¹ |
| HKAS 28 (Amendment) | Investments in Associates ¹ | 香港會計準則第28號(修訂本) | 於聯營公司之投資 ¹ |
| HKAS 32 (Amendment) | Classification of Rights Issues ⁴ | 香港會計準則第32號(修訂本) | 供股之分類 ⁴ |
| HKAS 39 (Amendment) | Eligible Hedged Items ¹ | 香港會計準則第39號(修訂本) | 合資格對沖項目 ¹ |
| HKFRS 1 (Amendment) | Additional Exemptions for First-time Adopters ³ | 香港財務申報準則第1號(修訂本) | 首次採納者之額外豁免 ³ |
| HKFRS 1 (Amendment) | Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ³ | 香港財務申報準則第1號(修訂本) | 首次採納者之比較香港財務申報準則第7號披露之有限豁免 ³ |
| HKFRS 2 (Amendment) | Group Cash-settled Share-based Payment Transactions ³ | 香港財務申報準則第2號(修訂本) | 集團以現金結算以股份為基礎付款之交易 ³ |
| HKFRS 3 (Revised) | Business Combinations ¹ | 香港財務申報準則第3號(經修訂) | 業務合併 ¹ |
| HKFRS 9 | Financial Instruments (relating to the classification and measurement of financial assets) ⁷ | 香港財務申報準則第9號 | 金融工具(有關財務資產之分類及計量) ⁷ |
| HK(IFRIC) – Int 14 (Amendment) | Prepayments of a Minimum Funding Requirement ⁶ | 香港(國際財務詮釋委員會) – 詮釋第14號(修訂本) | 預付最低資金要求 ⁶ |
| HK(IFRIC) – Int 17 | Distribution of Non-cash Assets to Equity holders ¹ | 香港(國際財務詮釋委員會) – 詮釋第17號 | 分派非現金資產予股本持有人 ¹ |
| HK(IFRIC) – Int 19 | Extinguishing Financial Liabilities with Equity Instruments ⁵ | 香港(國際財務詮釋委員會) – 詮釋第19號 | 以股本工具償還財務負債 ⁵ |

2. 應用新訂及經修訂香港財務申報準則(「香港財務申報準則」) – 續

有關金融工具披露之改進(香港財務申報準則第7號金融工具:披露之修訂) – 續

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂準則、修訂或詮釋。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures) – continued

- ¹ Effective for annual periods beginning on or after 1 July 2009
- ² Effective for annual periods beginning on or after 1 July 2009 and January 1, 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

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July, 2009. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which term collectively included Hong Kong Accounting Standards (“HKASs”) and Interpretations (the “Interpretations”) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the GEM Listing Rules of the Stock Exchange (the “GEM Listing Rules”).

2. 應用新訂及經修訂香港財務申報準則（「香港財務申報準則」）－續

有關金融工具披露之改進（香港財務申報準則第7號金融工具：披露之修訂）－續

- ¹ 於二零零九年七月一日或以後開始之年度期間生效
- ² 於二零零九年七月一日及二零一零年一月一日（如適用）或以後開始之年度期間生效
- ³ 於二零一零年一月一日或以後開始之年度期間生效
- ⁴ 於二零一零年二月一日或以後開始之年度期間生效
- ⁵ 於二零一零年七月一日或以後開始之年度期間生效
- ⁶ 於二零一一年一月一日或以後開始之年度期間生效
- ⁷ 於二零一三年一月一日或以後開始之年度期間生效

應用香港財務申報準則第3號（經修訂）或會影響收購日期為於二零零九年七月一日或以後開始之首個年度申報期間初或以後的業務合併之入賬。本公司董事預期，應用其他新訂及經修訂準則、修訂或詮釋對本集團之業績及財務狀況不會構成重大影響。

3. 主要會計政策概要

綜合財務報表乃按照香港會計師公會頒佈之香港財務申報準則（「香港財務申報準則」）（為香港會計準則（「香港會計準則」）及詮釋（詮釋）之統稱）、香港公認會計原則及香港公司條例之披露規定以及聯交所創業板上市規則（「創業板上市規則」）之適用披露規定編製。

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財務報表附註

31 March 2010 二零一零年三月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

A summary of significant accounting policies followed by the Group and the Company in the preparation of the financial statements is set out below:

Basis of preparation

The measured basis used in the preparation of the financial statements is historical cost convention and modified by the revaluation of investment properties and derivative financial instruments, which are carried at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries for the year ended 31 March 2010. 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 year 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 the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3. 主要會計政策概要—續

本集團及本公司編製財務報表依據之主要會計政策概要載列如下：

編製基準

財務報表乃按歷史成本慣例編製，並就重估按公平值列賬之投資物業及衍生金融工具作出修改。

綜合基準

綜合財務報表包括本公司及其全部附屬公司截至二零一零年三月三十一日止年度之財務報表。當本公司有權監管一間實體的財務及營運政策，以從其業務中獲益時，則為擁有控制權。

年內所收購或出售之附屬公司之業績自收購生效日期起或截至出售生效日期止（視何者適用）綜合計入綜合全面損益表。

倘需要，會對附屬公司的財務報表作出調整，以使彼等之會計政策與本集團其他成員公司所採用者一致。

本集團內公司間之交易，結餘收入及開支已於綜合賬目時撇銷。

綜合入賬之附屬公司資產淨值中之少數股東權益與本集團之權益分開呈列。資產淨值中之少數股東權益包括該等權益於原有業務合併日期之金額及自合併日期以來少數股東應佔之權益變動。少數股東應佔之虧損超出其於附屬公司之權益之數額將於本集團之權益內作出分配，惟少數股東具約束性責任及可以其他投資補足虧損者除外。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Business combinations

The acquisition of subsidiaries 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 conditions for recognition under HKFRS 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised 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 recognised. 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 recognised immediately in the consolidated statement of comprehensive income.

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

3. 主要會計政策概要－續

業務合併

收購附屬公司乃以購買法計算。收購成本按交換日期本集團指定資產、所產生或所承擔之負債及作為交換被收購人控制權而發行之股本工具公平值，加上業務合併之任何直接應佔成本之總和計量。被收購人符合香港財務申報準則第3號「業務合併」項下確認條件之可識別資產、負債及或然負債乃以彼等於收購日期之公平值確認，而根據香港財務申報準則第5號「持作出售之非流動資產及已終止業務」分類為持作出售之非流動資產（或出售集團）則以公平值減出售成本確認及計量。

因收購所產生之商譽乃確認為資產，並初步按成本計量，即業務合併之成本超出本集團於已確認之可識別資產、負債及或然負債之淨公平值中之權益之超額。倘於重新評估後，本集團於被收購人之可識別資產、負債及或然負債之淨公平值中之權益超出業務合併之成本，則超出部分即時於綜合全面損益表內確認。

少數股東於被收購人中之權益乃初步按少數股東於已確認之資產、負債及或然負債之淨公平值中之比例計量。

Notes to the Financial Statements

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Goodwill

Goodwill arising on acquisitions prior to 1 January 2006

Goodwill arising on an acquisition of a subsidiary or a jointly controlled entity for which the agreement date is before 1 January 2006 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary or the relevant jointly controlled entity at the date of acquisition.

For previously, capitalised goodwill arising on acquisitions of subsidiaries, the Group has discontinued amortisation from 1 January 2006 onwards, and such goodwill (net of cumulative amortisation as at 31 December 2006) is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policies below).

Goodwill arising on acquisitions on or after 1 January 2006

Goodwill arising on an acquisition of a subsidiary or an associate for which the agreement date is on or after 1 January 2006 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated statement of financial position.

3. 主要會計政策概要－續

商譽

於二零零六年一月一日前收購產生之商譽

協議日期為二零零六年一月一日前收購附屬公司及共同控制實體產生之商譽指於收購當日收購成本超逾本集團於收購當日在有關附屬公司及有關共同控制實體可識別資產及負債公平值之權益之差額。

就因收購附屬公司而產生於先前撥充資本之商譽而言，本集團已由二零零六年一月一日起終止攤銷，而有關商譽（扣除於二零零六年十二月三十一日之累計攤銷）會每年及於有跡象顯示商譽所屬現金產生單位出現減值時進行測試（見下列會計政策）。

於二零零六年一月一日或之後收購產生之商譽

協議日期為二零零六年一月一日或之後收購附屬公司及聯營公司產生之商譽指於收購當日收購成本超逾本集團於收購當日在有關附屬公司可識別資產、負債及或然負債公平淨值之權益之差額。有關商譽會按成本減任何累計減值虧損列賬。

因收購附屬公司而產生之撥充資本之商譽乃於綜合財務狀況表單獨呈列。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Goodwill – continued

Goodwill arising on acquisitions on or after 1 January 2006 – continued

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 assets in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

Investments in subsidiaries are included in the Company's statement of financial position at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

3. 主要會計政策概要 – 續

商譽 – 續

於二零零六年一月一日或之後收購產生之商譽 – 續

就測試有否減值而言，因收購而產生之商譽乃分配予預計可從收購之協同效益受惠之各有關現金產生單位（或各組現金產生單位）。獲分配商譽之現金產生單位每年及每當有跡象顯示該單位出現減值時測試有否減值。就於財政年度內進行收購產生之商譽，獲分配商譽之現金產生單位會於財政年度末前測試有否減值。當現金產生單位之可收回數額少於該單位之賬面值，將分配減值虧損以首先減低任何分配予該單位之商譽之賬面值，然後根據該單位各資產之賬面值按比例地減低分配予該單位之其他資產。商譽之任何減值虧損直接於綜合全面收益表確認。商譽之任何減值虧損於確認後不會在隨後之期間撥回。

隨後出售附屬公司時，已資本化之應佔商譽金額計入以釐定出售之損益金額。

附屬公司

附屬公司乃本公司直接或間接控制過半數表決權、擁有監管財務及營運政策之權力、可委任或罷免大部分董事會成員或於董事會會議投大多數票之公司。

於附屬公司之投資按成本值減任何減值虧損計入本公司財務狀況表。附屬公司之業績由本公司按已收及應收股息之基準得出。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue recognition

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyers, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Revenue from provision of hospital service, healthcare and hospital management service is recognised when the services are provided.

Interest income is recognised on a time-proportion basis using effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Leasing

Leases are classified as finance leases whenever the terms of the leases 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 recognised in the consolidated statement of comprehensive income 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 recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策概要－續

收益確認

銷售貨品之收益於擁有權之重大風險及回報轉交買家時確認，惟本集團仍然擁有權所附管理權及售出貨品之實際控制權。

提供醫院服務、醫療及醫院管理服務之收益乃於提供服務時確認。

利息收入採用實際利息法按時間比例基準確認。倘應收款項出現減值，本集團會將賬面值減至其可收回款額，即估計未來現金流按該工具之原定實際利率貼現之數額，並繼續解除貼現作為利息收入。已減值之貸款之利息收入按本來之實際利率確認。

租賃

倘租賃條款將租賃擁有權絕大部分風險及收益轉讓予承租人，則租賃被分類為融資租賃。所有其他租賃被分類為經營租賃。

本集團作為出租人

經營租賃之租金收入乃於相關租賃期內以直線法於綜合全面損益表內確認。磋商及安排經營租賃時產生之初步直接成本會計入租賃資產之賬面值，並會於租期內以直線法確認為開支。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Leasing – continued

The Group as lessee

Assets held under finance assets are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the consolidated statement of comprehensive income.

Rentals payable under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the terms of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

3. 主要會計政策概要－續

租賃－續

本集團作為承租人

按融資租賃持有之資產按租賃開始時之公平值或最低租賃付款現值之較低者確認為本集團資產。出租人之相應負債於綜合財務狀況表列作融資租賃承擔。租賃付款按比例於財務費用及租賃承擔扣減之間作出分配，從而計算該等負債應付餘額之固定利率。財務費用直接於綜合全面損益賬扣除。

經營租賃之應付租金於有關租賃期間按直線法於綜合全面損益賬扣除。作為訂立經營租賃優惠之已收及應收利益亦於租賃期內以直線法確認為租金支出扣減。

物業、廠房及設備

物業、廠房及設備乃按成本值減累計折舊及減值虧損列賬。

資產之成本包括其購買價及資產達致其擬定用途之狀況與地點之任何直接應佔成本。物業、廠房及設備運作後產生如維修保養等開支一般於產生期間計入綜合全面損益賬。於清楚顯示開支乃因預期使用物業、廠房及設備所獲得之日後經濟利益增加之情況下，開支當作該資產之額外成本撥充資本。

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財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Property, plant and equipment – continued

Depreciation is provided to write off the cost of property, plant and equipment, using the straight line method, over their estimated useful lives. The principal annual rates are as follows:

| | |
|-----------------------------------|---------------------------|
| Building | Over the lease terms |
| Leasehold improvements | Over the lease terms |
| Plant and machinery | 20% |
| Furniture, fixtures and equipment | 20% to 33 $\frac{1}{3}$ % |
| Motor vehicles | 20% |
| Office equipment | 20% |

The gain or loss arising from disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first-in, first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to make the sale.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated statement of comprehensive income.

3. 主要會計政策概要－續

物業、廠房及設備－續

物業、廠房及設備以直線法按其估計使用年期折舊，以撇銷成本，主要年率如下：

| | |
|----------|------------------------|
| 樓宇 | 租約期內 |
| 租賃物業裝修 | 租約期內 |
| 廠房及機器 | 20% |
| 傢俬、裝置及設備 | 20%至33 $\frac{1}{3}$ % |
| 汽車 | 20% |
| 辦公室設備 | 20% |

出售資產之盈虧乃以銷售所得款項與資產賬面值之差額而釐定，於綜合全面損益賬確認。

存貨

存貨按成本及可變現淨值兩者中之較低者入賬。成本按先入先出法計算，包括一切購貨成本及（如適用）將存貨運至目前地點及達致現狀產生之其他成本。可變現淨值乃按日常業務內估計售價減達致出售該等存貨之一切估計成本計算。

貿易及其他應收款項

貿易及其他應收款項初步乃按公平值確認，其後以實際利率法按攤銷成本計量，減去減值撥備。倘有客觀憑證本集團將未能根據應收款項之原來條款收回所有到期金額，則設立貿易及其他應收款項之減值撥備。撥備金額乃資產賬面值及預期現金流現值之差額，按實際利率貼現。撥備金額於綜合全面損益賬確認。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of assets (other than goodwill, intangible assets with indefinite lives)

At the end of each 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 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 recognised as an expense immediately.

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 recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

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 year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable and 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.

3. 主要會計政策概要－續

減值虧損(商譽、無既定期限之無形資產除外)

於各報告期末，本集團審閱有形及無形資產賬面值，以決定是否有跡象顯示此等資產出現減值虧損。倘資產之可收回數額估計低於其賬面值，則資產賬面值會降至其可收回數額。減值虧損即時確認為開支。

倘減值虧損其後撥回，資產賬面值增至其可收回數額之經修訂估計值，致使增加之賬面值不超逾過往年度資產減值虧損未予確認下應予確定之賬面值。撥回後減值虧損即時確認為收入。

稅項

所得稅開支指現時應付稅項與遞延稅項之總和。

現時應付稅項根據年內之應課稅溢利計算。應課稅溢利與綜合損益賬中所報溢利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收支項目，並且不包括綜合全面損益賬內從未課稅或扣稅之項目。本集團之當期稅項負債乃根據報告期末已制訂或基本已制訂之稅率計算。

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財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation – continued

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each 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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to consolidated statement of comprehensive income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

3. 主要會計政策概要－續

稅項－續

遞延稅項乃就財務報表所列之資產及負債賬面值與計算應課稅溢利所用相關稅基兩者之差額確認，以資產負債表負債法入賬。一般須就所有應課稅暫時差額確認遞延稅項負債，而遞延稅項資產則於有應課稅溢利可用作扣稅暫時差額時確認，遞延稅項資產限於可能有應課稅溢利可供動用作扣稅暫時差額時確認。倘暫時差額來自商譽或初步確認對應課稅溢利或會計溢利並無影響的交易（於業務合併除外）之其他資產及負債，則不會確認該等資產及負債。

除非本集團可控制暫時差額之逆轉及暫時差額於可見將來不會逆轉，否則會就於附屬公司之投資產生之應課稅暫時差額確認遞延稅項負債。

每逢報告期末均會檢討遞延稅項資產之賬面值，並會於不再有足夠應課稅溢利可供收回全部或部分資產之數額時調低。

遞延稅項按預期於償還債項或套現資產期間適用之稅率計算。遞延稅項於綜合損益賬扣除或入賬，惟倘遞延稅項與直接自權益扣除或入賬之項目有關，則遞延稅項亦以權益會計法處理。

倘與遞延稅項資產及負債相關之所得稅乃由同一稅務機關徵收，遞延稅項資產及負債可以互相抵銷，而實體擬以淨額基準結算即期稅項資產及負債。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments. 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 recognised immediately in the consolidated statement of comprehensive income.

Financial assets

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular 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. The accounting policies adopted in respect of each category of financial assets are set out below.

3. 主要會計政策概要－續

金融工具

當本集團成為工具合約條文之一方，則於綜合財務狀況表內確認財務資產及財務負債。財務資產及財務負債初步按公平值計量。收購或發行財務資產及財務負債直接應佔之交易成本（按公平值透過損益列賬之財務資產及財務負債除外）乃於初步確認時加入財務資產或財務負債之公平值，或從財務資產或財務負債之公平值內扣除（如適當）。收購按公平值透過損益列賬之財務資產或財務負債直接應佔之交易成本，即時於綜合全面收益表內確認。

財務資產

本集團之財務資產分類為貸款及應收款項，以及可供出售財務資產。所有正常購買或銷售之財務資產，按交易日之基準確認及剔除確認。正常購買或銷售財務資產是指按照市場規定或慣例須在一段期限內進行資產交付之財務資產買賣。就每類財務資產採納之會計政策載於下文。

Notes to the Financial Statements

財務報表附註

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in consolidated statement of comprehensive income when there is objective evidence that the asset is impaired, and is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment losses were recognised, subject to a restriction that the carrying amount of the asset at the date the impairment losses reversed do not exceed what the amortised cost would have been had the impairment losses not been recognised.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as any of the other categories under HKAS 39. At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in consolidated statement of comprehensive income. Any impairment losses on available-for-sale financial assets are recognised in consolidated statement of comprehensive income. Impairment losses on available-for-sale equity investments will not be reversed in subsequent years.

3. 主要會計政策概要－續

金融工具－續

財務資產－續

貸款及應收款項

貸款及應收款項為並未於交投活躍之市場內報價而附帶固定或可釐定付款之非衍生財務資產。於初步確認後之每個結算日，貸款及應收款項使用實際利率法按攤銷成本減任何可識別減值虧損列賬。當有客觀證據顯示資產已減值，則於綜合全面收益表內確認減值虧損，並以資產之賬面值與按原實際利率折現其估計未來現金流量之現值兩者之差額計量。當於確認減值虧損後發生一項事件可以客觀地與資產可收回款項增加有關，減值虧損於其後期間撥回，但以所撥回於減值日期資產之賬面值為限，不得超過該項資產原未確認減值之已攤銷成本。

可供出售之財務資產

可供出售之財務資產為列入此類別或並無列入香港會計準則第39號下任何其他類別之非衍生工具。於初步確認後之各結算日，可供出售之財務資產按公平值計量。公平值變動乃於權益確認，直至財務資產被出售或確定出現減值為止，屆時先前於權益確認之累計收益或虧損乃自權益剔除及於綜合全面收益表確認。可供出售財務資產之任何減值虧損乃於綜合全面收益表確認。可供出售股本工具之減值虧損將不會於往後年度撥回。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Available-for-sale financial assets – continued

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, are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. An impairment loss is recognised in consolidated statement of comprehensive income when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset 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 losses will not be reversed in subsequent years.

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 other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策概要－續

金融工具－續

財務資產－續

可供出售之財務資產－續

於活躍市場並無市價報價及其公平值未能可靠計量之可供出售股本投資於初步確認後之各結算日按成本減任何已識別減值虧損計量。倘具備客觀證據證明資產減值，則於綜合全面收益表確認減值虧損。減值虧損之金額按資產賬面值與按類似財務資產之現行市場回報率折現估計未來現金流量之現值間的差額計量。該等減值虧損不會於往後年度撥回。

財務負債及股本

一家集團公司所發行之財務負債及股本工具乃根據所訂立合約安排之內容及財務負債和股本工具之定義予以分類。

股本工具乃作為於本集團資產經扣除其所有負債後之餘額權益憑證之合約。本集團之財務負債一般分類為其他財務負債。就財務負債及股本工具所採納之會計政策載列如下。

其他財務負債

其他財務負債於初步確認之後使用實際利率法按攤銷成本計量。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity – continued

Convertible bond

Convertible bond issued by the Company that contain both financial liability and equity components are classified separately in respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bond and the fair value assigned to the liability component, respecting the embedded call option for the holder to convert the bond into equity, is included in equity (convertible note reserve).

In subsequent periods, the liability component of the convertible bond is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible note reserve until the embedded option is exercised (in which case the balance stated in convertible note reserve will be transferred to share capital and share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible note reserve will be released to the retained profits. No gain or loss is recognised in the consolidated statement of comprehensive income upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transactions costs relating to the equity component are charged directly to convertible note reserve. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bond using the effective interest method.

3. 主要會計政策概要－續

金融工具－續

財務負債及股本－續

可換股債券

本公司所發行包括財務負債及權益部份之可換股債券於初步確認時會分別被分類為相關之負債及權益部份。於初步確認時，負債部份之公平值乃按類似不可轉換債務之現行市場利率釐定。發行可換股債券之所得款項與轉往負債部份之公平值之差額，即代表可讓持有人將債券兌換為股權之內附認購期權應列入權益賬(可換股票據儲備)。

於往後期間，可換股債券之負債部份乃使用實際利率法按攤銷列賬。權益部份(即可將負債部份兌換為本公司普通股之期權)將保留於可換股票據儲備，直至內附期權獲行使為止(在此情況下，可換股票據儲備之結餘將轉移至股本及股份溢價)。倘期權於到期日尚未獲行使，可換股票據儲備之結餘將撥至保留盈利。期權兌換或到期時將不會於綜合全面收益表中確認任何盈虧。

發行可換股票據有關之交易成本，按所得款項之分配比例撥往負債及權益部份。權益部份有關之交易成本會直接於可換股票據儲備內扣除。負債部份有關之交易成本計入負債部份之賬面金額，並利用實際利息法於可換股票據期限內予以攤銷。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities and equity – continued

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contract

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 debt instrument. A financial guarantee contract issued by the Company and not designed as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract.

Derecognition

Financial assets are derecognised 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 the cumulative gain or loss that had been recognised directly in equity is recognised in consolidated statement of comprehensive income.

Financial liabilities are removed from the Group's consolidated statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in consolidated statement of comprehensive income.

3. 主要會計政策概要－續

金融工具－續

財務負債及股本－續

股本工具

本公司發行之股本工具按已收款項扣除直接發行成本記錄。

財務擔保合約

財務擔保合約指因指定債務人未能按債務工具之原有或經修改條款如期付款時，發行者需支付指定金額給持有人以補償其所遭受損失之合約。本公司已出具及並不是按公平值透過損益列賬之財務擔保合約首次以公平值減發行財務擔保合約之直接應佔交易費用確認。

取消確認

若從資產收取現金流量之權利已到期，或財務資產已轉讓及本集團已將其於財務資產擁有權之絕大部份風險及回報轉移，則財務資產將被取消確認。於取消確認財務資產時，資產賬面值與已收取代價及已直接於股本權益確認之累計損益之總和之差額，將於綜合全面收益表中確認。

於有關合約之特定責任獲解除、取消或到期，財務負債會從本集團之綜合財務狀況表中剔除。取消確認之財務負債賬面值與已付或應付代價之差額乃於綜合全面收益表中確認。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies

i. Functional and presentation currency

Items included in the financial statements of each of the companies now comprising the Group are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The combined financial statements are presented in Hong Kong dollars, which is the functional and presentation currency of the Company and the Group.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities are reported as part of their fair value gain or loss.

iii. Group companies

The results and financial positions of all the companies now comprising the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities are translated at the closing rate;
- (b) Income and expenses are translated at average exchange rates; and
- (c) All resulting exchange differences are recognised as a separate component of equity.

3. 主要會計政策概要—續

外幣

i. 功能及呈列貨幣

集團旗下各公司的財務報表所載項目，均以該公司營運的主要經濟環境所採用的貨幣（「功能貨幣」）計算。綜合財務報表乃以港元呈列，而港元乃本公司及本集團的功能及呈列貨幣。

ii. 交易及結餘

外幣交易按交易當日通行之匯率換算為功能貨幣。因該等交易結算及按年終匯率換算以外幣計值之貨幣資產與負債所產生之外匯收益及虧損，均在綜合全面收益表內確認。

非貨幣財務資產及負債之匯兌差額乃作為其公平值之收益或虧損入賬。

iii. 集團公司

功能貨幣與呈列貨幣不同之目前組成本集團之公司（其並無惡性通貨膨脹經濟體之貨幣）之業績及財政狀況均按以下方法換算為呈列貨幣：

- (a) 資產與負債均以收市匯率換算；
- (b) 收入及開支項目均按平均匯率換算；及
- (c) 所有因此而產生之匯兌差額被確認為權益之一個分項。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies – continued

iii. Group companies – continued

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to owners' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Current assets and liabilities

Current assets are expected to be realised within twelve months of the end of the reporting period or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the end of the reporting period or in the normal course of the Group's operating cycle.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3. 主要會計政策概要－續

外幣－續

iii. 集團公司－續

於綜合賬目時，換算於境外業務，以及其他借貸及其他用作對沖該投資之貨幣工具之投資淨值而產生之匯兌差額乃記入股東權益內。當出售境外業務時，該匯兌差額於綜合全面收益表中確認為出售收益或虧損之一部分。

收購境外實體時產生之商譽及公平值調整乃作為該境外實體之資產及負債處理，並按收市匯率換算。

流動資產及負債

流動資產預期於結算日起計十二個月內或於本集團營運週期之一般過程中變現。流動負債預期於結算日起計十二個月內或於本集團營運週期之一般過程中償付。

或然負債及或然資產

或然負債指因已發生的事件而可能引起的責任，此等責任須就某一宗或多宗事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然負債亦可能是因已發生的事件引致現有的責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地衡量而未有入賬。或然負債不會被確認，但會在財務報表附註內披露。假若消耗資源的可能性改變而導致出現資源消耗時，此等負債將被確認為撥備。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Contingent liabilities and contingent assets – continued

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprises of cash in hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision is the present value at the end of the reporting period of the expenditures expected to be required to settle the obligation.

3. 主要會計政策概要－續

或然負債及或然資產－續

或然資產是指因已發生的事件而可能產生的資產，此等資產須就某一宗或多宗未來事件會否發生才能確認，而本集團並不能完全控制這些未來事件會否實現。或然資產不會被確認，但會於可能收到經濟效益時在財務報表附註內披露。若實質確定有收到經濟效益時，資產方會予以確認。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及通知存款，以及短期、流通性極高、可隨時換算為已知金額現金、價值變動風險很低，而且期限較短（一般在購入後三個月以內）之投資，扣除按須通知償還之銀行透支，其構成本集團現金管理整體之一部份。

撥備

撥備乃於本集團因過往事項而現時承擔法定或推定債務，且有可能需要流出資源以償付有關債務，以及能夠可靠估計債務數額時確認。倘貨幣時間值之影響重大，撥備會以償付有關債務之預計開支於報告期末之現值入賬。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Employee benefits

- i. Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- ii. Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and to the state-managed retirement benefits schemes for the employees of the Group's overseas entities are recognised as an expense in the consolidated statement of comprehensive income as incurred.
- iii. Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.
- iv. Share-based payment expenses

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

3. 主要會計政策概要－續

僱員福利

- i. 本集團有關薪金、年終獎金、有薪年假、假期旅遊津貼及非貨幣福利之成本乃於本集團僱員提供相關服務之期間內累計。倘延遲支付或結算，並構成重大影響，則此等款項須按其現值列賬。
- ii. 根據香港強制性公積金計劃條例的規定作出之強制性公積金供款以及就本集團海外實體之僱員作出之國家管理退休福利計劃供款，乃於產生時在綜合全面收益表確認為開支。
- iii. 停職福利只會在本集團有正式具體計劃且無撤回該計劃之實質可能性，並明確表示停職或由於自願遣散而提供福利時予以確認。
- iv. 以股份為基礎付款之開支

授予僱員之購股權之公平值乃確認為一項僱員成本，並於權益內之資本儲備確認相應增加。該公平值乃於授出日期使用二項點陣模式，經計及購股權獲授出時之條款及條件後計量。倘僱員須於無條件享有購股權之前履行歸屬條件，則購股權之估計公平值總額乃經計及購股權將會歸屬之可能性後按歸屬期予以攤分。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Employee benefits – continued

iv. Share-based payment expenses – continued

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

Borrowing costs

Borrowing costs are interests and other costs incurred in connection with the borrowing of funds. All borrowing costs are charged to the consolidated statement of comprehensive income in the period in which the costs are incurred.

Segment reporting

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

3. 主要會計政策概要－續

僱員福利－續

iv. 以股份為基礎付款之開支－續

於歸屬期內，會檢討預期歸屬之購股權數目。於過往年度確認之累計公平值之任何調整乃扣自／計入有關檢討年度之綜合全面收益表，除非原有僱員支出可確認一項資產，並於資本儲備確認相應增加，則作別論。於歸屬日，確認為一項支出之款額乃予以調整，以反映歸屬之實際購股權數目（連同資本儲備亦作相應調整），惟倘沒收僅因未達致與本公司股份之市價有關之歸屬條件則除外。股本款額乃於資本儲備中確認直至購股權獲行使用（當其撥至股份溢價賬時）或購股權屆滿（當其直接扣自保留盈利時）為止。

借款成本

借款成本指借用資金產生之利息及其他開支。所有借款成本均於產生期間在綜合全面收益表列賬。

分部報告

經營分部乃依據向本集團最高行政管理層定期報告以便彼等分配資源予各業務及地區及評定其表現之財務資料而劃分。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Segment reporting – continued

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

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

From 1 January 2009, investment properties under construction have been accounted for in the same way as completed investment properties. Specifically, construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction. Investment properties under construction are measured at fair value at the end of the reporting period. Any difference between the fair value of the investment properties under construction and their carrying amounts is recognised in profit or loss in the period in which they arise. Prior to 1 January 2009, the leasehold land and building elements of investment properties under construction were accounted separately; the leasehold land element was accounted for as an operating lease and the building element was measured at cost less impairment losses, if any.

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

3. 主要會計政策概要－續

分部報告－續

就財務申報而言，各主要業務分部並不予合併計算，除非各分部擁有類似經濟特點，並在產品及服務、生產過程、客戶類別、分銷產品及提供服務方式，以及規管理境均有類似性質。並非主要業務倘符合以上大部分條件，則予合併計算。

投資物業

投資物業乃因具投資潛力而持有而租金收入可按公平基準磋商之已落成物業。

由二零零九年一月一日起，在建投資物業之入賬方式與已竣工投資物業相同。具體來說，在建投資物業產生之建設成本乃資本化作在建投資物業賬面值之一部分。在建投資物業乃按各報告期末之公平值計量。在建投資物業之公平值與其賬面值之間之任何差額，乃於產生期內之損益確認。於二零零九年一月一日前，在建投資物業的租賃土地及樓宇部份乃分別入賬，租賃土地部份作為經營租賃入賬，樓宇部份按成本減減值虧損（如有）入賬。

一項投資物業被出售或該項投資物業永久停止使用，或預期出售該項投資物業不會產生任何未來經濟收益，則會取消確認該項投資物業。取消確認某項資產所產生之任何損益（按出售所得款項淨額與該項資產賬面值之差額計算）均列入取消確認有關項目年度之綜合損益賬。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of financial assets

Financial assets, other than those at financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each 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 financial assets have been impacted.

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

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

- (a) significant financial difficulty of the issuer or counterparty; or
- (b) default or delinquency in interest or principal payments; or
- (c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently 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 of 7 to 90 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 主要會計政策概要－續

財務資產減值

於各報告期末評估財務資產有否減值跡象，惟按公平值透過損益列賬之財務資產除外。倘有客觀證據顯示財務資產首次確認後發生的一項或多項事件導致相關財務資產之估計未來現金流量被削弱，則財務資產視為已減值。

就可供出售股本投資而言，倘該項投資的公平值明顯或持續下跌至低於其成本，則被視為減值之客觀證據。

就所有其他財務資產而言，減值之客觀證據包括：

- (a) 發行人或交易對手出現重大財政困難；或
- (b) 拖欠或不支付利息或本金付款；或
- (c) 借貸方很可能破產或進行財務重組。

就若干類別之財務資產（例如貿易應收款項）而言，被評為不會單獨作出減值之資產會於其後彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款經驗、組合內延遲付款之拖欠期超過7至90日平均信貸期之宗數上升，以及國家或地方經濟狀況出現明顯變動導致應收款項被拖欠。

就按攤銷成本列賬之財務資產而言，當有客觀證據證明資產已減值，減值虧損於損益中確認，並按資產賬面值與按原實際利率貼現之估計未來現金流量現值之差額計算。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment of financial assets – continued

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.

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. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised 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 amortised cost would have been had the impairment not been recognised.

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 impairment loss is recognised 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.

3. 主要會計政策概要－續

財務資產減值－續

就按成本列賬之財務資產而言，減值虧損金額乃資產賬面值與估計未來現金流折現計算的現值兩者之間的差額，而折現率為同類財務資產之現時市場回報率。該減值虧損不可在往後期間撥回。

所有財務資產之減值虧損會直接於財務資產之賬面值中作出扣減，惟貿易應收款項除外，貿易應收款項之賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當貿易應收款項被視為不可收回時，將於撥備賬內撇銷。先前已撇銷的款項如其後收回，將撥回損益內。

就按攤銷成本計量之財務資產而言，倘減值虧損額於隨後期間有所減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該項資產於減值被撥回當日之賬面值不得超過若無確認減值之原有已攤銷成本。

可供出售股本投資之減值虧損不會於其後期間在損益內撥回。減值虧損後公平值的任何增加將直接於權益確認。就可供出售債務投資而言，倘該項投資之公平值增加客觀上與確認減值虧損後之某一事件有聯繫，減值虧損將於其後撥回。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 3, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk in causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Estimated impairment of goodwill

The Group performs annual tests on whether there has been impairment of goodwill in accordance with the accounting policy stated in note 3. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations.

4. 估算及不確定性之主要來源

於應用附註3所述之本集團會計政策時，管理層已作出若干有關未來之主要假設，以及於結算日之估算不確定因素之主要來源，其極有可能導致下一個財政年度資產和負債賬面值出現重大調整，現論述如下：

(a) 商譽之估計減值

本集團根據載於附註3之會計政策，每年就商譽是否出現減值進行測試。現金產生單位之可收回金額乃根據使用中價值計算而釐定。該等計算須運用管理層就業務之未來營運、稅前貼現率作出之估算及假設，以及其他與使用中價值計算相關之假設。

**4. KEY SOURCES OF ESTIMATION
UNCERTAINTY – continued**

(b) Impairment of trade receivables

The aged debt profile of trade debtors is reviewed on a regular basis to ensure that the trade debtor balances are collectible and follow up actions are promptly carried out if the agreed credit periods have been exceeded. However, from time to time, the Group may experience delays in collection. Where recoverability of trade debtor balances are called into doubts, specific provisions for bad and doubtful debts are made based on credit status of the customers, the aged analysis of the trade receivable balances and write-off history. Certain receivables may be initially identified as collectible, yet subsequently become uncollectible and result in a subsequent write-off of the related receivable to the consolidated statement of comprehensive income. Changes in the collectability of trade receivables for which provisions are not made could affect our results of operations.

(c) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also perform annual reviews on whether the assumptions made on useful lives continue to be valid.

4. 估算及不確定性之主要來源 – 續

(b) 貿易應收款項減值

貿易應收款項之賬齡狀況乃定期審閱，從而確保貿易應收款項結餘可予收回，並在協定信貸期已逾期時馬上作出跟進行動。然而，本集團可能不時面對延期收款。倘貿易應收款項結餘之可收回性出現疑問，則會根據客戶之信貸狀況、貿易應收款項結餘之賬齡分析及撇銷記錄作出呆壞賬特定撥備。若干應收款項初步可能辨識為可予收回，惟及後變成未能收回並導致有關應收款項其後須於綜合全面收益表內予以撇銷。就並無作出撥備之貿易應收款項之可收回性變更可影響本集團之經營業績。

(c) 物業、廠房及設備之可使用年期

根據香港會計準則第16號，本集團估計物業、廠房及設備之可使用年期，從而釐定須予記錄之折舊開支金額。可使用年期乃於收購資產當時根據過往經驗、資產之預期用途及耗損，以及由資產之市場須求或所產生之服務變更所引致之技術折舊釐定。本集團亦就對可使用年期作出之假設是否繼續有效進行每年審閱。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

(d) Impairment of non-current assets

If a triggering event occurs indicating that the carrying amount of an asset may not be recoverable, an assessment of the carrying amount of that asset will be performed. Triggering events include significant adverse changes in the market value of an asset, changes in the business or regulatory environment, or certain legal events. The interpretation of such events requires judgment from management with respect to whether such an event has occurred. Upon the occurrence of triggering events, the carrying amounts of non-current assets are reviewed to assess whether their recoverable amounts have declined below their carrying amounts. The recoverable amount is the present value of estimated net future cash flows which the Group expects to generate from the future use of the asset, plus the assets residual value on disposal. Where the recoverable amount of non-current assets is less than its carrying value, an impairment loss is recognised to write the assets down to its recoverable amount.

(e) Income taxes and deferred taxation

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4. 估算及不確定性之主要來源一續

(d) 非流動資產之減值

倘發生觸發事件指出資產賬面值可能未能收回，將對該資產之賬面值進行評估。觸發事件包括資產市值之重大不利變動、業務或監管環境變動或若干法律事件。該等事件需要管理層就有否發生該等事件之判斷而詮釋。當發生觸發事件時，非流動資產之賬面值乃被審閱，以評估彼等之可收回金額是否已下降至低於彼等之賬面值。可收回金額為本集團預期於未來使用該資產所產生之估計未來現金流量淨額之現值，加上該資產出售時之剩餘價值。倘非流動資產之可收回金額低於其賬面值，則確認減值虧損以將該資產撇減至其可收回金額。

(e) 所得稅及遞延稅項

本集團須支付不同司法權區的所得稅。於釐訂所得稅撥備金額之時，需要作出重大判斷。於日常業務過程中，可能出現多項涉及未能確切釐訂最終稅項的交易及計算。倘該等事項的最終稅務結果與最初記錄者不同，有關差異將影響作出決定的期間的所得稅及遞延稅項撥備。

當管理層認為可能有臨時差額或稅務損失而可用以抵銷未來的應課稅利潤時，則會確認與該等臨時差額及稅務損失相關的遞延稅項資產。實際應用的結果或有不同。

4. KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

(f) Measurement of convertible note

On issuance of convertible note, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in the convertible note reserve, net of transaction costs. The splitting of the liability and equity components requires an estimation of the market interest rate.

(g) Measurement of fair value of equity-settled transactions

The Company operates share option schemes under which employees (including directors) of the Group receive remuneration in the form of share-based payment transactions. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted, using assumptions including expected volatility and risk free interest rate. Such cost is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

(h) Measurement of promissory note

The fair value of promissory note is determined using an estimated interest rate and the amount is carried on amortised cost basis until extinguished or redemption.

4. 估算及不確定性之主要來源 – 續

(f) 可換股票據之計量

發行可換股票據時，負債部分的公平值乃根據同等不可換股票據的市場利率而釐定，而該數額按攤銷成本列作長期負債，直至票據獲兌換或贖回時耗盡為止。款項餘額於扣除交易成本後，將分配至已確認並計入可換股票據儲備的換股權轉換。分辦負債及股權部份需要運用對市場利率之估計。

(g) 股份付款交易之公平值計量

本公司設有購股權計劃，據此，本集團僱員（包括董事）以股份付款交易的形式收取薪酬。僱員之以股份付款交易的成本乃根據授出當日的公平值，使用包括預期波幅及無風險利率等假設而計算。有關成本，連同權益相應增加部分，在服務條件獲得履行之期間內確認。於各結算日至歸屬日期止期間就以股份付款交易所確認的累積開支，指本集團對歸屬期完結時最終歸屬的股本工具數目的最佳估計。

(h) 承付票據之計量

承付票據之公平值乃運用估計利率來釐定，有關金額按攤銷成本列賬，直至償還或贖回為止。

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5. SEGMENT INFORMATION

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 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. In the past, the Group's primary reporting segment was geographical segment. The adoption of HKFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

The Group organised into three operating divisions: provision of general hospital services, provision of healthcare and hospital management services, pharmaceutical wholesale and distribution and pharmaceutical retail chain business. These divisions are the basis on which the Group reports its segment information.

5. 分類資料

本集團已自二零零九年四月一日起採納香港財務申報準則第8號經營分類。香港財務申報準則第8號為一項披露準則，其規定經營分類按有關本集團組成部份之內部報告劃分，有關報告由主要營運決策者定期審閱，以分配分類資源及評估分類表現。相比之下，過往之準則（香港會計準則第14號分部申報）則規定採用風險及回報方法劃分兩組分部（業務及地區）。過往本集團之主要申報分類為地區分類。與根據香港會計準則第14號釐定之主要申報分類相比，採納香港財務申報準則第8號導致重新劃分本集團之須申報分類。

本集團分為三個經營分部：提供綜合性醫院服務、提供醫療及醫院管理服務、以及藥物批發及分銷以及藥物零售連鎖店業務。該等分部乃本集團申報其分類資料之基礎。

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5. SEGMENT INFORMATION – continued

Segment revenue and results 2010

5. 分類資料－續

分類收益及業績 二零一零年

| | | Provision of general hospital services | Provision of healthcare and hospital management services | Pharmaceutical wholesale and distribution and pharmaceutical retail chain business 藥物批發及分銷 以及藥物零售 連鎖店業務 | Others | Eliminations | Consolidated |
|---|---------------|--|--|---|-----------------------|-----------------------|-----------------------|
| | | 提供綜合性 醫院服務 HK\$'000 千港元 | 提供醫療及 醫院管理服務 HK\$'000 千港元 | HK\$'000 千港元 | 其他 HK\$'000 千港元 | 對銷 HK\$'000 千港元 | 綜合 HK\$'000 千港元 |
| Turnover | 營業額 | | | | | | |
| External sales | 對外銷售 | 125,360 | 1,550 | 52,855 | - | - | 179,765 |
| Inter-segment sales | 分類間銷售 | - | - | - | - | - | - |
| Total turnover | 總營業額 | 125,360 | 1,550 | 52,855 | - | - | 179,765 |
| Inter-segment sales are charged at arm's length | 分類間銷售乃按公平基準收費 | | | | | | |
| Results | 業績 | | | | | | |
| Segment results | 分類業績 | (162,196) | (1,630) | 3,070 | - | - | (160,756) |
| Unallocated other revenue | 未分配之其他收益 | | | | | | 419 |
| Unallocated other income | 未分配之其他收入 | | | | | | 230 |
| Unallocated corporate expenses | 未分配之企業支出 | | | | | | (20,324) |
| Loss on disposal of subsidiaries | 出售附屬公司之虧損 | | | | | | (23,185) |
| Loss from operations | 經營業務虧損 | | | | | | (203,616) |
| Finance costs | 財務費用 | | | | | | (1,297) |
| Loss before taxation | 除稅前虧損 | | | | | | (204,913) |
| Taxation | 稅項 | | | | | | (1,723) |
| Loss for the year | 本年度虧損 | | | | | | (206,636) |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

5. SEGMENT INFORMATION – continued

Segment assets and liabilities 2010

| | Provision of general hospital services | Provision of healthcare and hospital management services | Pharmaceutical wholesale and distribution and pharmaceutical retail chain business | Eliminations | Consolidated |
|---|--|--|---|-----------------------|-----------------------|
| | 提供綜合性 醫院服務 HK\$'000 千港元 | 提供醫療及 醫院管理服務 HK\$'000 千港元 | 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$'000 千港元 | 對銷 HK\$'000 千港元 | 綜合 HK\$'000 千港元 |
| Consolidated statement of financial position | 綜合財務狀況表 | | | | |
| Assets | 資產 | | | | |
| Segment assets | 96,357 | 4,884 | 1,120,907 | - | 1,222,148 |
| Unallocated corporate assets | | | | | 60,584 |
| Consolidated total assets | | | | | <u>1,282,732</u> |
| Liabilities | 負債 | | | | |
| Segment liabilities | 13,664 | 406 | 278,934 | - | 293,004 |
| Promissory note | | | | | 240,482 |
| Convertible note | | | | | 3,741 |
| Deferred taxation | | | | | 636 |
| Unallocated corporate liabilities | | | | | 8,027 |
| Consolidated total liabilities | | | | | <u>545,890</u> |

Other segment information

| | Provision of general hospital services | Provision of healthcare and hospital management services | Pharmaceutical wholesale and distribution and pharmaceutical retail chain business | Unallocated | Consolidated |
|---|--|--|---|------------------------|-----------------------|
| | 提供綜合性 醫院服務 HK\$'000 千港元 | 提供醫療及 醫院管理服務 HK\$'000 千港元 | 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$'000 千港元 | 未分配 HK\$'000 千港元 | 綜合 HK\$'000 千港元 |
| Other information | 其他資料 | | | | |
| Capital expenditure | 7,018 | 361 | 22 | - | 7,401 |
| Depreciation | 9,751 | 189 | 200 | 1,060 | 11,200 |
| Amortisation of prepaid lease payments | 967 | - | 10 | - | 977 |
| Loss on disposal of property, plant and equipment | 28 | - | - | - | 28 |
| Provision for impairment loss of trade and other receivables | 489 | - | - | - | 489 |
| Impairment loss on goodwill | <u>171,422</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>171,422</u> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

5. SEGMENT INFORMATION – continued

Segment revenue and results

2009

5. 分類資料－續

分類收益及業績

二零零九年

| | | Provision of general hospital services 提供綜合性 醫院服務 HK\$'000 千港元 | Provision of healthcare and hospital management services 提供醫療及 醫院管理服務 HK\$'000 千港元 | Pharmaceutical wholesale and distribution and pharmaceutical retail chain business 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$'000 千港元 | Others 其他 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|--|-------------------|--|--|--|---------------------------------|---------------------------------------|
| Turnover | 營業額 | | | | | |
| External sales | 對外銷售 | 155,719 | 14,368 | – | – | 170,087 |
| Inter-segment sales | 分類間銷售 | – | – | – | – | – |
| Total turnover | 總營業額 | <u>155,719</u> | <u>14,368</u> | <u>–</u> | <u>–</u> | <u>170,087</u> |
| Inter-segment sales are charged at arm's length | 分類間銷售乃按 公平基準收費 | | | | | |
| Results | 業績 | | | | | |
| Segment results | 分類業績 | <u>(155,690)</u> | <u>(1,428)</u> | <u>–</u> | <u>–</u> | <u>(157,118)</u> |
| Unallocated other revenue | 未分配之其他收益 | | | | | 422 |
| Unallocated other income | 未分配之其他收入 | | | | | 2,085 |
| Unallocated corporate expenses | 未分配之企業支出 | | | | | (17,934) |
| Loss on disposal of subsidiaries | 出售附屬公司之虧損 | | | | | <u>(3,865)</u> |
| Loss from operations | 經營業務虧損 | | | | | (176,410) |
| Finance costs | 財務費用 | | | | | <u>(1,822)</u> |
| Loss before taxation | 除稅前虧損 | | | | | (178,232) |
| Taxation | 稅項 | | | | | <u>(12,228)</u> |
| Loss for the year | 本年度虧損 | | | | | <u><u>(190,460)</u></u> |

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財務報表附註

31 March 2010 二零一零年三月三十一日

5. SEGMENT INFORMATION – continued

Segment assets and liabilities

2009

| | Provision of general hospital services 提供綜合性 醫院服務 HK\$' 000 千港元 | Provision of healthcare and hospital management services 提供醫療及 醫院管理服務 HK\$' 000 千港元 | Pharmaceutical wholesale and distribution and pharmaceutical retail chain business 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$' 000 千港元 | Others 其他 HK\$' 000 千港元 | Consolidated 綜合 HK\$' 000 千港元 |
|---|---|---|---|----------------------------------|--|
| Consolidated statement of financial position | 綜合財務狀況表 | | | | |
| Assets | 資產 | | | | |
| Segment assets | 315,218 | 37,768 | – | – | 352,986 |
| Unallocated corporate assets | | | | | 41,991 |
| Consolidated total assets | | | | | <u>394,977</u> |
| Liabilities | 負債 | | | | |
| Segment liabilities | 26,516 | 577 | – | – | 27,093 |
| Convertible note | | | | | 6,469 |
| Deferred taxation | | | | | 181 |
| Unallocated corporate liabilities | | | | | 5,172 |
| Consolidated total liabilities | | | | | <u>38,915</u> |

Other segment information

| | Provision of general hospital services 提供綜合性 醫院服務 HK\$' 000 千港元 | Provision of healthcare and hospital management services 提供醫療及 醫院管理服務 HK\$' 000 千港元 | Pharmaceutical wholesale and distribution and pharmaceutical retail chain business 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$' 000 千港元 | Others 其他 HK\$' 000 千港元 | Consolidated 綜合 HK\$' 000 千港元 |
|--|---|---|---|----------------------------------|--|
| Other information | 其他資料 | | | | |
| Capital expenditure | 10,679 | 482 | – | 2,475 | 13,636 |
| Depreciation | 9,473 | 152 | – | 1,004 | 10,629 |
| Amortisation of prepaid lease payments | 962 | – | – | – | 962 |
| Loss on disposal of property, plant and equipment | – | 10 | – | – | 10 |
| Provision for impairment loss of trade and other receivables | 1,381 | – | – | – | 1,381 |
| Impairment loss on goodwill | 202,547 | – | – | – | <u>202,547</u> |

5. 分類資料 – 續

分類資產及負債

二零零九年

| | 提供綜合性 醫院服務 HK\$' 000 千港元 | 提供醫療及 醫院管理服務 HK\$' 000 千港元 | 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$' 000 千港元 | 其他 其他 HK\$' 000 千港元 | 綜合 綜合 HK\$' 000 千港元 |
|---|-----------------------------------|-------------------------------------|--|------------------------------|------------------------------|
| Consolidated statement of financial position | 綜合財務狀況表 | | | | |
| Assets | 資產 | | | | |
| Segment assets | 315,218 | 37,768 | – | – | 352,986 |
| Unallocated corporate assets | | | | | 41,991 |
| Consolidated total assets | | | | | <u>394,977</u> |
| Liabilities | 負債 | | | | |
| Segment liabilities | 26,516 | 577 | – | – | 27,093 |
| Convertible note | | | | | 6,469 |
| Deferred taxation | | | | | 181 |
| Unallocated corporate liabilities | | | | | 5,172 |
| Consolidated total liabilities | | | | | <u>38,915</u> |

其他分類資料

| | 提供綜合性 醫院服務 HK\$' 000 千港元 | 提供醫療及 醫院管理服務 HK\$' 000 千港元 | 藥物批發及分銷 以及藥物零售 連鎖店業務 HK\$' 000 千港元 | 其他 其他 HK\$' 000 千港元 | 綜合 綜合 HK\$' 000 千港元 |
|--|-----------------------------------|-------------------------------------|--|------------------------------|------------------------------|
| Other information | 其他資料 | | | | |
| Capital expenditure | 10,679 | 482 | – | 2,475 | 13,636 |
| Depreciation | 9,473 | 152 | – | 1,004 | 10,629 |
| Amortisation of prepaid lease payments | 962 | – | – | – | 962 |
| Loss on disposal of property, plant and equipment | – | 10 | – | – | 10 |
| Provision for impairment loss of trade and other receivables | 1,381 | – | – | – | 1,381 |
| Impairment loss on goodwill | 202,547 | – | – | – | <u>202,547</u> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

5. SEGMENT INFORMATION – continued

Segment results represent the profit/(loss) generated by each segment without allocation of finance costs, loss on disposal of subsidiaries and taxation. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment measurement.

Geographical information

The Group's operations are mainly located in Hong Kong and PRC. The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods/services:

| | | Turnover by geographical market 按地區市場之營業額 | |
|-----------|----|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Hong Kong | 香港 | – | – |
| PRC | 中國 | 179,765 | 170,087 |
| | | <u>179,765</u> | <u>170,087</u> |

The following is an analysis of the carrying amount of non-current assets (excluding deferred tax assets and derivative financial instrument) analysed by the geographical area in which the assets are located:

| | | Carrying amount of non-current assets* 非流動資產之賬面值* | |
|-----------|----|---|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Hong Kong | 香港 | 1,734 | 2,286 |
| PRC | 中國 | 867,626 | 276,956 |
| | | <u>869,360</u> | <u>279,242</u> |

* Non-current assets excluding financial instruments and deferred tax assets.

5. 分類資料—續

分類業績指各分類產生之溢利／（虧損），不計及財務費用、出售附屬公司之虧損及稅項之分配。此乃就資源分配及分類表現評估向主要營運決策者報告之基準。

地區資料

本集團之業務主要位於香港及中國。下表提供本集團之營業額按地區市場（不論商品／服務之來源）之分析：

以下為按資產所處地區分析之非流動資產（不包括遞延稅項資產及衍生金融工具）之賬面值分析：

* 非流動資產不包括金融工具及遞延稅項資產。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

6. PROPERTY, PLANT AND EQUIPMENT

The Group

6. 物業、廠房及設備

本集團

| | | Building 樓宇 HK\$'000 千港元 | Furniture and fixtures 傢俬及裝置 HK\$'000 千港元 | Leasehold improvements 租賃物業裝修 HK\$'000 千港元 | Machinery and equipment 機器及設備 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Office equipment 辦公室設備 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--------------------------------------|----------------------------|-----------------------------------|---|--|--|--|---|--------------------------------|
| Cost | 成本 | | | | | | | |
| At 1 April 2008 | 於二零零八年四月一日 | 4,802 | 2,855 | 11,325 | 18,862 | 4,596 | 3,839 | 46,279 |
| Additions | 添置 | - | 69 | 2,916 | 5,619 | 3,288 | 1,744 | 13,636 |
| On acquisition of subsidiaries | 收購附屬公司 | - | 17 | 1,279 | 5,438 | 775 | 1,090 | 8,599 |
| Disposals of subsidiaries | 出售附屬公司 | - | - | (1,247) | (946) | - | (174) | (2,367) |
| Exchange difference | 匯兌差額 | 548 | 299 | 1,021 | 1,556 | 479 | 226 | 4,129 |
| Disposals | 出售 | - | (12) | - | - | - | - | (12) |
| At 31 March 2009 and 1 April 2009 | 於二零零九年三月三十一日 及二零零九年四月一日 | 5,350 | 3,228 | 15,294 | 30,529 | 9,138 | 6,725 | 70,264 |
| Additions | 添置 | - | 57 | 3,225 | 3,348 | 352 | 419 | 7,401 |
| On acquisition of subsidiaries | 收購附屬公司 | - | - | 2,613 | - | 2,376 | 12,507 | 17,496 |
| Disposals of subsidiaries | 出售附屬公司 | - | (30) | (2,426) | (9,336) | (1,022) | (1,358) | (14,172) |
| Exchange difference | 匯兌差額 | 31 | 18 | 84 | 174 | 38 | 29 | 374 |
| Disposals | 出售 | - | - | - | (764) | - | - | (764) |
| At 31 March 2010 | 於二零一零年三月三十一日 | 5,381 | 3,273 | 18,790 | 23,951 | 10,882 | 18,322 | 80,599 |
| Depreciation and impairment | 折舊及減值 | | | | | | | |
| At 1 April 2008 | 於二零零八年四月一日 | 175 | 1,052 | 2,828 | 7,115 | 1,371 | 2,320 | 14,861 |
| On acquisition of subsidiaries | 收購附屬公司 | - | 1 | 306 | 392 | 31 | 75 | 805 |
| Disposals of subsidiaries | 出售附屬公司 | - | - | (538) | (375) | - | (64) | (977) |
| Provided for the year | 本年度撥備 | 161 | 628 | 1,916 | 5,400 | 1,565 | 959 | 10,629 |
| Written back on disposals | 出售時撥回 | - | (2) | - | - | - | - | (2) |
| Exchange difference | 匯兌差額 | 19 | 102 | 254 | 709 | 87 | 109 | 1,280 |
| At 31 March 2009 | 於二零零九年三月三十一日 | 355 | 1,781 | 4,766 | 13,241 | 3,054 | 3,399 | 26,596 |
| On acquisition of subsidiaries | 收購附屬公司 | - | - | 865 | - | 466 | 2,974 | 4,305 |
| Disposals of subsidiaries | 出售附屬公司 | - | (9) | (428) | (3,359) | (663) | (441) | (4,900) |
| Provided for the year | 本年度撥備 | 161 | 523 | 2,179 | 5,780 | 1,610 | 947 | 11,200 |
| Written back on disposals | 出售時撥回 | - | - | - | (181) | - | - | (181) |
| Exchange difference | 匯兌差額 | 2 | 10 | 25 | 75 | 14 | 15 | 141 |
| At 31 March 2010 | 於二零一零年三月三十一日 | 518 | 2,305 | 7,407 | 15,556 | 4,481 | 6,894 | 37,161 |
| Net book values | 賬面淨值 | | | | | | | |
| At 31 March 2010 | 於二零一零年三月三十一日 | <u>4,863</u> | <u>968</u> | <u>11,383</u> | <u>8,395</u> | <u>6,401</u> | <u>11,428</u> | <u>43,438</u> |
| At 31 March 2009 | 於二零零九年三月三十一日 | <u>4,995</u> | <u>1,447</u> | <u>10,528</u> | <u>17,288</u> | <u>6,084</u> | <u>3,326</u> | <u>43,668</u> |

The building was held outside Hong Kong under medium term lease.

該樓宇於香港境外以中期租約持有。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

7. PREPAID LEASE PAYMENTS

7. 預付租賃款項

| | | The Group 本集團 | |
|--|------------------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| The Group's prepaid lease payments comprise: | 本集團預付租賃款項包括： | | |
| Land outside Hong Kong under medium term lease | 香港境外以中期租約持有之土地 | <u>33,394</u> | <u>29,961</u> |
| Analysed for reporting purposes as: | 作申報用途之分析： | | |
| Current assets (include in trade and other receivables and deposits) | 流動資產 (包括於貿易及其他應收款項及按金) | 1,126 | 972 |
| Non-current assets | 非流動資產 | <u>32,268</u> | <u>28,989</u> |
| | | <u>33,394</u> | <u>29,961</u> |

At 31 March 2010, prepaid lease payments with a carrying amount of approximately HK\$3,709,000 have been pledged to secure credit facilities granted to an independent third party.

於二零一零年三月三十一日，賬面值約3,709,000港元之預付租賃款項已就授予一名獨立第三方之信貸作出抵押。

8. INVESTMENT PROPERTIES

8. 投資物業

| | | The Group 本集團 | |
|-------------------------------------|--------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Completed investment properties | 已竣工投資物業 | <u>5,586</u> | <u>—</u> |
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| At fair value | 按公平值 | | |
| At 1 April | 於四月一日 | — | — |
| On acquisition of subsidiaries | 收購附屬公司 | 5,586 | — |
| Gain/(loss) on property revaluation | 物業重估之收益/(虧損) | — | — |
| At 31 March | 於三月三十一日 | <u>5,586</u> | <u>—</u> |

Notes to the Financial Statements

財務報表附註

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8. INVESTMENT PROPERTIES – continued

The fair values of the Group's investment properties at 31 March 2010 have been arrived at on the basis of a valuation carried out at that date by Messrs. BMI Appraisals Limited, independent qualified professional valuers not connected to the Group. The valuation was arrived at on the open market basis.

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The carrying amount of investment properties shown above comprises:

| | |
|-------------------------|----------|
| Land outside Hong Kong: | 香港境外之土地： |
| Medium-term lease | 中期租約 |

At 31 March 2010, investment properties with a carrying amount of approximately HK\$5,586,000 have been pledged to secure credit facilities granted to an independent third party.

For the year ended 31 March 2010, property rental income earned during the year was approximately HK\$19,000. The property held had committed tenants for the next five years. At the end of the reporting period, the Group contracted with tenants for the following future minimum lease receivables:

| | |
|--|----------------|
| Within one year | 一年內 |
| In the second to fifth years inclusive | 第二至第五年(包括首尾兩年) |

8. 投資物業－續

本集團之投資物業於二零一零年三月三十一日之公平值乃根據與本集團並無關連之獨立合資格專業估值師中和邦盟評估有限公司進行之估值而釐定。估值乃按公開市場基準釐定。

本集團根據經營租賃持有以賺取租金收入之所有物業權益均採用公平值模式計量，並歸類及計入投資物業。

上述投資物業之賬面值包括：

| 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

| | |
|--------------|----------|
| <u>5,586</u> | <u>–</u> |
|--------------|----------|

於二零一零年三月三十一日，賬面值約5,586,000港元之投資物業已就授予一名獨立第三方之信貸作出抵押。

截至二零一零年三月三十一日止年度，所賺取之物業租金收入約為19,000港元。所持有之物業於未來五年均有租戶承諾承租。於報告期末，本集團與租戶訂約之未來最低應收租金如下：

| 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

| | |
|------------|----------|
| <u>235</u> | <u>–</u> |
| <u>403</u> | <u>–</u> |
| <u>638</u> | <u>–</u> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

9. CASH AND BANK BALANCES

As at 31 March 2010, the cash and bank balances of the Group included currencies denominated in Renminbi ("RMB") amounted to approximately HK\$49,334,000 (2009: HK\$54,032,000) which is not freely convertible into other currencies.

9. 現金及銀行結餘

於二零一零年三月三十一日，本集團之現金及銀行結餘包括以人民幣（「人民幣」）計值為數約49,334,000港元（二零零九年：54,032,000港元）之貨幣，其不可自由兌換為其他貨幣。

10. GOODWILL

10. 商譽

| | | The Group 本集團 HK\$'000 千港元 |
|--|----------------------------|-------------------------------------|
| Cost | 成本 | |
| At 1 April 2008 | 於二零零八年四月一日 | 330,263 |
| Arising from acquisition of subsidiaries during the year | 年內收購附屬公司產生 | 114,945 |
| Disposal of subsidiaries | 出售附屬公司 | (3,865) |
| At 31 March 2009 and 1 April 2009 | 於二零零九年三月三十一日 及二零零九年四月一日 | 441,343 |
| Arising from acquisition of subsidiaries during the year | 年內收購附屬公司產生 | 785,169 |
| Adjustment to consideration (Note (b)) | 代價調整(附註(b)) | (7,764) |
| Disposal of subsidiaries | 出售附屬公司 | (24,500) |
| At 31 March 2010 | 於二零一零年三月三十一日 | 1,194,248 |
| Impairment | 減值 | |
| At 1 April 2008 | 於二零零八年四月一日 | 32,211 |
| Impairment loss recognised | 已確認減值虧損 | 202,547 |
| At 31 March 2009 and 1 April 2009 | 於二零零九年三月三十一日 及二零零九年四月一日 | 234,758 |
| Impairment loss recognised | 已確認減值虧損 | 171,422 |
| At 31 March 2010 | 於二零一零年三月三十一日 | 406,180 |
| Carrying value | 賬面值 | |
| At 31 March 2010 | 於二零一零年三月三十一日 | 788,068 |
| At 31 March 2009 | 於二零零九年三月三十一日 | 206,585 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

10. GOODWILL – continued

Notes:

- (a) At the end of reporting period, the Group assessed the recoverable amount of goodwill, and determined that goodwill associated with the Group's provision of general hospital and healthcare services in PRC was impaired by approximately HK\$171,422,000 (2009: HK\$202,547,000). The recoverable amount of the operations was assessed by reference to value in use. A discount factor of 9.71% per annum was applied in the value in use model.

Particulars regarding impairment testing on goodwill are disclosed in Note 11 to the financial statements.

- (b) During the year ended 31 March 2010, the Group received cash compensation of approximately HK\$7,764,000 from vendors under profit guarantee pursuant to the sales and purchase agreements.

11. IMPAIRMENT TESTING ON GOODWILL

For the purpose of impairment testing, goodwill set out in Note 10 has been allocated to the following cash generating units (CGUs). The carrying amount of goodwill (net of accumulated impairment losses) as at 31 March 2010 is allocated as follows:

10. 商譽－續

附註：

- (a) 於報告期末，本集團評估商譽之可收回金額，並釐定本集團在中國提供綜合性醫院及醫療服務之商譽已減值約171,422,000港元（二零零九年：202,547,000港元）。業務之可收回金額乃參考使用價值作出評估。使用價值模式中採用每年9.71%之折算因子。

有關商譽減值測試之詳情於財務報表附註11中披露。

- (b) 於截至二零一零年三月三十一日止年度，本集團根據買賣協議之利潤擔保而自賣方收取約7,764,000港元之現金補償。

11. 商譽減值測試

就減值測試而言，附註10所載之商譽已分配至下列現金產生單位。於二零一零年三月三十一日，商譽之賬面值（扣除累計減值虧損）分配如下：

| | | The Group 本集團 | |
|---|------------------------|------------------|-----------------|
| | | 2010 二零一零年 | 2009 二零零九年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Provision of general hospital services in PRC | 於中國提供綜合性醫院服務 | 2,899 | 206,585 |
| Pharmaceutical wholesale and distribution and pharmaceutical retail chain business in PRC | 於中國之藥物批發及分銷以及藥物零售連鎖店業務 | 785,169 | — |
| | | 788,068 | 206,585 |

11. IMPAIRMENT TESTING ON GOODWILL

– continued

Provision of general hospital services in PRC

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management and a discount rate of 9.71% per annum. Cash flow projections during the budgeted period are based on the same expected gross margins throughout the budget period. The cash flows beyond the budgeted period have been extrapolated using a steady 3% per annum growth rate by reference to market rate. This growth rate does not exceed the long-term average growth rate for the market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of this CGU. Management determined the budgeted gross margin based on past performance and its expectations for the market development.

Pharmaceutical wholesale and distribution and pharmaceutical retail chain business in PRC

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management and a discount rate of 9.63% per annum. Cash flow projections during the budgeted period are based on the same expected gross margins throughout the budget period. The cash flows beyond the budgeted period have been extrapolated using a steady 3% per annum by reference to market rate. This growth rate does not exceed the long-term average growth rate for the market. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of this CGU. Management determined the budgeted gross margin based on past performance and its expectations for the market development.

11. 商譽減值測試－續

於中國提供綜合性醫院服務

本現金產生單位之可收回金額乃根據使用價值釐訂，而使用價值根據管理層所批准之財務預算所得出之現金流預測，以及折算率每年9.71%計算。預算期內之現金流量預測，乃基於整個預算期內相同之預測毛利率計算。預算期後之現金流量則參考市場利率以3%之穩定年增長率推算。此增長率並不超過市場之長期平均增長率。管理層相信，計算可收回金額所依據之重大假設可能出現之合理變動，不會導致本現金產生單位之賬面總值超逾其可收回金額總值。管理層根據過往表現及其對市場發展之預測釐訂預算毛利率。

於中國之藥物批發及分銷以及藥物零售連鎖店業務

本現金產生單位之可收回金額乃根據使用價值釐訂，而使用價值根據管理層所批准之財務預算所得出之現金流預測，以及折算率每年9.63%計算。預算期內之現金流量預測，乃基於整個預算期內相同之預測毛利率計算。預算期後之現金流量則參考市場利率以3%之穩定年增長率推算。此增長率並不超過市場之長期平均增長率。管理層相信，計算可收回金額所依據之重大假設可能出現之合理變動，不會導致本現金產生單位之賬面總值超逾其可收回金額總值。管理層根據過往表現及其對市場發展之預測釐訂預算毛利率。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

12. INTERESTS IN SUBSIDIARIES

Unlisted shares, at costs
Less: Impairment loss recognised

非上市股份，按成本值
減：已確認減值虧損

The Company
本公司
2010
二零一零年
HK\$'000
千港元

2009
二零零九年
HK\$'000
千港元

| | |
|-----------|---------|
| 376,265 | 376,265 |
| (267,575) | - |
| 108,690 | 376,265 |
| 3,410 | 746 |
| 112,100 | 377,011 |

Financial guarantee contract

財務擔保合約

The advance to a subsidiary is unsecured, interest free and has no fixed terms of repayment.

向一間附屬公司提供之貸款為無抵押、免息及無固定還款期。

The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayment.

應收／(應付)附屬公司款項為無抵押、免息及無固定還款期。

The carrying amounts of the investment in subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

於附屬公司投資之賬面值乃撇減至其可收回金額，而可收回金額則參照預期相關附屬公司產生之估計未來現金流量而釐定。

Details of the Company's principal subsidiaries at 31 March 2010 are set out in Note 43 to the consolidated financial statements.

本公司於二零一零年三月三十一日之主要附屬公司詳情載於綜合財務報表附註43。

13. INVENTORIES

Finished goods

製成品

13. 存貨

The Group
本集團

2010
二零一零年
HK\$'000
千港元

2009
二零零九年
HK\$'000
千港元

| | |
|--------|-------|
| 95,154 | 3,696 |
|--------|-------|

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

14. TRADE AND OTHER RECEIVABLES AND DEPOSITS

14. 貿易及其他應收款項及按金

| | | The Group 本集團 | | The Company 本公司 | |
|------------------------|--------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Trade receivables | 貿易應收款項 | 126,226 | 2,135 | - | - |
| Deposits paid | 已付按金 | 181 | 181 | 170 | 170 |
| Prepayments | 預付款項 | 30,429 | 13,228 | 162 | 108 |
| Prepaid lease payments | 預付租賃款項 | 1,126 | 972 | - | - |
| Other receivables | 其他應收款項 | 83,174 | 1,759 | 50 | 1 |
| | | 241,136 | 18,275 | 382 | 279 |

Payment terms with customers from the pharmaceutical wholesale and distribution and pharmaceutical retail chain business are mainly on credit. Invoices are normally payable from 30 to 90 days of issuance. Payment terms with customers from general hospital and healthcare and hospital management services are normally payable from 0 to 30 days. The following is an aged analysis of trade receivables at the end of the reporting period:

本集團與藥物批發及分銷以及藥物零售連鎖店業務客戶訂立之付款方式主要為記賬收款。發票一般須於發出日期後30至90日內支付。本集團與綜合性醫院以及醫療及醫院管理服務客戶訂立之付款方式一般須於0至30日內支付。以下為於報告期末之貿易應收款項賬齡分析：

| | | The Group 本集團 | |
|------------------------------------|----------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| 0 to 90 days | 0至90日 | 116,670 | 1,382 |
| 91 to 180 days | 91至180日 | 7,217 | 542 |
| 181 to 365 days | 181至365日 | 985 | 106 |
| Over 365 days | 超過365日 | 3,447 | 1,701 |
| | | 128,319 | 3,731 |
| Less: Allowance for doubtful debts | 減：呆賬撥備 | (2,093) | (1,596) |
| | | 126,226 | 2,135 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

14. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Trade receivables disclosed above include amounts which are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Ageing of past due but not impaired

| | |
|----------------|---------|
| Overdue by: | 已逾期： |
| 1 to 90 days | 1至90日 |
| 91 to 180 days | 91至180日 |
| Over 180 days | 超過180日 |
| Total | 總計 |

14. 貿易及其他應收款項及按金 – 續

上文披露之應收貿易款項包括於報告期末已經逾期但本集團並無就此確認應收款項呆賬撥備之款項，原因為有關款項之信貸質素並無重大變動並認為仍可收回。本集團並無就此等結餘持有任何抵押品或其他信貸加強項目，亦無法定權利可以本集團結欠交易對手之任何款項作對銷。

已逾期但並無減值之賬齡

| 2010 | 2009 |
|--------------|------------|
| 二零一零年 | 二零零九年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| 7,217 | 542 |
| 985 | 106 |
| 1,354 | 105 |
| 9,556 | 753 |

Movements in the allowance for doubtful debts

| | |
|---|---------------|
| At 1 April | 於四月一日 |
| Exchange realignment | 匯兌調整 |
| Impairment losses recognised on receivables | 已就應收款項確認之減值虧損 |
| At 31 March | 於三月三十一日 |

呆賬撥備之變動

| The Group | |
|--------------|--------------|
| 本集團 | |
| 2010 | 2009 |
| 二零一零年 | 二零零九年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |
| 1,596 | 215 |
| 8 | – |
| 489 | 1,381 |
| 2,093 | 1,596 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

14. TRADE AND OTHER RECEIVABLES AND DEPOSITS – continued

Ageing of impaired trade receivables

Over 365 days 超過365日

14. 貿易及其他應收款項及按金 – 續

已減值貿易應收款項之賬齡

The Group
本集團

| 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

| | |
|--------------|--------------|
| 2,093 | 1,596 |
|--------------|--------------|

15. DERIVATIVE FINANCIAL INSTRUMENTS

The Group and the Company

At 1 April 2008
Fair value changes

At 31 March 2009 and 1 April 2009

Fair value changes

At 31 March 2010

Notes:

The fair values of derivative financial instruments are estimated using Black-Scholes option pricing model.

15. 衍生金融工具

本集團及本公司

Redemption
option contract
贖回期權合約
HK\$'000
千港元

| | |
|------------|-------|
| 於二零零八年四月一日 | 514 |
| 公平值變動 | (511) |

| | |
|----------------------------|----|
| 於二零零九年三月三十一日及 二零零九年四月一日 | 3 |
| 公平值變動 | 93 |

| | |
|---------------------|-----------|
| 於二零一零年三月三十一日 | 96 |
|---------------------|-----------|

附註：

衍生金融工具之公平值乃使用柏力克－舒爾斯期權定價模式估算。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

16. SHARE CAPITAL

16. 股本

| | | Number of share 股份數目 | Amount 金額 HK\$'000 千港元 |
|--|--|-------------------------|---------------------------------|
| Authorised: | 法定： | | |
| <i>Ordinary shares</i> | <i>普通股</i> | | |
| Ordinary shares of HK\$0.05 each | 每股面值0.05港元之普通股 | | |
| – at 1 April 2008 | – 於二零零八年四月一日 | 5,000,000,000 | 250,000 |
| – increase in authorised share capital (Note (a)) | – 法定股本增加 (附註(a)) | 5,000,000,000 | 250,000 |
| Ordinary shares of HK\$0.05 each | 每股面值0.05港元之普通股 | | |
| – at 31 March 2009 and 1 April 2009 | – 於二零零九年三月三十一日 及二零零九年四月一日 | 10,000,000,000 | 500,000 |
| – increase in authorised share capital (Note (b)) | – 法定股本增加 (附註(b)) | 12,000,000,000 | 600,000 |
| – at 31 March 2010 | – 於二零一零年三月三十一日 | 22,000,000,000 | 1,100,000 |
| <i>Non-voting convertible preference shares</i> | <i>無投票權可換股優先股</i> | | |
| Non-voting convertible preference shares of HK\$0.05 each | 每股面值0.05港元之無投票權 可換股優先股 | | |
| – at 1 April 2008, 31 March 2009 and 1 April 2009 | – 於二零零八年四月一日、 二零零九年三月三十一日 及二零零九年四月一日 | – | – |
| – increase in authorised share capital (Note (b)) | – 法定股本增加 (附註(b)) | 8,000,000,000 | 400,000 |
| – at 31 March 2010 | – 於二零一零年三月三十一日 | 8,000,000,000 | 400,000 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

16. SHARE CAPITAL – continued

16. 股本－續

| | | Number of share 股份數目 | Amount 金額 HK\$'000 千港元 |
|--|---|-------------------------|---------------------------------|
| Issued and fully paid: | 已發行及繳足： | | |
| <i>Ordinary shares</i> | <i>普通股</i> | | |
| Ordinary shares of HK\$0.05 each | 每股面值0.05港元之普通股 | | |
| – at 1 April 2008 | – 於二零零八年四月一日 | 1,798,044,795 | 89,902 |
| – issue of new shares on subscription (Note (c)) | – 就認購而發行新股 (附註(c)) | 899,022,397 | 44,952 |
| – bonus issue of shares (Note (c)) | – 發行紅股 (附註(c)) | 1,798,044,794 | 89,902 |
| | | <hr/> | <hr/> |
| – at 31 March 2009, 1 April 2009 and 31 March 2010 | – 於二零零九年三月三十一日、 二零零九年四月一日及 二零一零年三月三十一日 | 4,495,111,986 | 224,756 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| <i>Non-voting convertible preference shares</i> | <i>無投票權可換股優先股</i> | | |
| Non-voting convertible preference shares of HK\$0.05 each | 每股面值0.05港元之無投票權 可換股優先股 | | |
| – at 1 April 2008, 31 March 2009 and 1 April 2009 | – 於二零零八年四月一日、 二零零九年三月三十一日及 二零零九年四月一日 | – | – |
| – Shares issued as consideration for acquisition (Note (d)) | – 作為收購代價發行之股份 (附註(d)) | 4,833,333,333 | 241,667 |
| | | <hr/> | <hr/> |
| – at 31 March 2010 | – 二零一零年三月三十一日 | 4,833,333,333 | 241,667 |
| | | <hr/> <hr/> | <hr/> <hr/> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

16. SHARE CAPITAL – continued

Notes:

- (a) Pursuant to the ordinary resolution passed by the shareholders in the extraordinary general meeting held on 16 February 2009, the authorised share capital of the Company increased from HK\$250,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.05 each to HK\$500,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.05 each.
- (b) Pursuant to the ordinary resolution passed by the shareholders in the extraordinary general meeting held on 3 March 2010, the authorised share capital of the Company from HK\$500,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.05 each to HK\$1,500,000,000 by the creation of an additional 12,000,000,000 ordinary shares and 8,000,000,000 non-voting convertible preference shares.
- (c) On 12 March 2009, the Company issued 899,022,397 offer shares by an open offer at a subscription price of HK\$0.05 per offer share on the basis of one offer share for every two shares held on record date and 1,798,044,794 bonus shares in the proportion of two bonus shares for every offer share taken up under the open offer. The proceeds of approximately HK\$44,952,000 will be used to finance future investments in the promising healthcare sector in the PRC, business development of the Group and towards general working capital.
- (d) The preference shares are non-voting shares and non-redeemable. The holders of the preference shares are entitled to receive the same dividends as the holders of ordinary shares. In addition, the holders of the preference shares have the right to convert any preference share into the Company's ordinary shares at any time at the conversion price at the rate of 1 to 1 each. The conversion price will be subject to adjustments only upon occurrence of certain dilutive events.

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

16. 股本一續

附註：

- (a) 根據股東於二零零九年二月十六日舉行之股東特別大會上通過之普通決議案，本公司之法定股本由250,000,000港元（分為5,000,000,000股每股面值0.05港元之普通股）增加至500,000,000港元（分為10,000,000,000股每股面值0.05港元之普通股）。
- (b) 根據股東於二零一零年三月三日舉行之股東特別大會上通過之普通決議案，本公司之法定股本透過額外增設12,000,000,000股普通股及8,000,000,000股無投票權可換股優先股，由500,000,000港元（分為10,000,000,000股每股面值0.05港元之普通股）增加至1,500,000,000港元。
- (c) 於二零零九年三月十二日，本公司藉認購價為每股發售股份0.05港元之公開發售發行899,022,397股發售股份，基準為於記錄日期每持有兩股股份可獲發一股發售股份，並以根據公開發售認購之每股發售股份可獲發兩股紅股之比例發行1,798,044,794股紅股。所得款項約44,952,000港元將用作日後投資潛力豐厚之中國醫療業及發展本集團業務之資金，以及撥作一般營運資金。
- (d) 優先股為無投票權股份及不可贖回。優先股持有人有權獲發與普通股持有人相同之股息。此外，優先股持有人有權隨時按1:1之比率按換股價將優先股轉換成本公司普通股。換股價僅於發生若干攤薄事項時方可予以調整。

年內發行之所有股份在各方面均與當時之現有股份享有同等地位。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

17. RESERVES

The Company

17. 儲備

本公司

| | | Share premium | Share-based payment reserve | Contributed surplus | Convertible note reserve | Accumulated losses | Total |
|--|------------------------|----------------|-----------------------------|---------------------|--------------------------|--------------------|----------------|
| | | 股份溢價 | 以股份為基礎之付款儲備 | 繳入盈餘 | 可換股票據儲備 | 累計虧損 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 April 2008 | 於二零零八年四月一日 | 425,169 | 4,658 | 1,452 | 24,693 | (129,994) | 325,978 |
| Bonus issue of shares | 發行紅股 | (89,902) | - | - | - | - | (89,902) |
| Release upon redemption of convertible notes | 贖回可換股票據後解除 | - | - | - | (20,245) | 19,424 | (821) |
| Loss for the year | 本年度虧損 | - | - | - | - | (15,644) | (15,644) |
| At 31 March 2009 and 1 April 2009 | 於二零零九年三月三十一日及二零零九年四月一日 | 335,267 | 4,658 | 1,452 | 4,448 | (126,214) | 219,611 |
| Issue of share options | 發行購股權 | - | 5,617 | - | - | - | 5,617 |
| Equity component of convertible notes | 可換股票據之權益部份 | - | - | - | (1,410) | 4,448 | 3,038 |
| Deferred tax related to convertible notes | 與可換股票據有關之遞延稅項 | - | - | - | (501) | - | (501) |
| Issue of convertible preference shares | 發行可換股優先股 | 338,333 | - | - | - | - | 338,333 |
| Share options cancelled | 註銷購股權 | - | (4,045) | - | - | 4,045 | - |
| Loss for the year | 本年度虧損 | - | - | - | - | (332,382) | (332,382) |
| At 31 March 2010 | 於二零一零年三月三十一日 | 673,600 | 6,230 | 1,452 | 2,537 | (450,103) | 233,716 |

(a) The contributed surplus of the Company represents the difference between the aggregate net assets of the subsidiaries acquired by the Company under the group reorganisation in 2001 and the nominal amount of the Company's shares issued for the acquisition.

(a) 本公司之繳入盈餘指本公司根據於二零零一年之集團重組所收購之附屬公司之總資產淨值與本公司就收購發行之股份之面值兩者間之差額。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

17. RESERVES – continued

The Company – continued

(b) The Company had no distributable reserves as at 31 March 2010 (2009: HK\$209,053,000). Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium account of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debt as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be distributed out of the retained profits or other reserves, including the share premium account, of the Company.

18. TRADE AND OTHER PAYABLES

17. 儲備－續

本公司－續

(b) 於二零一零年三月三十一日，本公司並無可供分派儲備（二零零九年：209,053,000港元）。根據開曼群島公司法（經修訂）第22章，於本公司之組織章程大綱及組織章程細則規限下，如緊隨分派或派息後本公司有能力償還其於日常業務過程中到期之債務，則本公司之股份溢價賬可以分派或以股息方式派付予股東。根據本公司之組織章程細則，股息須自本公司保留溢利或其他儲備（包括股份溢價賬）撥付。

18. 貿易及其他應付款項

| | | The Group | |
|-----------------------------|-------------|----------------|---------------|
| | | 本集團 | |
| | | 2010 | 2009 |
| | | 二零一零年 | 二零零九年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Trade payables | 貿易應付款項 | 169,112 | 12,453 |
| Bill payables | 應付票據 | 28,660 | – |
| Accruals and other payables | 應計費用及其他應付款項 | 52,976 | 18,154 |
| | | 250,748 | 30,607 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

18. TRADE AND OTHER PAYABLES – continued

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

| | | The Group 本集團 | |
|-----------------|----------|------------------|-----------------|
| | | 2010 二零一零年 | 2009 二零零九年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| 0 to 90 days | 0至90日 | 101,448 | 5,687 |
| 91 to 180 days | 91至180日 | 46,001 | 6,271 |
| 181 to 365 days | 181至365日 | 11,177 | 82 |
| Over 365 days | 超過365日 | 10,486 | 413 |
| | | 169,112 | 12,453 |

Bill payables were secured by certain pledged bank deposits.

以下為於報告期末之貿易應付款項賬齡分析：

應付票據以若干已抵押銀行存款作為抵押。

19. BANK BORROWINGS

| | | The Group 本集團 | |
|----------------------|------------|------------------|-----------------|
| | | 2010 二零一零年 | 2009 二零零九年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Bank borrowings | 銀行借貸 | 47,310 | – |
| Secured (Note (a)) | 有抵押(附註(a)) | 35,910 | – |
| Unsecured (Note (b)) | 無抵押(附註(b)) | 11,400 | – |
| | | 47,310 | – |

19. 銀行借貸

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

19. BANK BORROWINGS – continued

19. 銀行借貸－續

| | | The Group 本集團 | |
|---|-------------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Carrying amount repayable: | 應償還賬面金額： | | |
| On demand or within one year | 按要求或一年內 | 47,310 | – |
| More than one year, but not exceeding two years | 一年以上，但不超過兩年 | – | – |
| More than two years, but not exceeding five years | 兩年以上，但不超過五年 | – | – |
| More than five years | 五年以上 | – | – |
| Less: Amounts due within one year shown under current liabilities | 減：計入流動負債於一年內到期之款項 | (47,310) | – |
| | | – | – |

Notes:

- (1) The secured bank borrowings were secured by land and buildings owned by independent third party and bear interest ranged from 3.24% to 6.11% per annum. The weighted average effective interest rate on the secured bank borrowings is 4.8% per annum.
- (2) The unsecured bank borrowings bear interest at 5.4% per annum. The weighted average effective interest rate on the unsecured bank borrowings is 5.4% per annum.

附註：

- (1) 有抵押銀行借貸乃以獨立第三方擁有之土地及樓宇作為抵押，並按年利率3.24厘至6.11厘計息。有抵押銀行借貸之加權平均實際年利率為4.8厘。
- (2) 無抵押銀行借貸按年利率5.4厘計息。無抵押銀行借貸之加權平均實際年利率為5.4厘。

20. AMOUNTS DUE TO MINORITY SHAREHOLDERS

Amounts due to minority shareholders are unsecured, interest free and have no fixed terms of repayment.

20. 欠少數股東之款項

欠少數股東之款項為無抵押、免息及無固定還款期。

21. CONVERTIBLE NOTE

- (a) On 25 November 2005, the Company entered into a placing agreement with an independent placing agent, Hantec Capital Limited (the "Placing Agent"), to place on a best endeavours basis of certain unsecured convertible notes in the aggregate principal amount of more than HK\$15,000,000 and up to HK\$20,000,000 to placees (the "Placing Agreement").

On 11 January 2006, completion of the Placing Agreement took place. An aggregate principal amount of HK\$18,000,000 (the "Convertible Notes 1") have been placed through the Placing Agent and issued by the Company to 13 independent placees (the "Notes Holder"). The Convertible Notes 1 matures at the third anniversary of the issue date.

The Convertible Notes 1, if fully subscribed for and issued, are convertible into a total of approximately 67,164,179 new ordinary shares of the Company at the initial conversion price of HK\$0.268 per ordinary share (subject to adjustments).

On 11 April 2006, the Company completed the issue of 172,465,166 rights shares. Pursuant to the terms of the Convertible Notes 1, the conversion prices of the Convertible Notes 1 were adjusted accordingly. The new conversion price per share and the number of conversion shares after the rights issue subject to the Convertible Notes 1 was 86,956,521 shares exercisable at HK\$0.207 each.

On 16 February 2007, the Company completed the open offer of 355,523,083 offer shares. Pursuant to the terms of the Convertible Notes 1, the conversion prices of the Convertible Notes 1 were adjusted accordingly. The new conversion price per share and the number of conversion shares after the open offer subject to the Convertible Notes 1 was 33,816,425 shares exercisable at HK\$0.161 each.

21. 可換股票據

- (a) 於二零零五年十一月二十五日，本公司與一名獨立配售代理Hantec Capital Limited (「配售代理」) 訂立配售協議，按盡力基準配售若干本金總額多於15,000,000港元及最多達20,000,000港元之無抵押可換股票據予承配人 (「配售協議」)。

於二零零六年一月十一日，配售協議已完成。透過配售代理，配售本金總額18,000,000港元 (「可換股票據一」)，並由本公司發行予13名獨立承配人 (「票據持有人」)。可換股票據一於發行日期起計滿三週年到期。

倘可換股票據一獲悉數認購及發行，可按初步換股價每股普通股0.268港元 (可予調整) 轉換為合共約67,164,179股本公司新普通股。

於二零零六年四月十一日，本公司完成發行172,465,166股供股股份。根據可換股票據一之條款，可換股票據一之換股價已作出相應調整。於供股後，可換股票據一之新換股價及換股股份數目為可按每股0.207港元之價格行使，轉換為86,956,521股股份。

於二零零七年二月十六日，本公司完成公開發售355,523,083股發售股份。根據可換股票據一之條款，可換股票據一之換股價已作出相應調整。於公開發售後，可換股票據一之新換股價及換股股份數目為可按每股0.161港元行使，轉換為33,816,425股股份。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

21. CONVERTIBLE NOTE – continued

(a) – continued

The Convertible Notes 1 contains two components, liability and equity elements. The equity element is presented in equity heading “Convertible note reserve”. The effective interest rate of the liability component is 6.73%.

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, was included in shareholders’ equity in convertible note reserve.

21. 可換股票據－續

(a) – 續

可換股票據一包括負債及權益兩部分。權益部分於權益賬「可換股票據儲備」項下呈列。負債部分之實際利率為6.73厘。

負債部分之公平值乃以等值非可換股債券之市場利率計算。剩餘金額為權益轉換部分之價值，乃計入可換股票據儲備之股東權益內。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

21. CONVERTIBLE NOTE – continued

(a) – continued

The Convertible Notes 1 recognised in the consolidated statement of financial position was calculated as follows:

21. 可換股票據－續

(a) – 續

於綜合財務狀況表確認之可換股票據一之計算如下：

| | | The Group and the Company 本集團及本公司 |
|---|-----------------------------|--|
| | | HK\$'000 千港元 |
| Face value of Convertible Notes 1 issued on 11 January 2006 | 於二零零六年一月十一日發行之可換股票據一之面值 | 18,000 |
| Equity component | 權益部分 | (499) |
| Liability component on initial recognition at 11 January 2006 | 於二零零六年一月十一日初步確認時之負債部分 | 17,501 |
| Transaction costs | 交易成本 | (827) |
| Amortised cost on initial recognition 11 January 2006 | 於二零零六年一月十一日初步確認時之攤銷成本 | 16,674 |
| Interest expense | 利息開支 | 246 |
| Interest payable | 應付利息 | (158) |
| Amortised cost at 31 March 2006 and at 1 April 2006 | 於二零零六年三月三十一日及二零零六年四月一日之攤銷成本 | 16,762 |
| Interest expense | 利息開支 | 623 |
| Interest payable | 應付利息 | (406) |
| Converted into Company's shares | 轉換為本公司股份 | (14,651) |
| Amortised cost at 31 March 2007 and at 1 April 2007 | 於二零零七年三月三十一日及二零零七年四月一日之攤銷成本 | 2,328 |
| Interest expense | 利息開支 | 160 |
| Interest payable | 應付利息 | (100) |
| Amortised cost at 31 March 2008 and at 1 April 2008 | 於二零零八年三月三十一日及二零零八年四月一日之攤銷成本 | 2,388 |
| Interest expense | 利息開支 | 191 |
| Interest payable | 應付利息 | (79) |
| Repayment during maturity | 到期時償還 | (2,500) |
| Amortised cost at 31 March 2009 | 於二零零九年三月三十一日之攤銷成本 | - |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

21. CONVERTIBLE NOTE – continued

(a) – continued

Convertible Notes 1 were fully repaid during the year ended 31 March 2009.

Interest expense on the convertible note is calculated using the effective interest method by applying the effective interest rate of 6.73% to the liability component.

- (b) On 9 May 2007, the Group acquired the entire issued share capital of Hero Vision at a consideration of HK\$157,300,000, the consideration of HK\$33,000,000 were satisfied by the issue of convertible note (the “Convertible Notes 2”). The Convertible Notes 2 matured at the second anniversary of the issue date. During the year ended 31 March 2010, the maturity date of Convertible Notes 2 was extend from 8 May 2009 to 9 May 2017. The conversion price share was HK\$0.211.

The Convertible Notes 2 contains three components, redemption option, liability and equity elements. The equity element is presented in equity heading “Convertible note reserve”. The effective interest rate of the liability component is 10.97%.

The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, was included in shareholders’ equity in convertible note reserve.

21. 可換股票據 – 續

(a) – 續

可換股票據一已於截至二零零九年三月三十一日止年度悉數償還。

可換股票據之利息開支乃應用實際利息法根據負債部分之實際利率6.73厘計算。

- (b) 於二零零七年五月九日，本集團以代價157,300,000港元收購雄景全部已發行股本，代價中33,000,000港元已透過發行可換股票據（「可換股票據二」）支付。可換股票據二於發行日期起計滿兩週年到期。截至二零一零年三月三十一日止年度，可換股票據二之到期日已由二零零九年五月八日延遲至二零一七年五月九日。每股換股價為0.211港元。

可換股票據二包括贖回選擇權、負債及權益三部分。權益部分於權益賬「可換股票據儲備」項下呈列。負債部分之實際利率為10.97厘。

負債部分之公平值乃以等值非可換股債券之市場利率計算。剩餘金額為權益轉換部分之價值，乃計入可換股票據儲備之股東權益內。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

21. CONVERTIBLE NOTE – continued

(b) – continued

The Convertible Notes 2 recognised in the consolidated statement of financial position was calculated as follows:

21. 可換股票據－續

(b) – 續

於綜合財務狀況表確認之可換股票據二之計算如下：

| | | The Group and the Company 本集團及本公司 |
|--|---------------------------------|--|
| | | HK\$'000 千港元 |
| Fair value of Convertible Notes 2 issue on 9 May 2009 | 於二零零九年五月九日發行之 可換股票據二之公平值 | 54,750 |
| Less: Derivative financial instruments Equity component | 減：衍生金融工具 權益部分 | 514 (25,125) |
| Liability component on initial recognition and amortised cost at 9 May 2007 | 於二零零七年五月九日 初步確認時之負債部分及攤銷成本 | 30,139 |
| Interest expense | 利息開支 | 1,828 |
| Interest payable | 應付利息 | (593) |
| Amortised cost at 31 March 2008 and at 1 April 2008 | 於二零零八年三月三十一日及 二零零八年四月一日之攤銷成本 | 31,374 |
| Interest expense | 利息開支 | 1,631 |
| Interest payable | 應付利息 | (506) |
| Redemption during the year | 年內贖回 | (26,030) |
| Amortised cost at 31 March 2009 | 於二零零九年三月三十一日之攤銷成本 | 6,469 |
| Interest expense | 利息開支 | 31 |
| Extinguishment of convertible note | 撤銷可換股票據 | (6,500) |
| Liability component recognised | 已確認之負債部分 | 3,462 |
| Interest expense | 利息開支 | 337 |
| Interest payable | 應付利息 | (58) |
| At 31 March 2010 | 於二零一零年三月三十一日 | 3,741 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

21. CONVERTIBLE NOTE – continued

(b) – continued

As at 31 March 2010, the outstanding principal amount of Convertible Notes 2 was HK\$6,500,000 (2009: HK\$6,500,000). Principal amount of HK\$26,500,000 was repaid during the year ended 31 March 2009.

Interest expense on the convertible note is calculated using the effective interest method by applying the effective interest rate of 10.97% to the liability component.

22. PROMISSORY NOTE

On 8 March 2010, the Company issued promissory note in a principal amount of HK\$290,000,000 due on 7 March 2020. Promissory note were issued for acquiring the entire issued share capital of Nurture Fit Limited and bear interest at 1% per annum, payable semi-annually in arrears. The effective interest rate is 3%.

21. 可換股票據 – 續

(b) – 續

於二零一零年三月三十一日，可換股票據二之未贖回本金額為6,500,000港元（二零零九年：6,500,000港元）。本金額26,500,000港元已於截至二零零九年三月三十一日止年度償還。

可換股票據之利息開支乃應用實際利息法根據負債部分之實際利率10.97厘計算。

22. 承兌票據

於二零一零年三月八日，本公司發行本金額290,000,000港元於二零二零年三月七日期到之承兌票據。承兌票據乃為收購葆宜有限公司全部已發行股本而發行，按年利率1厘計息，每半年派息一次。實際利率為3厘。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

22. PROMISSORY NOTE – continued

22. 承兌票據 – 續

The Group and
the Company
本集團及本公司
HK\$'000
千港元

| | | |
|---|--------------------------------------|----------------|
| At 1 April 2008, 31 March 2009 and 1 April 2009 | 於二零零八年四月一日、二零零九年 三月三十一日及二零零九年四月一日 | – |
| Fair value of promissory note issued on 8 March 2010 | 於二零一零年三月八日發行之 承兌票據之公平值 | 240,211 |
| Interest expense | 利息開支 | 453 |
| Interest payable | 應付利息 | (182) |
| At 31 March 2010 | 於二零一零年三月三十一日 | 240,482 |

23. SHARE OPTION SCHEME

23. 購股權計劃

(a) Pre-listing share options

Pursuant to the pre-listing share option scheme adopted by the Company on 20 April 2002, the Company may grant options at HK\$1 per offer to any directors, employees, consultants, and advisors of the Company or its subsidiaries, for the primary purpose of providing incentives to them, to subscribe for shares in the Company. All of these options have duration of 10 years from and including 10 May 2002 subject to the terms of the scheme.

(a) 上市前購股權

根據本公司於二零零二年四月二十日採納之上市前購股權計劃，本公司可以每項授出購股權建議收取1港元之代價向本公司或其附屬公司之任何董事、僱員、專家顧問及顧問授出可認購本公司股份之購股權，以獎勵上述人士。根據計劃條款，所有該等購股權於二零零二年五月十日（包括該日）起計10年內有效。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(a) Pre-listing share options – continued

Details of the movements in the number of share options during the year under the Company's pre-listing share options scheme which are exercisable in three equal tranches from 10 November 2002, 10 May 2003 and 10 May 2004, respectively, to 9 May 2012 at an exercise price of HK\$0.245 (2009: HK\$0.245) per share are as follows:

| Type of participants | Number of share options | | | Date of grant |
|--|------------------------------|----------------------------|------------------------------|------------------------------|
| | Outstanding at 31 March 2009 | Adjustment during the year | Outstanding at 31 March 2010 | |
| 參與者類別 | 於二零零九年三月三十一日尚未行使 | 年內調整 | 於二零一零年三月三十一日尚未行使 | 授出日期 |
| Former advisor of the Group 本集團前顧問 | 1,371,056 | – | 1,371,056 | 25 April 2002 二零零二年四月二十五日 |
| Former employee of the Group 本集團前僱員 | 910,314 | – | 910,314 | 25 April 2002 二零零二年四月二十五日 |
| Total 總計 | 2,281,370 | – | 2,281,370 | |
| Weighted average exercise price 加權平均行使價 | HK\$0.245 0.245港元 | – | HK\$0.245 0.245港元 | |

The pre-listing share options outstanding at 31 March 2010 had weighted average remaining contractual life of 2.07 years.

23. 購股權計劃 – 續

(a) 上市前購股權 – 續

本公司上市前購股權計劃項下之購股權數目於本年度之變動詳情如下，該等購股權可分別於二零零二年十一月十日、二零零三年五月十日及二零零四年五月十日及二零一二年五月九日期間，分三批行使，每批可行使數目相等，行使價為每股0.245港元（二零零九年：0.245港元）：

於二零一零年三月三十一日之未行使上市前購股權之加權平均剩餘合約期限為2.07年。

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options

Pursuant to the post-listing share option scheme also adopted by the Company on 20 April 2002, the Company may grant options at HK\$1 per offer to any directors, employees, any supplier of goods or services, any customers, any person or entity that provides research, development or other technical support or any shareholder of the Group or any investee or any holder of any securities issued by any member of the Group or any investee, for the primary purpose of providing incentives to them, to subscribe for shares in the Company. The total number of shares in respect of which options may be granted under the post-listing share option scheme shall not exceed 10% of the issued share capital of the Company from time to time. No participant shall be granted an option, if exercise in full, would result in the total number of shares already issued under all the options granted to him or her that are for the time being subsisting and unexercised in any 12-month period would exceed 1% of the total number of shares in issue. The exercise price of the share will be determined at the higher of the average of closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options; the closing price of the shares on the Stock Exchange on the date of grant; and the nominal value of the shares. The share options are exercisable for a period not later than 10 years from the date of grant.

23. 購股權計劃 – 續

(b) 上市後購股權

根據本公司於二零零二年四月二十日採納之上市後購股權計劃，本公司可以每項授出購股權建議收取1港元之代價向本集團任何董事、僱員、貨品或服務供應商、客戶以及提供研究、開發及其他技術支援之人士或實體，或本集團或任何受投資實體之任何股東或本集團任何成員公司或受投資實體所發行證券之持有人授出可認購本公司股份之購股權，以獎勵上述人士。根據上市後購股權計劃可予授出之購股權涉及之股份總數不得超過本公司不時已發行股本10%。倘於全數行使後，將導致於任何十二個月期間根據授予一名參與者之全部於當時已存在且尚未行使之購股權而發行及可予發行之股份總數，超逾已發行股份總數1%，則不得向該參與者授出購股權。購股權之行使價將為股份於緊接授出購股權日期前五個交易日在聯交所之平均收市價、股份於授出購股權日期在聯交所之收市價及股份面值三者中之較高者。購股權可於授出日期起10年內行使。

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財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

Details of the movements in the number of share options during the year are as follows:

| Type of participants | Number of share options 購股權數目 | | | | | Outstanding and exercisable at 31 March 2010 於二零一零年三月三十一日尚未行使及可予行使 | Date of grant | Exercise price per share | Exercise period |
|-------------------------------|--|---------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---|------------------------------|--------------------------|--|
| | Outstanding at 31 March 2009 於二零零九年三月三十一日尚未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Adjustment during the year 年內調整 | Cancelled during the year 年內註銷 | | | | |
| Directors 董事 | | | | | | | | | |
| Mr. Yung Kwok Leong 翁國亮先生 | 5,403,475 | - | - | - | (5,403,475) | - | 13 July 2006 二零零六年七月十三日 | HK\$0.376 0.376港元 | 13 July 2006 to 12 July 2016 二零零六年七月十三日至二零一六年七月十二日 |
| | 9,666,667 | - | - | - | (9,666,667) | - | 21 March 2007 二零零七年三月二十一日 | HK\$0.306 0.306港元 | 21 March 2007 to 20 March 2017 二零零七年三月二十一日至二零一七年三月二十日 |
| | 17,000,000 | - | - | - | - | 17,000,000 | 30 March 2009 二零零九年三月三十日 | HK\$0.05 0.05港元 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至二零一九年三月二十九日 |
| Mr. Zheng Gang 鄭鋼先生 | 17,000,000 | - | - | - | - | 17,000,000 | 30 March 2009 二零零九年三月三十日 | HK\$0.05 0.05港元 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至二零一九年三月二十九日 |
| | - | 27,000,000 | - | - | - | 27,000,000 | 18 March 2010 二零一零年三月十八日 | HK\$0.117 0.117港元 | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至二零一五年三月二十二日 |

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

年內購股權數目變動詳情如下：

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

| Type of participants | Number of share options 購股權數目 | | | | | Outstanding and exercisable at 31 March 2010 於二零一零年 三月三十一日 尚未行使 及可予行使 | Date of grant | Exercise price per share | Exercise period |
|----------------------------|--|---------------------------------------|---|--|---|---|----------------------------------|--------------------------------|---|
| | Outstanding at 31 March 2009 於二零零九年 三月三十一日 尚未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Adjustment during the year 年內調整 | Cancelled during the year 年內註銷 | | | | |
| Mr. Chen Jin Shan 陳金山先生 | 11,468,600 | - | - | - | (11,468,600) | - | 13 July 2006 二零零六年 七月十三日 | HK\$0.376 0.376港元 | 13 July 2006 to 12 July 2016 二零零六年 七月十三日至 二零一六年 七月十二日 |
| | 6,500,000 | - | - | - | (6,500,000) | - | 21 March 2007 二零零七年 三月二十一日 | HK\$0.306 0.306港元 | 21 March 2007 to 20 March 2017 二零零七年 三月二十一日至 二零一七年 三月二十日 |
| | 17,000,000 | - | - | - | - | 17,000,000 | 30 March 2009 二零零九年 三月三十日 | HK\$0.05 0.05港元 | 30 September 2009 to 29 March 2019 二零零九年 九月三十日至 二零一九年 三月二十九日 |
| | - | 20,000,000 | - | - | - | 20,000,000 | 18 March 2010 二零一零年 三月十八日 | HK\$0.117 0.117港元 | 23 March 2010 to 22 March 2015 二零一零年 三月二十三至 二零一五年 三月二十二日 |

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財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

| Type of participants | Number of share options 購股權數目 | | | | | Outstanding and exercisable at 31 March 2010 於二零一零年三月三十一日尚未行使及可予行使 | Date of grant | Exercise price per share | Exercise period |
|--|--|---------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---|------------------------------|--------------------------|--|
| | Outstanding at 31 March 2009 於二零零九年三月三十一日尚未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Adjustment during the year 年內調整 | Cancelled during the year 年內註銷 | | | | |
| Dr. Jiang Tao 蔣濤博士 | 11,468,600 | - | - | - | (11,468,600) | - | 13 July 2006 二零零六年七月十三日 | HK\$0.376 0.376港元 | 13 July 2006 to 12 July 2016 二零零六年七月十三日至二零一六年七月十二日 |
| | 6,500,000 | - | - | - | (6,500,000) | - | 21 March 2007 二零零七年三月二十一日 | HK\$0.306 0.306港元 | 21 March 2007 to 20 March 2017 二零零七年三月二十一日至二零一七年三月二十日 |
| | 8,000,000 | - | - | - | - | 8,000,000 | 30 March 2009 二零零九年三月三十日 | HK\$0.05 0.05港元 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至二零一九年三月二十九日 |
| | - | 15,000,000 | - | - | - | 15,000,000 | 18 March 2010 二零一零年三月十八日 | HK\$0.117 0.117港元 | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至二零一五年三月二十二日 |
| Mr. Huang Jiaping (appointed on 30 July 2009) 黃加慶先生 (於二零零九年七月三十日獲委任) | 10,000,000 | - | - | - | - | 10,000,000 | 30 March 2009 二零零九年三月三十日 | HK\$0.05 0.05港元 | 30 September 2009 to 29 March 2019 二零零九年九月三十日至二零一九年三月二十九日 |
| | - | 3,000,000 | - | - | - | 3,000,000 | 18 March 2010 二零一零年三月十八日 | HK\$0.117 0.117港元 | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至二零一五年三月二十二日 |
| Mr. Weng Jiaying (appointed on 26 March 2010) 翁加興先生 (於二零一零年三月二十六日獲委任) | - | 19,000,000 | - | - | - | 19,000,000 | 18 March 2010 二零一零年三月十八日 | HK\$0.117 0.117港元 | 23 March 2010 to 22 March 2015 二零一零年三月二十三日至二零一五年三月二十二日 |
| | 120,007,342 | 84,000,000 | - | - | (51,007,342) | 153,000,000 | | | |

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財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

| Type of participants | Number of share options 購股權數目 | | | | | Outstanding and exercisable at 31 March 2010 於二零一零年 三月三十一日 尚未行使 及可予行使 | Date of grant | Exercise price per share | Exercise period |
|--|--|---------------------------------------|---|--|---|--|---------------------------------|--------------------------------|--|
| | Outstanding at 31 March 2009 於二零零九年 三月三十一日 尚未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Adjustment during the year 年內調整 | Cancelled during the year 年內註銷 | | | | |
| Employees and consultants of the Group 本集團僱員及顧問 | 32,310,575 | - | - | - | (21,283,075) | 11,027,500 | 13 July 2006 二零零六年 七月十三日 | HK\$0.376 0.376港元 | 13 July 2006 to 12 July 2016 二零零六年 七月十三日至 二零一六年 七月十二日 |
| | 27,127,650 | - | - | - | (27,127,650) | - | 24 July 2006 二零零六年 七月二十四日 | HK\$0.372 0.372港元 | 24 July 2006 to 23 July 2016 二零零六年 七月二十四日至 二零一六年 七月二十三日 |
| | 131,500,000 | - | - | - | (110,666,667) | 20,833,333 | 21 Mar 2007 二零零七年 三月二十一日 | HK\$0.306 0.306港元 | 21 March 2007 to 20 March 2017 二零零七年 三月二十一日至 二零一七年 三月二十日 |
| | 102,000,000 | - | - | - | - | 102,000,000 | 30 March 2009 二零零九年 三月三十日 | HK\$0.0530 0.05港元 | September 2009 to 29 March 2019 二零零九年 九月三十日至 二零一九年 三月二十九日 |
| | - | 194,000,000 | - | - | - | 194,000,000 | 18 March 2010 二零一零年 三月十八日 | HK\$0.117 0.117港元 | 23 March 2010 to 22 March 2015 二零一零年 三月二十三日至 二零一五年 三月二十二日 |
| | <u>412,945,567</u> | <u>278,000,000</u> | <u>-</u> | <u>-</u> | <u>(210,084,734)</u> | <u>480,860,833</u> | | | |
| Weighted average exercise price 加權平均行使價 | HK\$0.215 0.215港元 | HK\$0.117 0.117港元 | - | - | HK\$0.331 0.331港元 | HK\$0.107 0.107港元 | | | |

The post-listing share options outstanding at 31 March 2010 had weighted average remaining contractual life of 6.52 years.

於二零一零年三月三十一日之未行使上市後購股權之加權平均剩餘合約期限為6.52年。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

Notes:

- (i) The Group recognises the fair value of share options granted as an expense in the consolidated statement of comprehensive income when they were granted with a corresponding increase being recognised in share-based payment reserve. The employee share-based payment reserve is transferred to share capital and share premium, together with the exercise price, when the option holder exercises its rights. As a transitional provision, the cost of share option granted after 7 November 2002 and had not yet vested on 1 January 2005 were expensed retrospectively in the consolidated statement of comprehensive income of the respective periods. During the year ended 31 March 2010, approximately HK\$5,617,000 share-based payment expenses were recognised.
- (ii) Share options granted under the pre-listing share options scheme are not expensed as the options were all granted and vested before 7 November 2002 and not subject to requirements of HKFRS 2.

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

附註：

- (i) 本集團於購股權授出時在綜合損益賬內確認已授出購股權之公平值為支出，並於以股份為基礎之付款儲備內確認相應增加。僱員以股份為基礎之付款儲備乃於購股權持有人行使其權利時連同行使價轉撥至股本及股份溢價。作為過渡性條文，於二零零二年十一月七日後授出，但於二零零五年一月一日尚未歸屬之購股權成本乃於有關期間之綜合全面收益表內追溯扣除。於截至二零一零年三月三十一日止年度，約5,617,000港元以股份為基礎付款之開支已予確認。
- (ii) 由於根據上市前購股權計劃授出之購股權為於二零零二年十一月七日前授出及悉數歸屬，並不受香港財務申報準則第2號所限，故並無支銷該等購股權。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

Notes: – continued

- (iii) The estimated fair value of each option granted on 7 July 2005, 13 July 2006, 24 July 2006, 21 March 2007, 30 March 2009 and 18 March 2010 are approximately HK\$0.0299, HK\$0.0226, HK\$0.0188, HK\$0.0384, range from HK\$0.012 to HK\$0.021 and range from HK\$0.036 to HK\$0.062 respectively.

The fair values were calculated using the Binomial option pricing model. The inputs into the model were as follows:

| Date of grant | | Share option grant date | | | | | |
|-------------------------|--------|-------------------------|----------------|-----------------|-----------------|----------------|----------------|
| | | 7 July 2005 | 13 July 2006 | 24 July 2006 | 21 March 2007 | 30 March 2009 | 18 March 2010 |
| 授出日期 | | 二零零五年 七月七日 | 二零零六年 七月十三日 | 二零零六年 七月二十四日 | 二零零七年 三月二十一日 | 二零零九年 三月三十日 | 二零一零年 三月十八日 |
| Stock asset price | 股份資產價 | HK\$0.102港元 | HK\$0.83港元 | HK\$0.82港元 | HK\$0.51港元 | HK\$0.03港元 | HK\$0.098港元 |
| Exercise price | 行使價 | HK\$0.079港元 | HK\$0.627港元 | HK\$0.62港元 | HK\$0.51港元 | HK\$0.05港元 | HK\$0.117港元 |
| Expected volatility | 預期波幅 | 10.23% | 57.06% | 44.89% | 119.62% | 100.13% | 95.53% |
| Risk-free rate | 無風險息率 | 3.130% | 3.984% | 3.830% | 3.682% | 1.62% | 1.68% |
| Expected dividend yield | 預期股息回報 | 0% | 0% | 0% | 0% | 0% | 0% |

The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily prices over the one year immediately preceding the grant date. The above calculation is based on the assumption that there is no material difference between the expected volatility over the whole life of the options and the historical volatility of the shares set out as above.

Because the Binomial option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

附註：– 續

- (iii) 於二零零五年七月七日、二零零六年七月十三日、二零零六年七月二十四日、二零零七年三月二十一日、二零零九年三月三十日及二零一零年三月十八日授出之每份購股權之估計公平值分別約為0.0299港元、0.0226港元、0.0188港元、0.0384港元、介乎0.012港元至0.021港元及介乎0.036港元至0.062港元。

公平值乃以二項式期權定價模式計算。對該模式輸入之資料如下：

按預期股價回報之標準偏差計量之波幅乃根據緊接授出日期一年之每日價格數據分析。上述計算乃根據於購股權有效期內之預期波幅及上述所載之股份歷史波幅之差距並非重大為假設。

由於二項式期權定價模式需要高度主觀之假設，包括股份價格之波幅，故主觀假設之變動可能重大影響公平值的估計。

Notes to the Financial Statements

財務報表附註

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23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

Notes: – continued

- (iv) On 12 March 2009, the Company completed the open offer. Pursuant to the terms of the pre-listing and post-listing share options schemes, the exercise prices of the share options were adjusted accordingly. The new exercise price per share and the number of shares subject to the outstanding share options after the open offer under the pre-listing and post-listing share option schemes are 2,281,370 shares exercisable at HK\$0.245 each and 60,651,250 shares exercisable at HK\$0.376 each (granted on 13 July 2006), 27,127,650 shares exercisable at HK\$0.372 each (granted on 24 July 2006) and 154,166,667 shares exercisable at HK\$0.306 (granted on 21 March 2007) respectively.
- (v) As at 31 March 2010, 262,760,833 share options are exercisable.
- (vi) In accordance with the term's of share-based arrangement, the share options granted on 30 March 2009 are exercisable in the following manner:
 - (a) up to 40% of the share options granted to each grantee shall be exercisable on or after 30 September 2009 to 30 March 2010;
 - (b) up to further 30% of the share options granted to each grantee shall be exercisable on or after 31 March 2010 to 30 March 2011; and
 - (c) all the remaining 30% of the share options granted to each grantee shall be exercisable on or after 31 March 2011 to 30 March 2012, and in each case, not later than 29 March 2019.

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

附註：– 續

- (iv) 於二零零九年三月十二日，本公司完成公開發售。根據上市前及上市後購股權計劃之條款，購股權之行使價已作出相應調整。於公開發售後，上市前及上市後購股權計劃項下未行使之購股權之新每股行使價及所涉及之股份數目分別為可按每股0.245港元行使認購2,281,370股股份及可按每股0.376港元行使認購60,651,250股股份（於二零零六年七月十三日授出）、可按每股0.372港元行使認購27,127,650股股份（於二零零六年七月二十四日授出）及可按每股0.306港元行使認購154,166,667股股份（於二零零七年三月二十一日授出）。
- (v) 於二零一零年三月三十一日，可予行使之購股權數目為262,760,833份。
- (vi) 根據以股份為基礎安排之條款，於二零零九年三月三十日授出的購股權可按以下方式行使：
 - (a) 最多40%已授予各承授人之購股權可自二零零九年九月三十日或之後至二零一零年三月三十日行使；
 - (b) 額外最多30%已授予各承授人之購股權可自二零一零年三月三十一日或之後至二零一一年三月三十日行使；及
 - (c) 全部餘下30%已授予各承授人之購股權可自二零一一年三月三十一日或之後至二零一二年三月三十日行使，惟於各情況下不得遲於二零一零九年三月二十九日行使。

23. SHARE OPTION SCHEME – continued

(b) Post-listing share options – continued

Notes: – continued

- (vii) In accordance with the term's of share-based arrangement, the share options granted on 18 March 2010 are exercisable in the following manner:
- (a) up to 40% of the share options granted to each grantee shall be exercisable on or after 23 March 2010 to 22 March 2011;
 - (b) up to further 20% of the share options granted to each grantee shall be exercisable on or after 23 March 2011 to 22 March 2012;
 - (c) up to further 20% of the share options granted to each grantee shall be exercisable on or after 23 March 2012 to 22 March 2013; and
 - (d) all the remaining 20% of the share options granted to each grantee shall be exercisable on or after 23 March 2013 to 22 March 2014, and in each case, not later than 22 March 2015.

23. 購股權計劃 – 續

(b) 上市後購股權 – 續

附註：– 續

- (vii) 根據以股份為基礎安排之條款，於二零一零年三月十八日授出之購股權可按以下方式行使：
- (a) 最多40%已授予各承授人之購股權可自二零一零年三月二十三日或之後至二零一一年三月二十二日行使；
 - (b) 額外最多20%已授予各承授人之購股權可自二零一一年三月二十三日或之後至二零一二年三月二十二日行使；
 - (c) 額外最多20%已授予各承授人之購股權可自二零一二年三月二十三日或之後至二零一三年三月二十二日行使；及
 - (d) 全部餘下20%已授予各承授人之購股權可自二零一三年三月二十三日或之後至二零一四年三月二十二日行使，惟於各情況下不得遲於二零一五年三月二十二日行使。

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24. TURNOVER AND OTHER REVENUE

Turnover represents the aggregate of the net amounts received and receivable from third parties in connection with the retail and wholesale and distribution of pharmaceutical products, provision of general hospital services and healthcare and hospital management services. An analysis of the Group's turnover and other revenue is as follows:

24. 營業額及其他收益

營業額代表就零售及批發及分銷藥物、提供綜合性醫院服務以及醫療及醫院管理服務已收及應收第三方之總款項淨額。本集團之營業額及其他收益之分析如下：

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| Turnover: | 營業額： | | |
| Retail of pharmaceutical products | 藥物零售 | 9,784 | – |
| Wholesale and distribution of pharmaceutical products | 藥物批發及分銷 | 43,071 | – |
| Provision of general hospital services | 提供綜合性醫院服務 | 125,360 | 155,719 |
| Provision of healthcare and hospital management services | 提供醫療及醫院管理服務 | 1,550 | 14,368 |
| | | <u>179,765</u> | <u>170,087</u> |
| Other revenue: | 其他收益： | | |
| Interest income | 利息收入 | 532 | 422 |
| Sundry income | 雜項收入 | 805 | – |
| | | <u>1,337</u> | <u>422</u> |

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25. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging:

25. 經營業務虧損

經營業務虧損乃經扣除下列項目後得出：

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Directors' remuneration (Note 26) | 董事酬金 (附註26) | 2,374 | 2,380 |
| Other staff's retirement benefits scheme contributions | 其他員工之退休福利計劃供款 | 3,047 | 2,604 |
| Other staff costs | 其他員工成本 | 25,682 | 11,637 |
| | | <u>31,103</u> | <u>16,621</u> |
| Auditors' remuneration | 核數師酬金 | 1,050 | 1,048 |
| Provision for impairment losses of trade and other receivables | 貿易及其他應收款項減值虧損撥備 | 489 | 1,381 |
| Cost of goods sold | 售貨成本 | 53,625 | - |
| Amortisation of prepaid lease payments | 預付租賃款項攤銷 | 977 | 962 |
| Depreciation of property, plant and equipment – owned by the Group | 物業、廠房及設備折舊 – 由本集團擁有 | 11,200 | 10,629 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 28 | 10 |
| Operating lease rentals in respect of land and buildings | 就土地及樓宇之經營租賃租金 | 5,378 | 6,211 |
| Change in fair value derivative financial instruments | 衍生金融工具之公平值變動 | - | 511 |
| Loss on disposal of subsidiaries | 出售附屬公司之虧損 | 23,185 | 3,856 |
| Impairment loss on goodwill | 商譽減值虧損 | 171,422 | 202,547 |
| | | <u>171,422</u> | <u>202,547</u> |
| and after crediting: | 及計入： | | |
| Other income: | 其他收入： | | |
| Net exchange gain | 匯兌收益淨額 | 230 | 2,085 |
| Change in fair value derivative financial instruments | 衍生金融工具公平值變動 | 93 | - |
| Reversal of trade and other payables | 貿易及其他應付款項撥回 | 138 | - |
| | | <u>461</u> | <u>2,085</u> |

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26. DIRECTORS' REMUNERATION

The remuneration of every director for the year ended 31 March 2010 and 2009 are set out below:

26. 董事酬金

各董事於截至二零一零年及二零零九年三月三十一日止年度之薪酬情況載列如下：

| | | Fees 袍金 | | Salaries and other benefits 薪金及其他福利 | | Performance related incentive payments 表現相關獎勵付款 | | Retirement benefits scheme contributions 退休福利計劃供款 | | Total 總計 | |
|---|--------------------------|--------------------------|--------------------------|---|--------------------------|--|--------------------------|--|--------------------------|--------------------------|--------------------------|
| | | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| | | 二零一零年 HK\$'000 千港元 | 二零零九年 HK\$'000 千港元 | 二零一零年 HK\$'000 千港元 | 二零零九年 HK\$'000 千港元 | 二零一零年 HK\$'000 千港元 | 二零零九年 HK\$'000 千港元 | 二零一零年 HK\$'000 千港元 | 二零零九年 HK\$'000 千港元 | 二零一零年 HK\$'000 千港元 | 二零零九年 HK\$'000 千港元 |
| Executive Directors | 執行董事 | | | | | | | | | | |
| Yung Kwok Leong (“Mr. Yung”) | 翁國亮 (「翁國亮先生」) | - | - | 708 | 708 | - | - | 12 | 12 | 720 | 720 |
| Shum Ngai Pan (retired on 30 July 2009) | 沈毅斌(於二零零九年 七月三十日辭任) | - | - | 57 | 171 | - | - | 3 | 9 | 60 | 180 |
| Chen Jin Shan | 陳金山 | - | - | 60 | 60 | - | - | - | - | 60 | 60 |
| Jiang Tao | 蔣濤 | - | - | 360 | 360 | - | - | - | - | 360 | 360 |
| Zheng Gang | 鄭鋼 | - | - | 748 | 748 | - | - | 12 | 12 | 760 | 760 |
| Weng Jiaxing (appointed on 26 March 2010) | 翁加興(於二零一零年 三月二十六日獲委任) | - | - | 4 | - | - | - | - | - | 4 | - |
| Huang Jiaqing (appointed on 30 July 2009) | 黃加慶(於二零零九年 七月三十日獲委任) | - | - | 80 | - | - | - | - | - | 80 | - |
| | | - | - | 2,017 | 2,047 | - | - | 27 | 33 | 2,044 | 2,080 |
| Non-Executive Director | 非執行董事 | | | | | | | | | | |
| Wong Yu Man, James | 王裕民 | - | - | 114 | 114 | - | - | 6 | 6 | 120 | 120 |
| Independent Non- Executive Directors | 獨立非執行董事 | | | | | | | | | | |
| Hsu William Shiu Foo (retired on 30 July 2009) | 徐筱夫(於二零零九年 七月三十日辭任) | 35 | 60 | - | - | - | - | - | - | 35 | 60 |
| Wong Ka Wai, Jeanne | 黃嘉慧 | 60 | 60 | - | - | - | - | - | - | 60 | 60 |
| Yu Chai Mei (retired on 30 July 2009) | 余濟美(於二零零九年 七月三十日辭任) | 35 | 60 | - | - | - | - | - | - | 35 | 60 |
| Hu Shanlian (appointed on 30 July 2009) | 胡善聯(於二零零九年 七月三十日獲委任) | 40 | - | - | - | - | - | - | - | 40 | - |
| Lu Chuanzhen (appointed on 30 July 2009) | 呂傳真(於二零零九年 七月三十日獲委任) | 40 | - | - | - | - | - | - | - | 40 | - |
| | | 210 | 180 | - | - | - | - | - | - | 210 | 180 |
| | | 210 | 180 | 2,131 | 2,161 | - | - | 33 | 39 | 2,374 | 2,380 |

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

於本年度，本集團並無向董事支付酬金以吸引其加盟本集團或作為加盟獎金或離職補償。概無董事於本年度放棄任何酬金。

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27. EMPLOYEES' EMOLUMENTS

The five highest paid employees during the year included three (2009: three) directors. Details of whose remuneration are set out in note 26 to the consolidated financial statements.

For the year ended 31 March 2010, the details of the remuneration of the remaining two non-directors, highest paid employee are as follows:

| | |
|--|----------|
| Basic salaries and allowances | 基本薪金及津貼 |
| Retirement benefits scheme contributions | 退休福利計劃供款 |

None of the above five highest paid individuals received emoluments in excess of HK\$1 million.

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

27. 僱員酬金

年內五名最高薪僱員包括三名(二零零九年：三名)董事。彼等之酬金詳情載於綜合財務報表附註26。

截至二零一零年三月三十一日止年度，餘下兩名非董事之最高薪僱員之酬金詳情如下：

| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| | 1,146 | 2,140 |
| | 24 | 39 |
| | <u>1,170</u> | <u>2,179</u> |

以上五名最高薪人士收取之酬金概不超過1,000,000港元。

於本年度，本集團並無向非董事之最高薪人士支付酬金以吸引其加盟本集團或作為加盟獎金或離職補償。

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28. FINANCE COSTS

Interest on:
 – bank borrowings wholly repayable within five years
 Imputed interest on convertible note
 Imputed interest on promissory note

以下項目之利息：
 – 須於五年內全數償還之
 銀行貸款
 可換股票據之推算利息
 承兌票據之推算利息

| 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 476 | – |
| 368 | 1,822 |
| 453 | – |
| 1,297 | 1,822 |

29. TAXATION

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group incurred a taxation loss for the year. Provision on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

29. 稅項

由於本集團於本年度產生稅務虧損，因此並無在綜合財務報表內就香港利得稅作出撥備。其他地區之應課稅溢利乃根據本集團業務所在國家之現行法例、詮釋及慣例按當地現行稅率計算。

Current taxation:
 Provision for the year
 – PRC
 Deferred tax recognised during the year

即期稅項：
 本年度撥備
 – 中國
 年內確認之遞延
 稅項

| 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 1,769 | 12,228 |
| (46) | – |
| 1,723 | 12,228 |

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29. TAXATION – continued

The charge for the year is reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

For the year ended 31 March 2010

| | | Hong Kong 香港 | | PRC 中國 | | Total 總計 | |
|--|----------------------|-----------------|--------|-----------------|-------|-----------------|--------|
| | | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| (Loss)/profit before taxation | 除稅前(虧損)/溢利 | (214,137) | | 9,224 | | (204,913) | |
| Tax at applicable income tax rate | 按適用所得稅率計算之稅項 | (35,333) | (16.5) | 2,306 | 25.0 | (33,027) | (16.1) |
| Tax effect of expenses and income not deductible or taxable for tax purposes | 不可扣稅或毋須繳稅之開支及收入之稅務影響 | 32,107 | 15.0 | (537) | (5.8) | 31,570 | 15.4 |
| Tax effect of tax losses not recognised | 並無確認之稅項虧損之稅務影響 | 3,180 | 1.5 | - | - | 3,180 | 1.5 |
| Tax charge and effective tax rate for the year | 本年度稅項支出及實際稅率 | (46) | - | 1,769 | 19.2 | 1,723 | 0.8 |

For the year ended 31 March 2009

| | | Hong Kong 香港 | | PRC 中國 | | Total 總計 | |
|--|----------------------|-----------------|--------|-----------------|------|-----------------|--------|
| | | HK\$'000 千港元 | % | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Loss before taxation | 除稅前虧損 | (223,134) | | 44,902 | | (178,232) | |
| Tax at applicable income tax rate | 按適用所得稅率計算之稅項 | (36,817) | (16.5) | 11,226 | 25.0 | (25,591) | (14.4) |
| Tax effect of expenses and income not deductible or taxable for tax purposes | 不可扣稅或毋須繳稅之開支及收入之稅務影響 | 33,748 | 15.1 | 1,002 | 2.2 | 34,750 | 19.5 |
| Tax effect of tax losses not recognised | 並無確認之稅項虧損之稅務影響 | 3,069 | 1.4 | - | - | 3,069 | 1.7 |
| Tax charge and effective tax rate for the year | 本年度稅項支出及實際稅率 | - | - | 12,228 | 27.2 | 12,228 | 6.8 |

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30. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

For the year ended 31 March 2010, net loss of approximately HK\$332,382,000 (2009: HK\$15,644,000) has been dealt with in the consolidated financial statements of the Company.

31. LOSS PER SHARE

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

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | <u>(211,283)</u> | <u>(200,548)</u> |
| | | 2010 二零一零年 | 2009 二零零九年 |
| Weighted average number of ordinary shares in issue | 已發行普通股加權平均數 | <u>4,495,111,986</u> | 1,938,440,073 |
| Weighted average number of preference shares in issue | 已發行優先股加權平均數 | <u>305,402,930</u> | — |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | 用以計算每股基本及攤薄虧損之普通股加權平均數 | <u>4,800,514,916</u> | <u>1,938,440,073</u> |

The calculation of diluted loss per share did not assume the exercise of the convertible notes and share options existed at 31 March 2010 and 2009 as the exercise of the convertible notes and share options would reduce loss per share, therefore anti-dilutive.

30. 本公司擁有人應佔虧損

截至二零一零年三月三十一日止年度之虧損淨額約332,382,000港元(二零零九年: 15,644,000港元)已計入本公司綜合財務報表。

31. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | <u>(211,283)</u> | <u>(200,548)</u> |
| | | 2010 二零一零年 | 2009 二零零九年 |
| Weighted average number of ordinary shares in issue | 已發行普通股加權平均數 | <u>4,495,111,986</u> | 1,938,440,073 |
| Weighted average number of preference shares in issue | 已發行優先股加權平均數 | <u>305,402,930</u> | — |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | 用以計算每股基本及攤薄虧損之普通股加權平均數 | <u>4,800,514,916</u> | <u>1,938,440,073</u> |

計算每股攤薄虧損時並無假設行使於二零一零年及二零零九年三月三十一日已存在之可換股票據及購股權，因行使可換股票據及購股權會令每股虧損減少，因而出現反攤薄影響。

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32. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the year ended 31 March 2010 (2009: Nil).

33. PLEDGED ASSETS

At 31 March 2010, certain bank deposits, prepaid lease payments (Note 7) and investment properties (Note 8) of the Group were pledged as collateral for certain banking facilities granted to the Group and independent third party.

At 31 March 2009, certain bank deposits of the Group were pledged as collateral for certain banking facilities.

At 31 March 2010 and 31 March 2009, the Company had not pledged any assets at the end of the reporting period.

34. ACQUISITION OF SUBSIDIARIES

On 13 November 2009, a wholly owned subsidiary of the Company, Timely Hero Enterprises Limited, entered into an agreement Mr. Yung, a director of the Company, to acquire 100% of the entire issued share capital of Nurture Fit Limited and all obligations, liabilities and debts owing or incurred by Nurture Fit Limited and its subsidiaries to Mr. Yung, for a total contracted consideration of HK\$600,000,000. The aggregate amount of goodwill arising as a result of the acquisition is approximately HK\$785,169,000. The acquisition was completed on 8 March 2010.

32. 股息

董事不建議就截至二零一零年三月三十一日止年度派付任何股息(二零零九年:無)。

33. 資產抵押

於二零一零年三月三十一日,本集團若干銀行存款、預付租賃款項(附註7)及投資物業(附註8)已被抵押,作為本集團及獨立第三方獲授若干銀行融資之抵押品。

於二零零九年三月三十一日,本集團若干銀行存款已被抵押,作為若干銀行融資之抵押品。

於二零一零年三月三十一日及二零零九年三月三十一日,本公司於報告期末並無抵押任何資產。

34. 收購附屬公司

於二零零九年十一月十三日,本公司全資附屬公司時雄企業有限公司與本公司董事翁國亮先生訂立協議,以訂約總代價600,000,000港元收購葆宜有限公司之全部已發行股本及葆宜有限公司及其附屬公司結欠翁國亮先生或產生之所有責任、負債及債務。因是項收購所產生之商譽總額約為785,169,000港元。是項收購已於二零一零年三月八日完成。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

34. ACQUISITION OF SUBSIDIARIES – continued

34. 收購附屬公司－續

| | | Acquiree's carrying amount before combination and fair value 合併前被收購方之 賬面值及公平值 HK\$'000 千港元 |
|---|-----------------|--|
| Net assets acquired: | 所收購之資產淨值： | |
| Property, plant and equipment | 物業、廠房及設備 | 13,191 |
| Investment properties | 投資物業 | 5,586 |
| Prepaid lease payments | 預付租賃款項 | 4,238 |
| Inventories | 存貨 | 88,954 |
| Trade and other receivables and deposits | 貿易及其他應收款項及訂金 | 195,596 |
| Pledged bank deposits | 已抵押銀行存款 | 14,095 |
| Cash and bank balances | 現金及銀行結餘 | 19,301 |
| Tax payables | 應付稅項 | (1,285) |
| Borrowings | 借貸 | (41,040) |
| Trade and other payables | 貿易及其他應付款項 | (243,594) |
| | | <hr/> |
| Net assets | 資產淨值 | 55,042 |
| Goodwill arising on acquisition (Note 10) | 收購產生之商譽(附註10) | 785,169 |
| | | <hr/> |
| | | 840,211 |
| | | <hr/> |
| Total consideration at fair value satisfied by: | 總代價之公平值以下列方式支付： | |
| Cash | 現金 | 20,000 |
| Promissory note | 承兌票據 | 240,211 |
| Non-voting convertible preference shares | 無投票權可換股優先股 | 580,000 |
| | | <hr/> |
| Total consideration at fair value | 總代價之公平值 | 840,211 |
| | | <hr/> |
| Net cash outflow arising on acquisition: | 收購產生之現金流出淨額： | |
| Cash consideration paid | 已付現金代價 | (20,000) |
| Cash and bank balances acquired | 已收購之現金及銀行結餘 | 19,301 |
| | | <hr/> |
| | | (699) |
| | | <hr/> |

34. ACQUISITION OF SUBSIDIARIES – continued

Notes:

- (i) If the acquisition had been completed on 1 April 2009, total Group turnover for the year would have been approximately HK\$602,086,000, and loss for the year would have been approximately HK\$247,483,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of turnover 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.
- (ii) The subsidiaries acquired during the year contributed approximately HK\$52,855,000 to the Group's turnover and profit after tax of approximately HK\$2,379,000 for the year.
- (iii) Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire Nurture Fit Limited. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Nurture Fit Limited. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

35. DISPOSAL OF SUBSIDIARIES

- (a) On 29 January 2010, the Company entered into a sale and purchase agreement that the Company agreed to sell the entire issued share capital of Direct Way Group Limited for a total consideration of HK\$4,500,000. The disposal was completed on 29 January 2009.

34. 收購附屬公司一續

附註：

- (i) 倘收購於二零零九年四月一日完成，假使本集團本年度之總營業額應約為602,086,000港元，年度虧損則應約為247,483,000港元。備考資料僅供說明用途，且不一定為假使收購事項於二零零九年四月一日完成本集團會實際取得之營業額及業績指標，亦並非用作未來業績之預測。
- (ii) 年內，所收購之附屬公司為本集團營業額貢獻約52,855,000港元，並為年內之除稅後溢利貢獻約2,379,000港元。
- (iii) 因合併成本包括就收購葆宜有限公司支付之控制權溢價，故商譽乃產生自業務合併。此外，就合併支付之代價實際上包括有關預期來自協同效益之利益金額、收益增長、未來市場發展，以及葆宜有限公司之總體人手。由於來自該等利益之未來經濟利益未能可靠地計量，故該等利益並無與商譽分開確認。

35. 出售附屬公司

- (a) 於二零一零年一月二十九日，本公司訂立一項買賣協議，據此，本公司同意以總代價4,500,000港元出售直通集團有限公司全部已發行股本。出售事項已於二零零九年一月二十九日完成。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

35. DISPOSAL OF SUBSIDIARIES – continued

(a) – continued

Summary of the effects of the disposal of subsidiaries are as follows:

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| Net assets disposed of: | 所出售之資產淨值： | |
| Property, plant and equipment | 物業、廠房及設備 | 6,556 |
| Trade and other receivables and deposits | 貿易及其他應收款項及按金 | 522 |
| Inventories | 存貨 | 195 |
| Cash and bank balances | 現金及銀行結餘 | 511 |
| Tax payables | 應付稅項 | (3) |
| Trade and other payables | 貿易及其他應付款項 | (3,741) |
| | | <hr/> |
| | | 4,040 |
| Attributable goodwill | 應佔商譽 | 12,500 |
| | | <hr/> |
| | | 16,540 |
| Release of translation reserve | 解除匯兌儲備 | (457) |
| Loss on disposal | 出售之虧損 | (11,583) |
| | | <hr/> |
| | | 4,500 |
| | | <hr/> |
| Satisfied by: | 以下列方式支付： | |
| Cash | 現金 | 4,500 |
| | | <hr/> |
| Net cash inflow arising on disposal: | 出售產生之現金流入淨額： | |
| Cash consideration | 現金代價 | 4,500 |
| Cash and bank balances | 現金及銀行結餘 | (511) |
| | | <hr/> |
| Net inflow of cash and cash equivalents | 現金及現金等值項目流入淨額 | 3,989 |
| | | <hr/> |

For the period from 1 April 2009 to the date of disposal, the above subsidiaries were engaged in provision of general hospital services. The turnover contributed by the subsidiaries was approximately HK\$6,309,000 and loss of approximately HK\$2,691,000 has recognised in the Group's loss for the year ended 31 March 2010.

35. 出售附屬公司－續

(a) – 續

出售附屬公司之影響概述如下：

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| Net assets disposed of: | 所出售之資產淨值： | |
| Property, plant and equipment | 物業、廠房及設備 | 6,556 |
| Trade and other receivables and deposits | 貿易及其他應收款項及按金 | 522 |
| Inventories | 存貨 | 195 |
| Cash and bank balances | 現金及銀行結餘 | 511 |
| Tax payables | 應付稅項 | (3) |
| Trade and other payables | 貿易及其他應付款項 | (3,741) |
| | | <hr/> |
| | | 4,040 |
| Attributable goodwill | 應佔商譽 | 12,500 |
| | | <hr/> |
| | | 16,540 |
| Release of translation reserve | 解除匯兌儲備 | (457) |
| Loss on disposal | 出售之虧損 | (11,583) |
| | | <hr/> |
| | | 4,500 |
| | | <hr/> |
| Satisfied by: | 以下列方式支付： | |
| Cash | 現金 | 4,500 |
| | | <hr/> |
| Net cash inflow arising on disposal: | 出售產生之現金流入淨額： | |
| Cash consideration | 現金代價 | 4,500 |
| Cash and bank balances | 現金及銀行結餘 | (511) |
| | | <hr/> |
| Net inflow of cash and cash equivalents | 現金及現金等值項目流入淨額 | 3,989 |
| | | <hr/> |

由二零零九年四月一日起至出售日期期間，上述附屬公司乃從事提供綜合性醫院服務。該等附屬公司貢獻營業額約6,309,000港元，而虧損約2,691,000港元已於本集團截至二零一零年三月三十一日止年度之虧損確認。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

35. DISPOSAL OF SUBSIDIARIES – continued

- (b) On 29 January 2010, the Company entered into a sale and purchase agreement that the Company agreed to sell the entire issued share capital of Smart Peak Limited for a total consideration of HK\$2,000,000. The disposal was completed on 29 January 2009.

Summary of the effects of the disposal of subsidiaries are as follows:

35. 出售附屬公司－續

- (b) 於二零一零年一月二十九日，本公司訂立一項買賣協議，據此，本公司同意按總代價2,000,000港元出售賢峰有限公司之全部已發行股本。出售事項已於二零零九年一月二十九日完成。

出售附屬公司之影響概述如下：

| | | HK\$'000 千港元 |
|--|---------------|-----------------|
| Net assets disposed of: | 所出售之資產淨值： | |
| Property, plant and equipment | 物業、廠房及設備 | 2,716 |
| Trade and other receivables and deposits | 貿易及其他應收款項及按金 | 1,397 |
| Inventories | 存貨 | 248 |
| Cash and bank balances | 現金及銀行結餘 | 505 |
| Trade and other payables | 貿易及其他應付款項 | (591) |
| Amount due to a director | 應付董事款項 | (2,508) |
| Amount due to a minority shareholder | 應付少數股東款項 | (76) |
| Tax payables | 應付稅項 | (9) |
| | | <u>1,682</u> |
| Attributable goodwill | 應佔商譽 | 12,000 |
| | | <u>13,682</u> |
| Release of translation reserve | 解除匯兌儲備 | (80) |
| Loss on disposal | 出售之虧損 | (11,602) |
| | | <u>2,000</u> |
| Satisfied by: | 以下列方式支付： | |
| Cash | 現金 | <u>2,000</u> |
| Net cash inflow arising on disposal: | 出售產生之現金流入淨額： | |
| Cash consideration | 現金代價 | 2,000 |
| Cash and bank balances | 現金及銀行結餘 | (505) |
| | | <u>1,495</u> |
| Net inflow of cash and cash equivalents | 現金及現金等值項目流入淨額 | <u>1,495</u> |

For the period from 1 April 2009 to the date of disposal, the above subsidiaries were engaged in provision of general hospital services. The turnover contributed by the subsidiaries was approximately HK\$3,313,000 and loss of approximately HK\$465,000 has recognised in the Group's loss for the year ended 31 March 2010.

由二零零九年四月一日起至出售日期期間，上述附屬公司乃從事提供綜合性醫院服務。該等附屬公司貢獻營業額約3,313,000港元，而虧損約465,000港元已於本集團截至二零一零年三月三十一日止年度之虧損確認。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

36. DEFERRED TAXATION

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

Deferred tax liabilities:

| | | Convertible notes 可換股票據 HK\$'000 千港元 |
|---|--|--|
| At 1 April 2008, 31 March 2009 and 1 April 2009 | 於二零零八年四月一日、 二零零九年三月 三十一日及 二零零九年四月一日 | 181 |
| Charge to equity for the year | 年內從權益扣除 | 501 |
| Credited to consolidated statement of comprehensive income for the year | 年內計入綜合全面 損益賬 | (46) |
| At 31 March 2010 | 於二零一零年三月 三十一日 | 636 |

The following is the analysis of the deferred tax balances for financial reporting purposes:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax assets | 遞延稅項資產 | - | - |
| Deferred tax liabilities | 遞延稅項負債 | (636) | (181) |
| | | (636) | (181) |

At the end of the reporting period, the Group and the Company has unutilised tax losses of approximately HK\$67,493,000 (2009: HK\$64,313,000) and HK\$19,545,000 (2009: HK\$19,207,000) respectively available to set off against future assessable profits. No deferred tax asset has been recognised in respect of the unutilised tax losses due to the unpredictability of future profits streams. These tax losses may be carried forward indefinitely.

36. 遞延稅項

以下為本年度及過往年度確認之主要遞延稅項結餘及其中之變動：

遞延稅項負債：

| | | Convertible notes 可換股票據 HK\$'000 千港元 |
|---|--|--|
| At 1 April 2008, 31 March 2009 and 1 April 2009 | 於二零零八年四月一日、 二零零九年三月 三十一日及 二零零九年四月一日 | 181 |
| Charge to equity for the year | 年內從權益扣除 | 501 |
| Credited to consolidated statement of comprehensive income for the year | 年內計入綜合全面 損益賬 | (46) |
| At 31 March 2010 | 於二零一零年三月 三十一日 | 636 |

以下乃為財務呈報目的而進行之遞延稅項結餘分析：

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| Deferred tax assets | 遞延稅項資產 | - | - |
| Deferred tax liabilities | 遞延稅項負債 | (636) | (181) |
| | | (636) | (181) |

於報告期末，本集團及本公司之未動用稅務虧損分別約67,493,000港元（二零零九年：64,313,000港元）及19,545,000港元（二零零九年：19,207,000港元）可用作抵銷未來應課稅溢利。由於未來溢利來源屬不可測，故並無就未動用稅務虧損確認遞延稅項資產。該等稅務虧損可無限期結轉。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

37. OPERATING LEASE COMMITMENTS

The Group were committed to make the following future minimum lease payments in respect of land and buildings rented under non-cancellable operating leases which fall due as follows:

| | | The Group 本集團 | |
|--|---------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| Within one year | 一年內 | 13,933 | 5,081 |
| In the second to fifth years inclusive | 第二至五年(包括首尾兩年) | 35,719 | 18,263 |
| Over five years | 超過五年 | 13,601 | 19,777 |
| | | 63,253 | 43,121 |

38. COMMITMENTS

The Group and the Company had no significant commitments at the end of the reporting period.

38. 承擔

本集團及本公司於報告期末並無重大承擔。

39. CONTINGENT LIABILITIES

| | | | |
|---|----------------------|--------|--------|
| Guarantees given to bank, in respect of banking facilities utilised by subsidiaries | 就附屬公司所動用之銀行融資作出之銀行擔保 | 10,000 | 10,000 |
|---|----------------------|--------|--------|

39. 或然負債

| | | The Company 本公司 | |
|--|--|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| | | 10,000 | 10,000 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

40. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "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 trustee. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The employees of the Company's PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The Company's PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the financial statements, during the year, the Group had entered into the following significant transaction with related parties:

(a) Key management personnel

Remuneration for key personnel management, including amount paid to the Company's directors and certain of the highest paid employee, as disclosed in Note 26 and 27, is as follows:

40. 退休福利計劃

本集團為香港全體合資格僱員設立強制性公積金計劃(「計劃」)。計劃之資產與本集團之資產分開持有，存入由信託人控制之基金。本集團按有關薪酬成本5%向計劃供款，僱員亦會作出相應供款。

本公司中國附屬公司之僱員為中國政府管理之國家管理退休福利計劃成員。本公司之中國附屬公司須按薪酬開支之若干百分比向退休福利計劃供款以撥付退休福利。本集團就退休福利計劃之唯一責任為根據計劃作出所需供款。

41. 重大關聯人士交易

除財務報表其他部分詳述之交易及結餘外，年內，本集團曾與關聯人士進行下列重大交易：

(a) 主要管理人員

主要管理人員薪酬(包括附註26及27披露付予本公司董事及若干最高薪僱員之金額)如下：

| | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|-------------------------------------|----------------------------------|----------------------------------|
| Short-term employee benefits 短期僱員福利 | <u>2,407</u> | <u>2,410</u> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

41. SIGNIFICANT RELATED PARTY TRANSACTIONS – continued

- (b) On 8 March 2010, the Group acquired the entire issued share capital of Nurture Fit Limited and its subsidiaries from Mr. Yung, a director of the Company, at a consideration of HK\$600,000,000 (Note 34).

- (c) Mr. Yung, a director of the Company, has entered into a personal guarantee agreement dated 15 June 2009 with Shanghai Pudong Development Bank amounting to approximately RMB 30,000,000 to secure bills payable on behalf of the Group for a term of one year.

42. SUBSEQUENT EVENTS

On 18 June 2010, the Company announced that guaranteed profit has not been met and cash compensation of approximately HK\$5,290,710 will be received from a vendor. Details please refer to the Company's announcement dated 18 June 2010.

41. 重大關聯人士交易－續

- (b) 於二零一零年三月八日，本集團向本公司董事翁國亮先生購入葆宜有限公司及其附屬公司全部已發行股本，代價為600,000,000港元（附註34）。

- (c) 本公司董事翁國亮先生於二零零九年六月十五日與上海浦東發展銀行訂立為數約人民幣30,000,000元之個人擔保協議，以代表本集團為應付票據作抵押，為期一年。

42. 報告期後事項

於二零一零年六月十八日，本公司宣佈，由於未能達致擔保利潤，因此將從賣方收取約5,290,710港元之現金補償。詳情請參閱本公司日期為二零一零年六月十八日之公佈。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

43. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all of which are limited liability companies, at 31 March 2010 are as follows:

43. 主要附屬公司

本公司於二零一零年三月三十一日之主要附屬公司(全屬有限公司)詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operations 註冊成立/ 成立/ 營業地點 | Nominal value of issued and fully paid ordinary share/ registered capital 已發行及 繳足普通股/ 註冊資本面值 | Percentage of equity interest attributable to the Group 本集團應佔 股權百分比 | Principal activities 主要業務 |
|--|---|---|--|--|
| Grandy Environmental (H.K.) Limited 泓迪環保(香港)有限公司 | Hong Kong 香港 | HK\$3,010,000 3,010,000港元 | 100% | Manufacture and sales of environmental protection products and provision of related services 製造及銷售環保產品及提供相關服務 |
| Grandy Trading and Services (H.K.) Limited 泓迪貿易服務(香港)有限公司 | Hong Kong 香港 | HK\$10,000 10,000港元 | 100% | Sales of environmental protection products 銷售環保產品 |
| Grand Brilliant Corporation Limited | British Virgin Islands 英屬處女群島 | HK\$1 1港元 | 100% | Provision of healthcare and hospital management services 提供醫療及醫院管理服務 |
| Best Boom Resources Limited 佳泰資源有限公司 | British Virgin Islands 英屬處女群島 | US\$1 1美元 | 100% | Provision of hospital management services 提供醫院管理服務 |
| Day View Group Limited 日景集團有限公司 | British Virgin Islands 英屬處女群島 | US\$1,000 1,000美元 | 76% | Investment holding 投資控股 |
| Hero Vision Enterprises Limited 雄景企業有限公司 | British Virgin Islands 英屬處女群島 | US\$1,573 1,573美元 | 100% | Investment holding 投資控股 |
| Merry Sky Investments Limited 悦天投資有限公司 | British Virgin Islands 英屬處女群島 | US\$9,000 9,000美元 | 100% | Investment holding 投資控股 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

43. PRINCIPAL SUBSIDIARIES – continued

43. 主要附屬公司一續

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operations 註冊成立/ 成立/ 營業地點 | Nominal value of issued and fully paid ordinary share/ registered capital 已發行及 繳足普通股/ 註冊資本面值 | Percentage of equity interest attributable to the Group 本集團應佔 股權百分比 | Principal activities 主要業務 |
|---|---|---|--|--|
| Fujian Maidsen Enterprises Company Limited [#] 福建邁迪森實業有限公司 | PRC 中國 | RMB40,000,000 人民幣40,000,000元 | 100% | Provision of healthcare and hospital management services 提供醫療及醫院管理服務 |
| Edward Hospital Company Limited [#] 重慶愛德華醫院有限公司 | PRC 中國 | RMB40,000,000 人民幣40,000,000元 | 55% 55% | Provision of hospital services 提供醫院服務 |
| Jiaxing City Shuguang Western and Chinese Composite Hospital Company Limited [#] 嘉興市曙光中西醫結合醫院有限公司 | PRC 中國 | RMB15,000,000 人民幣15,000,000元 | 55% 55% | Provision of hospital services 提供醫院服務 |
| Beiyi Renzhi (Beijing) Investment Consultancy Limited [#] 北醫仁智(北京)投資諮詢有限公司 | PRC 中國 | RMB6,457,725 人民幣6,457,725元 | 70.1% 70.1% | Provision of healthcare and hospital management services 提供醫療及醫院管理服務 |
| Shangrao City Xiehe Hospital Limited [#] 上饒市協和醫院有限公司 | PRC 中國 | RMB3,000,000 人民幣3,000,000元 | 70% 70% | Provision of hospital services 提供醫院服務 |
| Fujian Huihao Pharmaceutical Company Limited [#] 福建省福州市惠好藥業有限公司 | PRC 中國 | RMB30,000,000 人民幣30,000,000元 | 100% | Pharmaceutical wholesale and distribution business in the PRC 於中國之藥物批發及分銷業務 |
| Putian Medicine Company Limited [#] 福建莆田惠好藥業有限公司 | PRC 中國 | RMB5,000,000 人民幣5,000,000元 | 100% | Pharmaceutical wholesale and distribution business in the PRC 於中國之藥物批發及分銷業務 |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

43. PRINCIPAL SUBSIDIARIES – continued

43. 主要附屬公司 – 續

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment/ operations 註冊成立/ 成立/ 營業地點 | Nominal value of issued and fully paid ordinary share/ registered capital 已發行及 繳足普通股/ 註冊資本面值 | Percentage of equity interest attributable to the Group 本集團應佔 股權百分比 | Principal activities 主要業務 |
|---|---|---|--|--|
| Fujian Huiming Medicine Company Limited [#] | PRC | RMB5,000,000 | 100% | Pharmaceutical wholesale and distribution business in the PRC |
| 福建省惠明藥業有限公司 | 中國 | 人民幣5,000,000元 | 100% | 於中國之藥物批發及分銷業務 |
| Fujian Huihao Sihai Pharmaceutical Chain Company Limited [#] | PRC | RMB15,856,000 | 99.29% | Pharmaceutical retail chain and distribution business in the PRC |
| 福建省惠好四海藥業連鎖有限公司 | 中國 | 人民幣15,856,000元 | 99.29% | 於中國之藥物零售連鎖店及分銷業務 |

[#] The English transliteration of the Chinese names in this report, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

[#] 本報告中文名稱之英文翻譯僅供識別，不得視為有關中文名稱之官方英文名稱。

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列本公司附屬公司乃董事認為對本集團業績或資產有重大影響者。董事認為提供其他附屬公司之資料將使篇幅過於冗長。

44. 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 maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt (which includes bill payables, bank borrowings, promissory note and convertible note), cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, reserves and accumulated losses.

44. 資本風險管理

本集團管理其資本以確保本集團之實體將能持續經營，並通過優化債務及權益結餘為股東帶來最大回報。於過往年度，本集團之整體策略維持不變。

本集團之資本結構包括債務（當中包括應付票據、銀行借貸、承付票據及可換股票據）、現金及現金等值項目及本公司股本持有人應佔股本（當中包括已發行股本、儲備及累計虧損）。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

44. CAPITAL RISK MANAGEMENT – continued

Gearing ratio

The gearing ratios at 31 March 2010 and 31 March 2009 were as follows:

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---------------------------|------------|----------------------------------|----------------------------------|
| Debt (note (a)) | 債務 (附註(a)) | 320,193 | 6,469 |
| Cash and cash equivalents | 現金及現金等值項目 | (76,986) | (93,761) |
| Net debt | 債務淨額 | <u>243,207</u> | <u>(87,292)</u> |
| Equity (note (b)) | 股本 (附註(b)) | <u>703,984</u> | <u>327,823</u> |
| Gearing ratio | 資產負債比率 | <u>0.35</u> | <u>N/A不適用</u> |

Notes:

(a) Debt comprises bill payables, bank borrowings, convertible note and promissory note as detailed in notes 18, 19, 21 and 22 respectively.

(b) Equity includes all capital and reserves of the Group.

44. 資本風險管理 – 續

資產負債比率

於二零一零年三月三十一日及二零零九年三月三十一日之資產負債比率如下：

| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|---------------------------|------------|----------------------------------|----------------------------------|
| Debt (note (a)) | 債務 (附註(a)) | 320,193 | 6,469 |
| Cash and cash equivalents | 現金及現金等值項目 | (76,986) | (93,761) |
| Net debt | 債務淨額 | <u>243,207</u> | <u>(87,292)</u> |
| Equity (note (b)) | 股本 (附註(b)) | <u>703,984</u> | <u>327,823</u> |
| Gearing ratio | 資產負債比率 | <u>0.35</u> | <u>N/A不適用</u> |

附註：

(a) 債務包括應付票據、銀行借貸、可換股票據及承兌票據，詳情分別載於附註18、19、21及22。

(b) 股本包括本集團所有資本及儲備。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

Loans and receivables (including cash and cash equivalents)
Derivative financial instruments classified as fair value through profit or loss

財務資產

貸款及應收款項(包括現金及現金等值項目)
分類為按公平值透過損益列賬之衍生金融工具

318,122

112,036

96

3

Financial liabilities

Amortised cost

財務負債

攤銷成本

543,000

37,616

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis.

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

45. 金融工具

(a) 金融工具分類

| 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 318,122 | 112,036 |
| 96 | 3 |
| 543,000 | 37,616 |

(b) 財務風險管理目標及政策

本集團之業務面對多樣財務風險：市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。本集團之整體風險管理方案焦點在於未能預測的金融市場，務求將對本集團財政狀況之潛在不利影響減至最低。管理層管理及監察該等風險，確保以及時有效之方式實施有關措施。

(i) 市場風險

本集團之業務主要令本集團承受匯率及利率變動之財務風險。

所承受之市場風險以敏感度分析計量。

本集團所承受之市場風險或管理及計量風險之方法並無變動。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(i) Market risk – continued

Foreign currency risk management

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

45. 金融工具－續

(b) 財務風險管理目標及政策－續

(i) 市場風險－續

外幣風險管理

本集團若干附屬公司有以外幣進行之銷售及採購活動，使本集團承受外幣風險。管理層會監察外匯風險，並將於有需要時就重大外匯風險進行對沖。

於報告日期，本集團以外幣計值之貨幣資產及貨幣負債之賬面值如下：

| | | Liabilities 負債 | | Assets 資產 | |
|-----|-----|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 | 2010 二零一零年 HK\$'000 千港元 | 2009 二零零九年 HK\$'000 千港元 |
| RMB | 人民幣 | <u>292,527</u> | <u>12,423</u> | <u>392,108</u> | <u>56,126</u> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(i) Market risk – continued

Foreign currency risk management – continued

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in the Hong Kong dollars against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and foreign currency forward contracts, and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit and other equity where the Hong Kong dollars strengthen 5% against the relevant currency. For a 5% weakening of the Hong Kong dollars against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

45. 金融工具－續

(b) 財務風險管理目標及政策－續

(i) 市場風險－續

外幣風險管理－續

敏感度分析

本集團主要面對人民幣波動之影響。

下表詳列本集團就港元兌相關外幣升值及貶值5%之敏感度。於向內部主要管理人員報告外幣風險時所採用之敏感度比率為5%，其為管理層評估可能合理出現之匯率變動。敏感度分析包括尚未處理之外幣計值貨幣項目及遠期外幣合約，並會對彼等於期末之換算在匯率上作出5%之調整。敏感度分析亦包括外部債項及本集團內海外業務之貸款，而有關貸款須為以借出方或借入方以外貨幣計值。下文中之正數顯示倘港元兌相關貨幣升值5%時溢利及其他權益之上升數額。而倘港元兌相關貨幣貶值5%，溢利及其他權益將會出現相反方向之等額變動，而下列之結餘將為負數。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(i) Market risk – continued

Foreign currency risk management – continued

Sensitivity analysis – continued

| | |
|--------------|------|
| Other equity | 其他權益 |
|--------------|------|

Note:

This is mainly attributable to the exposure outstanding on receivables and payables denominated in respective currencies at the end of the reporting period.

Interest rate risk management

The Group's cash flow interest rate risk relates primarily to variable-rate borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. As at 31 March 2010, the Group did not have borrowings at floating rate of interests.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollar denominated borrowings.

45. 金融工具－續

(b) 財務風險管理目標及政策－續

(i) 市場風險－續

外幣風險管理－續

敏感度分析－續

Impact of RMB

人民幣之影響

| 2010 | 2009 |
|----------|----------|
| 二零一零年 | 二零零九年 |
| HK\$'000 | HK\$'000 |
| 千港元 | 千港元 |

| | | |
|--|-------|-------|
| | 1,324 | 9,207 |
|--|-------|-------|

附註：

此乃主要由於在報告期末以相關貨幣計值之應收款項及應付款項所承受之風險所致。

利率風險管理

本集團之現金流利率風險主要與浮息借貸相關。本集團之政策為維持借貸以浮動利率計息，藉以減少公平值利率風險。於二零一零年三月三十一日，本集團並無任何浮息借貸。

本集團就財務資產及財務負債所承受之利率風險詳情列於本附註流動資金風險管理一節。本集團之現金流利率風險主要集中於本集團以港元計值之借貸因香港銀行同業拆息波動所產生之風險。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(i) Market risk – continued

Interest rate risk management – continued

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For variable-rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease in HIBOR 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 higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March 2010 would decrease/increase by approximately HK\$7,000 (2009: HK\$12,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings during the year ended 31 March 2010.

The Group's sensitivity to interest rates has decreased during the current period mainly due to the reduction in variable rate borrowings.

45. 金融工具－續

(b) 財務風險管理目標及政策－續

(i) 市場風險－續

利率風險管理－續

敏感度分析

下文之敏感度分析乃根據衍生工具及非衍生工具於報告期末所承受之利率風險釐訂。就浮息借貸而言，其分析乃假設於報告期末尚未償還之負債金額於整個年度內均未償還。於向內部主要管理人員報告利率風險時乃採用香港銀行同業拆息加減50基點，其為管理層所評估可能合理出現之利率變動。

倘利率上升／下降50點子，而所有其他變動維持不變，則本集團截至二零一零年三月三十一日止年度之虧損將減少／增加約7,000港元（二零零九年：12,000港元）。此乃主要來自本集團於截至二零一零年三月三十一日止年度內就浮息借貸所承受之利率風險。

本集團對利率之敏感度於本期間有所下降，此乃主要由於浮息借貸減少。

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(ii) Credit risk

As at 31 March 2010, 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 and financial guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to the financial guarantees provided by the Group as disclosed in Note 39.

In order to minimise 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 and debt investments at the end of each 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 assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade and other receivables consist of a large number of customers, spread across diverse industries and geographical areas.

45. 金融工具一續

(b) 財務風險管理目標及政策一續

(ii) 信貸風險

於二零一零年三月三十一日，本集團因對手方未能履行責任及本集團所提供之財務擔保所承受，並可令本集團蒙受財務損失之最高信貸風險乃來自：

- 綜合財務狀況表所載各項已確認財務資產之賬面值；及
- 與本集團提供財務擔保（詳情載於附註39）相關之或然負債金額。

為使信貸風險降至最低，本集團管理層已指派一個團隊負責釐訂信貸限額、信貸批准及其他監察程序，以確保採取跟進行動收回過期債項。此外，本集團會於各報告期末審閱個別貿易債項及債務投資之可收回金額，以確保就未能收回之金額作出充足之減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大幅減少。

由於對手方均為獲國際評級機構授予高信貸評級之銀行，故流動資金之信貸風險有限。

除存放於若干具備高信貸評級銀行之流動資金所產生之集中信貸風險外，本集團並無任何其他重大之集中信貸風險。貿易及其他應收款項涉及大量客戶，橫跨多個不同行業及地區。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(iii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 March 2010, the Group has available unutilised overdrafts and short and medium term bank loan facilities of approximately HK\$2,000,000 (2009: HK\$2,000,000) and HK\$39,350,000 (2009: HK\$8,000,000) respectively.

The following tables detail the Group's remaining contractual maturity for its financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. For non-derivative financial liabilities, the tables reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

45. 金融工具－續

(b) 財務風險管理目標及政策－續

(iii) 流動資金風險管理

董事會肩負管理流動資金風險之最終責任，而董事會已建立一個合適之流動資金風險管理框架，用以管理本集團之短期、中期及長期資金及應付流動資金管理需求。本集團透過保持充足之儲備、銀行信貸及備用借貸融資，以及持續對預測及實際現金流進行監察，配合財務資產及財務負債之到期情況，藉以管理流動資金風險。

於二零一零年三月三十一日，本集團有未動用透支及短期及中期銀行貸款額分別約2,000,000港元（二零零九年：2,000,000港元）及39,350,000港元（二零零九年：8,000,000港元）。

下表詳細載列本集團財務負債之剩餘合約期限，已計入提供予內部主要管理人員之期限分析，以管理流動資金風險。就非衍生財務負債而言，下表反映基於本集團被要求付款之最早日期之財務負債未貼現現金流量。下表包括利息及主要現金流量。

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(b) Financial risk management objectives and policies – continued

(iii) Liquidity risk management – continued

At 31 March 2010

| | | Weighted average effective interest rate 加權平均 實際利率 % | Within 1 year | 2 to 5 years | Over 5 years | Total undiscounted cash flows 未貼現 現金流總值 | Total carrying amount |
|---|----------------|--|-------------------------|--------------------------|--------------------------|---|-----------------------------|
| | | | 一年內 HK\$' 000 千港元 | 二至五年 HK\$' 000 千港元 | 超過五年 HK\$' 000 千港元 | HK\$' 000 千港元 | 賬面總值 HK\$' 000 千港元 |
| Non-derivative financial liabilities | 非衍生財務負債 | | | | | | |
| Trade and other payables | 貿易及其他應付款項 | - | 250,748 | - | - | 250,748 | 250,748 |
| Bank borrowings | 銀行借貸 | 4.9% | 47,310 | - | - | 47,310 | 47,310 |
| Amounts due to minority shareholders | 應付少數權益股東款項 | | 719 | - | - | 719 | 719 |
| Promissory note | 承兌票據 | 3.0% | - | - | 290,000 | 290,000 | 240,482 |
| Convertible note | 可換股票據 | 10.97% | - | - | 6,500 | 6,500 | 3,741 |
| | | | <u>298,777</u> | <u>-</u> | <u>296,500</u> | <u>595,277</u> | <u>543,000</u> |

At 31 March 2009

於二零零九年三月三十一日

| | | Weighted average effective interest rate 加權平均 實際利率 % | Within 1 year | 2 to 5 years | Over 5 years | Total undiscounted cash flows 未貼現 現金流總值 | Total carrying amount |
|---|----------------|--|-------------------------|--------------------------|--------------------------|---|-----------------------------|
| | | | 一年內 HK\$' 000 千港元 | 二至五年 HK\$' 000 千港元 | 超過五年 HK\$' 000 千港元 | HK\$' 000 千港元 | 賬面總值 HK\$' 000 千港元 |
| Non-derivative financial liabilities | 非衍生財務負債 | | | | | | |
| Trade and other payables | 貿易及其他應付款項 | - | 30,502 | 105 | - | 30,607 | 30,607 |
| Amounts due to minority shareholders | 應付少數權益股東款項 | | 540 | - | - | 540 | 540 |
| Convertible note | 可換股票據 | 6.8% | 6,500 | - | - | 6,500 | 6,469 |
| | | | <u>37,542</u> | <u>105</u> | <u>-</u> | <u>37,647</u> | <u>37,616</u> |

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(c) Fair value of financial instruments

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

- (i) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- (ii) the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input. For an option-based derivative, the fair value is estimated using option pricing model (for example, the Black-Scholes option pricing model and Binomial option pricing model).

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

Fair value measurements recognised in the consolidated statement of financial position

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:

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

45. 金融工具－續

(c) 金融工具之公平值

釐定財務資產及財務負債之公平值之方法如下：

- (i) 標準條款及條件並於高流通市場買賣之財務資產及財務負債(包括衍生工具)之公平值，乃分別參考市場之賣出及買入價釐訂；及
- (ii) 財務資產及財務負債(包括衍生工具)之公平值乃根據貼現現金流分析，以普遍採納之定價模式採用當前市場可得知交易之價格或費率作為輸入釐訂。就以期權為基礎之衍生工具而言，公平值乃以期權定價模式(如柏力克－舒爾斯期權定價模式及二項式期權定價模式)估算。

董事認為，計入綜合財務報表內財務資產及財務負債之賬面值與其公平值相若。

於綜合財務狀況表內確認之公平值計量

下表提供於初步確認後按公平值計量，根據公平值可觀察之程度分為1至3級之金融工具之分析：

1. 1級公平值計量乃源自活躍市場上同樣資產或負債之報價(未經調整)者；

Notes to the Financial Statements

財務報表附註

31 March 2010 二零一零年三月三十一日

45. FINANCIAL INSTRUMENTS – continued

(c) Fair value of financial instruments – continued

Fair value measurements recognised in the consolidated statement of financial position – continued

- 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).

45. 金融工具－續

(c) 金融工具之公平值－續

於綜合財務狀況表內確認之公平值計量－續

- 2級公平值計量乃源自資產或負債之直接(即價格)或間接(即源自價格)可觀察輸入數據(不包括1級所包括之報價)者;及
- 3級公平值計量乃源自估值技術(包括並非基於可觀察市場數據之資產或負債之輸入數據(不可觀察輸入數據))者。

| | Level 1 1級 HK\$'000 千港元 | Level 2 2級 HK\$'000 千港元 | Level 3 3級 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--------------------------------|
| Financial assets | | | | |
| Derivative financial instruments | - | 96 | - | 96 |
| 金融資產 | | | | |
| 衍生金融工具 | - | 96 | - | 96 |

There were no transfers between Levels 1 and 2 in the current year.

於本年度，1級與2級間並無轉移。

46. COMPARATIVE

Certain comparative amounts have been reclassified/restated to conform with the current year's presentation and accounting treatment.

46. 比較數字

若干比較金額已重新分類/重列，以使與本年度之呈列及會計處理方法相符一致。

47. NON-CASH TRANSACTIONS

On 8 March 2010, the Group acquired the entire issued share capital of Nurture Fit Limited and its subsidiaries at a consideration of HK\$600,000,000, the consideration of HK\$290,000,000 and HK\$290,000,000 were satisfied by the Company's preference shares and issue of promissory note respectively.

47. 非現金交易

於二零一零年三月八日，本集團購入葆宜有限公司及其附屬公司全部已發行股本，代價為600,000,000港元，當中290,000,000港元及290,000,000港元分別以本公司之優先股與發行承兌票據支付。

48. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 June 2010.

48. 批准財務報表

財務報表於二零一零年六月二十五日獲董事會批准及授權刊登。

Financial Summary

財務摘要

At 31 March 2010 於二零一零年三月三十一日

| | | For the year ended 31 March 截至三月三十一日止年度 | | | | |
|--------------------------------|--------------|--|-----------|----------|----------|----------|
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| | | 二零一零年 | 二零零九年 | 二零零八年 | 二零零七年 | 二零零六年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Result | 業績 | | | | | |
| Turnover | 營業額 | 179,765 | 170,087 | 135,943 | 77,521 | 41,088 |
| Profit/(loss) before taxation | 除稅前溢利／(虧損) | (204,913) | (178,232) | (1,589) | 8,096 | 3,655 |
| Taxation | 稅項 | (1,723) | (12,228) | (6,184) | (1,227) | (561) |
| Net profit/(loss) for the year | 年度溢利／(虧損)淨額 | (206,636) | (190,460) | (7,773) | 6,869 | 3,094 |
| Profit/(loss) attributable to | 以下人士應佔 | | | | | |
| | 溢利／(虧損) | | | | | |
| – Owners of the Company | – 本公司擁有人 | (211,283) | (200,548) | (17,891) | 5,981 | 3,191 |
| – Minority interests | – 少數股東權益 | 4,647 | 10,088 | 10,118 | 888 | (97) |
| | | (206,636) | (190,460) | (7,773) | 6,869 | (3,094) |
| | | | | | | |
| | | As at 31 March 於三月三十一日 | | | | |
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| | | 二零一零年 | 二零零九年 | 二零零八年 | 二零零七年 | 二零零六年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Assets and liabilities | 資產及負債 | | | | | |
| Total assets | 總資產 | 1,282,732 | 394,977 | 586,649 | 172,976 | 59,162 |
| Total liabilities | 總負債 | (736,842) | (38,915) | (82,165) | (38,249) | (28,144) |
| | | 545,890 | 356,062 | 504,484 | 134,727 | 31,018 |



HUA XIA HEALTHCARE HOLDINGS LIMITED

華夏醫療集團有限公司*