1. GENERAL INFORMATION

Sanyuan Group Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in selling and trading of pharmaceutical products and laboratory testing service.

The Company is a limited liability company incorporated in Hong Kong and its registered office is Suite 1429, 14/F., Ocean Centre, 5 Canton Road, Tsimshatsui, Hong Kong.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 25 April 2007.

2. BASIS OF PREPARATION AND MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN

(a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, available-for-sale investments and convertible note, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5.

2. BASIS OF PREPARATION AND MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(Continued)*

(a) Basis of preparation *(Continued)*

(i) Standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards/interpretations to existing standards have been published that are mandatory for the Group's accounting periods with effect from the next financial year that the Group has not early adopted:

- HKFRS 7, Financial instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures, are effective for annual periods beginning on or after 1 January 2007. HKFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Group's financial instruments.

- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006). HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1 January 2007, but it is not expected to have any impact on the Group's consolidated financial statements; and

- HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC)-Int 10 from 1 January 2007, but it is not expected to have any impact on the Group's consolidated financial statements.

2. BASIS OF PREPARATION AND MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(Continued)*

(a) Basis of preparation *(Continued)*

(ii) Interpretation to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods with effect from the next financial year but are not relevant for the Group's operations:

- HK(IFRIC)-Int 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 March 2006). HK(IFRIC)-Int 7 provides guidance on how to apply requirements of HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the group entities have a currency of a hyperinflationary economy as its functional currency, HK(IFRIC)-Int 7 is not relevant to the Group's operations; and

- HK(IFRIC)-Int 9, Reassessment of embedded derivatives (effective for annual periods beginning on or after 1 June 2006). HK(IFRIC)-Int 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment if required. As none of the group entities have changed the terms of their contracts, HK(IFRIC)-Int 9 is not relevant to the Group's operations.

2. BASIS OF PREPARATION AND MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(Continued)*

(a) Basis of preparation *(Continued)*

(iii) Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations or do not have a significant impact on the Group's consolidated financial statements:

HKAS 21 Amendment	Net Investment in a Foreign Operation;
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
HKAS 39 Amendment	The Fair Value Option;
HKAS 39 and HKFRS 4 Amendment	Financial Guarantee Contracts;
HKFRS 6	Exploration for and Evaluation of Mineral Resources;
HKFRS 1 Amendment	First-time Adoption of Hong Kong Financial Reporting Standards and HKFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;
HKFRS-Int 4	Determining whether an Arrangement contains a Lease;
HK(IFRIC)-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds;
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

(b) Material uncertainties in respect of going concern

The Group sustained consolidated loss attributable to equity holders of the Company of HK$2,421,000 (2005: profit of HK$12,278,000) for the year ended 31 December 2006. At 31 December 2006, the Group had consolidated net current liabilities of HK$22,492,000 (2005: HK$26,162,000), net liabilities of HK$21,943,000 (2005: HK$25,562,000) and provisions of HK$17,402,000 (2005: HK$19,230,000).

2. BASIS OF PREPARATION AND MATERIAL UNCERTAINTIES IN RESPECT OF GOING CONCERN *(Continued)*

(b) Material uncertainties in respect of going concern *(Continued)*

Notwithstanding going concerns and liquidity concerns arising from the consolidated net current liabilities as at 31 December 2006, the financial statements have been prepared on the assumption that the Group will continue to operate as a going concern in the foreseeable future. In the opinion of directors, the liquidity of the Group can be maintained in the coming year, after taking into account several measures adopted and to be adopted subsequent to the balance sheet date as further detailed below:

(i) Hong Jin Holdings Limited ("Hong Jin"), the parent and ultimate holding company of the Company in which Mr. Wu Kwai Yung held 70% beneficial interest, had provided an irrevocable guarantee in which the Company and Hong Jin agreed to extend the maturity date of convertible note with principal amount of HK$30,000,000 (note 24) to not earlier than 7 December 2008, subject to the approval from the Stock Exchange and independent shareholders of the Company;

(ii) Hong Jin has committed to provide financial support to enable the Group to meet in full its liabilities as they fall due, both present and future;

(iii) the directors are currently looking into the cases as mentioned in note 25(a)(ii) and (b) and seeking legal advice as to the possible outcome and appropriate course of action to be taken in relation to these two cases with the provision of HK$14,850,000 already provided as at the balance sheet date; and

(iv) the directors are planning to adopt various cost control measures to reduce various general and administrative and other operating expenses.

In the opinion of the directors, in light of the measures adopted, together with the expected results of other measures and arrangements in progress and as planned, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. In addition, Tianjin Jinshun Pharmaceutical Co., Ltd. ("Tianjin Jinshun"), the 60% subsidiary of the Group, is engaged in trading of pharmaceutical products and the business of which formed the major business activities for the Group as a whole. The directors believe that the future funding generated from Tianjin Jinshun will sufficiently improve the financial and cash flow position and maintain the Group's ability to continue as a going concern. Accordingly, the directors are of the view that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to achieve the above and fail to continue in business as a going concern, adjustments would have to be made to restate the values of the assets to their immediate recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Consolidation *(Continued)*

(ii) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. The directors consider the business segment as the primary segment and geographical segment as the secondary segment.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(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 income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Foreign currency translation *(Continued)*

(iii) Group companies

The results and financial position of all the group entities (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:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

– all resulting exchange differences are recognised as a separate component of equity.

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 shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that are recorded in equity are recognised in the income statement 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.

(d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Property, plant and equipment *(Continued)*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over the lease terms
Furniture and fixtures	20% to 30%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss on disposal is determined by comparing the proceeds with the carrying amount, and is recognised in the income statement.

(e) Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life or have not yet available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Financial assets

The Group classifies its financial assets as financial assets at fair value through profit or loss and available-for-sale financial assets. The classification depends on the purposes for which the financial assets were acquired. Management determine the classification of its financial assets at initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Financial assets *(Continued)*

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date (the date on which the Group commits to purchase or sell the asset). Investment are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in income statement; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Financial assets *(Continued)*

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices in the ordinary course of business, less any estimated costs to be incurred to completion and disposal.

(h) Trade and other receivables

Trade and other receivables are recongised 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicator that the trade receivable is impaired. 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 original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the income statement.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(l) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(m) Convertible notes

Convertible notes that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible notes is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in income statement on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the note is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the note is redeemed, the capital reserve is released directly to retained profits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(o) Employee benefits

(i) Retirement benefits scheme

The Group operates a defined contribution mandatory provident fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operates in the Mainland of The People's Republic of China ("Mainland China") are required to participate in a pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs to the pension scheme. The contributions are charged to the income statement as they become payable in accordance with the rules of the pension scheme.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(o) Employee benefits *(Continued)*

(ii) Employment leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iii) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognsies the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the option are exercised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(q) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(i) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

(ii) laboratory testing service income is recognised in the period when services are rendered.

(iii) interest income, on a time proportion basis using the effective interest method.

(iv) subsidy income is recognised as revenue when there is reasonable assurance that it will be received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Borrowing costs

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

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

(s) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

(t) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

(u) 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(u) 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 events not wholly within the control of the Group.

Contingent assets are not recognised but are 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.

(v) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control. The Group's associates, joint ventures and key management are also considered to be related parties of the Group.

4. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, cash flow interest-rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group has polices in place to ensure that sales of products are made to customers with an appropriate credit history. Deposits are placed with a major bank and the directors consider the credit risk for such is minimal.

At the balance sheet date, the Group has a certain concentration of credit risk as approximately 45.1% (2005: 45.9%) of the trade receivables was due from the five largest customers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, other liquid assets and the ability to close market positions. The directors are of the opinion that adequate financial support is available from the ultimate holding company to meet the Group's liabilities as they fall due.

4. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Cash flow and fair value interest rate risk

The Group's exposure to changes to interest rates is mainly attributable to its borrowings.

As the fixed deposits with banks are usually short-term in nature, the exposure is considered not significant. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate but may enter into interest rate hedging instruments in the future to hedge any significant interest rate exposure should the need arise.

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily Renminbi. The Group monitors the net exposure and ensures that is kept to an acceptable level.

(e) Fair values

All financial instruments are carried at amounts not materially different from their values as at the balance sheet date.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimate of fair value convertible notes

The best estimate of fair value of the convertible notes is the interest rate charged for the borrowings in an active market. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

(i) the interest rate for bank borrowing; and

(ii) the interest rate for the existing borrowings obtained by the Group.

The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(b) Impairments

Internal and external sources of information are reviewed by the Group at each balance sheet date to assess whether there is any indication that fixed assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine impairment losses on the assets. Changes in facts and circumstances may affect the conclusion of whether an indication of impairment exists and result in revised estimates of recoverable amounts, which would affect profit or loss in future years.

Impairment losses on receivables are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the directors when assessing the creditworthiness and past collection history of each individual customer. Any increase or decrease in impairment losses would affect profit or loss in future years.

6. SEGMENT INFORMATION

(a) Business segments

No separate analysis of financial information by business segments is presented as the Group's revenue, results, assets and liabilities were all derived from its principal line of business of pharmaceutical and healthcare business.

(b) Geographical segments

The Group's operation are located in Hong Kong and Mainland China. The analysis of the Group's sales by geographical segment is as follows:

	Hong Kong		Mainland China		Consolidated	
	2006	2005	**2006**	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**1,215**	975	**143,168**	10,232	**144,383**	11,207
Segment results	**(3,827)**	11,606	**1,406**	672	**(2,421)**	12,278
Other segment information:						
Segment assets	**1,037**	12,790	**48,317**	25,671	**49,354**	38,461
Capital expenditure	**55**	81	**190**	260	**245**	341

7. TURNOVER AND OTHER REVENUE

Turnover and other revenue recognised during the year are as follows:

	2006	2005
	HK$'000	*HK$'000*
Turnover		
Sales and distribution of pharmaceutical products	**143,168**	10,232
Laboratory testing service income	**1,215**	975
	144,383	11,207
Other revenue		
Reversal of provisions, net	**1,828**	–
Gain on adjustment of the amortised cost of convertible note	**3,375**	–
Gain arising from changes in fair value of financial assets at fair value through profit or loss	**68**	–
Bank interest income	**219**	99
Guarantee income earned	**2,775**	343
Subsidy income	**863**	–
Other income	**190**	117
	9,318	559
Total	**153,701**	11,766

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

8. FINANCE COSTS

	2006	2005
	HK$'000	*HK$'000*
Interest expenses on other borrowing wholly repayable within five years	**200**	266
Imputed interest on convertible note	**4,256**	–
Other finance charges	**38**	–
	4,494	266

9. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is stated after charging/(crediting) the following:

	2006	2005
	HK$'000	*HK$'000*
		(Restated)
Staff costs, excluding directors' remuneration (note 10):		
Salaries, wages and allowances	**2,851**	2,505
Contributions to retirement benefit schemes	**79**	119
	2,930	2,624
Auditors' remuneration		
– Audit fee	**403**	550
– Non-audit fee	**668**	–
	1,071	550
Cost of inventories	**138,039**	9,937
Depreciation	**305**	384
Bad debt recovery	**–**	(16)
Guarantee payment paid	**366**	36
Loss arising from changes in fair value of financial assets at fair value through profit or loss	**–**	65
Minimum lease payments under an operating lease in respect of land and buildings	**1,280**	797
Impairment on receivables	**22**	–
Realised loss on disposal of financial assets at fair value through profit or loss	**–**	26
Bank interest income	**(219)**	(99)
Exchange loss/(gain), net	**134**	(19)
(Decrease)/increase in provisions	**(1,828)**	106
Gain on adjustment of the amortised cost of convertible note	**(3,375)**	–
Guarantee income earned	**(2,775)**	(343)

10. DIRECTORS' AND MANAGEMENTS' EMOLUMENTS

In accordance with the disclosure requirements of Section 161B of the Hong Kong Companies Ordinance, the aggregate amounts of emoluments paid to directors of the Company during the year are set out as follows:

	2006	2005
	HK$'000	*HK$'000*
Fees	**240**	210
Salaries and other allowances	**1,128**	1,320
Contributions to retirement benefit schemes	**31**	30
	1,399	1,560

Directors' fees disclosed above include HK$240,000 (2005: HK$210,000) paid to independent non-executive directors.

The Company did not grant any share options during the current and prior years.

As at 31 December 2006 and 2005, no share options were held by directors of the Company.

10. DIRECTORS' AND MANAGEMENTS' EMOLUMENTS *(Continued)*

(a) Directors' emoluments

Details and movements of share options granted and exercised during the year are set out in note 26(b) to the financial statements.

The directors' emoluments are analysed as follows:

		Year ended 31 December 2006			
Name of directors		**Fees**	**Salary and other allowances**	**Contribution to retirement benefit schemes**	**Total**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Mr. Wu Kwai Yung		–	110	6	116
Mr. Zhao Tie Liu		–	351	12	363
Dr. Wan Kwong Kee	*(ii)*	–	600	12	612
Mr. Leung Hon Man	*(i)*	–	67	1	68
Independent non-executive directors					
Mr. Zhou Haijun		80	–	–	80
Mr. Ng Wai Hung		80	–	–	80
Mr. Xu Zhi		80	–	–	80
		240	1,128	31	1,399

10. DIRECTORS' AND MANAGEMENTS' EMOLUMENTS *(Continued)*

(a) Directors' emoluments *(Continued)*

		Year ended 31 December 2005			
Name of directors	Note	Fees	Salary and other allowances	Contribution to retirement benefit schemes	Total
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Mr. Wu Kwai Yung		–	120	6	126
Mr. Zhao Tie Liu		–	600	12	612
Dr. Wan Kwong Kee		–	600	12	612
Independent non-executive directors					
Mr. Zhou Haijun		80	–	–	80
Mr. Ng Wai Hung		80	–	–	80
Mr. Xu Zhi		50	–	–	50
		210	1,320	30	1,560

Notes:

(i) appointed on 21 November 2006;

(ii) resigned on 3 April 2007.

The above analysis includes two (2005: two) directors whose emoluments were among the five highest paid individuals in the Group.

10. DIRECTORS' AND MANAGEMENTS' EMOLUMENTS *(Continued)*

(b) Managements' emoluments

Details of the aggregate emoluments paid to three (2005: three) individuals whose emoluments were the highest in the Group and have not been included in the directors' emoluments above are set out below:

	2006 **HK$'000**	2005 HK$'000
Salaries and other allowances	**765**	1,176
Contributions to retirement benefit schemes	**30**	31
	795	1,207

The emoluments of the highest paid individuals fell within the following band.

	Number of individuals **2006**	2005
Emolument band		
Nil – HK$1,000,000	**3**	3

(c) During the year, no emoluments had been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

(d) During the year, certain directors and managements waived emoluments of HK$758,000 (2005: Nil) as follows and have agreed to waive 2007 emoluments of HK$223,000.

	2006 **HK$'000**	2005 HK$'000
Mr. Wu Kwai Yung	**25**	–
Mr. Zhao Tie Liu	**312**	–
Dr. Wan Kwong Kee	**154**	–
Mr. Leung Hon Man	**267**	–
	758	–

11. RETIREMENT BENEFIT COSTS

The retirement benefit costs charged to the consolidated income statement represent contributions payable by the Group to the retirement benefit schemes and amounted to HK$110,000 (2005: HK$149,000). Contributions amounted to HK$27,000 (2005: Nil) were payable to the retirement benefit schemes as at 31 December 2006 and 2005 and are included in trade and other payables. No forfeited contributions were utilised and no forfeited contributions were available to reduce future contributions as at 31 December 2006 and 2005.

12. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and prior years. Taxes on profits assessable elsewhere have 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.

Taxation in the consolidated income statement represents:

	2006 ***HK$'000***	2005 *HK$'000*
Hong Kong profits tax	**–**	–
PRC income tax		
– Current year	**864**	–
– Under-provision in prior year	**105**	–
Income tax expenses	**969**	–

12. INCOME TAX EXPENSES *(Continued)*

Below is a numerical reconciliation between income tax expenses in the consolidated income statement and aggregate tax expense at the domestic rates applicable to profits in respective territories concerned:

Group – 2006

	2006	2005
	HK$'000	*HK$'000*
(Loss)/profit before income tax	**(515)**	12,278
(Tax credit)/tax charge at the applicable tax rate of 17.5% (2005: 17.5%)	**(90)**	2,149
Effect of different tax rate	**513**	–
Under-provision in prior year	**105**	–
Income not subject to tax	**(1,638)**	(3,861)
Expenses not deductible for tax	**1,182**	1,617
Unrecognised temporary differences	**5**	10
Tax losses not recognised	**892**	85
Tax charge	**969**	–

The Group did not have any significant unprovided deferred income tax in respect of the current and prior years.

13. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK$5,994,000 (2005: loss of HK$1,361,000) (note 27).

14. (LOSS)/EARNINGS PER SHARE

(a) Basic

The calculation of basic (loss)/earnings per share for the year ended 31 December 2006 was based on the consolidated loss for the year attributable to equity holders of the Company of HK$2,421,000 (2005: profit of HK$12,278,000) and the weighted average of 953,906,963 shares (2005: 953,906,963 shares) in issue during the year.

(b) Diluted

The calculation of diluted earnings per share for the year ended 31 December 2006 was based on the consolidated profit for the year attributable to equity holders of the Company of HK$1,835,000 (2005: HK$12,278,000) and the weighted average number of shares used in the calculation was 1,130,377,551 shares (2005: 999,837,664 shares) after adjusting for the effects of all dilutive potential ordinary shares under the Company's convertible note.

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

	2006 **HK$'000**	2005 HK$'000
(Loss)/profit attributable to equity holders	**(2,421)**	12,278
Imputed interest on convertible note	**4,256**	–
Profit used for determining diluted earnings per share	**1,835**	12,278

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

	2006 **Number of shares**	2005 Number of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	**953,906,963**	953,906,963
Deemed issue of ordinary shares – convertible note	**176,470,588**	45,930,701
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,130,377,551**	999,837,664

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Motor vehicle	Leasehold improvements, furniture and fixtures	Total
	HK$'000	*HK$'000*	*HK$'000*
Cost			
At 1 January 2005	–	1,984	1,984
Additions	–	341	341
At 31 December 2005 and 1 January 2006	–	2,325	2,325
Additions	124	121	245
Exchange realignment	–	9	9
At 31 December 2006	124	2,455	2,579
Accumulated depreciation			
At 1 January 2005	–	1,341	1,341
Provided for the year	–	384	384
At 31 December 2005 and 1 January 2006	–	1,725	1,725
Provided for the year	19	286	305
Exchange realignment	–	–	–
At 31 December 2006	19	2,011	2,030
Net book value			
At 31 December 2006	105	444	549
At 31 December 2005	–	600	600

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

Company

	Leasehold improvements, furniture and fixtures HK$'000
Cost	
At 1 January 2005	638
Additions	2
At 31 December 2005, 1 January 2006 and 31 December 2006	640
Accumulated depreciation	
At 1 January 2005	354
Provided for the year	145
At 31 December 2005 and 1 January 2006	499
Provided for the year	98
At 31 December 2006	597
Net book value	
At 31 December 2006	43
At 31 December 2005	141

16. AVAILABLE-FOR-SALE INVESTMENTS

Group

	2006 **HK$'000**	2005 HK$'000
Unlisted investments		
At cost	**3,362**	25,037
Less: Provision for impairments	**(3,362)**	(25,037)
	–	–

16. AVAILABLE-FOR-SALE INVESTMENTS *(Continued)*

Carrying amount of available-for-sale investments as at 31 December 2006 is analysed as follows:

	Cost	Provision for impairments	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*
Infinity Properties Limited	3,362	(3,362)	–

According to the settlement agreements between the Group and Bank of China (Hong Kong) Limited ("BOC') dated 30 June 2004 and 30 September 2004 (the "BOC Agreements"), BOC shall not take out or proceed with any claims against the Company for recovering the indebtedness owed by three former indirectly held subsidiaries of the Company ("Undischarged Debtors") on the condition that a court order for the winding up of the Undischarged Debtors would be obtained not later than 30 November 2005.

The winding-up orders were granted by the court and a provisional liquidator was appointed to take over the management of the Undischarged Debtors on 23 February 2005. Since then, the Group lost its influence over the affairs of the Undischarged Debtors and the financial statements of the Undischarged Debtors were classified as available-for-sale investments with effect from that date. On reclassification, the excess of liabilities over assets of the Undischarged Debtors as at 23 February 2005 of approximately HK$13,021,000 has been reversed and credited as income for the year ended 31 December 2005. The costs and provisions of interest in two former indirectly held subsidiaries of the Company have been written off during the year on completion of the winding up.

17. INTERESTS IN SUBSIDIARIES

Company

	2006	2005
	HK$'000	*HK$'000*
Unlisted investments, at cost	**1,000**	1,000
Less: Provision for impairments	**(1,000)**	(1,000)
	–	–
Due from subsidiaries	**85,576**	115,051
Due to a subsidiary	**(1,796)**	–
Less: Provision for impairments	**(72,186)**	(107,044)
	11,594	8,007
	11,594	8,007

17. INTERESTS IN SUBSIDIARIES *(Continued)*

Notes:

(a) Details of the subsidiaries as at the balance sheet dates are as follows:

Name	Place of incorporation/ registration	Place of operation	Issued and fully paid capital/ registered capital	Percentage of capital held by the Company 2006 Directly	2006 Indirectly	2005 Directly	2005 Indirectly	Principal activities
Beadle International Limited	British Virgin Island	Hong Kong	US$1	100%	–	100%	–	Investment holding
GenePro Medical Biotechnology Limited	Hong Kong	Hong Kong	HK$1,000,000	100%	–	100%	–	Provision of DNA testing services
Jet Quarter Limited	Hong Kong	Hong Kong	HK$2	–	100%	–	100%	Dormant
Kimpo Investment Limited	Hong Kong	Hong Kong	HK$2	100%	–	100%	–	Investment holding
Ontex Investment Limited	Hong Kong	Hong Kong	HK$2	100%	–	100%	–	Dormant
Tianjin Jinshun Pharmaceutical Co., Ltd.^	Mainland China	Mainland China	RMB30,000,000	–	60%	–	60%	Trading of pharmaceutical products
Jetson Consultants Limited	Hong Kong	Hong Kong	HK$1	100%	–	–	–	Dormant
Jetstar Fareast Limited	Hong Kong	Hong Kong	HK$1	100%	–	–	–	Dormant

^ Sino-foreign owned equity joint venture

(b) The balances with subsidiaries are unsecured, interest-free and repayable on demand. In the last year, such amount was not expected to be repaid within one year from the balance sheet date.

18. INVENTORIES

Group

	2006	2005
	HK$'000	*HK$'000*
Finished goods	**4,781**	4,775

19. TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	2006	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables *(note (a))*	**30,212**	10,808	**–**	–
Less: Provision for impairments	**(40)**	(18)	**–**	–
	30,172	10,790	**–**	–
Other receivables, deposits and prepayments	**350**	3,307	**178**	178
Due from minority shareholders of a subsidiary *(note (b))*	**–**	1,416	**–**	–
	30,522	15,513	**178**	178

19. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(a) The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period ranging from 30 to 180 days (2005: 30 to 180 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

The ageing analysis of the Group's trade receivables was as follows:

	2006 **HK$'000**	2005 HK$'000 (Restated)
Within 90 days	**20,337**	10,782
91 days to 180 days	**8,023**	1
181 days to 365 days	**1,819**	1
Over 365 days	**33**	24
	30,212	10,808

Included in trade receivables is HK$81,000 (2005: HK$4,000) due from one (2005: two) minority shareholder(s) of a subsidiary.

Included in trade and other receivables in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

Group

	2006 **'000**	2005 '000
Renminbi	**30,381**	14,768

19. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: (Continued)

(b) According to the joint venture agreement ("JV Agreement") dated 28 April 2005 (as supplemented) entered into among the Group and 天津市醫藥公司 (Tianjin Shi Yi Yao Company) ("Party B"), 天津國津投資有限公司 (Tianjin Guo Jin Investment Company Limited) ("Party C") and 天津市河西區北方大藥房 (Tianjin Shi He Xi Qu Bei Fang Dai Yao Fang) ("Party D"), profit generated by Tianjin Jinshun will be shared among the parties based on their respective percentage interest in Tianjin Jinshun. As at the balance sheet date, the Group, Party B, Party C and Party D owned 60%, 5%, 17.5% and 17.5% of the interest of Tianjin Jinshun respectively.

It is also agreed between the parties that profit after tax of Tianjin Jinshun for each of the first three years starting from the date of establishment of Tianjin Jinshun ("Guarantee Period") will not be less than RMB7,000,000 and the Group will be entitled to RMB4,200,000 in each year (or on pro rata basis, if less than one year).

Should the profit after tax of Tianjin Jinshun attributable to the Group fall short of RMB4,200,000 in any of the year during the Guarantee Period, Party C and Party D undertake to pay the Group jointly such shortfall in cash before 30 April in the following year.

It is provided in the JV Agreement that profit attributable to Party B's 5% equity interest in Tianjin Jinshun for each of the years ended 31 December 2006 and 2005 should not be less than RMB700,000. In case of any shortfall, Party B will be compensated by the Group as to 63.2% of such shortfall and jointly by Party C and Party D in equal share as to the remaining 36.8% of such shortfall.

The Group recognised a guarantee income receivable from Party C and Party D in the amount of HK$2,775,000 (2005: HK$343,000) and a payment of guarantee income to Party B in the amount of HK$366,000 (2005: HK$36,000) pursuant to the JV Agreement.

The balances with the minority shareholders of a subsidiary represent the temporary cash advance net of the expenses paid on behalf of the Group which is interest-free, unsecured and repayable on demand.

(c) The carrying amounts of trade receivables, other receivables, deposits and prepayments approximated their fair value.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group and Company

	2006	2005
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong	**272**	204
Market value of listed securities	**272**	204

Certain financial assets at fair value through profit or loss with carrying amount of approximately HK$255,000 (2005: HK$191,000) are pledged to a securities broker for the borrowing granted to the Company (note 23).

21. CASH AND CASH EQUIVALENTS

	Group		**Company**	
	2006	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cash at bank and in hand	**13,230**	7,290	**218**	860
Short term bank deposits	**–**	10,079	**–**	10,079
	13,230	17,369	**218**	10,939

Included in cash and cash equivalents in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

Group

	2006	2005
	'000	*'000*
Renminbi	**11,506**	1,531

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2006	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		*(Restated)*
Trade payables *(note (a))*	**15,386**	11,680	**–**	–
Other payables and accruals	**4,589**	6,082	**4,292**	5,519
Due to directors *(note (b))*	**847**	88	**847**	43
Due to minority shareholders of a subsidiary *(note 19(b))*	**4,951**	36	**–**	–
	25,773	17,886	**5,139**	5,562

Notes:

(a) The ageing analysis of the Group's trade payables was as follows:

	2006	2005
	HK$'000	*HK$'000*
Within 90 days	**13,532**	11,491
91 days to 180 days	**1,437**	24
181 days to 365 days	**302**	63
Over 365 days	**115**	102
	15,386	11,680

Included in trade payables is HK$615,000 (2005: HK$2,118,000) due to one (2005: two) minority shareholder(s) of a subsidiary.

22. TRADE AND OTHER PAYABLES *(Continued)*

Notes: (Continued)

(a) The ageing analysis of the Group's trade payables was as follows: *(Continued)*

Included in trade and other payables in the balance sheet are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

Group

	2006	2005
	'000	*'000*
Renminbi	**15,608**	12,316

(b) Details of amounts due to directors are as follows:

	Group		**Company**	
	2006	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Name of director				
Mr. Wu Kwai Yung	**100**	43	**100**	43
Mr. Zhao Tie Liu	**111**	4	**111**	–
Dr. Wan Kwong Kee	**294**	41	**294**	–
Mr. Leung Hon Man	**50**	–	**50**	–
Mr. Zhou Haijun	**82**	–	**82**	–
Mr. Ng Wai Hung	**130**	–	**130**	–
Mr. Xu Zhi	**80**	–	**80**	–
	847	88	**847**	43

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

23. OTHER BORROWING

Group and Company

	2006	2005
	HK$'000	*HK$'000*
Other borrowing, secured	**1,444**	1,244

The amount as at 31 December 2006 represents an amount of HK$1,444,000 (2005: HK$1,244,000) due to a securities broker and bore interest at rates ranging from 14% to 15% (2005: 14%) per annum. The borrowing was secured by certain of the Group's financial assets at fair value through profit or loss with a carrying amount of approximately HK$255,000 (2005: HK$191,000) (note 20). The borrowing has been substantially settled on 12 February 2007.

24. CONVERTIBLE NOTE

On 28 September 2005, the Company issued a zero-coupon convertible note in the principal amount of HK$30,000,000 ("Note") to Hong Jin in which Mr. Wu Kwai Yung, a director of the Company held 70% interest of Hong Jin. The Note will be due on 7 December 2006 and the maturity date may be extended for further 12 months by Hong Jin at its sole discretion. The Note will be mandatory and automatically converted either on (i) the day on which the trading of the shares of the Company on the Stock Exchange resumes; or (ii) the day on which the Stock Exchange grants the listing of and permission to deal in the Conversion Shares (subject to conditions that neither Hong Jin nor the Company may reasonably object); or (iii) 1 December 2005, whichever comes last. If the Note were converted, the conversion price will be HK$0.17 per share and 176,470,588 new shares will be allotted by the Company upon full conversion.

On 7 April 2006 Hong Jin had exercised its discretion to extend the maturity date of the Note to 7 December 2007. The Note had not been converted during the years ended 31 December 2006 and 2005.

The Note was split into liability and equity components of HK$25,663,000 and HK$4,337,000 respectively upon initial recognition by recognising the liability component at its fair value and attributing to the equity component the residual amount. The liability component is subsequently carried at amortised cost and the equity component is recognised in the capital reserve.

24. CONVERTIBLE NOTE *(Continued)*

The movement of the liability component of the Note for the year is as follows:

Group and Company

	2006	2005
	HK$'000	*HK$'000*
Liability component at the beginning of the year	**25,663**	–
Issue of convertible note	**–**	25,663
Interest charge	**4,256**	–
Gain on adjustment of the amortised cost	**(3,375)**	–
Liability component at the end of the year	**26,544**	25,663
Analysed for reporting purposes as:		
Current liability	**26,544**	25,663
Non-current liability	**–**	–
	26,544	25,663

The fair value of the liability component of the Note, determined based on the present value of the estimated future cash outflows discounted at the prevailing market rate for an equivalent non-convertible note at the balance sheet date, approximate their corresponding carrying amount.

25. PROVISIONS

Group and Company

	Legal claims	**Employee benefits**	**Other**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2005	13,000	274	5,850	19,124
Charged to the income statement	–	106	–	106
At 31 December 2005 and 1 January 2006	13,000	380	5,850	19,230
Credited to the income statement	(1,600)	(228)	–	(1,828)
At 31 December 2006	11,400	152	5,850	17,402

25. PROVISIONS *(Continued)*

Group and Company *(Continued)*

(a) Legal claims

(i) On 5 February 1999, the Company issued a writ against an investment bank (the "Investment Bank") for (i) damages as a result of breaching a loan facility agreement dated 7 August 1998 of approximately HK$120,000,000 (the "Facility"); (ii) damages as a result of breaching fiduciary duties as arranger and joint financial advisor under an agreement dated 6 August 1998; and (iii) an indemnity against all loss in relation to a purported supplemental deed dated 13 November 1998 (the "Supplemental Deed'). On 23 March 1999, the Investment Bank issued a writ against the Company for interest of approximately HK$4,000,000 and overdue interest together with other administrative expenses for approximately HK$1,000,000 under the Facility and the Supplemental Deed. Of the HK$5,000,000 claim, the directors considered that the HK$1,000,000 claim was without merit. An amount of HK$4,000,000 had already been provided for the year ended 31 December 1999.

Both Company and Investment Bank had subsequently filed their respective defence together with list of supporting documents to the High Court of Hong Kong Special Administrative Region (the "Court") on 9 February 2001. Since then, the proceedings had been inactive and neither party took any substantive steps in the proceedings.

On 11 July 2005, the Court gave consequential directions to both parties including the filing of consolidated statement of claim, consolidated defence and counterclaim and consolidated reply and defence to counterclaim, discovery of documents and exchange of witness statement.

Further on 6 December 2006, an agreement entered between the Company and the Investment Bank. The Company shall pay to the Investment Bank a sum of HK$2,250,000 together with interest of approximately HK$38,000 on or before 29 December 2006 which shall be deemed to have been in full and final settlement of the outstanding debt. However the Company defaulted the repayment of principal but only paid the interest on 29 December 2006.

Due to the failure of the repayment, the Investment Bank issued a writ against the Company for the breach of the settlement agreement on 15 February 2007. Further on 22 March 2007, after verbal negotiation with the Investment Bank, the Company's lawyer suggested to settle the case by ways of: (i) payment in the sum of HK$2,250,000; (ii) payment of interest of approximately HK$55,000 and (iii) payment of costs in the sum of HK$95,000 to the Investment Bank. Subsequent to the balance sheet date on 23 March 2007, the Company repaid approximately HK$2,400,000 and the Investment Bank has withdrawn its claim against the Company in the Court thereafter.

25. PROVISIONS *(Continued)*

Group and Company *(Continued)*

(a) Legal claims (Continued)

(ii) On 14 May 2001, a body corporate issued a writ of summons and the accompanying statement of claim in the Court against the Company for the recovery of certain agency commission amount. The total claim was approximately HK$8,500,000. The directors considered that the claim was without merit and the Company defended the action by filing defence on 26 June 2001 and a list of documents of the defendant on 5 September 2001. Since then no further action had been taken by both the body corporate and the Company. As a prudent measure, a provision of HK$9,000,000 in respect of this claim was made (including principal of HK$8,500,000 and expected fees/interests of HK$500,000) for the year ended 31 December 2001.

In the directors' opinion, after taking appropriate legal advice, the Company has viable grounds to compel for an amicable settlement and discharge in favour of the Company. Up to the date of this report, no action has been taken by both the body corporate and the Company.

(b) Other

Other provision represents the provision of minimum use fee for the unissued convertible notes according to a convertible secured note purchase agreement with an independent third party on 16 March 2001.

Up to the date of this report, the Company has received no demand for the minimum use fee from the counterparty. After taking appropriate legal advice, the directors considered that a full write back is possible when the statutory limitation period is up.

26. SHARE CAPITAL

	2006	2005
	HK$'000	*HK$'000*
Authorised:		
100,000,000,000 ordinary shares of HK$0.02 each	**2,000,000**	2,000,000
Issued and fully paid:		
953,906,963 (2005: 953,906,963) ordinary shares of HK$0.02 each	**19,078**	19,078

26. SHARE CAPITAL *(Continued)*

(a) There was no movement in the share capital of the Company for each of the years ended 31 December 2006 and 2005.

(b) Share options

A share option scheme (the "Scheme") was approved by shareholders of the Company on 29 June 2004. The Scheme is yet to take effect and is subject to the Listing Committee of the Stock Exchange granting the approval of listing of and permission to deal in the shares of the Company which may be issued pursuant to the exercise of the options under the Scheme up to 10 per cent. of the total issued share capital of the Company as at the date of adoption of the Scheme. The following is a summary of the major terms of the Scheme:

(i) The purpose of the Scheme is to provide the eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage the eligible participants to work towards enhancing the value of the Company and its shares of the Company for the benefit of the Company and the shareholders of the Company as a whole.

(ii) Eligible participants of the Scheme include employees, directors (including executive, non-executive and independent non-executive directors), shareholders, advisors and consultants of the Group.

(iii) The Scheme, unless otherwise cancelled or amended, shall be valid and effective for a period of ten years commencing on the adoption date of the Scheme.

(iv) The overall limit on the number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme must not exceed 30 per cent. of the shares of the Company in issue from time to time.

(v) The maximum number of shares of the Company issued and to be issued upon exercise of the options granted to any one eligible participant in any 12-month period must not exceed 1 per cent. of the shares of the Company in issue from time to time.

26. SHARE CAPITAL *(Continued)*

(b) Share options *(Continued)*

(vi) The subscription price shall be determined by the Board of the Company in its absolute discretion and shall be no less than the highest of:

(a) the closing price of the share of the Company as stated in the daily quotations sheet issued by the Stock Exchange on the date of the grant;

(b) the average closing price of the share of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the 5 trading days immediately preceding the date of grant; or

(c) the nominal value of the share of the Company on the date of grant.

(vii) The options must be taken up within 30 days from the date on which the letter containing the offer to the eligible participant to take up an option is delivered to the eligible participant upon payment of HK$1 and are exercisable over a period to be determined and notified by the Board to each grantee.

27. RESERVES

Company

	Note	Share premium HK$'000 (note a)	Capital reserve HK$'000 (note 24)	General reserve HK$'000	Special capital reserve HK$'000 (note b)	Accumulated losses HK$'000	Total HK$'000
At 1 January 2005		34,123	–	200	44,556	(133,163)	(54,284)
Equity element of the convertible note	24	–	4,337	–	–	–	4,337
Loss for the year	13	–	–	–	–	(1,361)	(1,361)
At 31 December 2005 and 1 January 2006		34,123	4,337	200	44,556	(134,524)	(51,308)
Loss for the year	13	–	–	–	–	(5,994)	(5,994)
At 31 December 2006		34,123	4,337	200	44,556	(140,518)	(57,302)

27. RESERVES *(Continued)*

(a) The application of share premium account is governed by section 48B of the Companies Ordinance.

(b) As part of the capital reorganisation ("the Reorganisation") (details of which are set out in the Company's circular dated 1 August 2002), an Order on Petition dated 15 October 2002 (the "Order") was issued by the Court in connection with the reduction of the capital and the utilisation of the share premium account of the Company pursuant to which the Company undertook to the Court that any future recoveries by the Company in respect of certain provision for diminution in value beyond their written down value in the Company's audited financial statements for the period ended 31 December 2001 up to an overall aggregate amount of approximately HK$990,320,000 will be credited to a special capital reserve. So long as there remains outstanding any debt of or claim against the Company which, if the date on which the reduction of capital and cancellation of the share premium account became effective (the "Effective Date") were the date of the commencement of the winding up of the Company would have been admissible to proof in such winding up and the persons entitled to the benefit of such debts or claims shall not have agreed otherwise, such reserve shall not be treated as realised profits and shall, for so long as the Company shall remain a listed company, be treated as an undistributable reserve of the Company for the purposes of section 79C of the Companies Ordinance (Cap. 32) or any statutory re-enactment of modification thereof provided that:

(i) The Company shall be at liberty to apply the said special capital reserve for the same purposes as a share premium account may be applied;

(ii) The overall aggregate limit of special capital reserve of approximately HK$990,320,000 may be reduced by the amount of any increase, after the Effective Date, in the paid up share capital or the amount of the share premium account of the Company as the result of the issue of shares for new consideration or the capitalisation of distributable profits;

(iii) The overall aggregate limit of special capital reserve of approximately HK$990,320,000 may be reduced upon the realisation, after the Effective Date, of any of the assets identified in the court order by the amount of the total provision made in relation to each such asset as at 31 December 2001 less such amount (if any) as is credited to the said special capital reserve as a result of such realisation; and

27. RESERVES *(Continued)*

(iv) When the credit amount of the special capital reserve exceeds the overall aggregate limit thereof after any reduction of such overall aggregate limit pursuant to provisos (ii) and/or (iii) above, the Company shall be at liberty to transfer the amount of any such excess to the general reserves of the Company and the same shall become available for distribution.

(c) During the year, no provisions for diminution in value of investment in subsidiaries and inter-company balances as prescribed in the Order were recovered. Up to 31 December 2006, the Company has credited approximately HK$44,556,000 (2005: HK$44,556,000) to the special capital reserve, which reduced the overall aggregate limit of special capital reserve with the same amount. Such amount was further reduced by the issue of share capital of HK$47,000,000 in 2004. As a result, the maximum amount to be credited to the special capital reserve was reduced to approximately HK$898,764,000 (2005: HK$898,764,000).

(d) Statutory common reserve

According to the PRC Company Law, the PRC subsidiary of the Group are required to transfer 5% of its profit after taxation, as determined under PRC Accounting Regulations, to statutory common reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory reserve fund can be used to make good previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

(e) The Company has no reserves available for distribution to shareholders as at 31 December 2006 (2005: Nil).

28. DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using tax rates substantively enacted by the balance sheet date.

Deferred income tax assets are recognised for tax losses carry forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2006, the Group and the Company have unrecognised tax losses of HK$108,125,000 (2005: HK$107,296,000) and HK$96,396,000 (2005: HK$96,396,000) respectively, which have no expiry date, to carry forward.

No deferred income tax has been made in the financial statements as there are no significant temporary differences for the current and prior years.

29. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Deconsolidation of subsidiaries:

	2006	2005
	HK$'000	*HK$'000*
Net liabilities deconsolidated		
Borrowings	–	(9,570)
Cash and bank balances	–	45
Trade and other payables	–	(3,496)
	–	(13,021)
Reversal of losses of subsidiaries on deconsolidation	–	13,021
	–	–

An analysis of the net outflow of cash and cash equivalents in respect of reversal of losses of subsidiaries on deconsolidation is as follows:

	2006	2005
	HK$'000	*HK$'000*
Cash and bank balances deconsolidated	**–**	(45)

30. OPERATING LEASE COMMITMENT

As lessee

At the balance sheet date, the Group and the Company had future aggregate minimum lease payments under operating leases in respect of land and buildings as follows:

	Group		Company	
	2006	2005	**2006**	2005
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**246**	619	**195**	468
In the second to fifth year inclusive	–	195	**–**	195
	246	814	**195**	663

31. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions/information disclosed elsewhere in these financial statements, during the year, the Group had the following transactions:

Name of related company	Nature of transaction	Amount paid to/(received from) the related parties	
		2006	2005
		HK$'000	*HK$'000*
ReliaLab Medical Laboratory & X-Ray Centre Limited ("ReliaLab") *(note (i))*	Rental expenses recharged *(note (iii))*	–	(19)
	Salaries received for shared staff *(note (iii))*	–	(14)
	Salaries paid for shared staff *(note (iii))*	–	2
	Management fee recharged *(note (iii))*	–	(6)
	Electricity fee recharged *(note (iii))*	–	(1)
	Laboratory testing service income *(note (iv))*	–	(4)
Party B	Sales *(note (iv))*	–	(2)
	Purchases *(note (iv))*	**3,204**	326
Party D	Sales *(note (iv))*	**(69)**	(2)
天津市醫藥公司津順分公司 *(note (ii))*	Purchases *(note (iv))*	–	3,803

31. RELATED PARTY TRANSACTIONS *(Continued)*

Notes:

(i) Dr. Wan Kwong Kee, a director of the Company, and Dr. Chow Wing Cho, a director of a wholly-owned subsidiary of the Company, are also directors and hold beneficial interest in ReliaLab.

(ii) A branch company of Party B and operated by Party C and Party D.

(iii) These expenses were recharged/shared with reference to the actual expenses incurred.

(iv) These transactions were carried out at market prices.

(v) The above transactions did not fall under the definition "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

(b) On 15 March 2004, a wholly-owned subsidiary of the Company as tenant entered into a tenancy agreement on normal commercial terms with Dr. Wan Kwong Kee, director of the Company and director of such wholly-owned subsidiary, as landlord in respect of the continued use and occupation of a property for a period of two years from 1 April 2004 to 31 March 2006 with monthly rental of HK$11,250. On 31 March 2006, the tenancy agreement was further extended to 30 September 2006 with monthly rental remain unchanged. No more tenancy agreement was renewed after 30 September 2006 even the property was still used and occupied by the wholly-owned subsidiary. This transaction constituted exempt continuing connected transaction of the Company under Rule 14A.33(3) of the Listing Rules which was exempted from the reporting, announcement and independent shareholders' approval requirements.

(c) During the year, the office premises occupied by Tianjin Jinshun was provided by the key management personnel of Tianjin Jinshun, Mr. Zhao Geng and Mr. Zhang Wei's spouse free of charge. The open market rental value of the office premises of Tianjin Jinshun for the year ended 31 December 2006 estimated by Mr. Zhao Geng and Mr. Zhang Wei was HK$74,000 (2005: HK$19,000).

(d) Key management compensation paid during the year are disclosed in note 10 to the financial statements.

32. CONTINGENT LIABILITIES

(a) The Group disposed of three subsidiaries to an independent third party (the "Acquirer") in 2000. The Company has provided corporate guarantees (the "Corporate Guarantees") to the bankers of these former subsidiaries to secure certain bank facilities granted to them. Subject to the release of the Corporate Guarantees by the relevant banks, the Company is obliged to continue to provide the Corporate Guarantees after the completion of such disposal. In relation to the settlement agreement dated 31 December 2003 entered by the Acquirer and BOC ("Settlement Agreement"), the Company is liable to a reinstatement of all liabilities and obligations under the Corporate Guarantees and the outstanding indebtedness owed by the Company to BOC when the settlement under the Settlement Agreement is revoked. Subsequently, the Group and BOC agreed pursuant to the BOC Agreements, in the event of the revocation of the Settlement Agreement, the Company shall pay to BOC an additional sum of approximately HK$223,000.

(b) Pursuant to the two settlement deeds with creditor banks and the Acquirer entered into in 2003 for the discharge and release of all the liabilities and obligations of the Company under guarantees given by the Company in respect of banking facilities extended to the subsidiaries of the Acquirer, the releases are subject to reinstatement in the event that the settlements under these deeds are revoked. The total amount of liabilities released by the creditor banks amounted to approximately HK$37,136,000. During the year ended 31 December 2005, the guarantee given to a creditor bank was released.

(c) Pursuant to the BOC Agreements, the Company is liable to a reinstatement of all liabilities and obligations under the guarantees and outstanding liabilities released and discharged when the BOC Agreements are revoked. The total liabilities released under the BOC Agreements amounted to approximately HK$215,112,000 and the settlement sum already paid for the settlement is approximately HK$35,412,000.

During the year, the Company has successfully come to agreement with relevant bankers and all contingent liabilities regarding the above have now been released.

33. PENSION SCHEME

The group companies operating in Hong Kong have participated in the defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme") in Hong Kong since 1 December 2000. Monthly contributions are made to the scheme based on 5% of the employees' basic salaries with the maximum amount of contribution by each of the Group and the employees limited to HK$12,000 per annum. The contributions to the MPF Scheme vest immediately and fully as employees benefits once the contributions become payable by the Group. There is no forfeited contribution when employees leave the MPF Scheme.

In addition to the participation in the MPF Scheme, the Group is required to contribute to a defined contribution retirement scheme for its employees in the Mainland China based on the applicable basis and rates with the relevant government regulations. (i.e. 20% of the basic salary).

The only obligation of the Group with respect of the retirement benefit schemes is to make the required contributions under the respective schemes.

The Group's (employer's) contributions made during the year ended 31 December 2006 amounted to approximately HK$110,000 (2005: HK$149,000 (as restated)).

34. PLEDGE OF ASSETS

At the balance sheet date, the Company pledged the bank deposits of HK$50,000 (2005: HK$75,000) to a bank to secure a corporate credit card account and pledged certain financial assets of fair value through profit or loss to secure the other borrowing as stated in note 23.

35. ULTIMATE HOLDING COMPANY

In the opinion of the directors of the Company, the parent and the ultimate holding company is Hong Jin Holdings Limited, a company incorporated in the British Virgin Islands in which Mr. Wu Kwai Yung held 70% beneficial interest in this parent and the ultimate holding company.

36. EVENTS AFTER THE BALANCE SHEET DATE

Other than those disclosed elsewhere in the financial statements, the Group did not have any significant events after the balance sheet date need to be disclosed.

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.