Town Health International Investments Limited
康健國際投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code : 3886)

Annual Report 2011

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Miss Choi Ka Yee, Crystal *(Chairperson)*
Dr. Cho Kwai Chee *(Chief Executive Officer)*
Mr. Lee Chik Yuet
Dr. Chan Wing Lok, Brian
(appointed on 18th July, 2011)
Dr. Hui Ka Wah, Ronnie, *JP*
(resigned with effect from 30th May, 2011)

Non-executive Director

Dr. Choi Chee Ming, *GBS, JP (Vice-Chairman)*

Independent Non-executive Directors

Mr. Chan Kam Chiu
Mr. Ho Kwok Wah, George
Mr. Wai Kwok Hung, *SBS, JP*

BOARD COMMITTEES

Audit Committee

Mr. Chan Kam Chiu *(Chairman)*
Mr. Ho Kwok Wah, George
Mr. Wai Kwok Hung, *SBS, JP*

Remuneration Committee

Mr. Wai Kwok Hung, *SBS, JP (Chairman)*
Mr. Chan Kam Chiu
Mr. Ho Kwok Wah, George
Dr. Cho Kwai Chee

Nomination Committee

Mr. Ho Kwok Wah, George *(Chairman)*
Mr. Chan Kam Chiu
Mr. Wai Kwok Hung, *SBS, JP*

COMPANY SECRETARY

Mr. Wong Seung Ming, *CPA, FCCA*

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

6th Floor, Town Health Technology Centre
10–12 Yuen Shun Circuit
Siu Lek Yuen
Shatin, New Territories
Hong Kong

PRINCIPAL BANKER

Dah Sing Bank, Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.townhealth.com

Chairperson's Statement

On behalf of Town Health International Investments Limited ("Town Health" or the "Company" or together with its subsidiaries, the "Group"), I am pleased to present this annual report for the year ended 31st December, 2011 to our shareholders.

BUSINESS REVIEW

In 2011, the positive results of each business segment were reflected in this year's annual report. As a result, the Group aims to continue positioning itself as an investment company, with core businesses in both the medical sectors (medical and dental services, health check and pharmaceutical businesses) and non-medical sectors (securities and property investment). By doing so, we strive to offer shareholders with better financial returns and lower the Group's overall business risks.

For the year under review, a profit of approximately HK$63,035,000 was recorded. The Group's consolidated profit attributable to equity holders was approximately HK$61,334,000, representing a decrease of 50.80% from the previous financial year for the continuing operations.

Constant growth and expansion of medical and dental services

With the Group's unwavering attempts at perfection, the healthcare and dental services business remained the key revenue driver for the Group. Over the years, the Group has developed an extensive network of general practice, special and multidisciplinary healthcare services. The services include but are not limited to family medicine and specialty medicine, dentistry, paramedical practice and preventive healthcare. The Group continues to maintain its leading position in the industry with an established clientele and expansion of its specialist outpatient services. During the year, the Group's healthcare and dental services division achieved a turnover of approximately HK$316,356,000 (2010: approximately HK$291,083,000), accounting for approximately 93.23% (2010: 94.67%) of the Group's revenue.

The Town Health Medical Network Services Limited ("THMN"), a healthcare management company aimed at providing high quality and affordable medical services to corporate clients through a network of integrated medical resources, was launched successfully in 2010. The Group has nearly 90 self-owned clinics and facilities in Hong Kong, allowing users to benefit from its integrated medical network.

Satisfactory returns generated from pharmaceutical businesses

"th's life" (康健新活), a new brand of health supplements launched by the Group since 2010, has expanded its distribution channel and is available through large chain distribution networks. The brand offers high quality products developed with professional technology and manufactured under high quality control.

Healthcare accessibility in the PRC is accelerating, and efficiency and quality were identified as the key objectives of China's healthcare reform from 2009 to 2011. Favorable government policies are increasing healthcare spending and expanding reimbursement coverage. According to industry researcher, China's pharmaceutical market is expected to continue to grow at a pace of more than 20 percent annually. China is the world's third largest prescription drug market in 2011 and it is expected to be the second largest by 2020.

BUSINESS REVIEW *(Continued)*

Satisfactory returns generated from pharmaceutical businesses *(Continued)*

In light of the current growing pharmaceutical industry in the PRC, the Group has also made continued efforts to restructure and improve its business in the PRC to take advantage of the booming opportunities brought by the governmental medical reform. The Group continues to manufacture and distribute high quality pharmaceutical products in its state-of-the-art facilities located in Hangzhou and Guizhou.

We remain highly upbeat with the outlook for the pharmaceutical industry in the PRC especially with the recent medical reforms. We will also continue our efforts in strengthening and consolidating our joint-venture for the provision of management and consultancy services to medical diagnostic and integrated healthcare services in Guangdong Province in the PRC.

Solid financial returns on securities and properties investment

The Group's investment portfolio includes investments in listed and unlisted securities as well as retail and office properties in prime locations. Benefiting from the favorable economic conditions in the PRC and Hong Kong, the Group has recorded positive returns in this sector.

The Group owns approximately 9.25% of ePRO Limited (Stock code: 8086) as at 31st December, 2011. The Group is satisfied with the performance and expects to generate positive recurring returns and dividends in the future.

The diverse portfolio has helped to spread and lower risks. This has also stabilised our returns on investment, in addition to our medical healthcare business. Moreover, we aim to further advance our investment sector by including high caliber professionals in the industry to join our team and further develop this sector of our business. We believe that there are still huge prospects for growth, thus we aim to grasp the opportunities surrounding us.

OUTLOOK

Strengthening healthcare and medical services business

The Group has always held a prestigious position in the healthcare and medical services industry in Hong Kong. Taking advantage of its team of experienced professionals and advanced facilities, we are strongly confident that the Group will continue to achieve sustainable growth for its healthcare and medical services sector in the local market.

Boosting of Pharmaceutical Business

Benefiting from economic growth, an aging population, urbanisation, and healthcare reform, the pharmaceutical industry's future growth prospects in the PRC are very evident.

With China entering a new era and a recent announcement of the 12th Five-Year plan (2011-2015), a greater emphasis will be put on welfare measures, public services and a more equitable distribution of wealth. From high-end research to affordable drug pricing and sophisticated logistics and distribution, every effort is being made to modernize the health industry.

OUTLOOK *(Continued)*

Boosting of Pharmaceutical Business *(Continued)*

According to the research report, China's booming economy and high GDP growth make its pharmaceutical market the fifth largest and one of the most attractive in the world. With its high volume and a projected 20 percent annual growth, it is set to overtake Japan as the world's second largest market by 2020.

The Group will continue to promote and market its th's life brand to take advantage of the growing health supplements market in Hong Kong. Moreover, to ensure growth is sustainable, the Group will continue to leverage its research and development expertise to develop products desired by consumers. The Group will continue to be on the alert and modify our existing business strategies to cope with the changing business environment.

Refining our Investment Strategy

The Group's investment returns were satisfactory for the year under review. Under the guidance and leadership of a team of professionals, the Group, a growing investment company, has successfully seized the investment opportunities in the market.

Having benefited from the ample liquidity in the financial market and the positive overall investment sentiment, the Group's securities trading business recorded a promising performance.

In the long term, the management expects different investments in the PRC will provide strong growth opportunities for the Group. The Group is strengthening the expansion of its business network in Hong Kong while putting emphasis on expanding in the PRC as part of the plan to achieve long-term sustainable growth. To maintain the Group's competiveness in the investment sector, Town Health will continue recruiting and training more capable professionals to join the Group.

Looking forward to the coming year, the difficult business environment in Hong Kong and uncertain global economy is expected to persist. However, we remain cautiously optimistic about the local property market and the Group's investments, and will continue to diversify our investment portfolio.

Choi Ka Yee, Crystal
Chairperson

Hong Kong, 23rd March, 2012

Management Discussion and Analysis

RESULTS

The Group announced satisfactory results for the year under review. Revenue rose by 10.37% to approximately HK$339,321,000 (2010: approximately HK$307,447,000). The growth was driven by both the Group's core operations and investment business.

Gross profit margin for the year was 33.62%, representing a slightly increase from 32.98% in last year.

Basic earnings per share was HK$0.07. This was significantly decreased from a gain of HK$ 0.14 a year ago.

Profit attributable to equity holders of the Group for the year ended was approximately HK$61,334,000 (2010: approximately HK$94,621,000). The Board of Directors does not recommend the payment of any dividend 31st December, 2011 (2010: HK$0.05 per share).

REVIEW OF OPERATIONS

Healthcare & Medical Services

During the year, the Group's provision of healthcare and dental services achieved healthy growth. Turnover increased by 8.68% to HK$316,356,000. The demand for medical services continues to grow and it is largely due to the increasing popularity of medical insurance. The business recorded a profit of approximately HK$10,500,000 compared with approximately HK$14,236,000 a year ago, representing a 26.24% decrease as a result of impairment of goodwill and the pressure in the cost of drugs and rental expenses.

Asset Investments

The Group has always preferred value to growth. During the year, profit generated from the securities trading and investments business amounted to approximately HK$210,463,000 representing approximately 87.04% (2010: 84.62%) of the Group's total gross proceeds from securities segment operations. The Group will continue to adopt a prudent investment strategy and create value for shareholders.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2011, the Group held bank balances and cash of approximately HK$46,261,000 (2010: approximately HK$369,510,000). The Group had bank borrowing of approximately HK$113,000,000 which are all repayable within one year (2010: approximately HK$95,000,000). Net current assets amounted to approximately HK$798,619,000 (2010: approximately HK$760,431,000). Current ratio (defined as total current assets divided by total current liabilities) was 4.28 (2010: 4.74).

As at 31st December, 2011, gearing ratio (defined as total bank borrowing divided by equity attributable to owners of the Company) was 7.36% (2010: 6.12%). Major currencies used for the Group's transactions were Hong Kong Dollars, Renminbi and US Dollars. As Hong Kong Dollars are pegged to the US Dollars and the fiscal policy of the Central Government of China in relation to Renminbi is stable throughout the year, the Group considers that the potential foreign exchange exposure of the Group is limited.

CAPITAL STRUCTURE

As at 31st December, 2011, the Group had equity attributable to owners of the Company of approximately HK$1,536,185,000 (2010: approximately HK$1,551,501,000).

HUMAN RESOURCES

As at 31st December, 2011, the Group employed 558 staff (2010: 557 staff). Total employee costs for the year ended 31st December, 2011, including directors' emoluments, amounted to approximately HK$232,934,000 (2010: approximately HK$232,415,000).

The salary and benefit levels of employees of the Group are competitive and individual performance is rewarded through the Group's salary, bonus system and share option schemes. Remuneration packages are reviewed annually during the year.

CONTINGENT LIABILITIES

At 31st December, 2011, the Group had no significant contingent liabilities.

PLEDGE OF ASSETS

As at 31st December, 2011, certain of the Group's property, plant and equipment and investment properties with a net carrying amount of approximately HK$99,553,000 (2010: approximately HK$113,750,000) and HK$162,203,000 (2010: approximately HK$137,150,000), respectively, and bank deposits of approximately HK$5,021,000 (2010: approximately HK$5,012,000) were pledged to secure general bank facilities granted to the Group.

CAPITAL COMMITMENTS

At 31st December 2011, the Group had no capital expenditure contracted for but not provided in the financial statements (2010: Nil).

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Miss Choi Ka Yee, Crystal, aged 31, Chairperson of the Company, has been an executive director and the Chairperson of the Company since May 2006 and October 2006 respectively. Miss Choi graduated from Boston College in the United States of America with a bachelor degree of science in Accountancy. She also holds a master degree in Corporate Finance from The Hong Kong Polytechnic University. Miss Choi has extensive knowledge in accounting and corporate finance. Miss Choi is a member of the Chinese People's Political Consultative Conference Jieyang, Guangdong Province, general committee member of the Chamber of Hong Kong Listed Companies, the Vice Chairperson of Youth Professionals Committee of the Association of Hong Kong Professionals, the chairperson of United We Stand Foundation Limited and a director of Health Check Charity Funds Limited. Miss Choi joined the Company in April 2005 as the director of the corporate finance department. She is also a director of Early Light International (Holdings) Limited and E. Lite (Choi's) Holdings Limited. Miss Choi was an executive director of China Gogreen Assets Investment Limited (stock code: 397) from March 2006 to October 2009. She is the daughter of Dr. Choi Chee Ming, *GBS, JP*, the non-executive director and Vice-Chairman of the Company.

Dr. Cho Kwai Chee, aged 48, Chief Executive Officer of the Company as well as the founder of the Company and its subsidiaries (collectively the "Group"). Dr. Cho graduated from The University of Hong Kong and holds the qualifications of MBBS (HK), FHKCFP, FRACGP, DCH (London), DCH (RCP&SI), DCH (Glasgow) and DPD (Cardiff). He is also the permanent president of Hong Kong Shatin Industries and Commerce Association Limited, the Vice Chairman of Sha Tin District Community Fund Limited, the district president of Yau Tsim District of Scout Association of Hong Kong, the vice president of the Association of Hong Kong Professionals, the Vice Chairman of United We Stand Foundation Limited and a director of Health Check Charity Funds Limited. Dr. Cho founded the Group in December 1989 and now is responsible for directing the Group's overall business and development strategies. He is also a director of a number of subsidiaries of the Company. Dr. Cho is a director of Broad Idea International Limited, a company which is interested in approximately 27.09% issued shares in the Company. Dr. Cho was an executive director of China Gogreen Assets Investment Limited (stock code: 397) from July 2007 to October 2009. He is a member of the remuneration committee of the Company.

Dr. Chan Wing Lok, Brian, aged 47, has been an executive director of the Company since July 2011. Dr. Chan graduated from The University of Hong Kong and holds the qualifications of MBBS (HK), DCH (RCP&SI) and DPD (Cardiff). He is the district Vice President of Yau Tsim District of Scout Association of Hong Kong. Dr. Chan joined the Group in 1991. Dr. Chan is currently the Chairman of Town Health Medical & Dental Services Limited, a subsidiary of the Company and responsible for the Group's clinic operational management and business development, and the enhancement and maintenance of the Group's service quality. Dr. Chan is also a director of a number of subsidiaries of the Company.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS *(Continued)*

Mr. Lee Chik Yuet, aged 57, has been an executive director of the Company since October 2009. Mr. Lee graduated from The Chinese University of Hong Kong with a bachelor degree in Social Science. He also holds a bachelor degree and a master degree in Laws from The University of Hong Kong. He was an executive director and the deputy chairman of China Gogreen Assets Investment Limited (stock code: 397) from March 2007 to October 2009. Prior to that, Mr. Lee had been a practising solicitor for more than 13 years in Hong Kong specialised in commercial, corporate finance and investment laws and practice in Hong Kong and the People's Republic of China (the "PRC"). Mr. Lee is currently a director and the legal representative of a subsidiary of the Company and also a director, the general manager and the legal representative of an associated company of the Company in the PRC. Mr. Lee is also a director of other subsidiaries of the Company.

NON-EXECUTIVE DIRECTORS

Dr. Choi Chee Ming, *GBS, JP*, aged 66, has been the Vice-Chairman and non-executive director of the Company since February 2006. Dr. Choi holds a master degree in Business Administration from Newport University in the United States of America. He also holds a PhD in Business Management from Harbin Institute of Technology, the People's Republic of China and an Honorary Degree of Doctor of Business Administration from The Hong Kong Polytechnic University. Dr. Choi is the Chairman of Early Light International (Holdings) Limited and has extensive business interests in the manufacturing industry and the property sector. He is the honorary president of the Toys Manufacturer's Association of Hong Kong, honorary president of the Hong Kong Young Industrialists Council and a member of the University Court, The Hong Kong Polytechnic University. Dr. Choi is also a member of the National Committee of the Chinese People's Political Consultative Conference. He is currently a non-executive director and vice chairman of Regal Hotels International Holdings Limited (stock code: 78). Dr. Choi is a director of Broad Idea International Limited, a company which is interested in approximately 27.09% issued shares in the Company. Dr. Choi is the father of Miss Choi Ka Yee, Crystal, Chairperson of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kam Chiu, aged 59, has been an independent non-executive director of the Company since July 2002. Mr. Chan has engaged in the catering industry for over 34 years. He has also involved in entertainment, property and investment project in the recent years. Mr. Chan is the founding Chairman of Hong Kong Shatin Industries & Commerce Association Limited and currently a member of the Committee of the Chinese People's Political Consultative Conference of Qingxin County, Guangdong Province and a member of the Committee of the Chinese People's Political Consultative Conference of Guangzhou Li Wan. He is also an honorary president and director of Shatin Sports Association Limited since 1992. Mr. Chan was a Hong Kong district affairs advisor to Xinhua News Agency for the period from January 1995 to June 1997. He was awarded the "Chief Executive's Commendation for Community Service" in July 2004. Mr. Chan is also the Chairman of the audit committee of the Company and a member of the remuneration committee of the Company.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Ho Kwok Wah, George, aged 53, has been an independent non-executive director of the Company since September 2004. Mr. Ho is a Practising Certified Public Accountant in Hong Kong. He is the proprietor of George K. W. Ho & Co., Certified Public Accountants and possesses over 23 years' professional experience in accounting, auditing, tax planning and business advisory. Mr. Ho is a director of The Taxation Institute of Hong Kong and the Hong Kong Commerce and Industry Associations Limited. He is also an independent non-executive director of Belle International Holdings Limited (stock code: 1880) and Sundart International Holdings Limited (stock code: 2288). Mr. Ho is also a member of the audit committee of the Company and a member of the remuneration committee of the Company.

Mr. Wai Kwok Hung, *SBS, JP*, aged 57, has been an independent non-executive director of the Company since July 2002. Mr. Wai was the Chairman of the Shatin District Council from 2000 to 2011. He was a councillor of the Shatin District Council from 1988 to 2011. Mr. Wai is currently the President of Shatin Sports Association Limited. He is also an independent non-executive director of Great Harvest Maeta Group Holdings Limited (stock code: 3683). Mr. Wai is also a member of the audit committee of the Company and the Chairman of the remuneration committee of the Company.

SENIOR MANAGEMENT

Mr. Wong Seung Ming, aged 40, Financial Controller and Company Secretary of the Company. Mr. Wong holds a bachelor degree in Accountancy from the City University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 17 years of experience in accounting, auditing and financial management and previously worked in an international accounting firm and several listed and unlisted groups. He joined the Group in March 2006.

Dr. Lau Hun Jin, Anthony, aged 46, graduated from Flinders University of South Australia and holds the qualifications of MBBS (Flind), DCH (RCP&SI), Dip PAED (Auck), Dip OBST (Auck), MFM (Monash) and FRACGP (Aust). Dr. Lau is the founder of the Primary Healthcare Group and has over 15 years of medical administrative experience. Dr. Lau joined the Group in 2007 and is currently responsible for monitoring the medical and dental operations and developments. Dr. Lau is a Director of The Hong Kong Baptist Hospital, committee member of the Human Organ Transplant Board, Medical Consultant of The Boys' Brigade, Hong Kong Ltd and Chief Executive Officer and Medical Director of the Primary Healthcare Group.

Dr. So Chi Kin, aged 44, graduated from The University of Hong Kong and holds the qualification of BDS (HK). He joined the Group in April 1991 and is currently responsible for the development and management of the Group's dental clinic business as well as enhancement of professional dental service standards.

Dr. Yau Yi Kwong, aged 49, graduated from The University of Hong Kong and holds the qualifications of BDS (HK) and DGDP (UK). He is currently responsible for the Group's dental clinic management and is the Group's organizer of continuous dental education and is committed to enhancing the overall standard of our dental services.

Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in information of directors of the Company since the date of the interim of the Company for six months ended 30th June, 2011 are set out below:

Name of Director	Details of Changes
Miss Choi Ka Yee, Crystal	Total emoluments increased by HK$2,412,000 to HK$3,112,000 compared to 2010.
Dr. Cho Kwai Chee	Total emoluments increased by HK$5,900,000 to HK$21,432,000 compared to 2010.
Mr. Lee Chik Yuet	Total emoluments decreased by HK$744,140 to HK$1,946,160 compared to 2010.
Dr. Chan Wing Lok, Brian (appointed on 18th July, 2011)	Total emoluments received during the period between 18th July, 2011 and 31st December, 2011 was HK$603,568.

Report of the Directors

The directors present their annual report and the audited consolidated financial statements for the year ended 31st December, 2011.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 50 and 25 respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December, 2011 are set out in the consolidated statement of comprehensive income on pages 25 to 26.

The directors do not recommend the payment of a dividend and propose that the profit for the year be retained.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 120 of this annual report.

DONATIONS

Charitable donations made by the Group during the year amounted to HK$497,200.

SUBSIDIARIES

Details of acquisition and disposal of subsidiaries during the year are set out in notes 42 and 43 to the consolidated financial statements, respectively.

INVESTMENT PROPERTIES

During the year, the Group revalued all of its investment properties at 31st December, 2011. The net increase in fair value of investment properties, which has been credited to the consolidated statement of comprehensive income, amounted to approximately HK$22,356,000.

Details of movements in the investment properties of the Group are set out in note 20 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 21 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 40 to the consolidated financial statements.

Report of the Directors

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the bye-laws of the Company (the "Bye-laws") and the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RESERVES

Details of movements during the year in the reserves of the Group and the Company are set out on page 29 of this report and in note 49 to the consolidated financial statements, respectively.

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 41 to the consolidated financial statements.

DIRECTORS

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

Executive Directors:

Miss Choi Ka Yee, Crystal *(Chairperson)*
Dr. Cho Kwai Chee *(Chief Executive Officer)*
Mr. Lee Chik Yuet
Dr. Chan Wing Lok, Brian (appointed on 18th July, 2011)
Dr. Hui Ka Wah, Ronnie, *JP* (resigned on 30th May, 2011)

Non-executive Director:

Dr. Choi Chee Ming, *GBS, JP (Vice-Chairman)*

Independent non-executive Directors:

Mr. Chan Kam Chiu
Mr. Ho Kwok Wah, George
Mr. Wai Kwok Hung, *SBS, JP*

In accordance with bye-laws 99 and 102(B) of the Bye-laws and pursuant to the code provision A.4.2 of Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Lee Chik Yuet, Mr. Chan Kam Chiu and Mr. Ho Kwok Wah, George will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election. Furthermore, in accordance with bye-law 102(B) of the Bye-laws, Dr. Chan Wing Lok, Brian, shall hold office until the forthcoming annual general meeting and being eligible, will offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

Mr. Chan Kam Chiu, Mr. Ho Kwok Wah, George and Mr. Wai Kwok Hung, *SBS, JP*, have been appointed for a term of two years expiring on 30th May, 2014. They are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws and Appendix 14 to the Listing Rules.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a written confirmation of independence from each of the independent non-executive Directors pursuant to rule 3.13 of the Listing Rules on the Stock Exchange. The Company considers that each of the independent non-executive Directors is independent.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31st December, 2011, the interests and short positions of the Directors and the chief executives and their associates in the share and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long position in ordinary shares of HK$0.01 each of the Company

Name of Director	Capacity	Nature of interest	Number of shares of the Company held	Approximate % of shareholding of the Company
Dr. Cho Kwai Chee	Interest of a controlled corporation	Corporate interest	246,640,523 (note)	27.09%
Dr. Choi Chee Ming, *GBS, JP*	Interest of a controlled corporation	Corporate interest	246,640,523 (note)	27.09%

Note: Such shares were held by Broad Idea International Limited ("Broad Idea"). Dr. Cho Kwai Chee and Dr. Choi Chee Ming, *GBS, JP* are deemed to be interested in the 246,640,523 shares held by Broad Idea under Part XV of the SFO given that they are beneficially interested in 50.1% and 49.9% of the issued share capital of Broad Idea, respectively.

Save as disclosed above, as at 31st December, 2011, none of the Directors, the chief executive of the Company, nor their associates had any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (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 as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 31st December, 2011, other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had interests or short positions in the shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Name	Capacity	Number of shares of the Company held	Approximate % of shareholding of the Company
Broad Idea	Beneficial owner	246,640,523 (Note 1)	27.09%
CITIC Securities Co., Ltd. ("CITIC Securities")	Interest of a controlled corporation	125,000,000 (Note 2)	13.73%
CITIC Securities International Company Limited ("CITIC International")	Interest of a controlled corporation	125,000,000 (Note 2)	13.73%
Dragon Stream Investments Limited ("Dragon Stream")	Beneficial owner	125,000,000 (Note 2)	13.73%

Notes:

1. Broad Idea is interested in the 246,640,523 shares of the Company under Part XV of the SFO. Broad Idea is beneficially owned by Dr. Cho Kwai Chee as to 50.1% and Dr. Choi Chee Ming, *GBS, JP* as to 49.9%.

2. Dragon Stream is a wholly-owned subsidiary of CITIC International, which in turn is a wholly-owned subsidiary of CITIC Securities. By virtue of the SFO, CITIC Securities and CITIC International were deemed to be interested in 125,000,000 shares of the Company held by Dragon Stream.

Save as disclosed above, the Company has not been notified of any interests or short positions in the shares of the Company as at 31st December, 2011 which has been recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

For the financial year ended 31st December, 2011, the percentage of turnover attributable to the Group's five largest customers is less than approximately 8% of the Group's total turnover. The Group's five largest suppliers accounted for approximately 58% of the Group's total purchase.

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

Report of the Directors

DIRECTOR’S INTEREST IN COMPETING BUSINESS

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

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS’ INTEREST IN CONTRACTS OF SIGNIFICANCE

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

MANAGEMENT CONTRACTS

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

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

During the year ended 31st December, 2011, the Company repurchased a total of 860,000 ordinary shares of HK$0.01 each on the Stock Exchange at an aggregate amount of HK$628,000, representing an average price of HK$0.73 paid for each share purchased. All of these shares were cancelled upon repurchase.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 18 to 22 of this annual report.

EMOLUMENT POLICIES

The emolument policy of the employees of the Group is set up by the board of Directors on the basis of their merit, qualifications and competence.

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

The Company has adopted a share option scheme, share options may be granted to eligible persons. Details of the scheme are set out in note 41 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st December, 2011.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Choi Ka Yee, Crystal
Chairperson

Hong Kong, 23rd March, 2012

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out in the Code on Corporate Governance Practices (the "Code") in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the year ended 31st December, 2011. The Company has complied with all the applicable code provisions in the Code throughout the year ended 31st December, 2011.

Directors' Securities Transactions

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

Board of Directors

As at the date of this annual report, the Board comprises eight members, four of which are executive Directors, namely Miss Choi Ka Yee, Crystal who is the Chairperson of the Company, Dr. Cho Kwai Chee who is the Chief Executive Officer of the Company, Dr. Chan Wing Lok, Brian and Mr. Lee Chik Yuet, Dr. Choi Chee Ming, *GBS, JP* is the non-executive Director and Vice-Chairman. Three other members are independent non-executive Directors, namely Mr. Chan Kam Chiu, Mr. Ho Kwok Wah, George and Mr. Wai Kwok Hung, *SBS, JP*. The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 8 to 10 of this annual report.

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

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

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

CORPORATE GOVERNANCE PRACTICES *(Continued)*

Chairperson and Chief Executive Officer

Miss Choi Ka Yee, Crystal is the Chairperson of the Company and Dr. Cho Kwai Chee is the Chief Executive Officer of the Company, and they have segregated and clearly defined roles. The Chairperson provides leadership for the Board. The Chief Executive Officer has responsibility for the Group's overall business and development strategies, and daily management generally.

Independent Non-Executive Directors and Non-Executive Director

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

Each of Mr. Chan Kam Chiu, Mr. Ho Kwok Wah, George and Mr. Wai Kwok Hung, *SBS, JP* has been appointed for a term of two years expiring on 30th May, 2014. Dr. Choi Chee Ming, *GBS, JP* does not have any service contract with the Company nor will he receive any remuneration from acting as a non-executive Director. Dr. Choi Chee Ming, *GBS, JP* is not appointed for a fixed term. Each of the independent non-executive Directors and the non-executive Director is subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the bye-laws of the Company (the "Bye-Laws").

Remuneration Committee

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

As at the date of this annual report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Wai Kwok Hung, *SBS, JP*, as the Chairman of the Remuneration Committee, Mr. Chan Kam Chiu and Mr. Ho Kwok Wah, George, and an executive Director, Dr. Cho Kwai Chee.

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

CORPORATE GOVERNANCE PRACTICES *(Continued)*

Directors' Appointment and Re-election

The Company has not established a nomination committee throughout the year ended 31st December, 2011. The Board as a whole is responsible for the appointment of its members. In considering the appointment of a new Director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. The Board is also responsible for the nomination of appropriate person for election by shareholders at the general meeting, either to fill a casual vacancy or as an addition to the Board.

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

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

Nomination Committee

A nomination committee of the Board (the "Nomination Committee") with written terms of reference was established on 23rd March, 2012. The Nomination Committee currently comprises three independent non-executive Directors, namely Mr. Ho Kwok Wah, George as the chairman of the Nomination Committee, Mr. Chan Kam Chiu and Mr. Wai Kwok Hung, *SBS, JP*.

The primary responsibilities of the Nomination Committee are, amongst other things, to make recommendation on any proposed changes to the Board to complement the Company's corporate strategy. The Nomination Committee has yet held any meeting.

Auditors' Remuneration

The auditors, Deloitte Touche Tohmatsu, provide both statutory audit and non-audit services to the Group. For the year ended 31st December, 2011, fee for statutory audit for the Group amounts to approximately HK$1,861,000. Non-audit services include tax compliance and planning, agreed upon procedures on review of financial statements and transactions, etc. Total fee paid by the Group for non-audit services during the year was approximately HK$211,000.

Audit Committee

The Board has established an audit committee (the "Audit Committee") with written terms of reference in accordance with the provisions set out in the Code. The principal duties of the Audit Committee are to review the Company's annual results and accounts and interim results and to provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the Group's financial reporting and internal control procedures.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Kam Chiu as the chairman of the Audit Committee, Mr. Ho Kwok Wah, George and Mr. Wai Kwok Hung, *SBS, JP*. The Audit Committee held two meetings during the year. One of the meetings was attended by the Company's external auditors so that the members of the Audit Committee could exchange their views and concerns with the auditors. The Audit Committee reviewed the annual and interim results of the Group and made recommendations to the Board and the management in respect of the Group's financial reporting and internal control procedures.

CORPORATE GOVERNANCE PRACTICES *(Continued)*

Attendance of Directors at Meetings

The attendance of the Directors at the meetings of the Board, the Audit Committee and the Remuneration Committee during the year ended 31st December, 2011 are set out below:

	Number of meetings attended/held		
Director	Board	Audit Committee	Remuneration Committee
Executive Directors			
Miss Choi Ka Yee, Crystal	4/4	N/A	N/A
Dr. Cho Kwai Chee	4/4	N/A	1/1
Mr. Lee Chik Yuet	4/4	N/A	N/A
Dr. Chan Wing Lok, Brian (note 1)	3/4	N/A	N/A
Dr. Hui Ka Wah, Ronnie, *JP* (note 2)	1/4	N/A	N/A
Non-executive Director			
Dr. Choi Chee Ming, *GBS, JP*	4/4	N/A	N/A
Independent non-executive Directors			
Mr. Chan Kam Chiu	4/4	2/2	1/1
Mr. Ho Kwok Wah, George	4/4	2/2	1/1
Mr. Wai Kwok Hung, *SBS, JP*	4/4	2/2	1/1

Notes:

1. Dr. Chan Wing Lok, Brian, was appointed as executive Director on 18th July, 2011.

2. Dr. Hui Ka Wah, Ronnie, *JP* resigned as executive Director with effect from 30th May, 2011.

Accountability and Audit

The Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the state of affairs of the Group and of the profit and cash flows for the year ended 31st December, 2011. The Directors have prepared the financial statements of the Group on a going concern basis, and have selected appropriate accounting policies and applied them consistently, with applicable disclosures required under the Listing Rules and pursuant to the relevant statutory requirements.

The statement issued by the auditors of the Company, Deloitte Touche Tohmatsu, regarding their reporting responsibilities is set out in the section headed "Independent Auditor's Report" on pages 23 to 24 of this annual report.

CORPORATE GOVERNANCE PRACTICES *(Continued)*

Internal Controls

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

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of maintaining a clear, timely and effective communication with the shareholders and investors of the Company in order to establishing shareholders confidence and to enable shareholders and investors to have better understanding on the Group's business performance. Therefore, the Group is committed to maintaining high degree of transparency to the shareholders in a timely manner through a number of formal channels, including interim and annual reports, announcements and circulars. Such published documents together with the corporate information of the Group are also available on the Company's website at www.townhealth.com.

Members of the Board and chairmen of various board committees will attend the forthcoming annual general meeting of the Company to be held on 30th May, 2012 (the "AGM") to answer questions raised by the shareholders. The resolution of every important proposal will be proposed at general meetings separately.

Voting at general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. During the year ended 31st December, 2011, the poll results of all general meetings of the Company were published on the websites of the Stock Exchange and the Company respectively.

Under the code provision of E.1.3, a notice of annual general meeting should be sent to shareholders at least 20 business days before the meeting. The Company had sent a notice of its annual general meeting held on 30th May, 2012 to its shareholders on 27th April, 2012.

Independent Auditor's Report

Deloitte.
德勤

TO THE MEMBERS OF
TOWN HEALTH INTERNATIONAL INVESTMENTS LIMITED
康健國際投資有限公司
(Registered in Bermuda with limited liability)

We have audited the consolidated financial statements of Town Health International Investments Limited (the "Company") and its subsidiaries (collectively referred as the "Group") set out on pages 25 to 119, which comprise the consolidated statement of financial position as at 31st December, 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st December, 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
23rd March, 2012

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2011

	NOTES	2011 HK$'000	2010 HK$'000
Continuing operations			
Gross proceeds from continuing operations	7 & 8	**607,712**	1,425,962
Revenue	7	**339,321**	307,447
Cost of sales		**(225,245)**	(206,044)
Gross profit		**114,076**	101,403
Other income	9	**19,681**	38,219
Administrative expenses			
– Others		**(191,780)**	(190,347)
– Share-based payment expenses		**(198)**	(29,538)
Other gains and losses	10	**134,602**	263,315
Finance costs	11	**(1,663)**	(869)
Gain on deemed disposal of an associate	12	**–**	100
Gain on disposal of a subsidiary/subsidiaries	43	**799**	1,853
Share of results of associates		**17,466**	(37,161)
Increase in fair value of investment properties	20	**22,356**	25,568
Profit before tax		**115,339**	172,543
Income tax expenses	15	**(52,304)**	(45,595)
Profit for the year from continuing operations		**63,035**	126,948
Discontinued operations			
Loss for the year from discontinued operations	16	**–**	(22,549)
Profit for the year	17	**63,035**	104,399
Other comprehensive (expense) income for the year			
Exchange difference arising on the translation of foreign operations		**(22)**	–
Share of exchange reserve of associates		**13,727**	–
Gain on fair value change of properties reclassified as investment properties		**3,055**	–
Reclassification adjustments included in profit or loss upon disposal of available-for-sale investments		**–**	(27,456)
Fair value loss on available-for-sale investments		**(51,710)**	(130,667)
Impairment loss recognised on available-for-sale investments		**4,294**	–
Total comprehensive income (expense) for the year		**32,379**	(53,724)

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2011

	NOTE	2011 HK$'000	2010 HK$'000
Profit for the year attributable to:			
Owners of the Company			
Profit for the year from continuing operations		**61,334**	124,669
Loss for the year from discontinued operations		**–**	(30,048)
Profit for the year attributable to owners of the Company		**61,334**	94,621
Non-controlling interests			
Profit for the year from continuing operations		**1,701**	2,279
Profit for the year from discontinued operations		**–**	7,499
Profit for the year attributable to non-controlling interests		**1,701**	9,778
		63,035	104,399
Total comprehensive income (expenses) attributable to:			
Owners of the Company		**30,678**	(63,502)
Non-controlling interests		**1,701**	9,778
		32,379	(53,724)
Earnings per share (HK$)			
– Basic	19	**0.07**	0.14
– Diluted		**0.07**	0.14
From continuing operations (HK$)			
– Basic		**0.07**	0.18
– Diluted		**0.07**	0.18

Consolidated Statement of Financial Position

At 31st December, 2011

	NOTES	2011 HK$'000	2010 HK$'000
NON-CURRENT ASSETS			
Investment properties	20	**284,403**	191,950
Property, plant and equipment	21	**183,090**	197,285
Loans receivable	22	**11,839**	29,365
Goodwill	23	**6,603**	7,463
Other intangible assets	24	**2,292**	4,602
Interests in associates	25	**216,475**	262,535
Available-for-sale investments	26	**50,138**	113,376
Deposits paid on acquisition of property, plant and equipment		**298**	–
		755,138	806,576
CURRENT ASSETS			
Inventories	27	**12,044**	8,550
Trade and other receivables	28	**44,598**	58,395
Held for trading investments	29	**903,354**	459,861
Loans receivable	22	**8,526**	16,890
Amounts due from associates	30	**20,664**	43,447
Amounts due from investees/an investee	31	**1,013**	10
Amount due from a related party	32	**1**	–
Tax recoverable		**592**	1,836
Pledged bank deposits	34	**5,021**	5,012
Bank balances and cash	35	**46,261**	369,510
		1,042,074	963,511
CURRENT LIABILITIES			
Trade and other payables	36	**28,966**	51,924
Amounts due to associates	30	**10,648**	10,620
Amount due to an investee	31	**534**	339
Amounts due to non-controlling shareholders of subsidiaries	33	**4,928**	2,693
Amount due to a related party	37	**–**	1
Bank borrowing	38	**113,000**	95,000
Tax payable		**85,379**	42,503
		243,455	203,080

Consolidated Statement of Financial Position

At 31st December, 2011

	NOTES	2011 HK$'000	2010 HK$'000
NET CURRENT ASSETS		**798,619**	760,431
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,553,757**	1,567,007
NON-CURRENT LIABILITY			
Deferred tax liabilities	39	**12,055**	9,849
		1,541,702	1,557,158
CAPITAL AND RESERVES			
Share capital	40	**9,103**	9,112
Reserves		**1,527,082**	1,542,389
Equity attributable to owners of the Company		**1,536,185**	1,551,501
Non-controlling interests		**5,517**	5,657
Total equity		**1,541,702**	1,557,158

The consolidated financial statements on pages 25 to 119 were approved and authorised for issue by the Board of Directors on 23rd March, 2012 and are signed on its behalf by:

Choi Ka Yee, Crystal
DIRECTOR

Cho Kwai Chee
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31st December, 2011

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000 (Note i)	Capital reserve HK$'000 (Note ii)	Distributable reserve HK$'000 (Note iii)	Investment revaluation reserve HK$'000	Property revaluation reserve HK$'000	Translation reserve HK$'000	Share options reserve HK$'000	Accumulated profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st January, 2010	3,237	50,641	9,020	10,033	62,677	205,539	–	2,738	180,568	596,418	1,120,871	62,929	1,183,800
Profit for the year	–	–	–	–	–	–	–	–	–	94,621	94,621	9,778	104,399
Reclassification adjustments included in profit or loss upon disposal of available-for-sale investments	–	–	–	–	–	(27,456)	–	–	–	–	(27,456)	–	(27,456)
Fair value loss on available-for-sale investments	–	–	–	–	–	(130,667)	–	–	–	–	(130,667)	–	(130,667)
Total comprehensive income (expense) for the year	–	–	–	–	–	(158,123)	–	–	–	94,621	(63,502)	9,778	(53,724)
Recognition of equity-settled share-based payment	–	–	–	–	–	–	–	–	29,538	–	29,538	–	29,538
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(948)	(948)
Disposal of partial interest in a subsidiary	–	–	–	–	–	–	–	–	–	645	645	255	900
Disposal of subsidiaries (note 43)	–	–	–	–	–	–	–	–	–	–	–	(66,357)	(66,357)
Share issued (note 40)	5,875	470,000	–	–	–	–	–	–	–	–	475,875	–	475,875
Transaction costs attributable to issue of shares	–	(11,926)	–	–	–	–	–	–	–	–	(11,926)	–	(11,926)
At 31st December, 2010	9,112	508,715	9,020	10,033	62,677	47,416	–	2,738	210,106	691,684	1,551,501	5,657	1,557,158
Profit for the year	–	–	–	–	–	–	–	–	–	61,334	61,334	1,701	63,035
Exchange difference arising on the translation of foreign operations	–	–	–	–	–	–	–	(22)	–	–	(22)	–	(22)
Share of exchange reserve of associates	–	–	–	–	–	–	–	13,727	–	–	13,727	–	13,727
Gain on fair value changes of properties reclassified as investment properties	–	–	–	–	–	–	3,055	–	–	–	3,055	–	3,055
Fair value loss on available-for-sale investments	–	–	–	–	–	(51,710)	–	–	–	–	(51,710)	–	(51,710)
Impairment loss recognised on available-for-sale investments	–	–	–	–	–	4,294	–	–	–	–	4,294	–	4,294
Total comprehensive (expense) income for the year	–	–	–	–	–	(47,416)	3,055	13,705	–	61,334	30,678	1,701	32,379
Recognition of equity-settled share-based payment	–	–	–	–	–	–	–	–	198	–	198	–	198
Repurchase of shares	(9)	(619)	–	–	–	–	–	–	–	–	(628)	–	(628)
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(960)	(960)
Acquisition of a subsidiary (note 42)	–	–	–	–	–	–	–	–	–	–	–	(179)	(179)
Disposal of a subsidiary (note 43)	–	–	–	–	–	–	–	–	–	–	–	(702)	(702)
Dividends (note 18)	–	–	–	–	–	–	–	–	–	(45,564)	(45,564)	–	(45,564)
At 31st December, 2011	9,103	508,096	9,020	10,033	62,677	–	3,055	16,443	210,304	707,454	1,536,185	5,517	1,541,702

Notes:

(i) Capital redemption reserve arises from the reduction of the nominal value of the issued share capital of the Company upon the cancellation of the repurchased shares.

(ii) Capital reserve of the Group represents the difference between the nominal value of HK$350,000 of the ordinary shares issued by the Company and the nominal value of the share capital of approximately HK$10,383,000 of Town Health (BVI) Limited, a subsidiary acquired through an exchange of shares pursuant to the group reorganisation in April 2000.

(iii) The distributable reserve of the Group represents the amount arising from the reduction of share capital net of dividend paid.

Consolidated Statement of Cash Flows

For the year ended 31st December, 2011

	2011 HK$'000	2010 HK$'000
OPERATING ACTIVITIES		
Profit before tax from continuing operations	**115,339**	172,543
Loss for the year from discontinued operations	**–**	(22,549)
Income tax expenses from discontinued operations	**–**	2,402
	115,339	152,396
Adjustments for:		
Interest income	**(3,251)**	(8,834)
Dividend income from unlisted investments classified as available-for-sale investments	**(923)**	(202)
Impairment loss on goodwill	**2,482**	17,390
Depreciation of property, plant and equipment	**29,407**	19,894
Gain on fair value changes on held for trading investments	**(212,557)**	(252,614)
Impairment loss recognised on trade receivables	**64**	–
Reversal of impairment loss on trade receivables	**–**	(635)
Loss on disposal of property, plant and equipment	**216**	1,047
Release of prepaid lease payments	**–**	484
Amortisation of intangible assets	**2,310**	3,005
Increase in fair value of investment properties	**(22,356)**	(25,568)
Share of results of associates	**(17,466)**	37,161
Share-based payment expenses	**198**	29,538
Finance costs	**1,663**	869
Gain on disposal of available-for-sale investment	**(2,015)**	(27,456)
(Gain) loss on disposal of subsidiaries	**(799)**	36,024
Gain on deemed disposal of an associate	**–**	(100)
Impairment loss recognised on available-for-sale investments	**4,294**	–
Impairment loss recognised on an associate	**73,130**	–
Operating cash outflow before movements in working capital	**(30,264)**	(17,601)
Increase in inventories	**(2,676)**	(1,854)
Decrease (increase) in trade and other receivables	**7,667**	(68,349)
Increase in amounts due from associates	**(166)**	(677)
(Increase) decrease in amount due from a related party	**(1)**	5
Increase in held for trading investments	**(230,936)**	(96,733)
(Decrease) increase in trade and other payables	**(25,045)**	2,702
Cash used in operations	**(281,421)**	(182,507)
Income tax paid	**(5,978)**	(7,926)
NET CASH USED IN OPERATING ACTIVITIES	**(287,399)**	(190,433)

Consolidated Statement of Cash Flows

For the year ended 31st December, 2011

	Notes	2011 HK$'000	2010 HK$'000
INVESTMENT ACTIVITIES			
Purchase on investment properties		**(53,460)**	(72,615)
Purchase of property, plant and equipment		**(26,315)**	(89,237)
Advances of loans receivable		**(9,558)**	(19,980)
Purchase of available-for-sale investments		**(7,895)**	(47,070)
Investment in associates		**(2,000)**	(46,936)
(Increase) decrease in amounts due from investees/ an investee		**(1,003)**	172
Acquisition of subsidiaries/a subsidiary	42	**(405)**	7
Deposits paid on acquisition of property, plant and equipment		**(298)**	–
Disposal of a subsidiary/subsidiaries	43	**(107)**	(4,799)
Placement of pledged bank deposits		**(9)**	(7)
Repayment of loans receivable		**35,448**	6,715
Repayment from (advance to) associates		**22,977**	(28,153)
Proceeds from disposal of available-for-sale investments		**21,438**	78,156
Dividend received from associates		**6,904**	5,008
Interest received		**3,251**	8,834
Proceeds from disposal of property, plant equipment		**2,645**	1,746
Dividend received from unlisted investments classified as available-for-sale investments		**923**	202
Proceeds on disposal of investment properties		**–**	60,375
Proceeds on disposal of assets held for sale		**–**	(5,025)
NET CASH USED IN INVESTING ACTIVITIES		**(7,464)**	(152,607)
FINANCING ACTIVITIES			
Repayment of bank borrowing		**(370,000)**	(5,825)
Dividend paid		**(45,564)**	–
Interest paid		**(1,663)**	(869)
Dividend paid to non-controlling shareholders of subsidiaries		**(960)**	(948)
Payment on repurchase of shares		**(628)**	–
(Repayment to) advance from a related company		**(1)**	1
New bank borrowing raised		**388,000**	100,000
Advance from non-controlling shareholders of subsidiaries		**2,235**	–
Advance from an investee		**195**	36
Proceeds on disposal of partial interest in a subsidiary		**–**	900
Expenses paid in connection with issue of shares		**–**	(11,926)
Proceeds from issue of shares		**–**	475,875
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(28,386)**	557,244
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(323,249)**	214,204
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**369,510**	155,306
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, representing by bank balances and cash		**46,261**	369,510

1. GENERAL

The Company was formerly an exempted company with limited liability incorporated in the Cayman Islands. On 5th May, 2009, the Company de-registered from the Cayman Islands and registered in Bermuda as an exempted company under the laws of Bermuda.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited.

The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of the report.

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

The Company is an investment holding company. The principal activities of its principal subsidiaries and associates are set out in notes 50 and 25 respectively.

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

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised in 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Right Issues
Amendments to HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKFRS 7 and HKFRS 9	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1st July, 2011.
2 Effective for annual periods beginning on or after 1st January, 2013.
3 Effective for annual periods beginning on or after 1st January, 2015.
4 Effective for annual periods beginning on or after 1st January, 2012.
5 Effective for annual periods beginning on or after 1st July, 2012.
6 Effective for annual periods beginning on or after 1st January, 2014.

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

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the application of HKFRS 9 may affect the classification and measurement of the Group's available-for-sale investments on the consolidated financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

New and revised standards on consolidation joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK (SIC)-*Int 12 Consolidation – Special Purpose Entities*. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1st January, 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time. The directors have not yet performed a detailed analysis of the impact of the application of these Standards and hence have not yet quantified the extent of the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosures will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1st January, 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group's annual periods beginning on or after 1st January, 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances. The amendments to HKAS 12 are effective for annual periods beginning on or after 1st January, 2012. The directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. The directors of the Company consider that significant efforts may be required to collect the necessary information for the affected amounts reported in the Group's consolidated financial statements and relevant disclosures.

The directors anticipate that the application of the other new and revised standards or interpretations will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for the investment properties and certain financial instruments that are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The principal accounting policies are set out below.

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and 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 in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance (effective from 1st January, 2010 onward).

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognise as a gain or loss in profit or loss attributable to the Group. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and

- 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* are measured in accordance with that Standard.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable on the basis specified in another Standard.

Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

Investments in associates

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise in the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

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

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition

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

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably,

Medical and dental consultation income is recognised when the related services are rendered.

Management and administrative service fee income in relation to provision of healthcare services is recognised when services are provided.

Beauty and skincare services income is recognised when the related services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income is recognised on a straight-line basis over the period of the respective leases.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance lease) and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are revised at the end of each reporting period, with the effect of any changes in estimate accounted for an a prospective basis.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise.

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 profit or loss in the period in which the item is derecognised.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Intangible assets

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Impairment losses on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

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

Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Provisions for decommissioning

Provisions for decommission are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions for decommission are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision for decommission is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Retirement benefit costs

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations in other parts of the People's Republic of China ("PRC") are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

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 the 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 or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which those 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 other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in to profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial asset at fair value through profit or loss ("FVTPL"), available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at fair value through profit or loss

Financial assets at FVTPL represents financial assets held for trading.

A financial asset is classified as held for trading if:

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

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

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss exclude any dividend or interest earned on the financial assets and is included in the "other gains and losses" line item in the consolidated statement of comprehensive income. Fair value is determined in the manner described in note 29.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loans receivable, trade and other receivables, amount(s) due from associates/investees/an investee/a related party, pledged bank deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

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

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

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

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be 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 affected.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, 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 60 to 240 days, observable changes in national or local economic conditions that correlate with default on receivables.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, amounts due from associates, amounts due from investees/an investee and amount due from a related company, 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 or other receivable or amounts due from associates or amounts due from investees/an investee is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period in which the impairment takes place.

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 loss 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

Financial liabilities and equity instruments

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities, including trade and other payables, amount(s) due to associates/non-controlling shareholders of subsidiaries/an investee/a related party and bank borrowing, are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will continue to be held in share options reserve.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment on associates

Management regularly reviews the recoverable amount of the associates (including its goodwill). Determining whether impairment is required by an estimated of the value in use of the associates to which excess the carrying amount of the associates. The value in use calculation requires the Group to estimated cash flows in the coming five years and cash flow beyond 5 years are extrapolated by assuming no growth rate and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st December, 2011 the carrying amount of associates amounted to approximately HK$216,475,000 (2010: approximately HK$262,535,000).

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The details of the impairment test are disclosed in note 23. As at 31st December, 2011, the carrying amount of goodwill amounted to approximately HK$6,603,000 (2010: approximately HK$7,463,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment loss on loans receivable

Management regularly reviews the recoverability of the loans receivable. Appropriate impairment for estimated irrecoverable amount is recognised in profit and loss when there is objective evidence that the amount is not recoverable.

In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the aged status and likelihood of collection. Specific allowance is only made for the loans receivable that are unlikely to be collected and is recognised on the difference between the carrying amount of loans receivable and the present value of estimated future cash flow discounted using the original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31st December, 2011, the carrying amount of loans receivable amounted to approximately HK$20,365,000 (2010: approximately HK$46,255,000).

Impairment loss on trade receivables

The policy for allowance for bad or doubtful debts of the Group is based on the evaluation of collectability of accounts and on management's estimate. In determining whether impairment is required, the Group takes into consideration the likelihood of collection of debts on an individual as well as on a collective basis, including the Group's past experience of collecting payments. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original interest rate and the carrying value. As at 31st December, 2011, the carrying amount of net of allowance for doubtful debts amounted to approximately HK$12,691,000 (2010: approximately HK$11,866,000).

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of borrowings and equity attributable to equity holders of the Company, comprising issued share capital, reserves and accumulated profits.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

6a. Categories of financial instruments

	2011 HK$'000	2010 HK$'000
Financial assets		
Held for trading investments	**903,354**	459,861
Available-for-sale investments	**50,138**	113,376
Loans and receivables (including cash and cash equivalents)	**110,253**	488,400
Financial liabilities		
Amortised cost	**141,608**	120,368

6b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loans receivable, amounts due from (to) associates/investees/an investee/a related party/non-controlling shareholders of subsidiaries, pledged bank deposits, bank balances and cash, trade and other payables, bank borrowing, available-for-sale investments and held for trading investments. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risks), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

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

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the loans receivable for both year. The Group currently does not have any interest rate hedging policy. The Group monitors the interest rate risk exposure closely and may enter any hedging activities if the need arises.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances, pledged bank deposits and bank borrowing (see note 38 for details of these borrowing). It is the Group's policy to keep its borrowing at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

(i) Interest rate risk *(Continued)*

The Group cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offer Rate ("HIBOR") arising from the Group's Hong Kong dollars denominated borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank borrowing at the end of the reporting period. The analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole period. A 50 basis points (2010: 20 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2010: 20 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31st December, 2011 would decrease/increase by approximately HK$472,000 (2010: approximately HK$159,000).This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowing.

The basis points applied in the sensitivity analysis is increased to 50 basis points in current year of which management considers that is more representable in current financial market.

(ii) Price risk on listed securities

The Group is exposed to equity price risk through its investments in listed equity securities classified as either available-for-sale investments or held for trading investments. The Group's equity price risk is mainly concentrated on listed equity instruments quoted in the respective stock exchanges. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks on quoted equity instruments at the reporting date.

If the price of the respective equity instruments had been 10% (2010: 5%) higher/lower:

– profit for the year ended 31st December, 2011 would increase/decrease by approximately HK$75,431,000 (2010: approximately HK$19,199,000) as a result of the changes in fair value of financial assets fair value through profit or loss.

– investments revaluation reserve would increase/decrease by approximately HK$1,437,000 (2010: approximately HK$3,304,000) for the Group as a result of the changes in fair value of available-for-sale investments.

The percentage applied in the sensitivity analysis is increased to 10% in current year of which management considers that is more representable in current financial market.

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Credit risk

As at 31st December, 2011, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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 at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk related to trade receivables by geographical locations is mainly in Hong Kong as at 31st December, 2011 and 2010. The Group has concentration of credit risk by customer as 60% (2010: 76%) and 42% (2010: 46%) of the total trade receivables were due from the Group's five largest customers and the largest customer respectively. As at 31st December, 2011, the Group also has concentration of credit risk on loans receivable due from three individuals amounting to approximately HK$11,199,000 and two employee amounting to approximately HK$6,005,000 (2010: three individuals amounting to approximately HK$23,156,000 and two employees amounting to approximately HK$13,520,000). The Group's five largest customers are medical service companies with good reputation. The Group's five largest customers and the largest customer, the individuals and employees mentioned above have good credit and repayment history.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

The Group has concentration risk on its held for trading investments which mainly represent investment in an equity security listed on the Stock Exchange. As at 31st December, 2011 and 2010, the Group has concentration risk by investment in ePRO Limited as it represents 75% (2010: 76%) of the total held for trading investments.

The management manages and monitors these exposures by monitoring the share price quoted in the Stock Exchange to ensure appropriate measures are implemented on a timely and effective manner.

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Liquidity risk

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity and interest risk tables

	Weighted average effective interest rate	On demand HK$'000	Less than 3 months HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2011 HK$'000
31st December, 2011					
Non-derivative financial liabilities:					
Trade and other payables	–	–	12,498	12,498	12,498
Amounts due to non-controlling shareholders of subsidiaries	–	4,928	–	4,928	4,928
Amount due to an investee	–	534	–	534	534
Amount due to associates	–	–	10,648	10,648	10,648
Variable rate bank borrowing	2.3%	113,000	–	113,000	113,000
		118,462	23,146	141,608	141,608

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Liquidity risk (Continued)

Liquidity and interest risk tables *(Continued)*

	Weighted average effective interest rate	On demand HK$'000	Less than 3 months HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31.12.2010 HK$'000
31st December, 2010					
Non-derivative financial liabilities:					
Trade and other payables	–	–	11,715	11,715	11,715
Amounts due to non-controlling shareholders of subsidiaries	–	2,693	–	2,693	2,693
Amount due to an investee	–	339	–	339	339
Amounts due to associates	–	–	10,620	10,620	10,620
Amount due to a related party	–	1	–	1	1
Variable rate bank borrowing	1.8%	95,000	–	95,000	95,000
		98,033	22,335	120,368	120,368

Bank loans with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 31 December, 2011, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK$113,000,000 (2010: approximately HK$95,000,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid within 3 months after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$113,641,000 (2010: approximately HK$95,442,000).

6. FINANCIAL INSTRUMENTS *(Continued)*

6b. Financial risk management objectives and policies *(Continued)*

Liquidity risk (Continued)

Maturity Analyses – Terms loans subject to a repayment on demand clause based on scheduled repayments

	Weighted average effective interest rate	Less than 3 months HK$'000	Total undiscounted cash flows HK$'000
31st December, 2011			
Variable rate bank borrowing	**2.3%**	**113,641**	**113,641**
31st December, 2010			
Variable rate bank borrowing	1.8%	95,442	95,442

6c. Fair value

The fair values of financial assets (including available-for-sale investments stated in fair value and held for trading investments) are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid price.

- the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs 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 2 based on the degree to which the fair value is observable.

– Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets.

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

6. FINANCIAL INSTRUMENTS *(Continued)*

6c. Fair value *(Continued)*

Fair value measurements recognised in the consolidated statement of financial position (Continued)

	31st December, 2011 Level 1 HK$'000	Level 2 HK$'000	Total HK$'000
Held for trading investments	**903,354**	**–**	**903,354**
Available-for-sale financial assets			
Listed equity securities	**14,370**	**–**	**14,370**
Unlisted funds	**–**	**6,932**	**6,932**
	14,370	**6,932**	**21,302**
	917,724	**6,932**	**924,656**

	31st December, 2010 Level 1 HK$'000	Level 2 HK$'000	Total HK$'000
Held for trading investments	459,861	–	459,861
Available-for-sale financial assets			
Listed equity securities	66,080	–	66,080
Unlisted funds	–	4,333	4,333
	66,080	4,333	70,413
	525,941	4,333	530,274

There were no transfers between Level 1 and 2 in the current and prior years.

7. REVENUE

Continuing operations

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

	2011 HK$'000	2010 HK$'000
Provision of healthcare and dental services (note)	**316,356**	291,083
Property rental income	**13,255**	2,601
Others	**9,710**	13,763
Revenue	**339,321**	307,447
Gross proceeds from sale of securities	**268,391**	1,118,515
Gross proceeds from continuing operations	**607,712**	1,425,962

Note: It mainly represents the revenue from healthcare services.

8. SEGMENT INFORMATION

Information reported to chief operating decision makers, the Chief Executive Officer ("CEO"), for the purpose of resource allocation and assessment of segment performance focuses on different types of major businesses. Specifically, the Group's operating and reportable segments under HKFRS 8 are as follows:

- Provision of healthcare and dental services – Operations of the Group's medical and dental practices
- Securities trading – Trading of listed securities
- Properties – Leasing of properties
- Others – Trading and retailing of pharmaceutical products, provision of management and administrative services and provision of beauty and skincare services

No segment information of assets and liabilities is provided to the CEO for the assessment of performance of different segment. Accordingly, no segment assets and liabilities information is presented.

8. SEGMENT INFORMATION *(Continued)*

Segment revenues and results

For the year ended 31st December, 2011

	Provision of healthcare and dental services HK$'000	Securities trading HK$'000	Properties HK$'000	Others HK$'000	Total HK$'000
GROSS PROCEEDS FROM CONTINUING OPERATIONS – SEGMENT REVENUE FROM EXTERNAL SALES (Note)	316,356	268,391	13,255	9,710	607,712
RESULTS					
Segment results	10,500	210,463	18,975	1,865	241,803
Other income					19,681
Unallocated corporate expenses					(85,125)
Share-based payment expenses					(198)
Finance costs					(1,663)
Gain on disposal of a subsidiary					799
Share of results of associates					17,466
Impartment loss recognised on available-for-sale investments					(4,294)
Impairment loss recognised on an associate					(73,130)
Profit before tax					115,339

8. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

For the year ended 31st December, 2010

	Provision of healthcare and dental services HK$'000	Securities trading HK$'000	Properties HK$'000	Others HK$'000	Total HK$'000
GROSS PROCEEDS FROM CONTINUING OPERATIONS – SEGMENT REVENUE FROM EXTERNAL SALES (Note)	291,083	1,118,515	2,601	13,763	1,425,962
RESULTS					
Segment results	14,236	240,692	21,555	7,957	284,440
Other income					38,219
Unallocated corporate expenses					(84,501)
Share-based payment expenses					(29,538)
Finance costs					(869)
Gain on deemed disposal of an associate					100
Gain on disposal of subsidiaries					1,853
Share of results of associates					(37,161)
Profit before tax					172,543

Note: Reconciliation of total segment revenue from continuing operations to Group's consolidated revenue from continuing operations:

	2011 HK$'000	2010 HK$'000
Gross proceeds from continuing operations	**607,712**	1,425,962
Less: Gross proceeds from securities trading	**(268,391)**	(1,118,515)
Consolidated revenue from continuing operations	**339,321**	307,447

8. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

The accounting policies of the reporting segments are the same as the Group's accounting policies described in note 3, except for the inclusion of sales proceeds from securities trading in the segment revenue of securities trading segment reported to the chief operating decision makers, segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, share of results of associates, other income, gain on deemed deposal of an associate, gain on disposal of a subsidiary/subsidiaries, certain share-based payment expenses, impairment loss recognised in respect of interests in an associate and available-for-sale investments and finance costs. This is the measure reported to the CEO for the purposes of resources allocation and performance assessment.

Other segment information

For the year ended 31st December, 2011

	Provision of healthcare and dental services HK$'000	Securities trading HK$'000	Properties HK$'000	Others HK$'000	Total for segments HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss:							
Depreciation of property, plant and equipment	5,175	–	663	16,899	22,737	6,670	29,407
Increase in fair value of investment properties	–	–	22,356	–	22,356	–	22,356
Impairment loss recognised on goodwill	860	–	–	1,622	2,482	–	2,482
Gain on fair value changes on held for trading investments	–	212,557	–	–	212,557	–	212,557
Amounts included in the information regularly provided to the CEO:							
Additions to property, plant and equipment	8,047	–	–	1,183	9,230	17,165	26,395
Additions/transfer to investment properties	–	–	70,097	–	70,097	–	70,097

8. SEGMENT INFORMATION *(Continued)*

Other segment information*(Continued)*

For the year ended 31st December, 2010

	Provision of healthcare and dental services HK$'000	Securities trading HK$'000	Properties HK$'000	Others HK$'000	Total for segments HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss:							
Depreciation of property, plant and equipment	3,704	–	330	9,760	13,794	4,965	18,759
Increase in fair value of investment properties	–	–	19,904	5,664	25,568	–	25,568
Impairment loss recognised on goodwill	17,390	–	–	–	17,390	–	17,390
Gain on fair value changes on held for trading investments	–	252,614	–	–	252,614	–	252,614
Amounts included in the information regularly provided to the CEO:							
Additions to property, plant and equipment	3,472	–	2,698	4,316	10,486	76,760	87,246
Additions/transfer to investment properties	–	–	93,782	–	93,782	–	93,782

Geographical information

Majority of the Group's operations are located in Hong Kong. All provision of healthcare and dental services are carried out in Hong Kong. The Group's revenue from external customers based on location of customers are all derived from Hong Kong. The Group's non-current assets, excluding available-for-sale investments and the Group's associates are all located in Hong Kong. The location of operations of associates with carrying amount of approximately HK$143,865,000 as the end of the reporting period (2010: approximately HK$194,123,000) is in the PRC whilst the remaining associates is in Hong Kong.

There is no customer contributing over 10% of the total sales of the Group during both years.

9. OTHER INCOME

Continuing operations

	2011 HK$'000	2010 HK$'000
Interest income from:		
– bank deposits	**95**	114
– loans receivable	**3,156**	3,368
– available-for-sale investments	**–**	5,265
	3,251	8,747
Dividend income from listed investments classified as held for trading investments	**6,994**	9,621
Dividend income from unlisted investments classified as available-for-sale investments	**923**	202
Rental income	**6,199**	7,752
Sundry income	**2,314**	11,897
	19,681	38,219

10. OTHER GAINS AND LOSSES

Continuing operations

	2011 HK$'000	2010 HK$'000
Gain on fair value changes on held for trading investments	**212,557**	252,614
(Impairment loss) reversal of impairment loss recognised in respect of:		
– goodwill	**(2,482)**	(17,390)
– trade receivables	**(64)**	635
– available-for-sale investments	**(4,294)**	–
– interest in an associate (note 25)	**(73,130)**	–
Gain on disposal of available-for-sale investments	**2,015**	27,456
	134,602	263,315

11. FINANCE COSTS

Continuing operations

	2011 HK$'000	2010 HK$'000
Interest on bank borrowing wholly repayable within five years	**1,663**	869

12. GAIN ON DEEMED DISPOSAL OF AN ASSOCIATE

Continuing operations

	2010 HK$'000
Gain on deemed disposal an associate	100

Luck Key Investment Limited ("Luck Key") is an associate of the Group. Following the subscription agreement entered by Luck Key and the subscriber in relation to the allotment and issue of subscription shares, the Group's interest was diluted from 49% to 46.01% on 5th October, 2010. During the year ended 31st December, 2010, a deemed disposal gain of HK$100,000 was resulted and credited to the consolidated statement of comprehensive income.

13. DIRECTORS' EMOLUMENTS

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.

Details of emoluments of individual executive and non-executive and independent non-executive directors are set out as below:

For the year ended 31st December, 2011

	Fees HK$'000	Salaries and other benefits HK$'000	Share-based payment expenses HK$'000	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Executive directors					
Miss Choi Ka Yee, Crystal	–	3,100	–	12	3,112
Dr. Cho Kwai Chee	–	21,420	–	12	21,432
Mr. Lee Chik Yuet	–	1,934	–	12	1,946
Dr. Hui Ka Wah, Ronnie, *JP*	–	583	–	5	588
Dr. Chan Wing Lok, Brian	–	598	–	6	604
	–	27,635	–	47	27,682
Non-executive director					
Dr. Choi Chee Ming, *GBS, JP*	–	–	–	–	–
Independent non-executive directors					
Mr. Chan Kam Chiu	58	–	–	–	58
Mr. Wai Kwok Hung, *SBS, JP*	72	–	–	–	72
Mr. Ho Kwok Wah, George	96	–	–	–	96
	226	–	–	–	226
Total	226	27,635	–	47	27,908

Note: Dr. Hui Ka Wah, Ronnie, *JP* was resigned from director of the Company on 30th May, 2011. Dr. Chan Wing Lok was appointed as director of the Company on 18th July, 2011.

13. DIRECTORS' EMOLUMENTS *(Continued)*

For the year ended 31st December, 2010

	Fees HK$'000	Salaries and other benefits HK$'000	Share-based payment expenses HK$'000	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Executive directors					
Miss Choi Ka Yee, Crystal	–	700	–	–	700
Dr. Cho Kwai Chee	–	15,520	–	12	15,532
Mr. Lee Chik Yuet	–	2,678	407	12	3,097
Dr. Hui Ka Wah, Ronnie, *JP*	–	9,130	–	–	9,130
	–	28,028	407	24	28,459
Non-executive director					
Dr. Choi Chee Ming, *GBS, JP*	–	–	–	–	–
Independent non-executive directors					
Mr. Chan Kam Chiu	58	–	30	–	88
Mr. Wai Kwok Hung, *SBS, JP*	72	–	41	–	113
Mr. Ho Kwok Wah, George	96	–	30	–	126
	226	–	101	–	327
Total	226	28,028	508	24	28,786

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2010: three) of them are an executive director of the Company whose emoluments are included in note 13 above. The emoluments of the remaining three (2010: two) individuals were as follows:

	2011 HK$'000	2010 HK$'000
Salaries and other allowances	**6,989**	5,269
Performance bonus (Note)	**4,630**	1,806
Retirement benefits scheme contributions	**36**	24
	11,655	7,099

Their emoluments were within the following bands:

	2011 Number of employees	2010 Number of employees
HK$3,000,001 - HK$3,500,000	**–**	1
HK$3,500,001 - HK$4,000,000	**1**	1
HK$4,000,001 - HK$4,500,000	**2**	–
	3	2

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

Note: Pursuant to the service agreement entered into between each of the medical/dental practitioners and the Group, the practitioners are entitled to a fixed salary and a cash performance bonus of such amount representing a certain percentage of the monthly net profit (or, as the case may be, the monthly turnover) generated by the medical or dental practices at which he/she provides his/her services. The percentage is determined with reference to the qualification and experience of the practitioners, as well as the profitability of the medical centres at which the practitioners are practicing.

15. INCOME TAX EXPENSES

Continuing operations

	2011 HK$'000	2010 HK$'000
Tax charge comprises:		
Current tax		
– Hong Kong Profits Tax	**49,499**	41,243
– Underprovision in prior years	**599**	106
	50,098	41,349
Deferred tax (note 39)		
– Current year	**2,206**	4,246
	52,304	45,595

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year.

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of comprehensive income as follows:

	2011 HK$'000	2010 HK$'000
Profit before tax (from continuing operations)	**115,339**	172,543
Tax at the domestic income tax rate of 16.5% (2010: 16.5%)	**19,031**	28,470
Tax effect of expenses not deductible for tax purpose	**15,694**	8,617
Tax effect of income not taxable for tax purpose	**(2,200)**	(4,459)
Tax effect of tax losses not recognised	**24,081**	7,877
Tax effect of share of results of associates	**(2,882)**	6,132
Utilisation of tax losses previously not recognised	**(1,957)**	(1,055)
Utilisation of deductible temporary difference previously not recognised	**(62)**	(93)
Underprovision in prior years	**599**	106
Income tax expenses for the year (relating to continuing operations)	**52,304**	45,595

16. DISCONTINUED OPERATIONS

During the year ended 31st December, 2010, the Group entered into sale agreements to dispose of subsidiaries, Max Goodrich International Limited ("Max Goodrich"), Kingston Group Holdings Limited ("Kingston") and Good Pace International Limited ("Good Pace"), respectively which carried out substantially by all of the Group's sale of healthcare and pharmaceutical products operations in the PRC. The disposal was effected in order to generate cash flows for the expansion of the Group's other businesses. The disposal was completed on 11th June, 2010, 31st July, 2010 and 17th December, 2010 respectively, on which dates control over Max Goodrich, Kingston and Good Pace passed to the acquirer.

The profit for the year from the discontinued operations is analysed as follows:

	2010 HK$'000
Profit of sale of healthcare and pharmaceutical operations for the year	15,328
Loss on disposal of sale of healthcare and pharmaceutical operations (see note 43)	(37,877)
	(22,549)

The results of the sale of healthcare and pharmaceutical products operations have been included in the consolidated statement of comprehensive income, represents results from 1st January, 2010 to the completion date of disposal of respective subsidiaries were as follows:

	Max Goodrich Period ended 31.5.2010 HK$'000	Kingston Period ended 31.7.2010 HK$'000	Good Pace Period ended 30.11.2010 HK$'000	Total 2010 HK$'000
Revenue	71,419	5,098	136,932	213,449
Cost of sales	(62,408)	(1,383)	(81,923)	(145,714)
Administrative expenses	(3,676)	(6,408)	(41,330)	(51,414)
Finance costs	–	–	(211)	(211)
Other income	74	180	1,366	1,620
Profit (loss) before tax	5,409	(2,513)	14,834	17,730
Income tax expense	(941)	–	(1,461)	(2,402)
Profit (loss) for the period	4,468	(2,513)	13,373	15,328

16. DISCONTINUED OPERATIONS *(Continued)*

	Max Goodrich Period ended 31.5.2010 HK$'000	Kingston Period ended 31.7.2010 HK$'000	Good Pace Period ended 30.11.2010 HK$'000
Profit (loss) for the period from discontinued operations include the following:			
Staff costs			
– Other staff's salaries, bonus and other benefits	840	2,286	2,019
– Other staff's retirement benefits scheme contributions	102	128	286
	942	2,414	2,305
Auditor's remuneration	35	–	79
Additions to property, plant and equipment	1,291	156	782
Cost of inventories recognised as expenses	62,408	1,383	81,923
Depreciation of property, plant and equipment	470	78	587
Release of prepaid lease payments	–	–	484
Amortisation of intangible assets	–	–	829
and after crediting:			
Interest income on bank deposits	74	–	13

The carrying amounts of the assets and liabilities of the above disposed subsidiaries at the date of disposal are disclosed in note 43.

During the year ended 31st December, 2010, Max Goodrich, Good Pace and Kingston paid approximately HK$23 million to the Group's net operating cash flows, paid approximately HK$22 million in respect of investing activities and contributed approximately HK$15 million in respect of financing activities.

17. PROFIT FOR THE YEAR

	2011 HK$'000	2010 HK$'000
Profit for the year has been arrived at after charging:		
Continuing operations		
Staff costs		
– Directors' remuneration (note 13)	**27,908**	28,786
– Other staff's salaries, bonus and other benefits	**203,613**	194,099
– Other staff's retirement benefits scheme contributions	**1,215**	906
– Share-based payment expenses (note 41(b))	**198**	8,624
	232,934	232,415
Auditor's remuneration	**1,861**	1,851
Cost of inventories recognised as expenses	**33,234**	29,897
Depreciation of property, plant and equipment	**29,407**	18,759
Loss on disposal of property, plant and equipment	**216**	1,047
Amortisation of intangible assets (included in administrative expenses)	**2,310**	2,176
Share of tax of associates (included in share of results of associates)	**6,133**	2,068
Share-based payment expenses recognised on options granted to:		
Ping An of China Securities (Hong Kong) Company Limited (note 41(c))	**–**	20,406
and after crediting:		
Gross rental income from investment properties	**13,255**	2,601
Less: Direct operating expense that generated rental income	**(3,295)**	–
Net rental income from investment properties	**9,960**	2,601

18. DIVIDENDS

	2011 HK$'000	2010 HK$'000
Dividends recognised as distribution during the year:		
2010 final – HK$0.05 (2010: 2009 final dividend nil) per share	**45,564**	–
	45,564	–

No dividend was proposed by the directors during the year ended 31st December, 2011 (2010: final dividend of HK$0.05 in respect of the year ended 31st December, 2010).

19. EARNINGS PER SHARE

For continuing and discontinued operations

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

	2011 HK$'000	2010 HK$'000
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year attributable to owners of the Company	**61,334**	94,621

Number of shares

	2011	2010
Weighted average number of ordinary shares for the purpose of basic earnings per share	**910,977,296**	695,307,039
Effect of dilutive potential ordinary shares:		
Share options	**11,121,726**	2,752,523
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**922,099,022**	698,059,562

The computation of diluted earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise price of those options is higher from the average market price for share for both 2011 and 2010.

19. EARNINGS PER SHARE *(Continued)*

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2011 **HK$'000**	2010 HK$'000
Profit for the year attributable to owners of the Company	**61,334**	94,621
Less:		
Loss for the year from discontinued operations	**–**	(30,048)
Profit for the purpose of basic earnings per share from continuing operations	**61,334**	124,669

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

During the year ended 31st December, 2010, basic loss per share for the discontinued operations is HK$0.04 per share and diluted loss per share for the discontinued operations is HK$0.04 per share, based on the loss for the year from the discontinued operations of approximately HK$30,048,000 and the denominators details above for both basic and diluted earnings per share.

20. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1st January,2010	132,975
Additions	72,615
Disposals	(60,375)
Transfer from property, plant and equipment	21,167
Increase in fair value recognised in profit or loss	25,568
At 31st December, 2010	191,950
Additions	58,960
Transfer from property, plant and equipment	11,137
Increase in fair value recognised in profit or loss	22,356
At 31st December, 2011	284,403

The fair value of the Group's investment properties at 31st December, 2011 and 2010 and the dates of transfer property, plant and equipment to investment properties have been arrived at on the basis of a valuation carried out on that day by DTZ Debenham Tie Leung Limited, independent qualified professional valuers not connected with the Group. DTZ Debenham Tie Leung Limited, is a member of the Hong Kong Institute of Surveyors. The valuation basis was by open market value and was arrived at by reference to market evidence of transaction prices for similar properties.

The investment properties were under medium-term lease and situated in Hong Kong. All of the Group's property interests in land held to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The Group has pledged certain investment properties of carrying values of approximately HK$162,203,000 (2010: approximately HK$137,150,000) to secure general banking facilities granted to the Group.

Property, plant and equipment were transferred to investment properties when there were commencement of operating leases to third parties. The difference between the fair value of the property and the carrying amount at the date of transfer amounted to approximately HK$3,055,000 (2010: HK$Nil) recognised in other comprehensive income.

21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and Buildings HK$'000	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Tools and equipment HK$'000	Total HK$'000
COST						
At 1st January, 2010	145,413	41,789	1,722	7,182	21,812	217,918
Additions	1,963	73,531	3,881	2,596	7,266	89,237
Acquisition of a subsidiary	–	–	46	–	192	238
Disposals	(2,106)	(4,814)	(574)	–	(4,363)	(11,857)
Disposal of subsidiaries	(7,385)	(434)	(826)	(5,735)	(13,343)	(27,723)
Transfer to investment properties (note 20)	(21,167)	–	–	–	–	(21,167)
At 31st December, 2010	116,718	110,072	4,249	4,043	11,564	246,646
Additions	–	15,121	786	622	9,786	26,315
Acquisition of subsidiaries	–	–	–	–	80	80
Disposals	–	(6,123)	(54)	(227)	(916)	(7,320)
Disposal of a subsidiary	–	(872)	(245)	–	(244)	(1,361)
Transfer to investment properties (note 20)	(9,513)	–	–	–	–	(9,513)
At 31st December, 2011	**107,205**	**118,198**	**4,736**	**4,438**	**20,270**	**254,847**
ACCUMULATED DEPRECIATION						
At 1st January, 2010	802	34,936	986	1,631	4,911	43,266
Charge for the year	7,296	6,990	635	1,014	3,959	19,894
Eliminated on disposals	(846)	(4,144)	(457)	–	(3,617)	(9,064)
Eliminated on disposal of subsidiaries	(536)	(542)	(353)	(1,182)	(2,122)	(4,735)
At 31st December, 2010	6,716	37,240	811	1,463	3,131	49,361
Charge for the year	5,292	18,863	891	612	3,749	29,407
Eliminated on disposals	–	(3,887)	(34)	(163)	(375)	(4,459)
Eliminated on disposal of a subsidiary	–	(653)	(232)	–	(236)	(1,121)
Eliminated on transfer to investment properties (note 20)	(1,431)	–	–	–	–	(1,431)
At 31st December, 2011	**10,577**	**51,563**	**1,436**	**1,912**	**6,269**	**71,757**
CARRYING VALUES						
At 31st December, 2011	**96,628**	**66,635**	**3,300**	**2,526**	**14,001**	**183,090**
At 31st December, 2010	110,002	72,832	3,438	2,580	8,433	197,285

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

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

Leasehold land and buildings	5%
Leasehold improvements	5 years or over the term of the lease, if shorter
Furniture and fixtures	20%
Motor vehicles	20%
Tools and equipment	10–33$^{1}/_{3}$%

The carrying value of leasehold land represents land in Hong Kong held under medium-term lease.

The Group has pledged leasehold land and building (2010: leasehold land and building and certain tools and equipment) having carrying values of approximately HK$96,628,000 (2010: approximately HK$113,750,000) to secure general banking facilities granted to the Group.

22. LOANS RECEIVABLE

	2011 HK$'000	2010 HK$'000
Fixed-rate loans receivable (unsecured)	**20,365**	46,255
Analysed for reporting purposes as:		
Non-current portion (receivable after 12 months)	**11,839**	29,365
Current portion (receivable within 12 months)	**8,526**	16,890
	20,365	46,255

The range of effective interest rate (which are fixed rates, also equal to contractual interest rates) on the Group's loans receivable are 1.5% to 10.0% (2010: 0.5% to 8.5%) per annum.

No collateral agreements have been entered into in respect of the loans receivable.

Before granting loans to outsiders, the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines credit limits by borrower. Limits attributed to borrowers are reviewed by the management regularly.

The loans receivable at the end of the reporting date have good credit quality. Management believes that no impairment allowance is necessary in respect of these loans receivable as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The borrowers have good reputation in the medical industry and they have good repayment history. The Group does not hold any collateral over these balances.

No loans receivable is past due but not impaired.

23. GOODWILL

	HK$'000
COST	
At 1st January, 2010	148,455
Arising on acquisition of a subsidiary (note 42)	275
Eliminated on disposal	(68,868)
At 31st December, 2010	79,862
Arising on acquisition of subsidiaries (note 42)	1,622
Eliminated on disposal	(639)
At 31st December, 2011	**80,845**
IMPAIRMENT	
At 1st January, 2010	84,617
Impairment loss recognised during the year	17,390
Eliminated on disposal	(29,608)
31st December, 2010	72,399
Impairment loss recognised during the year	2,482
Eliminated on disposal	(639)
At 31st December, 2011	**74,242**
CARRYING VALUES	
At 31st December, 2011	**6,603**
At 31st December, 2010	7,463

23. GOODWILL *(Continued)*

For the purposes of impairment testing, goodwill have been allocated to groups of individual cash-generating units (CGUs) in 2 divisions of the Group, namely, healthcare and dental services and trading and retailing of healthcare and pharmaceutical products in Hong Kong. The carrying amounts of goodwill (net of accumulated impairment losses) as at 31st December, 2011 allocated to these units are as follows:

	2011 **HK$'000**	2010 HK$'000
Healthcare and dental services ("Division A"):		
Town Health Medical & Dental Services Limited ("Town Health M&D")	**4,666**	4,872
Noble Pioneer Limited ("Noble Pioneer")	**1,937**	1,938
Town Health Dental Limited ("Town Health Dental")	**–**	653
Nu/Hart Hair Solutions Limited ("Nu/Hart")	**–**	–
Fair Jade Group Limited ("Fair Jade")	**–**	–
Town Health Healthcare Services Limited ("Town Health Healthcare")	**–**	–
Wise Best International Limited ("Wise Best")	**–**	–
	6,603	7,463
Trading and retailing of healthcare and pharmaceutical products in Hong Kong ("Division B")		
Audio Health Hearing Care (Shatin) Limited ("Audio Health")	**–**	–
Green Health Company Limited ("Green Health")	**–**	–
eSilk Road Import & Export Limited ("eSilk")	**–**	–
	–	–
	6,603	7,463

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below.

23. GOODWILL *(Continued)*

Division A

The recoverable amounts of CGUs of medical and dental practices have been determined based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by management covering a period of 5 years, and cash flows beyond 5 years are extrapolated by assuming no growth rate and discount rate of 12.04% (2010: 12.30%). Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the CGU's past performance and management's expectations for the market development.

During the year ended 31st December, 2011, the Group recognised an impairment loss of approximately HK$860,000 in relation to goodwill to CGUs of Town Health M&D and Town Health Dental, in healthcare and dental services division due to the poor performance of certain medical and dental practices. During the year ended 31st December, 2010, the Group recognised an impairment loss of approximately HK$15,452,000 in relation to goodwill to CGUs of Town Health M&D, Noble Pioneer, Nu/Hart, Fair Jade, Town Health Healthcare and Wise Best in healthcare and dental services division due to the poor performance of certain medical and dental practices.

Division B

The recoverable amounts of the CGUs of trading and retailing in healthcare and pharmaceutical products in Hong Kong division are based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by management covering a period of 5 years, and cash flows beyond 5 years are extrapolated by assuming no growth rate and discount rate of 12.04% (2010: 11.40%). Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the CGU's past performance and management's expectations for the market development.

During the year ended 31st December, 2011, the Group recognised an impairment loss of approximately HK$1,622,000 in relation to goodwill to CGUs of Green Health and eSilk in trading and retailing of healthcare and pharmaceutical products in Hong Kong division due to the poor performance. During the year ended 31st December, 2010, impairment loss of approximately HK$1,938,000 recognised in relation to goodwill to CGUs of Audio Health.

24. OTHER INTANGIBLE ASSETS

	Service agreement HK$'000	Trade name HK$'000	Business relationship with medical card sponsors HK$'000	Patent HK$'000	Total HK$'000
COST					
At 1st January, 2010	1,820	7,841	3,709	9,028	22,398
Eliminated on disposal of subsidiaries (note 43)	–	–	–	(9,028)	(9,028)
At 31st December, 2010 & 2011	**1,820**	**7,841**	**3,709**	**–**	**13,370**
AMORTISATION					
At 1st January, 2010	1,638	2,969	1,669	298	6,574
Charge for the year	182	1,568	742	513	3,005
Eliminated on disposal of subsidiaries (note 43)	–	–	–	(811)	(811)
At 31st December, 2010	**1,820**	**4,537**	**2,411**	**–**	**8,768**
Charge for the year	–	1,568	742	–	2,310
At 31st December, 2011	**1,820**	**6,105**	**3,153**	–	**11,078**
CARRYING VALUES					
At 31st December, 2011	–	1,736	556	–	2,292
At 31st December, 2010	–	3,304	1,298	–	4,602

The above intangible assets have definite useful lives and are amortised on a straight-line basis over the following periods:

Service agreement	2½ years
Trade name	5 years
Business relationship with medical card sponsors	5 years
Patent	14–20 years

25. INTERESTS IN ASSOCIATES

	2011 HK$'000	2010 HK$'000
Cost of unlisted investments in associates	**313,976**	311,195
Share of post-acquisition losses, net of dividend received	**(40,836)**	(51,398)
Share of translation reserves	**16,465**	2,738
Less: Impairment loss	**(73,130)**	–
	216,475	262,535

Included in the cost of investments in associates was goodwill of approximately HK$35,391,000 (2010: approximately HK$35,391,000) arising on acquisition of associates.

During the year ended 31st December, 2011 and 2010, the directors of the Company reviewed the carrying value of the Group's associates. It was noted that there existed objective evidence of impairment loss for an associate, Guangzhou Yikang Medical Investment Services Limited ("Yikang") and accordingly, the entire carrying amount of the investment in the associate (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount with its carrying amount. During the year ended 31st December, 2011, in view of the poor performance of this associate, which commenced operations at the end of 2010, the recoverable amounts of each of the associate was determined based on value in use calculations, with reference to the estimated cash flows in the coming five years and cash flows beyond 5 years are extrapolated by assuming no growth rate and using discount rates of 11.2% (2010: 10.5% – 12.0%). The carrying amount of this associate before impairment was approximately HK$105,872,000. Impairment loss of approximately HK$73,130,000 was identified on this associate with poor performance and charged to the consolidated statement of comprehensive income for the year ended 31st December, 2011.

25. INTERESTS IN ASSOCIATES *(Continued)*

The summarised financial information in respect of the Group's associates is set out below:

	2011 HK$'000	2010 HK$'000
Total assets	900,562	915,039
Total liabilities	(316,596)	(293,674)
Net assets	583,966	621,365
Group's share of net assets of associates	254,214	227,144
Revenue	652,602	286,800
Profit (loss) for the year	36,367	(77,758)
Group's share of profit (loss) of associates for the year (Note)	17,466	(37,161)

Note: Included in the Group's share of profit of associates for the year ended 31st December, 2011, is share of an impairment of goodwill recognised by an associate which amounted to HK$Nil (2010: approximately HK$30,200,000).

The Group has discontinued recognition of its share of losses of certain associates. The amounts of unrecognised share of those associates, extracted from the relevant audited financial statements or management accounts of associates, both for the year and cumulatively, are as follows:

	2011 HK$'000	2010 HK$'000
Unrecognised share of losses of associates for the year	(487)	(726)
Accumulated unrecognised share of losses of associates	(7,397)	(6,910)

25. INTERESTS IN ASSOCIATES *(Continued)*

Details of the Group's principal associates at 31st December, 2011 and 31st December, 2010 are as follows:

Name of company	Form of business structure	Place of incorporation/ establishment	Attributable proportion of nominal value of issued/ registered capital held by the Group		Principal activities
			31st December, 2011	31st December, 2010	
Advance Bond Limited	Incorporated	Hong Kong	**49%**	49%	Operation of medical clinics in Hong Kong
Best Pharmaceutical Limited (Formerly known as "Good Pace")	Incorporated	British Virgin Islands ("BVI")	**48%**	48% (Note a)	Investment holding and its subsidiaries engaged in trading of healthcare products in the PRC
Goldwell Investment Holdings Limited	Incorporated	Hong Kong	**49%**	49%	Operation of medical clinics in Hong Kong
IBO Jewelry (TST) Company Limited	Incorporated	Hong Kong	**40%**	–	Retailing of Jewelry products
Luck Key Investment Limited ("Luck Key")	Incorporated	Hong Kong	**46.01%**	46.01%	Operation of health check and medical diagnostic centres
Max Goodrich	Incorporated	BVI	**48%**	48% (Note a)	Investment holding and its subsidiaries engaged in trading of healthcare products in the PRC
Nu/Hart	Incorporated	Hong Kong	**49% (Note a)**	–	Operation of a hair transplant centre

25. INTERESTS IN ASSOCIATES *(Continued)*

Name of company	Form of business structure	Place of incorporation/ establishment	Attributable proportion of nominal value of issued/ registered capital held by the Group		Principal activities
			31st December, 2011	31st December, 2010	
RBI Conglomerate (Holdings) Limited	Incorporated	BVI	**50%**	50%	Investment holding and its subsidiaries engaged in properties investment
Union Crown International Limited	Incorporated	Hong Kong	**25%**	25%	Provision of medical diagnostic services
廣州宜康醫療投資管理有限公司 (Guangzhou Yikang Medical Investment Services Limited)	Established	PRC	**40%**	40%	Operation of medical clinics in the PRC
杭州寶芝林科技有限公司 (Hangzhou Po Chi Lam Bio-technology Company Limited)	Established	PRC	**40%**	40%	Trading of healthcare products in Hong Kong and the PRC

Note:

(a) The Group partially disposed the equity interest in Best Pharmaceutical Limited and Max Goodrich during the year ended 31st December, 2010 and Nu/Hart in the year ended 31st December 2011, and those became associates of the Group.

In the opinion of the Directors, the above associates have a significant effect on the results or assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

26. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2011 HK$'000	2010 HK$'000
At fair value:		
– Equity securities listed in Hong Kong (Note a)	14,370	66,080
– Unlisted funds	6,932	4,333
	21,302	70,413
At cost:		
– Unlisted equity securities (Note b)	28,836	42,963
Total	50,138	113,376

Notes:

(a) All listed investments are stated at fair value which is determined based on the quoted market bid prices available on the Stock Exchange. During the year ended 31 December 2011, the Group identified an impairment loss of approximately HK$4,294,000 relating to listed securities whose share prices were significantly declined or declined for a prolonged period.

(b) The above unlisted equity securities are measured at cost less impairment at the end of reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. As at 31st December, 2011, the two major unlisted investees accounted for 86% (2010: 99%) of total unlisted securities, which engaged in the provision of finance lease and property holding.

27. INVENTORIES

	2011 HK$'000	2010 HK$'000
Pharmaceutical supplies	10,389	6,835
Healthcare equipment	861	1,007
Dental materials and supplies	794	708
	12,044	8,550

28. TRADE AND OTHER RECEIVABLES

	2011 HK$'000	2010 HK$'000
Trade receivables	13,930	13,041
Less: allowance for doubtful debts	(1,239)	(1,175)
Total trade receivables, net of allowance	12,691	11,866
Deposits	26,381	28,589
Other receivables	4,237	12,300
Prepayments	1,289	5,640
	44,598	58,395

Most of the patients of the medical and dental practices settle in cash. Payments by patients using medical cards will normally be settled within 180 to 240 days. The Group allows an average credit period of 60 to 240 days to its trade customers under other business activities.

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

	2011 HK$'000	2010 HK$'000
0 – 60 days	7,215	6,912
61 – 120 days	3,638	3,744
121 – 180 days	2,790	2,310
181 – 240 days	241	7
241 – 365 days	46	68
	13,930	13,041

These receivables relate to a number of independent customers that have a good track record with the Group. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	2011 HK$'000	2010 HK$'000
241 – 365 days	46	68

28. TRADE AND OTHER RECEIVABLES *(Continued)*

The Group has provided fully for all receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

Movement in the allowance for doubtful debts:

	2011 **HK$'000**	2010 HK$'000
Balance at the beginning of the year	**1,175**	1,810
Impairment losses recognised on receivables	**64**	–
Write back of impairment loss	**–**	(635)
Balance at the end of the year	**1,239**	1,175

The impairment recognised represents the difference between the carrying amount of the specific trade receivables and the present value of the expected recoverable amount. The trade receivables are impaired because of significant financial difficulty of the counterparties.

The amounts included in other receivables are unsecured, interest-free and repayable on demand.

29. HELD FOR TRADING INVESTMENTS

	2011 **HK$'000**	2010 HK$'000
Listed equity securities in Hong Kong	**903,354**	459,861

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

On 6th January 2011,the Group entered into an agreement and acquired convertible notes with principal amount HK$11,584,000 from an independent third party at a cash consideration of HK$176,000,000. The Group shall have the right to convert the principal amount of the convertible notes into ordinary shares of ePRO Limited (a company with its shares listed on the Stock Exchange) at the conversion price of HK$0.05 per share. The Group classified these convertible notes as held for trading investments upon initial recognition.

29. HELD FOR TRADING INVESTMENTS *(Continued)*

On 25th July, 2011, the Company exercised the right and converted the full principal amount of the convertible notes to the shares of ePRO Limited at the conversion price of HK$0.05 per share, resulting in the Group obtaining 231,680,000 shares upon the completion of the conversion. As at 31st December, 2011, together with the shares purchased by the Group prior to the date of conversion, the Group held a total of 497,720,000 shares representing 9.25% equity shares of ePRO Limited and all shares are classified as held for trading investments.

As at 31st December, 2011, the fair value of ePRO Limited's shares held by the Group was approximately HK$676,899,000. The total gain due to changes in fair value was approximately HK$295,015,000 which was recognised in profit and loss account of the Group during the year ended 31st December, 2011.

During the year ended 31st December, 2010, the Group had entered into an agreement and acquired convertible notes with principal amount HK$19,250,000 from an independent third party at a cash consideration of HK$150,000,000. The Group had the right to convert the principal amount of the convertible notes into ordinary shares of ePRO Limited at the conversion price of HK$0.05 per share. The Group classified these convertible notes as held for trading investments upon initial recognition.

On 20th December, 2010, the Group exercised the right and converted the full principal amount of the convertible notes to the shares under ePRO Limited at the conversion price of HK$0.05 per share. The Group held 385,000,000 shares representing 7.8% equity shares of ePRO Limited upon the completion of the conversion and classified these shares as held for trading investments. The fair value of the ePRO Limited's shares was HK$404,250,000 as at 20th December, 2010.

As at 31st December, 2010, the fair value of ePRO Limited's shares was approximately HK$350,350,000. The total gain due to changes in fair value was approximately HK$200,350,000 which was recognised in profit and loss account of the Group during the year ended 31st December, 2010.

In addition to the trading investments related to ePRO Limited mentioned above, the Group recorded loss approximately HK$82,458,000 (2010: gain approximately HK$52,264,000) due to change in fair value of other held for trading investments which are also listed on the Stock Exchange.

30. AMOUNTS DUE FROM (TO) ASSOCIATES

The amounts are unsecured, interest-free and aged within 60 days.

At 31st December, 2011 and 2010, the balance of amounts due from associates included allowance of approximately HK$12,334,000.

31. AMOUNTS DUE FROM (TO) INVESTEES/AN INVESTEE

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

At 31st December, 2011 and 2010, the balance of amounts due from investees includes accumulated allowances of approximately HK$1,663,000.

32. AMOUNT DUE FROM A RELATED PARTY

	2011 HK$'000	2010 HK$'000
Kowloon Hearing Services Limited (Note)	**1**	–

Note: Mr. Lai Kwok Fai ("Mr. Lai") is a director and shareholder of this entity. Mr. Lai is also a director of Audio Health, a non-wholly subsidiary of the Company. The maximum balance outstanding during the year is HK$5,000 (2010 HK$5,000).

The balance is unsecured, interest-free and repayable on demand.

33. AMOUNT DUE TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

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

34. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to banks to secure general short-term banking facilities granted to the Group. The deposits have been pledged to secure general short-term banking facilities and are therefore classified as current assets.

The deposits carried interest rate which ranged from 1.12% to 1.46% (2010 1.46% to 1.8%) per annum. The pledged bank deposits will be released upon the termination of the general banking facilities.

35. BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and bank balances that carry interest at market rates ranging from 0.01% to 0.25% (2010: 0.01% to 0.36%) per annum and have original maturity of three months or less.

36. TRADE AND OTHER PAYABLES

	2011 HK$'000	2010 HK$'000
Trade payables	**7,494**	6,948
Other payables	**5,044**	5,397
Accruals	**16,428**	39,579
	28,966	51,924

36. TRADE AND OTHER PAYABLES *(Continued)*

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

	2011 **HK$'000**	2010 HK$'000
0 – 60 days	**7,286**	6,882
61 – 120 days	**146**	62
121 – 240 days	**36**	2
Over 240 days	**26**	2
	7,494	6,948

The average credit period on purchase of goods is 60 to 120 days.

37. AMOUNT DUE TO A RELATED PARTY

	2011 **HK$'000**	2010 HK$'000
Kowloon Hearing Services Limited	**–**	1

The balance is unsecured, interest-free and is repayable on demand.

38. BANK BORROWING

	2011 **HK$'000**	2010 HK$'000
Secured bank borrowing repayable within one year or on demand	**113,000**	95,000

As at 31st December, 2011, the bank borrowing of the Group carries variable interest rate at HIBOR+2% per annum (2010: Variable interest rate at HIBOR+1% per annum).

39. DEFERRED TAX LIABILITIES

The followings are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation and revaluation of investment properties HK$'000	Tax losses HK$'000	Others HK$'000	Total HK$'000
At 1st January 2010	5,842	(33)	(206)	5,603
Charge to profit or loss	4,234	–	12	4,246
At 31st December, 2010	10,076	(33)	(194)	9,849
Charge to profit or loss	2,216	–	(10)	2,206
At 31st December, 2011	**12,292**	**(33)**	**(204)**	**12,055**

At 31st December, 2011 the Group has unused tax losses of approximately HK$240,820,000 (2010: approximately HK$106,735,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$200,000 (2010: approximately HK$200,000) of such losses.

No deferred tax asset has been recognised in respect of the remaining tax losses of approximately HK$240,620,000 (2010: approximately HK$106,535,000) due to the unpredictability of future profit streams. Such losses may be carried forward indefinitely.

At 31st December, 2011, the Group has deductible temporary differences associated with specific provision on trade receivables of approximately HK$1,239,000 (2010: approximately HK$1,175,000). A deferred tax asset of approximately HK$204,000 (2010: approximately HK$194,000) had been recognised in respect of such deductible temporary differences.

40. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
As at 1st January,2010, 31st December, 2010 and 2011	30,000,000,000	300,000
Issued and fully paid:		
As at 1st January, 2010	323,694,710	3,237
Issue of new shares (Note a)	587,500,000	5,875
As at 31st December, 2010	911,194,710	9,112
Share repurchased and cancelled (Note b)	(860,000)	(9)
As at 31st December, 2011	910,334,710	9,103

Notes:

(a) On 23rd February,2010, the Company and the placing agent entered into the placing agreement pursuant to which the Company has agreed to place through the placing agent, on a best efforts basis, a maximum of 587,500,000 placing shares to not fewer than six placees who and whose ultimate beneficial owners are independent third parties at a price of HK$0.81 per placing share during the placing period. The placing price represents a discount of approximately 16.49% to the closing price of HK$0.97 per share as quoted on the Stock Exchange on the date of the placing agreement.

The above placement of shares were conditional and their respective conditions precedent were satisfied during the placing period. As a result, the placement of the aggregate of 587,500,000 placing shares were completed in three tranches on 22nd April, 2010, 6th May, 2010 and 3rd June, 2010 respectively whereby 150,000,000, 192,000,000 and 245,500,000 ordinary shares of the Company were allotted and issued to independent placees.

(b) During the year ended 31st December,2011, the Company repurchased a total of 860,000 ordinary shares of HK$0.01 each through the Stock Exchange at an aggregate consideration of approximately HK$628,000 and all of these shares were cancelled upon repurchase.

40. SHARE CAPITAL *(Continued)*

Month of repurchase	Number of Ordinary shares Of HK$0.01 each	Price per share Highest	Price per share Lowest	Aggregate Consideration paid
		HK$	HK$	HK$'000
September 2011	496,000	0.80	0.67	359
October 2011	360,000	0.74	0.70	265
November 2011	4,000	0.85	0.85	4

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2010.

41. SHARE-BASED PAYMENT TRANSACTIONS

Details of share option scheme adopted by the Company are as follows:

(a) 2002 Scheme

The Company's share option scheme was adopted on 24th April, 2002 (the "2002 Scheme"), for the primary purpose of providing incentives to directors and eligible employees.

Pursuant to a resolution passed at an extraordinary general meeting, the Company adopted the 2002 Scheme, which will be expired on 23rd April, 2011, the Company may grant options to the eligible persons falling within the definition prescribed in the 2002 Scheme including directors, employees and consultants etc. of the Company or its subsidiaries to subscribe for shares in the Company at a consideration of HK$1 for each lot of share options granted.

On 16th September, 2008 pursuant to a resolution passed at an extraordinary general meeting, the Company has early terminated the 2002 Scheme and adopted a new share option scheme (the "2008 Scheme") as disclosed below.

Options granted should be accepted within 21 days from the offer date. Options granted are exercisable during the period commencing on the date of grant and expiring on the date ten years after the date of grant. The maximum number of shares in respect of which options may be granted shall not exceed 10% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to the 2002 Scheme.

The exercise price per share is determined by the directors of the Company, and shall be at least the highest of the closing price of the Company's shares on the date of grant, the average closing price of the shares for the five business days immediately preceding the date of grant or the nominal value of the shares of the Company.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(a) 2002 Scheme *(Continued)*

The total number of shares in respect of which options may be granted to an eligible employee under the 2002 Scheme is not permitted to exceed 1% of the aggregate number of shares issued for the time being and issuable under the 2002 Scheme.

Details of the share options granted under the 2002 Scheme to employees of the Company during the year and movement in such holding during the year are as follows:

For the year ended 31st December, 2011 and 2010

	Date of grant	**Exercisable period**	**Exercise price per share** HK$ (Adjusted) (note)	**Number of share options Outstanding at 1st January, 2010 and 31st December, 2010 and 2011**
Employees	9.10.2007	9.10.2007 to 8.10.2017	11.1	200,000
Exercisable at the end of the year				200,000
Weighted average exercise price (HK$)				11.1

Note: The exercise price and number of share options outstanding for the year ended 31st December, 2011 and 2010 have been adjusted and reflect the effect of share consolidation in 2009.

There is no exercise of share option during both years.

The fair values were calculated using the Binomial model ("Model"). The inputs into the Model were as follows:

Date of grant	**9th October, 2007**
Closing share price at the date of grant	HK$0.10
Exercise price	HK$0.111
Expected volatility	82.45%
Contractual life	7 years
Risk-free rate	4.28%
Fair value per share option	HK$0.0172

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(a) 2002 Scheme *(Continued)*

Expected volatility was determined by using the annualised historical volatility of the Company's share price over the previous one year.

The fair values were calculated by Greater China Appraisal Limited ("GCAL"), an independent firm of professional valuer not connected with the Group. The Model is one of the commonly used models to estimate the fair value of the options. The value of an option varies with different variables of certain subjective assumptions. Any changes in the variables so adopted may materially affect the estimation of the fair value of an option.

(b) 2008 Scheme

The Company has, in accordance with Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), terminated the 2002 Scheme and adopted the 2008 Scheme, as approved by the shareholders of the Company at the extraordinary general meeting held on 16th September, 2008.

Upon termination of the 2002 Scheme, no further options may be granted thereunder. However, in respect of the outstanding options, the provisions of the 2002 Scheme shall remain in force. According to the 2008 Scheme, the directors of the Company may grant options to the eligible persons fall within the definition prescribed in the 2008 Scheme including directors, employees and consultants etc. of each member of the Group and entity in which member of the Company holds an equity interest, to subscribe for shares in the Company for a consideration of HK$1 for each lot of share options granted.

Share options granted should be accepted within 21 days from the date of grant. The directors of the Company may at its absolute discretion determine the period during which a share option may be exercised, such period should expire no later than 10 years from the date of the adoption of the 2008 Scheme. The directors of the Company may also provide restrictions on the exercise of a share option during the period a share option may be exercised.

The exercise price is determined by the directors of the Company, and shall be at least the highest of: (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2008 Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the Listing Rules) of the total number of shares in issue from time to time.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(b) 2008 Scheme *(Continued)*

The total number of shares issued and to be issued upon exercise of the options granted to each individual under the 2008 Scheme and any other option schemes (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Details of the share options granted under the 2008 Scheme to directors and employees of the Company during the year and movement in such holding during the year are as follows:

For the year ended 31st December, 2011

				Number of share options		
	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1st January, 2011	Granted during the year	Outstanding at 31st December, 2011
Directors	18.6.2010	18.6.2010 to 17.6.2015	1.03	2,500,000	–	2,500,000
Employees	28.6.2010	28.6.2010 to 27.6.2015	1.064	28,400,000	–	28,400,000
Employees	2.11.2010	2.11.2010 to 1.11.2012	1.26	12,000,000	–	12,000,000
Employees	13.12.2010	13.12.2010 to 12.12.2012	1.43	2,900,000	–	2,900,000
Employees	14.01.2011	14,01,2011 to 13.01.2013	1.51	–	1,500,000	1,500,000
				45,800,000	1,500,000	47,300,000
Exercisable at the end of the year						47,300,000
Weighted average exercise price (HK$)				1.137	1.510	1.154

During the year ended 31st December, 2011, the options were granted on 14th January, 2011. The Group recognised total expenses of approximately HK$198,000 for the year ended 31st December, 2011 in relation to share options granted by the Company under the 2008 Scheme.

Options granted are fully vested at the date of grant.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(b) 2008 Scheme *(Continued)*

For the year ended 31st December, 2010

				Number of share options		
	Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1st January, 2010	Granted during the year	Outstanding at 31st December, 2010
Directors	18.6.2010	18.6.2010 to 17.6.2015	1.03	–	2,500,000	2,500,000
Employees	28.6.2010	28.6.2010 to 27.6.2015	1.064	–	28,400,000	28,400,000
Employees	2.11.2010	2.11.2010 to 1.11.2012	1.26	–	12,000,000	12,000,000
Employees	13.12.2010	13.12.2010 to 12.12.2012	1.43	–	2,900,000	2,900,000
				–	45,800,000	45,800,000
Exercisable at the end of the year						45,800,000
Weighted average exercise price (HK$)				Nil	1.137	1.137

During the year ended 31st December, 2010, the options were granted on 18th June, 2010, 28th June, 2010, 2nd November, 2010 and 13th December, 2010. The estimated fair values of the options granted under the 2008 Scheme for the year are HK$508,000, HK$5,527,000, HK$2,389,000 and HK$708,000, respectively.

The closing price of the Company's share on 18th June,2010, 28th June,2010, 2nd November, 2010 and 13th December, 2010 immediately before the grant of the share options was HK$1.03, HK$1.05, HK$1.26 and HK$1.43 per share respectively.

Options granted are fully vested at the date of grant.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(b) 2008 Scheme *(Continued)*

The fair values were calculated using the Model. The inputs into the Model were as follows:

Date of grant	18th June, 2010	28th June, 2010	2nd November, 2010	13th December, 2010	14th January, 2011
Closing share price at the date of grant	HK$1.03	HK$1.05	HK$1.26	HK$1.43	HK$1.40
Exercise price	HK$1.03	HK$1.064	HK$1.26	HK$1.43	HK$1.51
Expected volatility	49.46%	47.63%	39.59%	47.72%	68.53%
Contractual life	5 years	5 years	2 years	2 years	2 years
Risk-free rate	0.53%	0.59%	0.28%	0.38%	0.54%
Fair value per share option	HK$0.2033	HK$0.1946	HK$0.1991	HK$0.2441	HK$0.1317

Expected volatility was determined by using the annualised historical volatility of the Company's share price over the previous one year.

The fair values were calculated by Ascent Partner Transaction Service Limited ("Ascent Partner"), an independent firm of professional valuer not connected with the Group. The Model is one of the commonly used models to estimate the fair value of the options. The value of an option varies with different variables of certain subjective assumptions. Any changes in the variables so adopted may materially affect the estimation of the fair value of an option.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(c) Ping An Option

Ping An Option 1

Pursuant to a resolution passed at an extraordinary general meeting on 9th May, 2008, the Company granted options to Ping An Trust & Investment Company Limited ("Ping An Trust"), a wholly-owned subsidiary of Ping An Trust Insurance (Group) Company of China Limited ("Ping An Group"), business partner of the Company, the rights to subscribe for up to 3,393,583,143 shares of the Company ("Ping An Option 1") on 23rd June, 2008, representing approximately 19.99% of the issued share capital of the Company. From 23rd June, 2008 to 22nd February, 2010 (the "Call Option Period 1"), if the Company issues any new shares, or any convertible bonds, warrants entitling the holders to convert into new shares (the "Dilutive Events"), the Company shall grant further options to Ping An Trust, exercisable up to the expiry of the Call Option Period 1, entitling it to subscribe for additional shares equal to approximately 19.99% of the new shares.

With the Dilutive Events in 2009, the Company granted Ping An Group additional right to subscribe for an additional 20,132,360 shares, or up to 3,413,715,503 shares of the Company.

The exercise price per share is determined by the directors of the Company, at HK$0.12 per share or the average closing price of the five consecutive trading days immediately preceding to the exercise of the options, whichever is the lower. The Ping An Option 1 are fully vested at the date of grant, and are exercisable during the period from 23rd June, 2008 to 22nd February, 2010.

No options are exercised under the Ping An Option 1 for the prior year and all options are lapsed during the year ended 31st December, 2010.

Ping An Option 2

Pursuant to a resolution passed at the annual general meeting on 2nd June, 2010, the Company granted options to Ping An China Securities (Hong Kong) Company Limited ("Ping An Securities"), a wholly-owned subsidiary of Ping An Group, the rights to subscribe for up to 30,000,000 shares of the Company ("Ping An Options 2") on 24th December, 2010 representing approximately 3.29% of the issued share capital of the Company. From 24th December, 2010 to 23rd December, 2012 ("Call Option Period 2"), if the Company has any Dilutive Events, the Company shall grant further options to Ping An Securities, exercisable up to the expiry of the Call Option Period 2, entitling it to subscribe for additional shares equal to approximately 3.29% of the new shares.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(c) Ping An Option *(Continued)*

Ping An Option 2

Details of the share options granted under the Ping An Option 1 and Ping An Option 2 and movement in such holding during the both years are as follows:

For the year ended 31st December, 2011

			Number of share options			
Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1st January, 2011	Granted during the year	Lapsed during the year	Outstanding at 31st December, 2011
Ping An Option 2						
24.12.2010	24.12.2010 to 23.12.2012	1.30	30,000,000	–	–	30,000,000
			30,000,000	–	–	30,000,000
Exercisable at the end of the year						30,000,000
Weighted average exercise price (HK$)			1.30	–	–	1.30

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(c) Ping An Option *(Continued)*

For the year ended 31st December, 2010

			Number of share options			
Date of grant	Exercisable period	Exercise price per share HK$	Outstanding at 1st January, 2010	Granted during the year	Lapsed during the year	Outstanding at 31st December, 2010
Ping An Option 1						
23.6.2008	23.6.2008 to 22.2.2010	12.000 (Note)	33,935,831	–	(33,935,831)	–
1.9.2009	1.9.2009 to 22.2.2010	1.498	4,272,362	–	(4,272,362)	–
1.9.2009	1.9.2009 to 22.2.2010	1.500	9,059,999	–	(9,059,999)	–
1.9.2009	1.9.2009 to 22.2.2010	4.000	6,799,999	–	(6,799,999)	–
Ping An Option 2						
24.12.2010	24.12.2010 to 23.12.2012	1.30	–	30,000,000	–	30,000,000
			54,068,191	30,000,000	(54,068,191)	30,000,000
Exercisable at the end of the year						30,000,000
Weighted average exercise price (HK$)			8.405	1.30	8.405	1.30

Note: The exercise price and number of share options outstanding for the year ended 31st December, 2010 have been adjusted and reflect the effect of share consolidation in 2009.

Since the services provided by Ping An Group cannot be reliably measured, fair value is measured based on the fair value of options granted.

No options are either exercised, lapsed or granted during the year ended 31st December, 2011.

Option granted during the year ended 31st December, 2010 are fully vested at the date of grant.

41. SHARE-BASED PAYMENT TRANSACTIONS *(Continued)*

(c) Ping An Option *(Continued)*

The fair values were calculated using the Model. The inputs into the Model were as follows:

	Ping An Option 1		Ping An Option 2
Date of grant	**1st September, 2009**	**23rd June, 2008**	**24th December, 2010**
Closing share price at the date of grant	HK$1.36	HK$0.12	HK$1.56
Exercise price	HK$1.498 to HK$4.00	HK$0.12	HK$1.30
Expected volatility	104.76%	75.23%	68.97%
Contractual life	0.48 year	1.67 years	2 years
Risk-free rate	0.121%	2.504%	0.653%
Fair value per option	HK$0.0482 to HK$0.3382	HK$0.0513	HK$0.6802

Expected volatility was determined by using the annualised historical volatility of the Company's share price over the previous one year.

The Group recognised total expenses of nil for the year ended 31st December, 2011 (2010: approximately HK$20,460,000) in relation to options granted by the Company, which is also the estimated fair value of options during the year.

The fair values were calculated by GCAL and Ascent Partners for Ping An Option 1 and Ping An Option 2, respectively. The Model is one of the commonly used models to estimate the fair value of the options. The value of an option varies with different variables of certain subjective assumptions. Any changes in the variables so adopted may materially affect the estimation of the fair values of an option.

42. ACQUISITION OF SUBSIDIARIES/A SUBSIDIARY

For the year ended 31st December, 2011

On 9th June, 2011, the Group acquired 100% equity interest in Green Health, a company incorporated in Hong Kong, from an independent third party, at a cash consideration of HK$1,034,000. Green Health is engaged in retailing of healthcare and pharmaceutical products in Hong Kong. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was approximately HK$1,436,000.

On 23rd June, 2011, the Group acquired 51% equity interest in eSilk, a company incorporated in Hong Kong, from an independent third party, at a cash consideration of HK$1,000. eSilk is engaged in trading of pharmaceutical products in Hong Kong. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of acquisition was approximately HK$186,000.

42. ACQUISITION OF SUBSIDIARIES/A SUBSIDIARY *(Continued)*

For the year ended 31st December, 2011 *(Continued)*

	eSilk HK$'000	Green Health HK$'000	Total HK'000
Assets acquired and liabilities recognised at the date of acquisition are as follows:			
Property, plant and equipment	4	76	80
Inventories	5	813	818
Trade and other receivables	13	173	186
Bank balances and cash	626	3	629
Trade and other payables	(1,013)	(1,467)	(2,480)
Net liabilities	(365)	(402)	(767)
Goodwill arising on acquisition:			
Consideration transferred	–	1,034	1,034
Plus: non-controlling interests (49% in eSilk)	(179)	–	(179)
Plus: net liabilities acquired	365	402	767
Goodwill (note 23)	186	1,436	1,622
Satisfied by:			
Cash consideration paid	–	1,034	1,034
Analysis of net (inflow) outflow of cash and cash equivalents in connection with the acquisition of subsidiaries:			
Cash consideration paid	–	1,034	1,034
Bank balances and cash acquired	(626)	(3)	(629)
Net cash (inflow) outflow in respect of the acquisition of subsidiaries	(626)	1,031	405

For the expansion of the Group's business, the Group acquired subsidiary engaged in trading and retailing of pharmaceutical products in Hong Kong. Goodwill is attributable to the anticipated profitability from the subsidiaries.

The subsidiaries acquired during the year ended 31st December, 2011 contributed approximately HK$3,520,000 to the Group's revenue and incurred losses approximately HK$870,000 to the Group's profit during the year.

42. ACQUISITION OF SUBSIDIARIES/A SUBSIDIARY *(Continued)*

For the year ended 31st December, 2011 *(Continued)*

Had the acquisition been completed on 1st January, 2011, total group revenue for the year would have been approximately HK$342,482,000 and profit for the year would have been approximately HK$62,568,000. The proforma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st January, 2011, nor is it intended to be a projection of future results.

For the year ended 31st December, 2010

On 17th April, 2010, the Group acquired 70% equity interest in Wise Best International Ltd. ("Wise Best"), a company incorporated in Hong Kong, from an independent third party, at a cash consideration of HK$175,000. Wise Best is engaged in providing healthcare services in Hong Kong. This acquisition has been accounted for using the purchase method. The amount of goodwill arising as a result of the acquisition was approximately HK$275,000.

	HK$'000
Assets acquired and liabilities recognised at the date of acquisition are as follows:	
Property, plant and equipment	238
Inventories	8
Trade and other receivables	88
Bank balances and cash	182
Trade and other payables	(616)
Net liabilities	(100)
Goodwill (note 23)	275
	175
Satisfied by:	
Cash consideration paid	175
Analysis of net inflow of cash and cash equivalents in connection with the acquisition of subsidiary:	
Cash consideration paid	175
Bank balances and cash acquired	(182)
Net cash inflow in respect of the acquisition of subsidiary	(7)

For the expansion of the Group's business, the Group acquired subsidiary engaged in providing healthcare services in Hong Kong. Goodwill is attributable to the anticipated profitability from the subsidiary.

42. ACQUISITION OF SUBSIDIARIES/A SUBSIDIARY *(Continued)*

For the year ended 31st December, 2010 *(Continued)*

The subsidiary acquired during the year ended 31st December, 2010 contributed HK$1,859,000 to the Group's revenue and HK$428,000 to the Group's profit for the year.

Had the acquisition been completed on 1st January, 2010, total group revenue for the year would have been approximately HK$307,959,000, and profit for the year would have been approximately HK$104,281,000. The proforma information is for illustrative purpose only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1st January, 2010, nor is it intended to be a projection of future results.

43. DISPOSAL OF A SUBSIDIARY/SUBSIDIARIES

For the year ended 31st December, 2011

On 15th November, 2011, the Group disposed of its 7% equity interest in Nu/Hart to an independent third party. The Group held remaining 49% of the equity interest in Nu/Hart and is classified as an associate upon the transaction completed.

The aggregate amount of the assets and liabilities attributable to the subsidiary on date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	240
Goodwill	–
Trade and other receivables	730
Bank balances and cash	1,017
Trade and other payables	(393)
	1,594
Non-controlling interests	(702)
Net assets disposal of	892
Gain on disposal	799
	1,691
Satisfy by :	
Cash	910
Interest in associates	781
	1,691
Net cash outflow arising on disposal:	
Cash consideration received	910
Bank balances and cash disposed of	(1,017)
	(107)

The subsidiary disposed of during the year did not contribute significantly to the results and cash flows of the Group during the period prior to the disposal.

43. DISPOSAL OF A SUBSIDIARY/SUBSIDIARIES *(Continued)*

For the year ended 31st December, 2010

During the year ended 31st December, 2010, the Group had the following disposal of subsidiaries:

(i) On 31st January, 2010, the Group disposed of its entire 100% equity interest in Dermagic Skin Treatment Centre Company Limited ("Dermagic") to an independent party, at a cash consideration of HK$1,500,000.

(ii) On 11th June, 2010, the Group disposed of 3% equity interest in Max Goodrich to an independent third party, at a cash consideration of HK$4,800,000. After the disposal, the Group owned 48% equity interest on Max Goodrich.

(iii) On 31st July, 2010, the Group disposed of its entire 100% equity interest in Kingston to an independent party, at a cash consideration of HK$1,000,000.

(iv) On 17th December, 2010, the Group disposed of 32% equity interest in Good Pace to an independent party, at a cash consideration of HK$29,000,000. After the disposal, the Group owned 48% equity interest on Good Pace.

Consideration received:

	Dermagic (i)	**Max Goodrich (ii)**	**Kingston (iii)**	**Good Pace (iv)**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cash and total consideration received	1,500	4,800	1,000	29,000	36,300

43. DISPOSAL OF A SUBSIDIARY/SUBSIDIARIES *(Continued)*

For the year ended 31st December, 2010 *(Continued)*

Analysis of assets and liabilities over which control was lost:

	Dermagic (i) HK$'000	**Max Goodrich (ii)** HK$'000	**Kingston (iii)** HK$'000	**Good Pace (iv)** HK$'000	**Total** HK$'000
Goodwill	–	31,169	–	8,091	39,260
Property, plant and equipment	1,316	10,272	227	11,173	22,988
Prepaid lease payments	–	–	–	25,244	25,244
Other intangible assets	–	8,217	–	–	8,217
Inventories	12	22,667	3,092	12,004	37,775
Trade and other receivables	503	47,548	1,710	61,085	110,846
Bank balances and cash	33	7,516	643	32,907	41,099
Trade and other payables	(2,217)	–	(1,126)	(44,286)	(47,629)
Bank borrowing	–	–	–	(11,723)	(11,723)
Tax payable	–	(62)	–	(2,201)	(2,263)
Net (liabilities) assets disposed of	(353)	127,327	4,546	92,294	223,814
Non-controlling interests	–	(47,117)	–	(19,240)	(66,357)
	(353)	80,210	4,546	73,054	157,457

43. DISPOSAL OF A SUBSIDIARY/SUBSIDIARIES *(Continued)*

For the year ended 31st December, 2010 *(Continued)*

Profit (loss) on disposal of subsidiaries:

	Dermagic (i) HK$'000	Max Goodrich (ii) HK$'000	Kingston (iii) HK$'000	Good Pace (iv) HK$'000	Total HK$'000
Consideration received	1,500	4,800	1,000	29,000	36,300
Net liabilities (assets) disposed of	353	(127,327)	(4,546)	(92,294)	(223,814)
Non-controlling interests	–	47,117	–	19,240	66,357
Fair value of the associates acquired	–	46,156	–	38,977	85,133
Gain (loss) on disposal (Note)	1,853	(29,254)	(3,546)	(5,077)	(36,024)

Net cash inflow (outflow) arising on disposal:

	Dermagic	Max Goodrich	Kingston	Good Pace	Total
Cash consideration	1,500	4,800	1,000	29,000	36,300
Less: bank balances and cash disposed of	(33)	(7,516)	(643)	(32,907)	(41,099)
	1,467	(2,716)	357	(3,907)	(4,799)

Note: Gain on disposal of Dermagic amounted to approximately HK$1,853,000 was included in the result of continuing operations since Dermagic was included in the operating segment of provision of healthcare and dental services. Loss on disposal of Max Goodrich, Kingston and Good Pace amounted to approximately HK$37,877,000 was included in the loss for the year from discontinued operations as stated in note 16 to the consolidated financial statements.

44. RETIREMENT BENEFITS SCHEME

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

The employees in the PRC are members of respective state-managed defined contribution retirement benefits schemes operated by the local government. The employer and the employees are obliged to make contributions at a certain percentage of the basic payroll under rules of the schemes. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions.

The total cost charged to the consolidated statement of comprehensive income of approximately HK$1,262,000 (2010: approximately HK$1,446,000) represents contributions payable to the above schemes by the Group during the year.

45. OPERATING LEASES

The Group as lessee

	2011 **HK$'000**	2010 HK$'000
Minimum lease payments paid under operating leases in respect of properties during the year	**40,615**	46,492

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

	2011 **HK$'000**	2010 HK$'000
Within one year	**31,193**	25,102
In the second to fifth year inclusive	**23,046**	1,997
	54,239	27,099

Operating lease payments represent rentals payable by the Group for certain of its clinics and office premises. Leases are negotiated and rentals are fixed for a term ranging from two to five years.

45. OPERATING LEASES *(Continued)*

The Group as lessor

During the year ended 31st December, 2011, the Group had property rental income of approximately HK$19,454,000 (2010: approximately HK$10,353,000).

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

	2011 **HK$'000**	2010 HK$'000
Within one year	**9,544**	7,320
In the second to fifth year inclusive	**5,124**	4,526
	14,668	11,846

All of the properties held have committed tenants for the coming one to two years.

46. PLEDGE OF ASSETS

As at 31st December, 2011 and 2010, certain property, plant and equipment and investment properties of the Group with the carrying value of approximately HK$96,628,000 (2010: approximately HK$113,750,000) and approximately HK$162,203,000 (2010: approximately HK$137,150,000), respectively, and bank deposits of approximately HK$5,021,000 (2010: approximately HK$5,012,000) were pledged to secure general banking facilities granted to the Group.

47. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the Group entered into the following significant transactions with related parties:

Name of related party	Nature of transactions	2011 HK$'000	2010 HK$'000
Advance Bond Limited (Note)	Rental income	**828**	828
Hong Kong Bariatric and Metabolic Institute Limited (Note)	Management services fee income	**4,304**	4,782
	Rental income	**88**	–
Hong Kong Traumatology and Orthopaedics Institute Limited (Note)	Management service fee income	**4,121**	2,775
	Rental income	**329**	–
Hong Kong Heath Check Centre Limited (Note)	Rental income	**3,526**	–
Polylight Technology Limited (Note)	Rental income	**976**	–
Kowloon Hearing Services Limited (Note 32 and Note 37)	Purchase of healthcare products	**47**	57
	Sale of healthcare products	**38**	–

Note: The Group' associates during the year.

Details of balances with related parties as at the end of the reporting period are set out in the consolidated statement of financial position and in notes 30, 31, 32, 33 and 37.

47. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

Compensation of key management personnel

The remuneration of key management personnel which represent the directors of the Company during the year was as follows:

	2011	2010
	HK$'000	HK$'000
Short-term benefits	**27,861**	28,762
Post-employment benefits	**47**	24
	27,908	28,786

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Save as disclosed above, there were no other significant transactions with related parties during the year or significant balances with them at the end of the reporting period.

48. NON-CASH TRANSACTION

During the year ended 31st December, 2010, included in the other receivables is an amount of HK$5,500,000 represented deposit paid for the potential purchase of investment properties. The Group derecognised the other receivables and recognised investment properties upon the completion of the transaction when the Group paid the remaining consideration of HK$53,460,000 for the purchase of the investment properties during the year ended 31st December, 2011.

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES		
Investments in subsidiaries	**28,529**	28,537
Amounts due from subsidiaries	**1,453,731**	1,212,149
Amounts due from associates	**500**	13,210
Other receivables	**1,491**	1,506
Held for trading investments	**6,494**	6,969
Tax recoverable	**114**	–
Bank balances and cash	**1,375**	122,029
Amounts due to subsidiaries	**(61,604)**	(65,627)
Amounts due to associates	**–**	(800)
Other payables	**(2,955)**	(3,000)
Bank borrowing	**(113,000)**	(95,000)
Total net assets	**1,314,675**	1,219,973
CAPITAL RESERVES		
Share capital	**9,103**	9,112
Reserves (Note)	**1,305,572**	1,210,861
	1,314,675	1,219,973

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note:

Reserves

	Share premium	Capital redemption reserve	Contributed surplus	Distributable reserve	Share options reserve	Accumulated profits (loss)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st January, 2010	50,641	9,020	28,180	62,677	180,568	442,213	773,299
Loss for the period	–	–	–	–	–	(50,050)	(50,050)
Shares issued	470,000	–	–	–	–	–	470,000
Transaction costs attributable to issue of shares	(11,926)	–	–	–	–	–	(11,926)
Recognition of equity settled share-based payment expenses	–	–	–	–	29,538	–	29,538
At 31st December, 2010	508,715	9,020	28,180	62,677	210,106	392,163	1,210,861
Profit for the year	–	–	–	–	–	140,696	140,696
Recognition of equity settled share-based payment	–	–	–	–	198	–	198
Repurchase of shares	(619)	–	–	–	–	–	(619)
Dividends	–	–	–	–	–	(45,564)	(45,564)
At 31st December, 2011	**508,096**	**9,020**	**28,180**	**62,677**	**210,304**	**487,295**	**1,305,572**

Contributed surplus of the Company includes the difference between the nominal value of HK$350,000 of the ordinary shares issued by the Company and the net asset value of approximately HK$28,530,000 of Town Health (BVI) Limited, a subsidiary acquired through an exchange of shares pursuant to the group reorganisation in April 2000.

50. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31st December, 2011 and 2010 are as follows:

Name of company	Place of incorporation/ form of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company				Principal activities
			31st December, 2011		31st December, 2010		
			Directly	**Indirectly**	Directly	Indirectly	
Town Health (BVI) Limited	British Virgin Islands/ limited liability company	US$1,331,131	**100%**	**–**	100%	–	Investment holding
Audio Health Hearing Care (Shatin) Limited (Note a)	Hong Kong/ limited liability company	HK$1,000	**–**	**35.7%**	–	35.7%	Provision of audio diagnostic tests and sale of hearing-aid devices
Billion Advance Limited	Hong Kong/ limited liability company	HK$100	**–**	**70%**	–	70%	Property investment services
First Billion Investment Limited (formerly known as Town Health Food and Beverage Culture Company Limited)	Hong Kong/ limited liability company	HK$2	**–**	**100%**	–	100%	Property investment services
Noble Pioneer Limited	Hong Kong/ limited liability company	HK$2	**–**	**100%**	–	100%	Provision of medical and dental consultation services
Nu/Hart (Note c)	Hong Kong/ limited liability company	HK$100,000	**–**	**–**	–	56%	Operation of a hair transplant centre
Oriental Elite Limited	Hong Kong/ limited liability company	HK$100	**–**	**100%**	–	100%	Property investment services
Pherson Limited	Hong Kong/ limited liability company	HK$500,000	**–**	**100%**	–	100%	Property investment services

50. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of company	Place of incorporation/ form of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company				Principal activities
			31st December, 2011		31st December, 2010		
			Directly	**Indirectly**	Directly	Indirectly	
Profit Sources Limited	Hong Kong/ limited liability company	HK$100	**–**	**100%**	–	100%	Property investment services
Silver Ascot Limited	Hong Kong/ limited liability company	HK$3	**–**	**66%**	–	66%	Provision of medical and dental consultation services
Spring Biotech Limited	British Virgin Islands/ limited liability company	US$1	**–**	**100%**	–	100%	Investment holding
Town Health (Asia) Limited	Hong Kong/ limited liability company	HK$2	**–**	**100%**	–	100%	Trading of listed securities
Town Health Corporate Advisory and Investments Limited	Hong Kong/ limited liability company	HK$100	**–**	**100%**	–	100%	Trading of listed securities
Town Health Corporate Management and Investment Limited (formerly known as Town Health Preventive Healthcare Services Limited)	British Virgin Islands/ limited liability company	US$1	**–**	**100%**	–	100%	Investment holding
Town Health Dental Limited	Hong Kong/ limited liability company	HK$2	**–**	**100%**	–	100%	Provision of dental consultation services

50. PRINCIPAL SUBSIDIARIES *(Continued)*

Name of company	Place of incorporation/ form of legal entity	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/registered capital held by the Company				Principal activities
			31st December, 2011		31st December, 2010		
			Directly	Indirectly	Directly	Indirectly	
Town Health Management and Services Limited	Hong Kong/ limited liability company	HK$2	–	100%	–	100%	Provision of management and administrative services
Town Health Medical & Dental Services Limited	Hong Kong/ limited liability company	HK$2	–	100%	–	100%	Provision of medical services
Town Health Para-medical Services Limited	Hong Kong/ limited liability company	HK$2	–	100%	–	100%	Investment holding
Town Health Professional Training Centre Limited (formerly known as Town Health Children's Land Limited)	Hong Kong/ limited liability company	HK$500,000	–	100%	–	100%	Operation of an education centre

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

None of the subsidiaries had issued any debt securities at the end of the year.

Note a: The Group held this subsidiary indirectly through a 70% owned subsidiary in the year. 51% (equity interest of) this subsidiary is owned by its parent company, in which 70% equity interest of its parent company is owned by a wholly-owned subsidiary of the Company.

Note b: The subsidiary was de-registered during the year ended 31st December, 2011.

Note c: Interests in these entity was partially disposed of during the year and it became an associate of the Group as at 31st December, 2011.

Financial Summary

RESULTS

	1.1.2011 to 31.12.2011 HK$'000	1.1.2010 to 31.12.2010 HK$'000	1.4.2009 to 31.12.2009 HK$'000	1.4.2008 to 31.3.2009 HK$'000	1.4.2007 to 31.3.2008 HK$'000
Revenue	**339,321**	307,447	245,100	342,212	338,823
Profit (loss) for the year from continuing operations	**63,035**	126,948	(21,981)	(644,047)	260,164
Profit (loss) for the year from discontinued operation	**–**	(22,549)	9,758	–	826
Profit (loss) for the year	**63,035**	104,399	(12,223)	(644,047)	260,990
Attributable to:					
Owners of the Company	**61,334**	94,621	(23,587)	(652,507)	253,714
Non-controlling interests	**1,701**	9,778	11,364	8,460	7,276
	63,035	104,399	(12,223)	(644,047)	260,990

ASSETS AND LIABILITIES

	31.12.2011 HK$'000	31.12.2010 HK$'000	31.12.2009 HK$'000	31.3.2009 HK$'000	31.3.2008 HK$'000
Total assets	**1,797,212**	1,770,087	1,327,282	941,878	1,307,477
Total liabilities	**(255,510)**	(212,929)	(143,482)	(44,780)	(228,221)
	1,541,702	1,557,158	1,183,800	897,098	1,079,256
Assets attributable to					
Owners of the Company	**1,536,185**	1,551,501	1,120,871	892,108	1,064,143
Non-controlling interests	**5,517**	5,657	62,929	4,990	15,113
	1,541,702	1,557,158	1,183,800	897,098	1,079,256