COL Capital Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 383

ANNUAL REPORT 2013/2014

This annual report is printed on recycled paper

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Chong Sok Un *(Chairman)*
Dato' Wong Peng Chong
Mr. Kong Muk Yin

Independent Non-Executive Directors

Mr. Lau Siu Ki
Mr. Ma Wah Yan
Mr. Zhang Jian

AUDIT COMMITTEE

Mr. Lau Siu Ki *(Chairman)*
Mr. Ma Wah Yan
Mr. Zhang Jian

NOMINATION COMMITTEE

Ms. Chong Sok Un *(Chairman)*
Dato' Wong Peng Chong
Mr. Lau Siu Ki
Mr. Ma Wah Yan
Mr. Zhang Jian

REMUNERATION COMMITTEE

Mr. Ma Wah Yan *(Chairman)*
Dato' Wong Peng Chong
Mr. Kong Muk Yin
Mr. Lau Siu Ki
Mr. Zhang Jian

COMPANY SECRETARY

Ms. Fung Ching Man, Ada

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

SOLICITORS

Robertsons
Fred Kan & Co.
P.C. Woo & Co.

PRINCIPAL BANKERS

Bank of China Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank
The Hongkong and Shanghai Banking Corporation Limited
UBS, AG

AMERICAN DEPOSITARY RECEIPTS

The Bank of New York Mellon
Depositary Receipts Division
22nd Floor, 101 Barclay Street
New York
NY 10286
U.S.A.

REGISTERED OFFICE

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

47/F., China Online Centre
333 Lockhart Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke, HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell
Centre, 183 Queen's
Road East, Hong Kong

STOCK CODE

383

WEBSITE

http://www.colcapital.com.hk
http://www.irasia.com/listco/hk/colcapital/

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of COL Capital Limited (the "Company"), I have the pleasure to present the financial results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30 June 2014.

FINANCIAL RESULTS

For the year ended 30 June 2014, the Group achieved a total revenue of HK$1,209,682,000 (2013: HK$696,624,000) with a substantial profit for the year attributable to shareholders of HK$927,908,000 against a loss of HK$780,719,000 in the previous financial year. This was mainly due to the gain in fair value of investments held for trading of HK$765,476,000 (2013: loss of HK$152,682,000) and derivative financial instruments of HK$69,454,000 (2013: HK$16,645,000); the net gain on disposal of available-for-sale investments of HK$125,946,000 (2013: HK$745,000) and the share of profit of associates of HK$263,388,000 (2013: loss of HK$624,814,000) but partially off-set by the impairment loss recognized on the Group's interest in an associate of HK$232,639,000 (2013: nil). Earnings per share (from continuing and discontinuing operations)(basic and diluted) for the year ended 30 June 2014 improved to HK$1.73 (2013: loss per share of HK$1.44).

The Group's net asset value per share attributable to the owners of the Company as at 30 June 2014 increased to HK$3.43 (2013: HK$1.81).

FINAL DIVIDEND AND SPECIAL DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.05 per share (2013: nil) and a special dividend of HK$0.05 per share (2013: nil) amounting to approximately HK$53,107,000 (2013: nil) to the shareholders whose names appear on the register of members of the Company on 11 December 2014.

It should be noted that during the year the Company repurchased a total of 11,188,000 shares (2013: 2,196,000 shares) in the capital of the Company for an aggregate consideration of HK$25,085,000 (2013: HK$2,400,000) for cancellation and as a result both earnings per share and net asset value per share of the Company have been enhanced.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed during the following periods, and no transfers of shares will be effected during such periods:

(i) from Monday, 1 December 2014 to Wednesday, 3 December 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Annual General Meeting. In order to be entitled to attend and vote at the Annual General Meeting, all transfers of ordinary shares, duly accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, no later than 4:30 p.m. on Friday, 28 November 2014; and

(ii) from Tuesday, 9 December 2014 to Thursday, 11 December 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend and special dividend. In order to qualify for the proposed final dividend and special dividend, all transfers of ordinary shares, duly accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited for registration no later than 4:30 p.m. on Monday, 8 December 2014.

CHAIRMAN'S STATEMENT

The relevant dividend warrants for the aforesaid final dividend and special dividend are expected to be despatched on or about 7 January 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS – CONTINUING OPERATIONS

Securities Trading and Investments

The first half of 2014 saw a rally in the financial markets because of an improved economic growth, low inflation and low interest rates and the liquidity provided by the respective central banks. The Group was able to take advantage of the conducive economic environment. However, various events such as the escalation of geopolitical tensions in the Middle East and Eastern Europe, the uneven economic growth in the various advanced economies and the United States ("US"), and the economic slow-down in the emerging markets and the People's Republic of China ("PRC") continued to provide a significant challenge to the global economic recovery, bringing about volatility in various financial markets.

For the year ended 30 June 2014 the Group's business in securities trading and investments recorded an improved turnover of HK$1,104,345,000 (2013: HK$677,016,000) and a profit of HK$906,834,000 (2013: loss of HK$189,014,000), mostly attributed to the gain in fair value of investments held for trading of HK$765,476,000 (2013: loss of HK$152,682,000) and derivative financial instruments of HK$69,454,000 (2013: HK$16,645,000). Additionally, there was the net gain on disposal of available-for-sale investments of HK$125,946,000 (2013: HK$745,000) inclusive of the on-market disposals of 80.9 million shares of Landing International Development Limited (formerly known as Greenfield Chemical Holdings Limited) in July 2013 and 15.972 million shares of Sun Hung Kai & Co. Limited in June 2014.

As at 30 June 2014, the Group continued to maintain a portfolio of available-for-sale investments of HK$168,739,000 (2013: HK$331,539,000) and a trading portfolio of HK$1,540,273,000 (2013: HK$957,197,000).

Money Lending

During the year under review, the Group's money lending business recorded an increased turnover of interest income of HK$101,332,000 (2013: HK$15,726,000) and an enhanced profit of HK$72,654,000 (2013: HK$9,558,000) from its loan portfolio. As at 30 June 2014, the Group's loan portfolio increased to HK$202,103,000 (2013: HK$103,761,000) mostly due to the novation in October 2013 of an Australian Dollar ("A$") denominated short term loan receivable ("A$ Loan Receivable") at a consideration of approximately A$75.4 million. The A$ Loan Receivable has been fully repaid in July 2014.

Property Investments

The Group's investment properties located in Hong Kong and the PRC recorded a rental income of HK$4,005,000 (2013: HK$3,882,000) and a decrease in profit of HK$14,184,000 (2013: HK$59,415,000) for the 2014 financial year mainly due to the reduction in gain in fair value changes on its investment properties portfolio to HK$11,498,000 (2013: HK$57,589,000). As at 30 June 2014, the Group's investment properties portfolio amounted to HK$213,660,000 (2013: HK$208,112,000).

CHAIRMAN'S STATEMENT

REVIEW OF OPERATIONS – DISCONTINUING OPERATIONS

Through the Group's shareholding of 60.52% in Lianyungang Jiatai Construction Company Limited (連雲港嘉泰建設工程有限公司) ("Jiatai Construction", Jiatai Construction and its subsidiaries as "Jiatai Group"), the Group's hospital ownership and operation in the PRC consists of the Nanjing Tongren Hospital (南京同仁醫院), the Kunming Tongren Hospital (昆明同仁醫院) and the Yunnan Xinxinhua Hospital (雲南新新華醫院). All three are integrated hospitals offering a wide range of comprehensive clinical and healthcare services. The Jiatai Group's property development business in the PRC consists of the Kangya Garden (康雅苑) development project located in the Jiangning Development Zone in Nanjing, the PRC with a total gross floor area of approximately 125,400 sqm with construction of Phase II completed in June 2013. The construction of Phase III is expected to be completed by June 2015.

During the year under review, the Jiatai Group's hospital operation and property development in the PRC contributed an aggregated turnover of HK$964,416,000 (2013: restated HK$601,707,000) and a loss for the year of HK$170,079,000 (2013: HK$89,445,000) mainly caused by the continued increase in inflation and increase in labour costs in the PRC especially for medical and technical staff, and finance costs.

As announced in August 2013, the Jiatai Group entered into a sale and purchase agreement to dispose of its interest in Kunming Tongren Industrial Development Company Limited (昆明同仁實業開發有限公司) ("Kunming Tongren Industrial") for a consideration of RMB324.995 million with a prepayment of RMB30 million received. Upon the completion of the assets transfer and restructuring of receivables and liabilities, Kunming Tongren Industrial's remaining assets will consist of the elderly care use land, the nursery land together with the existing buildings and structures thereon, the right and income entitlement in the 204 fixed parking spaces (developed but unsold) in Dianchi Yinxiang Garden (滇池印象花園) and the right to the 24 flats (developed but unsold) in Dianchi Yinxiang Garden, in Kunming City in the Yunnan Province of the PRC. The Group considers that the disposal would provide the Company with the opportunity to realize gains from its investments and enable it to reallocate its financial resources to other core business activities. The disposal is not completed as the Group and the purchasers are still in the course of obtaining separate land certificates for the elderly care use land and the nursery land.

In September 2013, the Group announced that the Jiatai Group entered into an agreement to dispose of its entire shareholding of 65% of the registered capital of Dongying Tongren International Health Centre Investment Company Limited (東營同仁國際健康城投資有限公司) ("Dongying Tongren") for a consideration of RMB13 million with a deposit of RMB5 million received. The sole investment of Dongying Tongren is the Dongying Tongren International Health Centre project in Dongying in the Shangdong Province of the PRC, which is still in the preliminary planning stage. The disposal will enable the Group to recuperate its initial capital contribution and continue to participate in the projects of Dongying Tongren through the provision of management and consulting services. The disposal is also not completed as the purchaser is still in the course of its due diligence work.

In August 2014, the Group announced that it has entered into an agreement to dispose of its entire interest in Jiatai Construction for a total consideration of HK$944,944,150. As such, the hospital operation and property development operation of Jiatai Group are considered discontinuing operations with the relevant assets and liabilities of Jiatai Group reclassified to "assets classified as held for sale" under current assets and "liabilities associated with assets held for sale" under current liabilities respectively.

CHAIRMAN'S STATEMENT

PRINCIPAL ASSOCIATED COMPANIES

For the 2014 financial year the share of profit of associates of the Group, impairment loss recognized on interest in an associate, gain on partial disposal of associates, gain on deemed disposal of an associate and gain on deemed acquisition of an associate were HK$263,388,000 (2013: loss of HK$624,814,000), HK$232,639,000 (2013: nil), nil (2013: HK$466,000), nil (2013: HK$34,794,000) and HK$67,116,000 (2013: nil) respectively. As at 30 June 2014, the Group's investment in associates was HK$408,316,000 (2013: HK$273,037,000).

Mabuhay Holdings Corporation ("MHC") – approximately 29.85% owned by the Group

MHC is a company incorporated in the Philippines with its shares listed on The Philippine Stock Exchange, Inc. ("PSE") and is engaged in investment in securities, properties, and other investments in the Philippines. MHC's major asset is an approximately 37.3% interest in IRC Properties, Inc. ("IRC"), whose shares are also listed on the PSE. IRC is principally engaged in real estate development with three real estate projects, inclusive of two affordable socialize housing projects (in joint venture and in development phase) and a condominium project (in design phase), in the Binangonan area of Rizal Province close to Metro-Manila in the Philippines. IRC is also in continuing negotiation with a key real estate industry player to develop another portion of its Binangonan property.

Think Future Investments Limited ("Think Future") – 30% owned by the Group

Think Future is an investment holding company and through its subsidiaries (collectively the "Think Future Group"), engaged in property development and project management businesses in the PRC. Currently the Think Future Group has a development project located in Zhu Jia Jiao County, Shanghai, the PRC which it is developing into a showcase project comprising health industry headquarters and base, offering health and care services packages to the elderly. The project is now under construction and its pre-sale program has commenced.

APAC Resources Limited ("APAC") – approximately 33.15% owned by the Group

In January 2014, APAC announced a conditional cash offer to its shareholders to repurchase for cancellation up to a maximum of 680,000,000 shares of APAC at an offer price of HK$0.18 per share ("APAC Share Buy-Back"). The APAC Share Buy-Back was completed in May 2014 and together with the acquisition of 1,640,000 shares of APAC by the Company during the year, the Group's effective interest in APAC has increased from approximately 29.81% to approximately 33.15%. A gain on deemed acquisition of interest in APAC of HK$67,116,000 (2013: nil) is recognized in the year under review.

APAC is an established natural resources investment and commodities business company listed on the Hong Kong Stock Exchange. Focused on natural resources, its business lines comprise primary strategic investment, resource investment and commodity business. APAC's primary strategic investments include an approximately 26.61% shareholding in Mount Gibson Iron Limited ("MGX"), the fifth largest iron ore producer in Australia and an approximately 24.02% shareholding in Metals X Limited ("MLX"), Australia's largest tin producer. MGX is a leading West Australian hematite iron ore producer listed on the Australian Stock Exchange ("ASX"). MGX has three mines in production with annual capacity of 10 million tonnes per annum of direct shipping ore. MLX is an Australian based and ASX listed emerging diversified resource group with exposure to gold with the Higginsville, South Kalgoorlie and Central Murchison projects, tin via its 50% interest in the producing Renison mine in Tasmania, and nickel through its world scale Wingellina nickel development project. APAC's commodity business is based in Shanghai, currently trading iron ore and coal, and dominated by two offtake agreements with MGX and the shipments are sold on the spot market to steel mills and traders in the PRC.

CHAIRMAN'S STATEMENT

For the year under review, APAC recorded a revenue of HK$774,512,000 (2013: HK$1,104,617,000) and profit attributable to shareholders of HK$907,260,000 (2013: loss of HK$2,079,687,000). The significant profit has been driven by a reversal of impairment provision of HK$673,647,000 (2013: nil) against the carrying value of APAC's two principal listed associates. Before taking into account the reversal of impairment provision, APAC's primary strategic investments reported an attributable profit of HK$244,622,000 (2013: HK$347,152,000), its resource investment portfolio posted a loss of HK$7,596,000 (2013: loss of HK$268,911,000) and its commodity business achieved a profit of HK$51,353,000 (2013: HK$16,556,000).

FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE AND EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES

As at 30 June 2014, the Group's non-current assets of HK$640,200,000 (2013: HK$2,164,204,000) consisted of investment properties of HK$213,660,000 (2013: HK$208,112,000), property, plant and equipment of HK$17,478,000 (2013: HK$1,451,117,000), prepaid lease payments of nil (2013: HK$65,426,000), interests in associates of HK$408,316,000 (2013: HK$273,037,000), available-for-sale investments of HK$746,000 (2013: HK$126,819,000), intangible assets of nil (2013: HK$16,713,000) and deposits for acquisition of property, plant and equipment of nil (2013: HK$22,980,000). These non-current assets are principally financed by the Group's shareholders' funds. As at 30 June 2014, the Group's net current assets increased to HK$1,694,727,000 (2013: HK$48,792,000) mainly attributed to the reclassification of the relevant assets and liabilities of the Jiatai Group as current assets and current liabilities respectively.

As at 30 June 2014, the total borrowings of the Group amounted to HK$1,592,690,000 (2013: HK$2,710,883,000) consisting of securities margin loans of HK$857,668,000 (2013: HK$1,128,582,000), unsecured term loan of HK$488,022,000 (2013: HK$70,000,000), promissory note of nil (2013: HK$91,987,000), secured bank borrowings of nil (2013: HK$308,669,000), unsecured bank borrowings of nil (2013: HK$391,587,000), unsecured other borrowings of nil (2013: HK$122,102,000), discounted bills of nil (2013: HK$350,956,000) and bonds of HK$247,000,000 (2013: HK$247,000,000). Among the total borrowings of the Group, an amount of HK$1,522,690,000 (2013: HK$2,173,222,000) was with maturity on demand or within one year, HK$70,000,000 (2013: HK$409,517,000) was with maturity of over one year but not exceeding two years while borrowings of nil (2013: HK$128,144,000) was with maturity of over two years but not exceeding five years.

As at 30 June 2014, the total borrowings of the Jiatai Group (classified in liabilities associated with assets held for sale) amounted to HK$1,342,670,000 (2013: HK$1,173,314,000) consisting of secured bank borrowings of HK$390,850,000 (2013: HK$308,669,000), unsecured bank borrowings of HK$539,577,000 (2013: HK$391,587,000), unsecured other borrowings of HK$258,042,000 (2013: HK$122,102,000) and discounted bills of HK$154,201,000 (2013: HK$350,956,000). Among the total borrowings of the Jiatai Group, an amount of HK$958,168,000 (2013: HK$1,047,168,000) was with maturity on demand or within one year, HK$378,254,000 (2013: HK$68,002,000) was with maturity of over one year but not exceeding two years while borrowings of HK$6,248,000 (2013: HK$58,144,000) was with maturity of over two years but not exceeding five years.

As at 30 June 2014, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposits, restricted bank deposits and bank balances and cash) over total equity, was 47.3% (2013: 143.1%). The Group's gearing ratio would be adjusted to nil (2013: 65.2%) with marketable securities inclusive of available-for-sale investments (current) and investments held for trading deducted from the net borrowings.

CHAIRMAN'S STATEMENT

As at 30 June 2014, the Group's gearing ratio would be adjusted to 87.9% with the Group's net borrowings aggregated with Jiatai Group's net borrowings (classified in liabilities associated with assets held for sale). The Group's gearing ratio would be adjusted to 12.4% with marketable securities inclusive of available-for-sale investments (current) and investments held for trading deducted from the aggregated net borrowings.

In July 2013, the Jiatai Group entered into a mutual guarantee agreement with China Huali Holdings Group Company Limited (中國華力控股集團有限公司) ("Huali"), a connected person of the Company, pursuant to which both parties agreed that should any party (inclusive of their subsidiaries) apply for a loan or loans from a bank or financial institution, and if the lender so requires, then the other party shall provide a corporate guarantee for the obligations of the borrower under the loan. The total loan amounts guaranteed by each party shall not exceed RMB300 million. A corporate guarantee from PRC corporations is commonly required as a security or additional security for financial transactions in the PRC to secure the obligations of the borrower and the mutual guarantee agreement would enable and facilitate the Jiatai Group to obtain loans from third party lenders in order to support its ordinary and usual course of business in the PRC.

During the year under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Australian Dollar, Taiwan Dollar, Renminbi, Malaysian Ringgit and Japanese Yen. Because of the short term nature, the Group partially hedged risks arising from its Australian Dollar denominated assets and transaction and did not actively hedge risks arising from Malaysian Ringgit and Japanese Yen denominated assets and transactions. The exchange rate of the Taiwan Dollar and Renminbi were relatively stable during the year. The Group was not materially affected by its exposure to these currencies.

As at 30 June 2014, the Group had capital commitments contracted but not provided for of HK$1,295,000 (2013: HK$1,735,000).

As at 30 June 2014, Jiatai Group provided guarantees of RMB180,000,000 (approximately HK$224,928,000) to Huali under the mutual guarantee, while Huali and its subsidiary provided guarantees of RMB212,000,000 (approximately HK$264,915,000) to Jiatai Group under the mutual guarantee. As at 30 June 2014, the fair value of the guarantees is estimated to be insignificant. As at 30 June 2014, the Group had no other material contingent liabilities (2013: nil).

During the year, the Company repurchased a total of 11,188,000 shares (2013: 2,196,000 shares) in the capital of the Company for an aggregate consideration of HK$25,085,000 (2013: HK$2,400,000). The said shares were subsequently cancelled.

CHARGE ON GROUP ASSETS

As at 30 June 2014, the Group's investments held for trading of HK$1,495,409,000 (2013: HK$916,835,000), interests in associates of HK$383,500,000 (2013: HK$248,261,000), buildings (included in the property, plant and equipment) of nil (2013: HK$604,739,000), available-for-sale investments of HK$103,182,000 (2013: HK$231,892,000), prepaid lease payment of nil (2013: HK$35,293,000), pledged bank deposits of HK$2,944,000 (2013: HK$265,423,000), and amounts included in assets classified as held for sale inclusive of prepaid lease payments of HK$93,834,000 (2013: HK$61,993,000), buildings of HK$596,597,000 (2013: HK$18,039,000), pledged bank deposit of HK$235,518,000 (2013: nil), properties under development for sale of HK$704,588,000 (2013: nil) and properties held for sale of HK$20,686,000 (2013: HK$27,546,000) were pledged to banks and securities houses to secure credit facilities granted to the Group (inclusive of Jiatai Group).

CHAIRMAN'S STATEMENT

During the year ended 30 June 2014, the immediate holding company of Kunming Tongren Industrial and Kunming Tongren Hospital Company Limited, both non wholly-owned subsidiaries of the Company, pledged its equity interest in these two subsidiaries to banks for borrowings granted to the Jiatai Group.

The Jiatai Group's obligations under finance leases are secured by the Jiatai Group's charge over the leased assets. At 30 June 2014, the carrying amount of the Jiatai Group's medical equipment includes an amount of HK$139,143,000 (2013: HK$174,937,000) in respect of assets held under finance leases.

EMPLOYEES

The Group had 2,052 employees as at 30 June 2014 inclusive of discontinuing operations (2013: 2,113). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS

The global financial markets will continue to encounter significant risks associated with geopolitical tensions and regional conflicts particularly in the energy producing and export region, slower than expected growth from industrialized economies and the emerging markets, continued deflation and fiscal headwinds in the euro zone area, and the beginning of the interest rate hike cycle in the US. Additionally, in a market environment underpinned by aggregative monetary policy of major central banks, investors and market sentiments, could be rapidly soured by any subtle change in perception in what the market currently expects or a divergence in policy directions.

In May 2014, the Company received a non-binding offer, subject to formal agreement, for the acquisition of the Group's entire interest in Jiatai Group held by the Group. In July 2014, the Group entered into an agreement to dispose of its entire interest in Jiatai Construction for a total consideration of HK$944,944,150 ("Disposal"). In September 2014, as a condition precedent to the Disposal, Jiatai Construction acquired a 10.2% equity interest in Yangpu Zhaohe Industrial Co. Ltd (洋浦兆合實業有限公司) ("Yangpu Zhaohe") for a consideration of RMB50 million and together with the acquisition of the remaining 8.16% equity interest of Yangpu Zhaohe from another shareholder, Yangpu Zhaohe will be wholly-owned by Jiatai Construction. The Jiatai Group has been loss-making for a period of time since becoming subsidiaries of the Group in September 2012 and with its relatively high gearing level, it will require possible continued capital support. The Group believes the Disposal is an exit opportunity which will bring realized capital gain and good cash flow under the current uncertain economic environment.

As a value investor, the Group will continuously review and adjust its investment strategies and investment portfolio to suit the prevailing economic and investment environment and will seek grossly undervalued investment and business opportunities in China, Hong Kong and the Asia Pacific region to enhance value for shareholders.

CHAIRMAN'S STATEMENT

APPRECIATION

On behalf of the Board, I would like to extend my whole-hearted thanks to our shareholders for their continued support and to our staff for their contribution to the Group during the year.

Chong Sok Un
Chairman

Hong Kong, 26 September 2014

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

EXECUTIVE DIRECTORS

Ms. Chong Sok Un, M.H. aged 60, was appointed as executive director and chairman of the Company on 23 August 2002. Ms. Chong is also executive director and chairman of APAC Resources Limited, the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited. Ms. Chong was awarded the Medal of Honour (M.H.) by the Government of the Hong Kong Special Administrative Region on 1 July 2011. She is a member of Dongguan Committee of the Chinese People's Political Consultative Conference, the Honorary Director of the Chinese Red Cross Foundation, Permanent Honorary Chairman of the Hong Kong Federation of Fujian Associations and Vice Chairman of the Hong Kong Federation of Fujian Associations Ladies Committee. She is now the namer and director of YOT Chong Sok Un Medical Fund (cancer aid) and a member of Yan Oi Tong Advisory Board. Ms. Chong was the chairman of the 31st Term of the Board of Directors of Yan Oi Tong 2010-2011 and also the chairman of Long Island Golf & Country Club, Dongguan, China from 1998 to 2014. She was a non-executive director of Alibaba Pictures Group Limited (formerly known as ChinaVision Media Group Limited) from 25 June 2007 to 23 April 2009.

Dato' Wong Peng Chong, aged 70, was appointed as executive director of the Company on 15 March 2002. Dato' Wong is also a director of Mabuhay Holdings Corporation and IRC Properties, Inc., companies listed in The Philippine Stock Exchange, Inc..

Upon his graduation from the University of Malaya in 1967, Dato' Wong joined the Malaysian Foreign Service and served with several Malaysian diplomatic missions overseas in various capacities. He joined the private sector in 1985 and has served in various senior management positions, including executive directorships in public listed companies, in Hong Kong and Malaysia. He was the vice-president of Alibaba Pictures Group Limited (formerly known as ChinaVision Media Group Limited) from 4 July 2007 to 9 December 2009. He was also an executive director of Landing International Development Limited from 13 October 2009 to 21 January 2010.

Mr. Kong Muk Yin, aged 48, was appointed as executive director of the Company on 13 May 2002. He is an executive director of APAC Resources Limited. Mr. Kong is also a director of Mabuhay Holdings Corporation and IRC Properties, Inc., companies listed in The Philippine Stock Exchange, Inc.. From 4 July 2007 to 24 June 2014, he was an executive director and non-executive director of Alibaba Pictures Group Limited (formerly known as ChinaVision Media Group Limited). He was also an executive director of Landing International Development Limited from 13 October 2009 to 21 January 2010.

Mr. Kong was graduated from City University of Hong Kong with a bachelor's degree in business studies. He is a fellow member of The Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst and he has extensive experience in corporate finance, financial management, accounting and auditing.

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Siu Ki, aged 56, was appointed as independent non-executive director of the Company on 3 June 2004. He has over 30 years of experience in corporate finance, financial advisory and management, accounting and auditing. He is currently working as a consultant in the financial advisory field. Prior to that, Mr. Lau had worked in an international accounting firm for over 15 years. He is a fellow member of both the Association of Chartered Certified Accountants ("ACCA") as well as the Hong Kong Institute of Certified Public Accountants. Mr. Lau was a member of the Council of ACCA and a member of the Committee of the Hong Kong branch of ACCA. He was also the Chairman of ACCA Hong Kong for the year 2000/2001. Mr. Lau is also the independent non-executive director of Binhai Investment Company Limited, Comba Telecom Systems Holdings Limited, TCL Communication Technology Holdings Limited, FIH Mobile Limited, Samson Holding Ltd. and Embry Holdings Limited and the independent supervisor of Beijing Capital International Airport Co., Ltd..

Mr. Ma Wah Yan, aged 66, was appointed as independent non-executive director of the Company on 8 March 2011. Mr. Ma is the Senior Partner of Messrs. Hobson & Ma, Solicitors & Notaries and Council Member of the Law Society of Hong Kong. He is also a Notary Public, a solicitor of the High Court of Hong Kong Special Administrative Region, the Supreme Court of England and Wales, the Supreme Court of the Republic of Singapore and the Supreme Court of the Australian Capital Territory.

Mr. Zhang Jian, aged 72, was appointed as independent non-executive director of the Company on 16 October 2006. He is a professional senior engineer in PRC. He is the Honorary Chairman of Xian University of Architecture & Technology Peking Alumni Association and the Outside Director of China National Building Material Group Corporation and also the Chairman of the Board of Sino-Mining International Investment Co. Ltd. He has been awarded National Outstanding Intellect in 1997 and National Top 10 Honest Persons of Outstanding Ability in 2004. Mr. Zhang has been awarded as Influential Person to China Nonferrous Metal Industry in 2005. From 1982 to 1998, he held various senior positions in China Nonferrous Metal Industry Company. From 1998 to 2003, he acted as Chairman and General Manager of China Nonferrous Metal Construction Group Company Ltd.. From 2003 to 2005, he acted as General Manager of China Nonferrous Metal Mining & Construction (Group) Co., Ltd.

DIRECTORS' REPORT

The directors of the Company (the "Director(s)") present their annual report and the audited consolidated financial statements for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 52 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2014 are set out in the consolidated statement of profit or loss on page 31.

The Directors recommended the payment of a final dividend of HK$0.05 (2013: nil) per share and a special dividend of HK$0.05 per share (2013: nil) to the shareholders on the register of members on 11 December 2014 amounting to HK$53,107,000 (2013: nil), and the retention of the remaining profit for the year of HK$804,723,000 (2013: nil).

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 39 to the consolidated financial statements.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties were revalued at 30 June 2014 and the resulting revaluation increase of HK$11,498,000 has been credited directly to the consolidated statement of profit or loss.

The Group's buildings were revalued at 30 June 2014 and a revaluation surplus on leasehold land and building in Hong Kong of approximately HK$1,000,000 has been credited to the property revaluation reserve and revaluation deficit on building in the PRC of approximately HK$60,565,000 has been debited to profit or loss.

Details of these and other movements in the investment properties, and property, plant and equipment of the Group during the year are set out in notes 18 and 19 to the consolidated financial statement, respectively.

DIRECTORS AND SERVICE CONTRACTS

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

Executive Directors:

Ms. Chong Sok Un *(Chairman)*
Dato' Wong Peng Chong
Mr. Kong Muk Yin

Independent Non-Executive Directors:

Mr. Lau Siu Ki
Mr. Ma Wah Yan
Mr. Zhang Jian

DIRECTORS' REPORT

In accordance with clause 99 of the Company's Bye-Laws, Mr. Ma Wah Yan and Mr. Zhang Jian will retire and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

None of the Directors 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2014, the interests and short positions of the Directors and the chief executive of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions in the shares of the Company

	Number of ordinary shares of HK$0.01 each					Percentage of issued ordinary shares
Name of Director	Personal interests	Family interests	Corporate interests	Other interests	Total	
Ms. Chong Sok Un ("Ms. Chong")	–	–	391,125,707 (Note)	–	391,125,707	73.65%

Note: Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit"), owns 391,125,707 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 391,125,707 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2014, none of the Directors, the chief executive of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares, underlying shares, or debentures of, the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2014, the following parties had interests or short positions in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO:

Long positions in the shares of the Company

Name	Capacity	Number of ordinary shares held	Percentage of issued ordinary shares
Ms. Chong Sok Un ("Ms. Chong")	Held by controlled corporation (Note)	391,125,707	73.65%
China Spirit Limited ("China Spirit")	Held by controlled corporation (Note)	391,125,707	73.65%
Vigor Online Offshore Limited ("Vigor") (Note)	Beneficial owner (Note)	391,125,707	73.65%

Note: Vigor, a wholly-owned subsidiary of China Spirit, owns 391,125,707 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 391,125,707 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2014, there were no other parties who had interests or short positions in the shares or underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group had no major customers and suppliers due to the nature of principal activities of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased a total of 11,188,000 ordinary shares in the capital of the Company on the Stock Exchange in the range from HK$1.75 to HK$2.42 per ordinary share for a total consideration of HK$25,085,000. The said shares were subsequently cancelled.

The issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefit Shareholders as a whole in enhancing the net asset value and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS' REPORT

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considers all of the Independent Non-Executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the general staff of the Group is set up by the management of the Group on the basis of their merit, qualifications and competence.

The emoluments of the Directors and senior management of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 30 June 2014.

DONATIONS

During the year, the Group made donations amounting to HK$100,000.

AUDITOR

A resolution will be submitted to the forthcoming Annual General Meeting to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Chong Sok Un
Chairman

Hong Kong, 26 September 2014

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") believes that corporate governance is essential to the success of the Company and the enhancement of shareholders' value. Accordingly, the Company has adopted various measures to ensure that a high standard of corporate governance is maintained.

Throughout the year ended 30 June 2014, the Company has applied the principles and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report. As listed out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited. The current practices will be reviewed and continuously updated.

BOARD OF DIRECTORS

The Board currently comprises six directors (the "Directors") in total, with three Executive Directors and three Independent Non-Executive Directors.

The composition of the Board during the year under review and up to the date of this report is set out as follows:

Executive Directors:

Ms. Chong Sok Un *(Chairman)*
Dato' Wong Peng Chong
Mr. Kong Muk Yin

Independent Non-Executive Directors:

Mr. Lau Siu Ki
Mr. Ma Wah Yan
Mr. Zhang Jian

The Board members have no financial, business, family or other material/relevant relationships with one another. Such balanced Board composition is formed to ensure strong independence exists across the Board.

Throughout the year, the Board has at least one-third in number of its members comprising Independent Non-Executive Directors under Rule 3.10A of the Listing Rules and at least one of the Independent Non-Executive Directors possesses appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10 of the Listing Rules.

The Board has received from each Independent Non-Executive Director an annual confirmation of his independence and considers that all the Independent Non-Executive Directors are independent under the guidelines set out in Rule 3.13 of the Listing Rules. The biographical details of the Directors are set out in pages 11 to 12 of this Annual Report.

CORPORATE GOVERNANCE REPORT

During the year, 4 Board meetings were held and the attendance of each Director at the Board meetings is set out as follows:

Name of Directors	Number of Board meetings attended/held	Attendance rate
Ms. Chong Sok Un *(Chairman)*	4/4	100%
Dato' Wong Peng Chong	4/4	100%
Mr. Kong Muk Yin	4/4	100%
Mr. Lau Siu Ki	4/4	100%
Mr. Ma Wah Yan	4/4	100%
Mr. Zhang Jian	4/4	100%

The schedule of Board meetings for a year is planned in the preceding year. At least 14 days notice of all Board meetings is given to all Directors and they can include matters for discussion in the agenda if the need arises. The company secretary of the Company (the "Company Secretary") assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are sent to all Directors at least 3 days before the date of every Board meeting so that the Directors have the time to review the documents.

Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required. The Company Secretary continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc. whilst managing the Group's business is the responsibility of the management of the Group (the "Management").

When the Board delegates aspects of its management and administration functions to the Management, it has given clear directions, to the powers of the Management, in particular, with respect to the circumstances where the Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The chairman met with the Independent Non-Executive Director without the Executive Directors being present during the year.

Training

Each newly appointed Director has received comprehensive, formal and tailored induction on appointment so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is fully aware of his/her responsibilities under the Listing Rules, legal and other regulatory requirements.

CORPORATE GOVERNANCE REPORT

During the year, the Company has arranged training for Directors to provide regular updates relating to the roles, functions and duties, corporate governance and change in regulatory requirements so as to enable the Directors to properly discharge their duties under the code provision A.6.5 of the CG Code. The Company has received confirmation from all Directors of their respective training records for the year ended 30 June 2014.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against the Directors and officers of the Company and its subsidiaries arising out of corporate activities of the Group under the code provision A.1.8 of the CG Code.

Roles of Chairman and Chief Executive Officer

The code provision A.2.1 of the CG Code requires that the roles of the Chairman and the chief executive officer are segregated and performed by separate individuals who have no relationship with each other, except as fellow Directors, to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Chairman of the Board is Ms. Chong Sok Un. She is responsible for the leadership and effective running of the Board. The functions of the chief executive officer are performed by the two Executive Directors, namely Dato' Wong Peng Chong who is in charge of day-to-day business operations of the Group and Mr. Kong Muk Yin who is in charge of finance and accounts aspect of the Group. The functions and responsibilities between the Chairman and the two Executive Directors performing the functions of chief executive officer are clearly segregated.

The list of Directors and their roles and functions are available on the websites of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/colcapital/.

Appointment and Re-election of Directors

Each of the Independent Non-Executive Directors has entered into a letter of appointment with the Company and appointed for a specific term, subject to retirement by rotation and re-election at least once every three years at the annual general meeting (the "AGM") of the Company in accordance with the Company's Bye-Laws. Any new Director appointed by the Board to fill a causal vacancy shall be subject to re-election by shareholders at the next following AGM after appointment.

Board Diversity Policy

The Board has adopted a board diversity policy on 30 August 2013 which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company under A5.6 of the CG Code.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

CORPORATE GOVERNANCE REPORT

Corporate Governance Function

The Board has adopted the written terms of reference on corporate governance function on 27 February 2012 so as to assist the Board in supervising the management of its business and office of the Group. During the year, the Board has performed the corporate governance duties in accordance with its terms of reference.

The duties of the Board in respect of corporate governance function are summarized as follows:

i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

ii) to review and monitor the training and continuous professional development of Directors and senior management;

iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

v) to review the Company's compliance with the code provisions as set out in the CG Code and its disclosure requirements in the Corporate Governance Report.

BOARD COMMITTEES

The Board has established various committees to assist it in carrying out its responsibilities. The Board has appointed 5 Board committees, viz, the Executive Committee, Investment Committee, Remuneration Committee, Nomination Committee and Audit Committee to oversee particular aspects of the Group's affairs. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

Executive Committee

The Executive Committee was established on 23 May 1998 with its written terms of reference adopted on 21 July 2005. The Committee is composed of the Chairman and two Executive Directors of the Board. The Executive Committee is responsible for approving and monitoring the daily operations of the Group. The Executive Committee held 5 meetings during the year.

Investment Committee

The Investment Committee was established on 2 February 2000 with its written terms of reference adopted on 19 December 2005. The Committee is composed of the Chairman and two Executive Directors of the Board. The Investment Committee is responsible for approving and monitoring the Group's investment related activities. The investment committee met 11 times during the year.

Remuneration Committee

The Remuneration Committee was established on 15 April 2005 with its written terms of reference. The terms of reference of the Remuneration Committee are available on the website of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/colcapital/.

The Committee comprises two Executive Directors and three Independent Non-Executive Directors. The composition of the Remuneration Committee has complied with the requirements as set out in Rule 3.25 of the Listing Rules that a majority of the members of the Remuneration Committee should be Independent Non-Executive Directors and chaired by an Independent Non-Executive Director.

The meeting of the Remuneration Committee shall be held at least once a year. 1 meeting was held during the year and the attendance of each member is set out as follows:

Name of members	Number of meeting attended/held	Attendance rate
Mr. Ma Wah Yan *(Chairman)*	1/1	100%
Dato' Wong Peng Chong	1/1	100%
Mr. Kong Muk Yin	1/1	100%
Mr. Lau Siu Ki	1/1	100%
Mr. Zhang Jian	1/1	100%

The remuneration policy of the Group is to ensure all its employees are remunerated in line with market terms and individual performance.

At the meeting held during the year, the overall pay trend in Hong Kong of 2013/2014 was reviewed and noted.

The major roles and functions of the Remuneration Committee are as follows:

i) to review annually and recommend to the Board the overall remuneration policy and structure for the Directors and senior management;

ii) to review annually the performance of the Executive Directors and senior management and recommend to the Board specific adjustments in remuneration and/or reward payments;

iii) to review and recommend the compensation payable to Executive Directors relating to any loss or termination of their office or appointment;

iv) to review and recommend compensation arrangements relating to dismissal or removal of Directors for misconduct; and

v) to responsible for establishing formal and transparent procedures for developing remuneration policy and structure to ensure no Director or any of his/her associates is involved in deciding his/her own remuneration.

CORPORATE GOVERNANCE REPORT

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of Executive Directors and senior management, and make recommendations to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee.

Nomination Committee

The Nomination Committee was established on 27 February 2012 with its written terms of reference. The terms of reference of the Nomination Committee are available on the website of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/colcapital/.

The Nomination Committee of the Company comprises five members including two Executive Directors and three Independent Non-Executive Directors.

The meeting of the Nomination Committee shall be held at least once a year. 1 meeting was held during the year and the attendance of each member is set out as follows:

Name of members	Number of meeting attended/held	Attendance rate
Ms. Chong Sok Un *(Chairman)*	1/1	100%
Dato' Wong Peng Chong	0/1	0%
Mr. Lau Siu Ki	1/1	100%
Mr. Ma Wah Yan	1/1	100%
Mr. Zhang Jian	1/1	100%

The Nomination Committee is responsible for formulating nomination policy for the Board's consideration and implement the Board's approved nomination policy.

The major roles and functions of the Nomination Committee are as follows: –

i) to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

iii) to assess the independence of Independent Non-Executive Directors;

iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the chief executive; and

v) to review and monitor policy concerning diversity of Board members and make recommendations on any proposed changes to the Board.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee was established on 29 January 1999 with its written terms of reference. The terms of reference of the Audit Committee are available on the website of each of Stock Exchange and the Company at http://www.irasia.com/listco/hk/colcapital/.

The Audit Committee comprises three Independent Non-Executive Directors. The composition of the Audit Committee has complied with the requirements as set out in Rule 3.21 of the Listing Rules that majority of the members of the Audit Committee should be Independent Non-Executive Director.

The Audit Committee shall meet at least twice a year. 4 meetings were held during the year, the minutes of the Audit Committee meetings were tabled to the Board for noting and for action by the Board where appropriate, the attendance of each member is set out as follows:

Name of members	Number of meetings attended/held	Attendance rate
Mr. Lau Siu Ki *(Chairman)*	4/4	100%
Mr. Ma Wah Yan	4/4	100%
Mr. Zhang Jian	4/4	100%

During the year and up to the date of this report, the Audit Committee had performed the following work:

i) reviewed the financial reports for the six months period ended 31 December 2013 and for the year ended 30 June 2014;

ii) reviewed the effectiveness of internal control system;

iii) reviewed the external auditor's statutory audit plan and engagement letter;

iv) reviewed the management letter from the external auditor in relation to the audit of the Group for the year ended 30 June 2014; and

v) reviewed and recommended for approval by the Board the audit scope and fees for the year ended 30 June 2014.

CORPORATE GOVERNANCE REPORT

The major roles and functions of the Audit Committee are as follows:

i) to consider the appointment, re-appointment and removal of the external auditor, the audit fees, and any questions of resignation or dismissal of the external auditor of the Group;

ii) to discuss with the external auditor the nature and scope of the audit;

iii) to review the interim and annual financial statements before submission to the Board;

iv) to discuss problems and reservations arising from the interim review and final audit, and any matters the external auditor may wish to discuss;

v) to review the external auditor's management letters and management's response; and to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;

vi) to review the Group's financial controls, internal controls and risk management systems to ensure that they are appropriate and functioning properly; and

vii) to consider any findings of major investigations of internal control matters and management's response.

AUDITOR'S REMUNERATION

During the year ended 30 June 2014 under review, the remuneration paid or payable to the Group's external auditor, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	Fees paid/payable HK$'000
Audit services	1,590
Non-audit services	651
	2,241

INTERNAL CONTROL

The Board and senior management are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Company comprises a well-established organizational structure and comprehensive polices and standards. The Board has clearly defined the authorities and key responsibilities of each business and operational unit to ensure adequate checks and balances. The Board is of the view that the system of internal controls in place for the year ended 30 June 2014 under review and up to the date of issuance of the annual report and financial statements is sound and is sufficient to safeguard the interests of shareholders, employees, and the Group's assets.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

a) The Executive Committee was established to ensure the effectiveness of the Group's daily operations and that the Group's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.

b) The Audit Committee reviews internal control issues identified by external auditor, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems. To further enhance control awareness, the Group has also approved launching a whistleblowing policy for employees to raise any concerns about possible improprieties in any matter related to the Group.

c) The Investment Committee was established to monitor the Group's investment related activities and respective operating and financial policies.

d) The Remuneration Committee was established to ensure all the Directors and the senior management of the Group are remunerated in line with market terms and individual performance.

e) The corporate reporting functions are delegated to the accounting department in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and other applicable regulations are delegated to the company secretarial department. The Management reviews the system of internal controls and briefs the reporting systems with the Executive Directors regularly and the Audit Committee annually.

f) Every newly appointed director was provided with a comprehensive handout detailing the responsibilities and duties of being a director of the Company. In particular highlighting the respective applicable rules and regulation, including the Listing Rules, which a director should aware and be informed on the first occasion of his/her appointment with the Company.

CORPORATE GOVERNANCE REPORT

g) The Company has adopted the code of conduct regarding Directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). A copy of the Model Code was sent to each Director and the relevant employees of the Group who are required to be provided under the Model Code. Enquiries have been made with Directors and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 30 June 2014.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 30 June 2014, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

SHAREHOLDERS' COMMUNICATION

A shareholder's communication policy was established on 27 February 2012. The Company has maintained different communication channels with its shareholders through the publication of annual and interim reports, circulars and announcements.

During the year ended 30 June 2014, an AGM was held and the attendance of each Director at the AGM is set out as follows:

Name of Directors	Number of AGM attended/held	Attendance rate
Ms. Chong Sok Un *(Chairman)*	1/1	100%
Dato' Wong Peng Chong	1/1	100%
Mr. Kong Muk Yin	1/1	100%
Mr. Lau Siu Ki	1/1	100%
Mr. Ma Wah Yan	1/1	100%
Mr. Zhang Jian	1/1	100%

The AGM of the Company provides a useful forum for shareholders to exchange views with the Board. At the Company's last AGM, Chairman of the Board as well as Chairman of the Audit Committee, Remuneration Committee and Nomination Committee were present to answer shareholders' questions.

CORPORATE GOVERNANCE REPORT

Separate resolutions are proposed at the general meetings for each substantial issue, including the re-election of the retiring Directors.

The Company's last AGM was held on 5 December 2013 and the Securities Repurchase Circular was sent to shareholders at least 20 clear business days prior to the meeting, setting out details of each proposed resolution, voting procedures (including the procedures for conducting a poll) and other relevant information. The Chairman explained the procedures for conducting a poll again at the beginning of the meeting and revealed the level of proxies voted in respect of each resolution. All shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at the meetings on their behalf if they are unable to attend the meetings.

The next AGM will be held on 3 December 2014, the notice of which will be sent to shareholders at least 20 clear business days before the meeting. An explanation of the detailed procedures for conducting a poll will be provided to the shareholders at the commencement of the meeting. The Chairman will answer any questions from shareholders regarding voting by way of a poll. The poll results will be published in accordance with the requirements of the Listing Rules.

SHAREHOLDERS' RIGHTS

Right to put enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Other shareholders' enquiries can be directed to the head office and principal place of business of the Company in Hong Kong as set out in the Corporation Information section of this Annual Report for the attention of the Company Secretary.

Right to convene special general meeting

Pursuant to Section 74(1) of the Bermuda Companies Act and the bye-law 62 of the Bye-Laws of the Company, the shareholder(s) of the Company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company may request the Board to convene a special general meeting.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

CORPORATE GOVERNANCE REPORT

Right to put forward proposals at general meetings

On the requisition in writing of either (i) any number of shareholder of the Company representing not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders, the Company shall, at the expense of the requisitionists:

a) to give to shareholders of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

b) to circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition must be signed by the requisitionists and deposited at the registered office of the Company at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda for the attention of the Company Secretary.

INVESTOR RELATIONS

The Company maintains a website at http://www.irasia.com/listco/hk/colcapital/ where information and updates on the list of Directors and their roles and functions, constitutional documents, terms of reference of the Board committees, procedures for nomination of Directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted. Information on the Company's website will be updated from time to time.

There was no significant change in the Company's constitutional documents during the year ended 30 June 2014.

On behalf of the Board
COL Capital Limited

Chong Sok Un
Chairman

Hong Kong, 26 September 2014

Deloitte.
德勤

TO THE MEMBERS OF COL CAPITAL LIMITED
中國網絡資本有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of COL Capital Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 144, which comprise the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other 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 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 30 June 2014, 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
26 September 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2014

	NOTES	2014 HK$'000	2013 HK$'000 (restated)
Continuing operations			
Revenue	7	**131,987**	34,204
Gross proceeds from sale of investments held for trading		**1,077,695**	662,420
Total		**1,209,682**	696,624
Revenue	7	**131,987**	34,204
Other gains and losses	9	**1,066,033**	(17,256)
Other income	10	**9,864**	7,018
Administrative expenses		**(73,122)**	(27,473)
Finance costs	11	**(120,855)**	(77,959)
Other expenses		**(15,675)**	(9,078)
Share of results of associates, net of impairment on interest in an associate	21	**30,749**	(624,814)
Profit (loss) before taxation		**1,028,981**	(715,358)
Taxation expense	13	**(1,072)**	(3,985)
Profit (loss) for the year from continuing operations		**1,027,909**	(719,343)
Discontinuing operations			
Loss for the year from discontinuing operations	14	**(170,079)**	(89,445)
Profit (loss) for the year	15	**857,830**	(808,788)
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		**1,032,392**	(718,250)
– from discontinuing operations		**(104,484)**	(62,469)
Profit (loss) for the year attributable to owners of the Company		**927,908**	(780,719)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(4,483)**	(1,093)
– from discontinuing operations		**(65,595)**	(26,976)
Loss for the year attributable to non-controlling interests		**(70,078)**	(28,069)
		857,830	(808,788)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2014

	NOTE	**2014** **HK$**	2013 HK$ (restated)
Earnings (loss) per share	17		
From continuing and discontinuing operations			
– Basic		**1.73**	(1.44)
– Diluted		**1.73**	(1.44)
From continuing operations			
– Basic		**1.92**	(1.32)
– Diluted		**1.92**	(1.32)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

	2014 HK$'000	2013 HK$'000 (restated)
Profit (loss) for the year	**857,830**	(808,788)
Other comprehensive income (expense)		
Items that will be reclassified subsequently to profit or loss:		
Net (loss) gain on available-for-sale investments:		
Gain on fair value changes	**24,696**	14,119
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale investments	**(125,946)**	(745)
Share of changes in other comprehensive income (expense) of associates	**3,048**	(5,424)
	(98,202)	7,950
Exchange difference arising on translation:		
Exchange gain arising from translation of foreign operation	**12,136**	7,673
Share of changes in other comprehensive income (expense) of associates	**20,306**	(83,666)
Reclassification adjustment – transfer translation reserve to profit or loss upon deemed disposal of an associate	**–**	(18,634)
	32,442	(94,627)
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of leasehold land and buildings	**1,000**	3,740
Other comprehensive expense for the year	**(64,760)**	(82,937)
Total comprehensive income (expense) for the year	**793,070**	(891,725)
Total comprehensive income (expense) attributable to:		
Owners of the Company	**864,896**	(865,632)
Non-controlling interests	**(71,826)**	(26,093)
	793,070	(891,725)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	NOTES	2014 HK$'000	2013 HK$'000
Non-current assets			
Investment properties	18	**213,660**	208,112
Property, plant and equipment	19	**17,478**	1,451,117
Prepaid lease payments	20	**–**	65,426
Interests in associates	21	**408,316**	273,037
Available-for-sale investments	22	**746**	126,819
Intangible assets	23	**–**	16,713
Deposits for acquisition of property, plant and equipment		**–**	22,980
		640,200	2,164,204
Current assets			
Inventories	24	**–**	16,496
Properties under development for sale	26	**–**	851,165
Properties held for sale	26	**–**	82,579
Prepaid lease payments	20	**–**	1,597
Available-for-sale investments	22	**167,993**	204,720
Investments held for trading	27	**1,540,273**	957,197
Debtors, deposits and prepayments	28	**116,667**	184,396
Loans receivable	29	**202,103**	103,761
Taxation recoverable		**–**	34,316
Derivative financial instruments	37	**11,447**	–
Pledged bank deposits	30	**2,944**	265,423
Restricted bank deposits	30	**–**	2,376
Bank balances and cash	30	**517,837**	309,509
		2,559,264	3,013,535
Assets classified as held for sale	31	**2,940,217**	107,578
		5,499,481	3,121,113
Current liabilities			
Creditors and accrued charges	32	**106,055**	332,621
Deposits received on sales of properties		**–**	274,028
Customers' deposits and receipts in advance		**3,387**	27,798
Consideration payable	33	**–**	88,472
Amount due to an associate	34	**–**	8,060
Borrowings – due within one year	35	**1,275,690**	2,173,222
Obligations under finance leases – due within one year	36	**–**	43,743
Derivative financial instruments	37	**3,873**	44,656
Taxation payable		**68,759**	79,721
Bonds	38	**247,000**	–
		1,704,764	3,072,321

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	NOTES	2014 HK$'000	2013 HK$'000
Liabilities associated with assets held for sale	31	**2,099,990**	–
		3,804,754	3,072,321
Net current assets		**1,694,727**	48,792
Total assets less current liabilities		**2,334,927**	2,212,996
Non-current liabilities			
Deferred tax liabilities	42	**–**	111,609
Borrowings – due after one year	35	**70,000**	290,661
Obligations under financial leases – due after one year	36	**–**	72,789
Bonds	38	**–**	247,000
		70,000	722,059
		2,264,927	1,490,937
Capital and reserves			
Share capital	39	**5,311**	5,423
Reserves	40	**1,817,659**	977,736
Equity attributable to owners of the Company		**1,822,970**	983,159
Non-controlling interests	41	**441,957**	507,778
Total equity		**2,264,927**	1,490,937

The financial statements on pages 31 to 144 were approved and authorised for issue by the Board of Directors on 26 September 2014 and are signed on its behalf by:

Ms. Chong Sok Un
DIRECTOR

Dato' Wong Peng Chong
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Properties revaluation reserve HK$'000 (note 40)	Investment revaluation reserve HK$'000 (note 40)	Capital redemption reserve HK$'000	Other reserve HK$'000 (Note)	Translation reserve HK$'000 (note 40)	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 July 2012	5,445	686,379	11,260	120,455	2,306	–	144,322	834,328	1,804,495	42,451	1,846,946
Loss for the year	–	–	–	–	–	–	–	(780,719)	(780,719)	(28,069)	(808,788)
Other comprehensive income (expenses) for the year	–	–	3,740	7,950	–	–	(96,603)	–	(84,913)	1,976	(82,937)
Total comprehensive income (expenses) for the year	–	–	3,740	7,950	–	–	(96,603)	(780,719)	(865,632)	(26,093)	(891,725)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	413,116	413,116
Acquisition of additional interest in a subsidiary through share subscription (note 47)	–	–	–	–	–	3,680	–	–	3,680	(3,680)	–
Disposal of partial interest in a subsidiary without losing control (note 47)	–	–	–	–	–	43,016	–	–	43,016	81,984	125,000
Repurchase of shares	(22)	(2,378)	–	–	22	–	–	(22)	(2,400)	–	(2,400)
At 30 June 2013	5,423	684,001	15,000	128,405	2,328	46,696	47,719	53,587	983,159	507,778	1,490,937
Profit (loss) for the year	–	–	–	–	–	–	–	927,908	927,908	(70,078)	857,830
Other comprehensive income (expenses) for the year	–	–	1,000	(98,202)	–	–	34,190	–	(63,012)	(1,748)	(64,760)
Total comprehensive income (expenses) for the year	–	–	1,000	(98,202)	–	–	34,190	927,908	864,896	(71,826)	793,070
Recognition of equity-settled share-based payments (note 48)	–	–	–	–	–	–	–	–	–	6,005	6,005
Repurchase of shares	(112)	(24,973)	–	–	112	–	–	(112)	(25,085)	–	(25,085)
At 30 June 2014	5,311	659,028	16,000	30,203	2,440	46,696	81,909	981,383	1,822,970	441,957	2,264,927

Note: Movement in other reserve arisen from the effect of changes in the Group's ownership interests in existing subsidiaries without losing control.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES		
Profit (loss) before taxation		
– continuing operations	**1,028,981**	(715,358)
– discontinuing operations	**(130,656)**	(99,307)
	898,325	(814,665)
Adjustments for:		
Interest income	**(12,851)**	(8,399)
Depreciation of property, plant and equipment	**89,894**	60,097
Loss (gain) on disposal of property, plant and equipment	**162**	(3,963)
Interest expense	**183,128**	137,025
Cumulative gain reclassified from equity on disposal of available-for-sale investments	**(125,946)**	(745)
Change in fair value of investments held for trading	**(434,627)**	202,322
Fair value changes on investment properties	**(11,498)**	(57,589)
Share of results of associates, net of impairment on interest in an associate	**(21,750)**	624,814
Gain on partial disposal of associates	**–**	(466)
Impairment loss recognised on other receivables	**6,784**	4,887
Gain on deemed acquisition of an associate	**(67,116)**	–
Gain on early repayment from a loan receivable	**(32,981)**	–
Gain on deemed disposal of an associate	**–**	(34,794)
Discount on acquisition of subsidiaries	**–**	(27,541)
Change in fair value of derivative financial instruments	**(52,230)**	31,563
Release of prepaid lease payments	**3,107**	1,524
Amortisation for intangible assets	**842**	619
Share-based payment expense	**6,005**	–
Operating cash flow before movements in working capital	**429,248**	114,689
(Increase) decrease in inventories	**(2,221)**	2,411
Decrease in properties under development for sale and properties held for sale	**97,277**	71,378
Increase in investments held for trading	**(149,057)**	(36,317)
(Increase) decrease in debtors, deposits and prepayments	**(29,771)**	99,553
(Increase) decrease in loans receivable	**(65,361)**	455,080
Increase (decrease) in creditors and accrued charges	**70,962**	(9,508)
(Decrease) increase in deposits received on sale of properties	**(84,774)**	18,910
Increase in customers' deposits and receipts in advance	**1,992**	2,976
Cash from operating activities	**268,295**	719,172
Interest paid	**(192,390)**	(163,759)
Tax paid	**(41,742)**	(33,518)
NET CASH FROM OPERATING ACTIVITIES	**34,163**	521,895

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	NOTE	2014 HK$'000	2013 HK$'000
INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale investments		**188,104**	888
Placement of pledged bank deposits/restricted bank deposits		**(1,160,459)**	(48,122)
Withdrawal of pledged bank deposits/restricted bank deposits		**1,112,612**	68,004
Interest received		**12,851**	8,399
Deposits paid for acquisition of property, plant and equipment		**–**	(22,980)
Proceeds from disposal of investment properties		**–**	8,704
Purchases of available-for-sale investments		**–**	(78,269)
Purchases of property, plant and equipment		**(26,020)**	(31,950)
Proceeds from disposal of property, plant and equipment		**4,081**	107,725
Acquisition of subsidiaries	47	**–**	131,908
Acquisition of additional interests in an associate		**–**	(39,140)
Capital injection into associates		**(30,277)**	–
Proceeds from partial disposal of associates		**–**	908
NET CASH FROM INVESTING ACTIVITIES		**100,892**	106,075
FINANCING ACTIVITIES			
Proceeds from disposal of shareholding in a subsidiary without losing control		**–**	125,000
New borrowings raised		**1,942,126**	1,814,100
Repayments of borrowings		**(1,702,176)**	(2,555,860)
Repurchase of shares		**(25,085)**	(2,400)
Repayments of obligations under finance leases		**(42,540)**	(30,340)
Proceeds of the issuance of bonds		**–**	247,000
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**172,325**	(402,500)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**307,380**	225,470
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES		**15,880**	10,032
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**309,509**	74,007
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**632,769**	309,509
Represented by:			
Bank balances and cash		**517,837**	309,509
Bank balances and cash included in assets classified as held for sale		**114,932**	–
		632,769	309,509

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is Vigor Online Offshore Limited and China Spirit Limited (both incorporated in the British Virgin Islands ("BVI")), and the ultimate controlling shareholder is Ms. Chong Sok Un. The addresses of the registered office and principal place of business of the Company are disclosed on page 2 of the annual report.

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

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 52.

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 ("HKICPA").

HKFRSs (Amendments)	Annual improvements to HKFRSs 2009 – 2011 cycle
HKFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures

Except as described below, the application of the other new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current year 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)*

Amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities

The Group has applied the amendments to HKFRS 7 "Disclosures – Offsetting financial assets and financial liabilities" for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

(a) recognised financial instruments that are set off in accordance with HKAS 32 "Financial instruments: Presentation"; and

(b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. The application of the amendments has had no material impact on the amounts reported in the Group's consolidated financial statements but has resulted in more disclosures in the Group's consolidated financial statements, detailed of which are set out in note 6.

HKFRS 12 Disclosure of interests in other entities

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (please see notes 52 and 21 for disclosures on non-wholly owned subsidiaries and associates).

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply 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 for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

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

HKFRS 13 Fair value measurement *(continued)*

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements. Disclosures on fair value of Group's financial instruments, investment properties and property, plant and equipment are made in notes 5, 18 and 19 respectively.

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

Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations[5]
HKFRS 9	Financial instruments[6]
HKFRS 15	Revenue from contracts with customers[5]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: bearer plant[4]
Amendments to HKAS 19	Defined benefit plans: Employees contributions[2]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRSs	Annual improvement to HKFRSs 2010 – 2012 cycle[3]
Amendments to HKFRSs	Annual improvement to HKFRSs 2011 – 2013 cycle[2]
HK(IFRIC) – INT 21	Levies[1]

[1] Effective for accounting periods beginning on or after 1 January 2014.
[2] Effective for accounting periods beginning on or after 1 July 2014.
[3] Effective for accounting periods beginning on or after 1 July 2014, with limited exceptions.
[4] Effective for accounting periods beginning on or after 1 January 2016.
[5] Effective for accounting periods beginning on or after 1 January 2017.
[6] Effective for accounting periods beginning on or after 1 January 2018.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

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

HKFRS 9 Financial instruments *(continued)*

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 of the Company anticipate that the adoption of HKFRS 9 in the future will affect the classification and measurement in respect of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKAS 32 Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement".

The directors of the Company do not anticipate that the application of these amendments to HKAS 32 will have a significant impact on the Group's consolidated financial statements.

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

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

Amendments to HKAS 32 Offsetting financial assets and financial liabilities *(continued)*

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance which concern the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622).

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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 and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- has exposure, or rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing 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 proportionate share of net assets attributable to 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.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted 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, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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, 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;

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations *(continued)*

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into 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.

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 HKFRSs.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Revenue recognition

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

Revenue from the sale of goods is recognised when goods are delivered and titles have passed.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition *(continued)*

Revenue from sale of properties is recognised when all of the following criteria are satisfied:

- the significant risks and rewards of ownership of the properties are transferred to purchasers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- 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.

The above criteria are met when the construction of relevant properties has been completed, and the properties have been delivered to the purchasers pursuant to the sales agreement and the collectability of related receivables is reasonably assumed. Deposits and instalments received from purchasers on properties sold prior to meeting the above criteria on revenue recognition are included in the consolidated statement of financial position under current liabilities.

Hospital fees and charges and property management service income are recognised when services are provided.

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

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

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.

Government subsidies

Government subsidies are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government subsidies that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

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

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period 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 disposal. 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.

Transfer from investment property to owner-occupied property

An item of investment property becomes an owner-occupied property because its use has changed as evidenced by commencement of owner-occupation. When an investment property carried at fair value is transferred to owner-property, the property's deemed cost for subsequent accounting is its fair value of the date of change in use.

Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated in the consolidated statement of financial position at cost or fair value less subsequent accumulated depreciation and accumulated impairment losses, if any.

Land 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 their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of land and buildings is recognised in other comprehensive income and accumulated in properties revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the properties revaluation reserve relating to a previous revaluation of that asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment *(continued)*

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or fair value of items of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Cost also include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policies. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Interests in associates

An associate is an entity over which the Group has significant influence. 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)*

Interests in associates *(continued)*

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee 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 and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

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.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate 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 the equity method is discontinued.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interests in associates *(continued)*

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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. For partial disposals of associates that do not result in the Group losing significant influence, the difference between the proportionate share of the net assets of the associates and the fair value of consideration paid or received is recognised in profit or loss.

When a group entity transacts with an associate of the Group, 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.

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 investments held for trading, loans and receivables and available-for-sale financial assets. 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 a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Effective interest method

The effective interest method is a method of calculating the 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.

Income is recognised on an effective interest basis for debt instruments.

Investments 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.

Financial assets classified as held for trading 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 excludes any dividend or interest earned in the financial assets.

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 debtors, loans receivable, pledged bank deposits, restricted 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).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as loans and receivables, held-to-maturity instruments or financial assets at fair value through profit or loss. The Group designated investments in equity securities other than held for trading purpose, debt securities, unit trusts investments and club debentures as available-for-sale financial assets. Available-for-sale financial assets are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

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.

Impairment of financial assets

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

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of financial assets, such as debtors and loans receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and 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.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors and loan receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When debtors are considered uncollectible, they are 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 of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the 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 Company are recorded 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 and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the 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, other than derivative financial instruments, including creditors and accrued charges, consideration payable, amount due to an associate and borrowings are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 "Provisions, contingent liabilities and contingent assets"; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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 directly in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss 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.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary difference and deferred tax assets are generally recognised to the extent that it is probable that taxable profits 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences arising on 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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax 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 is 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.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax is recognised in 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 are 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Prepaid lease payments

Prepaid lease payments represent the prepaid lease payments of leasehold interests in land under operating lease arrangements and are amortised on a straight-line basis over the lease terms.

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

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

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.

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.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible assets *(continued)*

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 (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

Impairment losses on tangible assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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 ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense 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 CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

Retirement benefits scheme

Payments to defined contribution retirement benefits schemes, state-managed retirement benefit schemes and Mandatory Provident Fund Scheme ("MPF Scheme") are charged as an expense when employees have rendered service entitling them to the contributions.

Inventories

Inventories, which comprise drugs, other medical and general consumable for hospital operations, are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Properties under development for sale

Properties under development for sale are stated at lower of cost and net realisable value. Cost comprises both the acquisition cost of land use rights and development cost of the property. Net realisable value takes into account the price ultimately expected to be realised, less the anticipated costs to completion.

Development cost of property comprises construction costs, borrowing costs capitalised according to the Group's accounting policy and directly attributable cost incurred during the development period. On completion, the properties are transferred to properties held for sale.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

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 the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their 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 (the translation reserve).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale (or disposal group) is highly probable and the noncurrent asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with HKAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint venture above).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-current assets held for sale *(continued)*

Immediately before the initial classification as held for sale, the non-current assets are measured in accordance with applicable HKFRSs. Subsequent to classification, non-current assets that are within the scope of the measurement requirements of HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured at the lower of their previous carrying amount and fair value less costs of disposal.

On disposal of the non-current assets, any gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the non-current assets) is included in the profit or loss in the period in which the assets are disposed of.

Equity-settled share-based payment transactions

Share options granted to employees of the Group for their services to the Group

The fair value of services rendered 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, with a corresponding increase in equity (share option reserve). Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the share options at the grant date.

At the end of the reporting period, for share options, which are conditional upon satisfying non-market performance condition and service condition, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the 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 option reserve.

In case of share options granted by a subsidiary, the share option reserve of the subsidiary is classified as and grouped under non-controlling interests by the Group on consolidation. At the time when share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium of that subsidiary. The Group will account for the dilution as an equity transaction in accordance with HKAS 27 "Consolidated and Separate Financial Statements" if the exercise of share options does not constitute a loss of the Group's control over the subsidiary. 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 option reserve (included in non-controlling interests) will be transferred to retained profits of the Group and non-controlling interests' share of net assets of that subsidiary according to the proportion of interests held by the Group and non-controlling shareholders on consolidation.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time and that the presumption set out in amendment to HKAS 12 is not rebutted. Therefore, in measuring the Group's deferred taxation on investment properties, the directors have determined that the carrying amounts of investment properties measured using the fair value model are presumed to be recovered entirely through sale.

Key sources of estimation uncertainty

The following 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.

Income taxes

As at 30 June 2014, no deferred tax asset has been recognised in the Group's consolidated statement of financial position in relation to the estimated unused tax losses of approximately HK$2,215 million (2013: HK$2,609 million). The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are more than expected, further recognition of deferred tax asset in relation to unutilised tax losses may arise, which would be recognised in profit or loss for the period in which such a recognition or reversal takes place.

Land appreciation tax ("LAT")

The Group is subject to land appreciation tax on investment properties. Properties under development for sale and properties for sale in the People's Republic of China ("PRCs"). However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not yet finalised their land appreciation tax calculations and payments with any local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation and its related income tax provisions. The Group recognised the land appreciation tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

5. FINANCIAL INSTRUMENTS

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 net debt, which includes borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors review the capital structure by considering 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 and share buy-backs as well as the issue of new debt or the redemption of existing debt.

	2014	2013
	HK$'000	HK$'000
Financial assets		
Investments held for trading	**1,540,273**	957,197
Loans and receivables (including cash and cash equivalents)	**837,733**	812,151
Available-for-sale financial assets	**168,739**	331,539
Derivative financial instruments	**11,447**	–
Financial liabilities		
Amortised cost	**1,698,745**	3,140,036
Obligations under finance leases	**–**	116,532
Derivative financial instruments	**3,873**	44,656

Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, amount due to an associate, loans receivable, debtors, creditors and accrued charges, borrowings, obligations under finance leases, derivative financial instruments, consideration payable, bonds, pledged bank deposits, restricted bank deposits, and bank balances and cash. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Foreign exchange risk is the risk of loss due to adverse movement in foreign exchange rate relating to foreign currency denominated loans receivable, bank balances, other debtors, other borrowings from financial institution, foreign currency denominated available-for-sale debt investments and bonds for both years. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

Currency risk (continued)

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

	Assets		Liabilities	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States Dollars ("USD")	**139,323**	72,949	**569,048**	117,000
Renminbi ("RMB")	**30,004**	–	**–**	–
Australian Dollars ("AUD")	**521,423**	11,579	**–**	–
Japanese Yen ("JPY")	**699**	7,236	**–**	–
New Taiwan Dollars ("TWD")	**1,001**	–	**–**	–

Sensitivity analysis

As HK$ is pegged to USD, the Group does not expect any significant movements in the USD/HK$ exchange rates and thus USD is not included in sensitivity analysis.

The following table details the Group's sensitivity to a 10% (2013: 10%) increase and decrease in HK$ against relevant foreign currencies and all other variables were held constant. 10% (2013: 10%) is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts its translation at the period end for a 10% (2013: 10%) change in foreign currencies rates. A positive number below indicates an increase in post-tax profit for the year (2013: a decrease in post-tax (loss)) where foreign currencies strengthen 10% (2013: 10%) against HK$. For a 10% (2013: 10%) weakening of foreign currencies against HK$ there would be an equal and opposite impact on the result for the year.

	RMB Impact		AUD Impact		JPY Impact		TWD Impact	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Profit or loss	**2,505**	–	**43,539**	967	**58**	604	**84**	–

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

Other price risk

(i) Equity price risk

The Group is exposed to equity price risk through its available-for-sale investments, investments held for trading and derivative financial instruments. The Group's available-for-sale investments, investments held for trading and derivative financial instruments have significant concentration of price risk in Hong Kong, Taiwan, the United States of America, Malaysian and Australian stock markets. Management manages the exposure by maintaining a portfolio of equity investments of the Group with different risk profiles.

The Group is also exposed to equity price risk relating to equity securities classified as available-for-sale investments and investment held for trading held by an associate of the Group. Management monitors the exposure by reviewing monthly statements provided from the associate.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting period. Also, the equity price risk relating to equity securities held by an associate of the Group is included in the sensitivity analysis. For sensitivity analysis purpose, the sensitivity rate remains at 30% in the current year.

If the prices of the respective equity instruments had been 30% (2013: 30%) higher/lower and all other variables were held constant, the Group's:

- post-tax profit for the year ended 30 June 2014 would increase/decrease approximately by HK$489,020,000 (2013: post tax loss for the year would decrease/increase by HK$309,262,000) as a result of the changes in fair value of held for trading investments;

- investment revaluation reserve would increase/decrease approximately by HK$50,398,000/HK$50,398,000 (2013: HK$99,238,000/HK$99,238,000) as a result of the changes in fair value of certain available-for-sale investments;

- post-tax profit for the year ended 30 June 2014 would increase/decrease approximately by HK$1,897,000/HK$2,272,000 (2013: post tax loss for the year would decrease/increase by HK$5,547,000/HK$5,318,000) as a result of changes in fair value of derivative instruments on gross-settled option contracts linked with equity securities listed in Hong Kong and the United State of America as well as the foreign exchange option contracts linked with USD, AUD and JPY.

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

Other price risk (continued)

(ii) Foreign currencies risk on non-monetary items

The Group is engaged in securities trading and investments which are denominated in foreign currencies and is therefore exposed to foreign currency price risk. Approximately 47% (2013: 50%) of the Group's equity investments are denominated in currencies other than the functional currency of the group entities.

The carrying amounts of the Group's foreign currency denominated debt instruments, equity investments held for trading and available-for-sale investments at the reporting date are as follows:

	Assets	
	2014	2013
	HK$'000	HK$'000
USD	**209,226**	241,257
AUD	**306,489**	124,124
MYR	**128,115**	128,674
Pound Sterling ("GBP")	**27,515**	20,602
TWD	**123,775**	122,764
JPY	**–**	5,680
Philippine Peso ("PHP")	**640**	–

The Group also exposed to foreign currencies price risk through gross-settled option contracts linked with exchange rates between AUD and USD and between JPY and USD and equity securities held by an associate of the Group. The equity securities held by an associate are mainly denominated in AUD.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2013: 10%) increase and decrease in HK$ against foreign currencies and all other variables were held constant. USD is not included in sensitivity analysis, as HK$ is pegged to USD, the Group does not expect any significant movements in the USD/HK$ exchange rate. 10% (2013: 10%) is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates. A positive number below indicates an increase in post-tax profit (2013: decrease in post-tax loss)/increase in investment revaluation reserve for the period where foreign currencies strengthen 10% (2013: 10%) against HK$. For a 10% (2013: 10%) weakening of foreign currencies against HK$ there would be an equal and opposite impact on the result for the year and the investment revaluation reserve.

	2014	2013
	HK$'000	HK$'000
Increase in post-tax profit (2013: decrease in post-tax loss) for the year	**55,801**	42,780
Increase in investment revaluation reserve	**10,318**	10,582

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

Other price risk (continued)

(iii) Price risk on debt instruments

The Group is exposed to other price risk regarding debt instruments. Management manages the exposure by maintaining a portfolio of debt investments of the Group with different interest risk profiles.

If the market interest rate on the available-for-sale debt instruments had been 100 basis points higher/lower and all other variables were held constant, the Group's investment revaluation reserve for the year would decrease/increase approximately by HK$586,000 (2013: HK$833,000).

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed rate obligations under finance lease, fixed rate pledged bank deposits, fixed-rate restricted bank deposits, fixed-rate loans receivable and fixed rate borrowings. The Group's cash flow interest rate risk relates to its variable-rate loans receivable, bank balances and securities margin loans.

The Group currently does not have an interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prime rate arising from the Group's variable interest rate instruments.

Management considers that the Group's exposure to future cash flow risk on variable-rate bank balances as a result of the change of market interest rate is insignificant and thus variable-rate bank balances are not included in the sensitivity analysis.

A 100 basis point change is used which represents management's assessment of the reasonably possible change in interest rates. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year.

If the interest rate of variable-rate loans receivable and securities margin loans had been 100 basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase approximately by HK$7,145,000 (2013: post-tax loss for the year would increase/decrease by HK$9,407,000).

In management's opinion, the sensitivity analyses prepared on currency risk, other price risk and interest rate risk are unrepresentative of respective inherent risk as the year end exposure does not reflect the exposure during the year.

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk

The Group's credit risk is primarily attributable to available-for-sales debt securities, debtors, loans receivable, pledged bank deposits, restricted bank deposits and bank balances for both years.

The Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties' failure to perform their obligations as at 30 June 2014 and 30 June 2013 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

Trade receivables arising from hospital operation consist of a large number of customers, thus the Group does not have significant concentration on credit risk. In order to minimise the credit risk on trade receivables arising from hospital operation, 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, management reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Bank balances, restricted bank deposits and pledged bank deposits are placed in various banks and the Group has limited exposure to any single financial institution. The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

The Group has significant concentration of credit risk on available-for-sale debt securities and loans receivable.

In order to minimise credit risk on loans receivable, management has delegated a team to be responsible for the determination of loan limits, approvals and other monitoring procedure, such as creditworthiness, type and amount of collateral pledged, and risk concentration of the counterparties. After the grant of the loans, management closely monitors the subsequent settlement of the customers and does not grant long credit period to the counterparties. Also, management may request for collaterals in order to minimise the exposure of credit risk due to discharge an obligation by the counterparties. In addition, management reviews the recoverable amount of each individual debt and loans receivable at the end of the reporting period to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers that the Group's credit risk is significantly reduced.

The credit risk on available-for-sale debt instruments is limited because the counterparty is a company listed in the Stock Exchange. The directors consider the default in payment upon maturity to be low. In addition, management of the Group reviewed the public announcements and financial information of the listed company in order to assess its credit quality. In this regard, the directors considered that the Group's credit risk was significantly reduced.

5. FINANCIAL INSTRUMENTS *(continued)*

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 management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings 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. 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 at the end of the reporting period.

For derivative financial instruments, the Group has approximately HK$36,951,000 (2013: HK$57,887,000) and HK$126,595,000 (2013: HK$211,472,000) contractual cash outflow in return with listed securities and foreign currencies within 1 year respectively. The nature of the derivative financial instruments is disclosed in note 37.

	Weighted average interest rate %	Repayable on demand HK$'000	Less than 3 months HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at the end of the reporting period HK$'000
As at 30 June 2014							
Non-derivative financial liabilities							
Creditors and accrued charges	–	–	106,055	–	–	106,055	106,055
Borrowings							
– variable rates	2.6% – 5.25%	857,668	–	–	–	857,668	857,668
– fixed rates	6% – 10.9%	–	423,177	3,150	71,225	497,552	488,022
Bonds	6% – 8%	–	130,057	118,192	–	248,249	247,000
		857,668	659,289	121,342	71,225	1,709,524	1,698,745

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk (continued)

	Weighted average interest rate %	Repayable on demand HK$'000	Less than 3 months HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at the end of the reporting period HK$'000
As at 30 June 2013							
Non-derivative financial liabilities							
Creditors and accrued charges	–	–	195,408	137,213	–	332,621	332,621
Consideration payable	–	–	–	88,472	–	88,472	88,472
Amount due to an associate	–	8,060	–	–	–	8,060	8,060
Borrowings							
– variable rates	3.75% – 5.25%	1,128,582	–	–	–	1,128,582	1,128,582
– fixed rates	3% – 15%	–	505,048	589,158	311,611	1,405,817	1,335,301
Obligations under finance leases	3% – 8.63%	–	15,029	37,771	86,765	139,565	116,532
Bonds	6% – 8%	–	4,355	13,065	254,258	271,678	247,000
		1,136,642	719,840	865,679	652,634	3,374,795	3,256,568

5. FINANCIAL INSTRUMENTS *(continued)*

Fair values measurements of financial instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/financial liabilities	Fair value as at 30.6.2014	Fair value hierarchy	Valuation techniques and key inputs
1) Investments in listed equity securities classified as investments held for trading in the consolidated statement of financial position	Listed equity securities: – Hong Kong HK$912,506,000 – Overseas HK$627,767,000	Level 1	Quoted bid prices in active markets
2) Investments in listed equity securities classified as available-for-sale investments in the consolidated statement of financial position	Listed equity securities: – Overseas HK$103,182,000	Level 1	Quoted bid prices in active markets
3) Investments in unlisted unit trusts classified as available-for-sale investments in the consolidated statement of financial position	Assets – HK$6,182,000	Level 2	Quoted from financial institutions
4) Investments in listed debt securities classified as available-for-sale investments in the consolidated statement of financial position	Assets – HK$6,213,000	Level 1	Quoted bid prices in active markets
5) Investments in listed fixed rate bonds classified as available-for-sale investments in the consolidated statement of financial position	Assets – HK$52,416,000	Level 2	Quoted from financial institutions
6) Gross-settled option contracts linked with listed equity securities and option contracts linked with foreign exchange rates in the consolidated statements of financial position	Assets – HK$6,536,000 Liabilities – HK$3,873,000	Level 3 Level 3	Quoted from financial institutions
7) Forward foreign exchange contracts in the consolidated statement of financial position	Assets – HK$4,911,000	Level 2	Quoted from financial institutions

5. FINANCIAL INSTRUMENTS *(continued)*

Fair values measurements of financial instruments *(continued)*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

There are no transfers between level 1 and level 2 for both years.

Fair value hierarchy as at 30 June 2014

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Derivative financial assets	–	4,911	6,536	11,447
Held for trading-listed equity securities	1,540,273	–	–	1,540,273
Available-for-sale investments				
Listed equity securities	103,182	–	–	103,182
Listed debt securities	6,213	52,416	–	58,629
Unlisted unit trust	–	6,182	–	6,182
Total	1,649,668	63,509	6,536	1,719,713
Financial liabilities				
Derivative financial liabilities	–	–	3,873	3,873

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

5. FINANCIAL INSTRUMENTS *(continued)*

Fair values measurements of financial instruments *(continued)*

Reconciliation of Level 3 fair value measurements of financial assets and financial liabilities

	Derivative financial instruments	
	2014	2013
	HK$'000	HK$'000
At 1 July	**(44,656)**	(13,093)
Realised gain in profit or loss	**61,880**	61,301
Unrealised gain (loss) in profit or loss	**2,663**	(44,656)
Settlement	**(17,224)**	(48,208)
At 30 June	**2,663**	(44,656)

Of the total gains or losses for the period included in profit or loss, HK$2,663,000 (2013: HK$44,656,000) relates to derivative financial instruments held at the end of the reporting period. Fair value gains or losses on derivative financial instruments are included in 'Other gains and losses' in the consolidated statement of profit or loss.

6. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group has financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the consolidated statements of financial position.

The Group has entered certain derivative transactions that are covered by the netting agreements signed with various financial institutions. These derivative instruments are not offset in the consolidated statement of financial position as the netting agreements are in place with a right of set off only in the event of default, insolvency or bankruptcy so that the Group currently has no legally enforceable right to set off the recognised amounts.

6. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES *(continued)*

	Gross amounts of recognised financial assets and liabilities	Amounts offset	Net amounts presented in consolidated statement of financial position	Related amounts not offset in consolidated statement of financial position: Recognised assets and liabilities	Related amounts not offset in consolidated statement of financial position: Facilities received/ collateral pledged	Net amount
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 30 June 2014						
Financial assets						
– Deposits with financial institutions	**12,062**	**–**	**12,062**	**(3,743)**	**–**	**8,319**
– Pledged bank deposits	**2,944**	**–**	**2,944**	**(17)**	**–**	**2,927**
– Derivative financial instruments	**11,447**	**–**	**11,447**	**–**	**–**	**11,447**
	26,453	**–**	**26,453**	**(3,760)**	**–**	**22,693**
Financial liabilities						
– Derivative financial instruments	**3,873**	**–**	**3,873**	**(3,760)**	**–**	**113**
At 30 June 2013						
Financial assets						
– Deposits with financial institutions	14,461	–	14,461	(14,461)	–	–
Financial liabilities						
– Derivative financial instruments	44,656	–	44,656	(14,461)	–	30,195

7. REVENUE

	2014	2013
	HK$'000	HK$'000
		(restated)
Continuing operations		
Dividend income from listed investments	**26,650**	14,596
Interest income from loans receivable	**101,332**	15,726
Rental income	**4,005**	3,882
	131,987	34,204

8. SEGMENT INFORMATION

Information regularly reviewed by the chief operating decision maker, represented by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance focuses on the types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reporting segments of the Group.

The Group is organised into five operating and reportable segments as follows:

Securities trading and investments – trading of securities in Hong Kong and overseas markets.

Financial services – provision of financial services.

Property investment – leasing of residential and office properties.

Property development – developing and selling of properties and land in the PRC.

Hospital – operations of hospitals in the PRC.

During the year ended 30 June 2014, property development and hospital segments are discontinuing as a result of the proposed disposal of Lianyungang Jiatai Construction Co., Ltd. (連雲港嘉泰建設工程有限公司) ("Jiatai Construction" and formerly known as Jiatai Tongren (Lianyungang) Healthcare Investment Ltd. 嘉泰同仁(連雲港)醫療產業投資有限公司), details of which are set out in notes 14, 31 and 50. Accordingly, the segment information reported below does not include financial information in respect of these discontinuing operations, which are described in more details in note 14, and the comparative figures in the segment information for the year ended 30 June 2013 have been restated.

8. SEGMENT INFORMATION *(continued)*

Segment revenues and results

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

For the year ended 30 June 2014

Continuing operations

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Consolidated HK$'000
Gross proceeds from sale of investments held for trading	1,077,695	–	–	1,077,695
Revenue	26,650	101,332	4,005	131,987
Segment profit	906,834	72,654	14,184	993,672
Other income				2,189
Net foreign exchange gain				6,529
Gain on deemed acquisition in interests in an associate				67,116
Central corporate expenses				(50,648)
Share of results of associates				263,388
Impairment loss recognised on interest in an associate				(232,639)
Finance costs				(20,626)
Profit before taxation				1,028,981

8. SEGMENT INFORMATION *(continued)*

Segment revenues and results *(continued)*

For the year ended 30 June 2013 (restated)

Continuing operations

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Consolidated HK$'000
Gross proceeds from sale of investments held for trading	662,420	–	–	662,420
Revenue	14,596	15,726	3,882	34,204
Segment (loss) profit	(189,014)	9,558	59,415	(120,041)
Other income				931
Net foreign exchange gain				172
Central corporate expenses				(15,968)
Gain on partial disposal of associates				466
Gain on deemed disposal of an associate				34,794
Discount on acquisition of subsidiaries				27,541
Share of results of associates				(624,814)
Finance costs				(18,439)
Loss before taxation				(715,358)

All of the segment revenue reported above is from external customers.

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned/losses incurred by each segment without allocation of certain other income, certain net foreign exchange gain, central corporate expenses, discount on acquisition of subsidiaries, gain on deemed acquisition of an associate, gain on deemed disposal of associates, gain on partial disposal of associates, share of results of associates, impairment loss recognised on interest in an associate, and certain finance costs. This is the measure reported to the Company's executive directors for the purpose of resource allocation and assessment.

8. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

At 30 June 2014

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Consolidated HK$'000
Segment assets	**1,756,386**	**257,269**	**213,821**	**2,227,476**
Interests in associates				**408,316**
Corporate assets				**563,672**
Assets classified as held for sale				**2,940,217**
Consolidated assets				**6,139,681**
Segment liabilities	**891,035**	**526,917**	**948**	**1,418,900**
Corporate liabilities				**355,864**
Liabilities associated with assets held for sale				**2,099,990**
Consolidated liabilities				**3,874,754**

At 30 June 2013

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Property development HK$'000	Hospital HK$'000	Consolidated HK$'000
Segment assets	1,344,498	106,398	208,275	996,422	1,580,343	4,235,936
Interests in associates						273,037
Corporate assets						668,766
Assets classified as held for sale						107,578
Consolidated assets						5,285,317
Segment liabilities	1,214,100	70,307	948	719,362	657,413	2,662,130
Corporate liabilities						1,132,250
Consolidated liabilities						3,794,380

8. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities *(continued)*

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

- all assets are allocated to operating and reportable segments other than certain property, plant and equipment, interests in associates, deposits and prepayments, taxation recoverable, assets classified as held for sale, pledged bank deposits and certain bank balances and cash.

- all liabilities are allocated to operating and reportable segments other than certain creditors and accrued charges, consideration payable, certain borrowings, deferred tax liabilities, taxation payable, amount due to an associate, bonds and liabilities associated with assets held for sale.

Other segment information

For the year ended 30 June 2014

Continuing operations

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Unallocated HK$'000	Total HK$'000
Amounts charged (credited) included in the measure of segment results or segment assets					
Interest income (include interest income from loans receivable)	(4,285)	(101,332)	–	(2,109)	(107,726)
Finance costs	61,992	38,237	–	20,626	120,855
Depreciation of property, plant and equipment	–	–	51	542	593
Additions to property, plant and equipment	–	–	–	275	275
Fair value changes on investment properties	–	–	(11,498)	–	(11,498)
Gain in fair value change of investments held for trading	(765,476)	–	–	–	(765,476)
Net foreign exchange (gain) loss	(8,029)	16,410	3	(6,529)	1,855
Gain in fair value change of derivative financial instruments	(64,543)	(4,911)	–	–	(69,454)
Net gain on disposal of available-for-sale investments	(125,946)	–	–	–	(125,946)
Loss on disposal of property, plant and equipment	–	–	–	43	43

8. SEGMENT INFORMATION *(continued)*

Other segment information *(continued)*

For the year ended 30 June 2013 (restated)

Continuing operations

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Unallocated HK$'000	Total HK$'000
Amounts charged (credited) included in the measure of segment results or segment assets					
Interest income (including interest income from loans receivable)	(3,314)	(15,726)	–	(931)	(19,971)
Finance costs	53,992	5,528	–	18,439	77,959
Depreciation of property, plant and equipment	–	–	31	416	447
Additions to property, plant and equipment	–	–	–	245	245
Fair value changes on investment properties	–	–	(57,589)	–	(57,589)
Net foreign exchange (gain) loss	(2,856)	494	1	(172)	(2,533)
Loss in fair value change of investments held for trading	152,682	–	–	–	152,682
Gain in fair value change of derivative financial instruments	(16,645)	–	–	–	(16,645)
Net gain on disposal of available-for-sale investments	(745)	–	–	–	(745)

8. SEGMENT INFORMATION *(continued)*

Geographical information

The Group's securities trading and investments and financial services are mainly carried out in Hong Kong. Rental income from property investment is derived from Hong Kong and the PRC.

The Group's revenue from continuing operations from external customers and information about non-current assets by geographical location of the customers and assets (where the investment properties, property, plant and equipment, prepaid lease payments and deposits for acquisition for property, plant and equipment are located and where the associates are incorporated/listed) respectively are detailed below:

	Revenue from external customers		Non-current assets	
	2014	2013	**2014**	2013
	HK$'000	HK$'000 (restated)	**HK$'000**	HK$'000
Hong Kong	**40,485**	24,850	**557,815**	435,103
Australia	**80,160**	–	**–**	–
The PRC	**4,593**	2,609	**45,430**	1,570,555
The Philippines	**6,749**	6,745	**36,209**	31,727
	131,987	34,204	**639,454**	2,037,385

Note: Non-current assets excluded financial instruments.

Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	2014	2013
	HK$'000	HK$'000 (restated)
Revenue from rendering financial services	**101,332**	15,726
Revenue from rental services	**4,005**	3,882
	105,337	19,608

8. SEGMENT INFORMATION *(continued)*

Information about major customers

Revenues from continuing operations from customers of the corresponding year contributing over 10% of the total sales of the Group are as follows:

	2014 **HK$'000**	2013 HK$'000 (restated)
Customer A [1]	**80,160**	–[3]
Customer B [1]	–[2]	7,011
Customer C [1]	–[2]	6,292

[1] Revenue from financial services.

[2] The corresponding revenue did not contributed over 10% of total revenue of the Group.

[3] There was no revenue from this customer during the year ended 30 June 2013.

9. OTHER GAINS AND LOSSES

	2014 **HK$'000**	2013 HK$'000 (restated)
Continuing operations		
Gain (loss) in fair value of investments held for trading (Note a)	**765,476**	(152,682)
Gain in fair value of derivative financial instruments (Note b)	**69,454**	16,645
Net gain on disposal of available-for-sale investments	**125,946**	745
Impairment loss recognised on other receivables	**(4,540)**	(4,887)
Fair value changes on investment properties	**11,498**	57,589
Net foreign exchange (loss) gain	**(1,855)**	2,533
Gain on partial disposal of associates	**–**	466
Gain on deemed disposal of an associate (note 47)	**–**	34,794
Discount on acquisition of subsidiaries (note 47)	**–**	27,541
Gain on deemed acquisition of an associate (note 21(a))	**67,116**	–
Gain on early repayment from a loan receivable	**32,981**	–
Loss on disposal of property, plant and equipment	**(43)**	–
	1,066,033	(17,256)

Notes:

(a) Net realised gain of approximately HK$330,849,000 (2013: net realised gain of HK$49,640,000) on disposal of investments held for trading is included in change in fair value of investments held for trading.

(b) Net realised gain of approximately HK$61,880,000 (2013: net realised gain of HK$61,301,000) on derivative financial instruments is included in change in fair value of derivative financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2014

10. OTHER INCOME

	2014 HK$'000	2013 HK$'000 (restated)
Continuing operations		
Interest income from:		
– Available-for-sale debt instruments	**4,285**	3,314
– Bank deposits	**2,109**	931
	6,394	4,245
Others	**3,470**	2,773
	9,864	7,018

11. FINANCE COSTS

	2014 HK$'000	2013 HK$'000 (restated)
Continuing operations		
Interest on:		
Other borrowings wholly repayable within five years	**100,229**	59,520
Promissory note	**3,206**	8,569
Bonds	**17,420**	9,870
	120,855	77,959

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Directors' emoluments

The directors' and the chief executive's emoluments are analysed as follows:

	For the year ended 30 June 2014				
	Directors' fees HK$'000	Salaries and other benefits HK$'000	Performance related incentive payments HK$'000 (Note)	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Executive directors					
Ms. Chong Sok Un	–	455	20,000	15	20,470
Dato' Wong Peng Chong	–	1,560	740	15	2,315
Mr. Kong Muk Yin	–	1,560	740	15	2,315
Independent non-executive directors					
Mr. Lau Siu Ki	180	–	–	–	180
Mr. Ma Wah Yan	180	–	–	–	180
Mr. Zhang Jian	80	–	–	–	80
	440	3,575	21,480	45	25,540

	For the year ended 30 June 2013				
	Directors' fees HK$'000	Salaries and other benefits HK$'000	Performance related incentive payments HK$'000 (Note)	Retirement benefits scheme contributions HK$'000	Total emoluments HK$'000
Executive directors					
Ms. Chong Sok Un	–	455	–	15	470
Dato' Wong Peng Chong	–	1,560	240	15	1,815
Mr. Kong Muk Yin	–	1,560	240	15	1,815
Independent non-executive directors					
Mr. Lau Siu Ki	180	–	–	–	180
Mr. Ma Wah Yan	180	–	–	–	180
Mr. Zhang Jian	80	–	–	–	80
	440	3,575	480	45	4,540

Note: The performance related incentive payments are determined by reference to the individual performance of the directors and approved by the Remuneration Committee.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(continued)*

Directors' emoluments *(continued)*

Ms. Chong Sok Un is also the Chairman of the Company and her emoluments disclosed above include those for services rendered by her as the Chairman.

During the year, no remuneration was 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 remuneration during the year.

Five highest paid individuals

During the year, the five highest paid individuals included three directors (2013: two), details of their emoluments are set out above. The emoluments for the remaining two (2013: three) highest paid individuals of the Group are as follows:

	2014 **HK$'000**	2013 HK$'000
Salaries and other benefits	**21,720**	4,507
Retirement benefits scheme contributions	**131**	122
	21,851	4,629

The emoluments are within the following bands:

	2014 **Number of employees**	2013 Number of employees
HK$1,000,001 to HK$1,500,000	**–**	2
HK$1,500,001 to HK$2,000,000	**–**	1
HK$8,500,001 to HK$9,000,000	**1**	–
HK$13,000,001 to HK$13,500,000	**1**	–

13. TAXATION EXPENSE

	2014	2013
	HK$'000	HK$'000
		(restated)
Continuing operations		
Current tax credit (charge):		
Over (under)provision of Hong Kong Profits Tax in previous years	**1,374**	(2,934)
Enterprise Income Tax ("EIT") in the PRC	**(638)**	(1,051)
Withholding tax in Australia	**(1,808)**	–
	(1,072)	(3,985)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No tax is payable arising in Hong Kong as the assessable profits for the year ended 30 June 2014 are wholly absorbed by tax losses brought forward while there was no assessable profit for the year ended 30 June 2013.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Withholding tax in Australia is calculated at 10% in accordance with the relevant tax law in Australia.

In previous years, Hong Kong Inland Revenue Department ("IRD") queried against a subsidiary of the Company regarding the chargeability of offshore profits on trading securities from the year of assessment 2000/2001 to year of assessment 2008/2009. During the year ended 30 June 2014, the case was settled with the IRD, and the additional tax charges of HK$10,291,000 were offset with tax reserve certificates purchased by the Group in previous years.

13. TAXATION EXPENSE *(continued)*

The taxation for the year can be reconciled to the profit (loss) before taxation from continuing operations per the consolidated profit or loss as follows:

	2014 HK$'000	2013 HK$'000 (restated)
Profit (loss) before taxation	**1,028,981**	(715,358)
Taxation at the domestic income tax rate of 16.5%	**(169,782)**	118,034
Tax effect of share of results of associates	**43,459**	(103,094)
Tax effect of expenses that are not deductible	**(53,332)**	(61,282)
Tax effect of income that is not taxable	**131,242**	35,889
Tax effect of utilisation of tax losses/deductible temporary differences previously not recognised	**57,881**	17,975
Tax effect of tax losses not recognised	**(9,793)**	(8,215)
Over (under)provision of Hong Kong Profits Tax in previous years	**1,374**	(2,934)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(313)**	(358)
Withholding tax levied on income from other jurisdictions	**(1,808)**	–
Taxation for the year	**(1,072)**	(3,985)

14. DISCONTINUING OPERATIONS

During the year ended 30 June 2014, the Group has negotiating with the purchasers to dispose of the Group's entire interest in Jiatai Construction after receiving a non-binding offer from the potential purchasers as disclosed in the Company's announcement dated 22 May 2014. On 21 July 2014, the Company entered into an agreement with the purchasers pursuant to which the Company conditionally agreed to sell its entire interests in Exceptional Talent Limited (representing its entire 60.52% issued share capital) at a total consideration of HK$944,944,150 to the purchasers. The principal assets of Exceptional Talent Limited after the group reorganisation is its entire interest in Jiatai Construction. Details of the disposal are set out in the Company's announcement dated 6 August 2014. The directors consider the disposal is highly probable and Jiatai Construction will be disposed of within 1 year from the end of reporting period. Jiatai Construction and its subsidiaries (all together the "Jiatai Group") are engaged in property development and hospital operations in the PRC. Therefore, the property development and hospital operations in the PRC are considered as discontinuing operations in accordance to HKFRS 5 "Non-current assets held for sale and discontinued operations".

14. DISCONTINUING OPERATIONS *(continued)*

The results of and loss from the discontinuing operations for the years ended 30 June 2014 and 2013 are analysed as follows:

	2014	2013
	HK$'000	HK$'000
Revenue (Note a)	**964,416**	601,707
Cost of goods and services	**(895,940)**	(572,949)
Gross profit	**68,476**	28,758
Other income and other gains and losses	**10,036**	15,346
Selling and distribution costs	**(3,750)**	(3,554)
Administrative expenses	**(134,146)**	(80,791)
Finance costs	**(62,273)**	(59,066)
Share of results of an associate	**(8,999)**	–
Loss before taxation	**(130,656)**	(99,307)
Taxation (expense) credit (Note f)	**(39,423)**	9,862
Loss for the year (Note e)	**(170,079)**	(89,445)

The carrying amount of the assets and liabilities of the discontinuing operations are disclosed in note 31.

Notes:

(a) Revenue represents the followings:

	2014	2013
	HK$'000	HK$'000
Hospital fees and charges	**636,716**	393,058
Revenue from sale of properties	**327,700**	208,649
	964,416	601,707

14. DISCONTINUING OPERATIONS *(continued)*

Notes: *(continued)*

(b) The following is an analysis of the Jiatai Group's revenue and results by its operating and reportable segment:

For the year ended 30 June 2014

	Hospital HK$'000	Property development HK$'000	Consolidated HK$'000
Revenue	**636,716**	**327,700**	**964,416**
Segment (loss) profit	**(47,171)**	**823**	**(46,348)**
Other income and other gains and losses			**7,524**
Central corporate expenses			**(40,200)**
Share of results of an associate			**(8,999)**
Finance costs			**(42,633)**
Loss before taxation			**(130,656)**

For the year ended 30 June 2013

	Hospital HK$'000	Property development HK$'000	Consolidated HK$'000
Revenue	393,058	208,649	601,707
Segment loss	(40,464)	(825)	(41,289)
Other income and other gains and losses			6,921
Central corporate expenses			(22,394)
Finance costs			(42,545)
Loss before taxation			(99,307)

14. DISCONTINUING OPERATIONS *(continued)*

Notes: *(continued)*

(c) **The following is an analysis of the Jiatai Group's assets and liabilities by its operating and reportable segments:**

At 30 June 2014

	Hospital HK$'000	Property development HK$'000	Consolidated HK$'000
Segment assets	1,570,503	997,209	2,567,712
Interest in an associate			7,218
Corporate assets			365,287
Consolidated assets			2,940,217
Segment liabilities	626,009	614,970	1,240,979
Corporate liabilities			859,011
Consolidated liabilities			2,099,990

(d) **The following is an analysis of the Jiatai Group's other segment information:**

For the year ended 30 June 2014

	Hospital HK$'000	Property development HK$'000	Unallocated HK$'000	Total HK$'000
Amounts charged (credited) included in the measure of segment results or segment assets				
Interest income	–	–	(6,457)	(6,457)
Finance costs	19,640	–	42,633	62,273
Depreciation of property, plant and equipment	86,342	–	2,959	89,301
Additions to property, plant and equipment	19,329	–	6,416	25,745
Impairment loss recognised on other receivables	2,244	–	–	2,244
Loss on disposal of property, plant and equipment	150	–	(31)	119
Release of prepaid lease payments	1,270	–	1,837	3,107
Amortisation of intangible assets	842	–	–	842

14. DISCONTINUING OPERATIONS *(continued)*

Notes: *(continued)*

(d) The following is an analysis of the Jiatai Group's other segment information: ***(continued)***

For the year ended 30 June 2013

	Hospital HK$'000	Property development HK$'000	Unallocated HK$'000	Total HK$'000
Amounts charged (credited) included in the measure of segment results or segment assets				
Interest income	–	–	(4,154)	(4,154)
Finance costs	16,521	–	42,545	59,066
Depreciation of property, plant and equipment	56,525	–	3,125	59,650
Additions to property, plant and equipment	134,155	–	5,817	139,972
Gain on disposal of property, plant and equipment	(3,963)	–	–	(3,963)
Release of prepaid lease payments	783	–	741	1,524
Amortisation of intangible assets	619	–	–	619

(e) Loss for the year included the following:

	2014 HK$'000	2013 HK$'000
Auditor's remuneration	**359**	273
Staff costs	**188,608**	136,931
Depreciation of property, plant and equipment	**89,301**	59,650
Release of prepaid lease payments	**3,107**	1,524
Share-based payment expense (included in staff costs)	**6,005**	–
Amortisation of intangible assets	**842**	619
Cost of inventories recognised as an expense	**291,311**	175,331
Cost of properties held for sale recognised as an expense	**298,456**	191,040

(f) Taxation (expense) credit

	2014 HK$'000	2013 HK$'000
EIT in the PRC for current year	**(40,269)**	(289)
Underprovision of EIT in the PRC in previous years	**(14,110)**	–
Deferred tax credit	**33,278**	10,151
LAT in the PRC	**(18,322)**	–
	(39,423)	9,862

14. DISCONTINUING OPERATIONS *(continued)*

Notes: *(continued)*

(f) Taxation (expense) credit *(continued)*

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Jiatai Group are exempted from the PRC EIT for two years starting from their first profit-making year (i.e. 31 December 2008), followed by a 50% reduction for the next three years. The exemption was ended on 31 December 2012.

Under the Provisional Regulations on LAT implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from transfer of real estate property in the PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including borrowings costs and all property development expenditures.

(g) During the year, the Jiatai Group paid HK$42 million (2013: paid HK$27 million) to the Group's net operating cash flows, paid HK$63 million (2013: generated HK$77 million) in respect of investing activities and generated HK$142 million (2013: paid HK$110 million) in respect of financing activities.

15. PROFIT (LOSS) FOR THE YEAR

	2014	2013
	HK$'000	HK$'000
		(restated)
Continuing operations		
Profit (loss) for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,565**	1,400
Depreciation of property, plant and equipment	**593**	447
Staff costs, inclusive of directors' emoluments	**49,679**	17,380
Gross rental income from properties	**(4,005)**	(3,882)
Less: Direct operating expenses that generated rental income	**730**	741
Direct operating expenses that did not generate rental income	**349**	365
Net rental income	**(2,926)**	(2,776)

16. DIVIDENDS

The final dividend of HK$0.05 per share (2013: nil) and special dividend of HK$0.05 per share (2013: nil) for the year ended 30 June 2014 have been proposed by the Directors and is subject to approval by the shareholders in annual general meeting.

17. EARNINGS (LOSS) PER SHARE

For continuing and discontinuing operations

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

Earnings (loss)

	2014	2013
	HK$'000	HK$'000
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share for the year attributable to owners of the Company	**927,908**	(780,719)

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	**536,747,057**	542,689,806

From continuing operations

Basic earnings per share (2013: loss per share) from continuing operations attributable to the owners of the Company is calculated based on the profit for the year attributable to owners of the Company from continuing operations of approximately HK$1,032,392,000 (2013: loss of approximately HK$718,250,000) and the denominators detailed above for basic earnings (loss) per share.

From discontinuing operations

Basic loss per share from discontinuing operations of HK$0.19 (2013: HK$0.12) per share is computed based on the loss for the year from discontinuing operations of approximately HK$104,484,000 (2013: HK$62,469,000) and the denominators detailed above for basic earnings (loss) per share.

The computations of diluted earnings (loss) per share for the year ended 30 June 2014 and 2013 do not assume the exercise of share options granted by a subsidiary since such assumed exercise would be anti-dilutive.

18. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 July 2012	159,227
Net increase in fair value recognised in profit or loss	57,589
Disposals	(8,704)
At 30 June 2013	208,112
Net increase in fair value recognised in profit or loss	11,498
Transfer to property, plant and equipment (Note)	(5,950)
At 30 June 2014	**213,660**

Note: During the year ended 30 June 2014, an investment property with a carrying amount of HK$5,950,000 was reclassified as property, plant and equipment.

	2014 **HK$'000**	2013 HK$'000
Unrealised gain on property valuation included in profit or loss (included in other gains and losses)	**11,498**	57,589

The Group's investment properties are analysed as follows:

	2014 **HK$'000**	2013 HK$'000
Properties held under medium-term leases:		
– in Hong Kong	**168,230**	162,850
– in the PRC	**40,189**	40,040
Properties situated in the PRC held under long-term leases	**5,241**	5,222
	213,660	208,112

18. INVESTMENT PROPERTIES *(continued)*

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

The fair values of the Group's investment properties at 30 June 2014 and 30 June 2013 were arrived at on the basis of valuations carried out on that date by DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuers not connected with the Group.

For the investment properties leased out, the valuations were determined based on income approach where the market rentals are assessed by considering the income derived from existing tenancies with due provision for any reversionary income potential of the properties (the "Investment Method") and discounted at the market yield. For the vacant investment properties, the valuations were arrived at by direct comparison approach assuming sale of each of these properties in existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market and adjusted for differences in the nature, location and countries (the "Comparison Approach").

There has been no change from the valuation technique used in the prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

At the end of the reporting period, management of the Group works closely with the independent qualified professional valuer to establish and determine the appropriate valuation techniques and inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to management of the Group.

There were no transfers into or out of Level 3 during both years.

18. INVESTMENT PROPERTIES *(continued)*

Information about fair value measurements using significant unobservable inputs

The following table shows the valuation techniques used in the determination of fair values for investment properties and key unobservable inputs used in the valuation models.

Description	Fair value HK$'000	Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of significant inputs	Relationship of inputs to fair value
As at 30 June 2014						
Industrial property units located in Hong Kong	62,130	Level 3	Investment Method	(i) Capitalisation rate	4%	The higher the capitalisation rate, the lower the fair value.
				(ii) Monthly market rent month per square feet	HK$16 - HK$17 per square feet	The higher the market rent, the higher the fair value.
Industrial property units located in Hong Kong	101,600	Level 3	Comparison Approach	Market unit rate	HK$5,560 per square feet	A significant increase in the market unit rate would result in a significant increase in fair value, and vice versa.
Land in Hong Kong	4,500	Level 3	Comparison Approach	Market unit rate	HK$80 per square feet	A significant increase in the market unit rate would result in a significant increase in fair value, and vice versa.
Commercial property units located in the PRC	40,189	Level 3	Investment Method	(i) Capitalisation rate	6%	The higher the capitalisation rate, the lower the fair value.
				(ii) Monthly market rent per square meter	RMB161 per square meter	The higher the capitalisation rate, the lower the fair value.
Residential property units located in the PRC	5,241	Level 3	Comparison Approach	Market unit rate	RMB4,204 to RMB6,757 per square feet	A significant increase in the market unit rate would result in a significant increase in fair value, and vice versa.
	213,660					

19. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings under medium-term lease in Hong Kong HK$'000	Hospital buildings under medium-term lease in the PRC HK$'000	Other buildings under medium-term lease in the PRC HK$'000	Construction in progress HK$'000	Computer, medical and electronic equipment HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST OR VALUATION									
At 1 July 2012	6,210	–	–	–	1,347	1,957	–	678	10,192
Additions	–	–	–	19,489	114,666	223	4,059	1,780	140,217
Transfer	–	19,061	–	(19,061)	–	–	–	–	–
Revaluation increase (decrease)	3,740	(32,639)	(2,848)	–	–	–	–	–	(31,747)
Acquisition of subsidiaries	–	990,746	81,281	143,686	208,336	1,909	8,161	3,936	1,438,055
Disposals	–	–	–	–	(107,451)	–	(6)	(535)	(107,992)
Transfer to assets classified as held for sale	–	–	(12,886)	(5,153)	–	–	–	–	(18,039)
Exchange differences	–	30,395	2,498	4,524	6,688	62	337	149	44,653
At 30 June 2013	9,950	1,007,563	68,045	143,485	223,586	4,151	12,551	6,008	1,475,339
Additions	–	819	–	7,323	15,488	918	234	1,238	26,020
Transfer	–	1,689	1,137	(2,826)	–	–	–	–	–
Revaluation increase (decrease)	1,000	(51,930)	(8,635)	–	–	–	–	–	(59,565)
Transfer from investment properties	5,950	–	–	–	–	–	–	–	5,950
Disposals	–	–	–	–	(6,565)	–	(977)	(1,351)	(8,893)
Transfer to assets classified as held for sale	–	(947,303)	(59,883)	(146,249)	(228,248)	(2,936)	(11,673)	(5,158)	(1,401,450)
Exchange differences	–	(10,838)	(664)	(1,733)	(2,625)	(33)	(135)	(60)	(16,088)
At 30 June 2014	16,900	–	–	–	1,636	2,100	–	677	21,313
Comprising:									
At cost – 2014	–	–	–	–	1,636	2,100	–	677	4,413
At valuation – 2014	16,900	–	–	–	–	–	–	–	16,900
	16,900	–	–	–	1,636	2,100	–	677	21,313
Comprising:									
At cost – 2013	–	–	–	143,485	223,586	4,151	12,551	6,008	389,781
At valuation – 2013	9,950	1,007,563	68,045	–	–	–	–	–	1,085,558
	9,950	1,007,563	68,045	143,485	223,586	4,151	12,551	6,008	1,475,339

19. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Leasehold land and buildings under medium-term lease in Hong Kong HK$'000	Hospital buildings under medium-term lease in the PRC HK$'000	Other buildings under medium-term lease in the PRC HK$'000	Construction in progress HK$'000	Computer, medical and electronic equipment HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
DEPRECIATION									
At 1 July 2012	–	–	–	–	1,022	1,832	–	587	3,441
Provided for the year	166	32,639	2,848	–	20,872	377	2,262	933	60,097
Eliminated on revaluation	(166)	(32,639)	(2,848)	–	–	–	–	–	(35,653)
Eliminated on disposal	–	–	–	–	(3,828)	–	(6)	(230)	(4,064)
Exchange difference	–	–	–	–	336	7	45	13	401
At 30 June 2013	–	–	–	–	18,402	2,216	2,301	1,303	24,222
Provided for the year	433	51,930	8,635	–	25,702	700	1,369	1,125	89,894
Eliminated on revaluation	(433)	(51,930)	(8,635)	–	–	–	–	–	(60,998)
Eliminated on disposal	–	–	–	–	(2,642)	–	(827)	(1,181)	(4,650)
Transfer to assets classified as held for sale	–	–	–	–	(39,806)	(955)	(2,811)	(563)	(44,135)
Exchange difference	–	–	–	–	(448)	(11)	(32)	(7)	(498)
At 30 June 2014	–	–	–	–	1,208	1,950	–	677	3,835
CARRYING VALUES									
At 30 June 2014	16,900	–	–	–	428	150	–	–	17,478
At 30 June 2013	9,950	1,007,563	68,045	143,485	205,184	1,935	10,250	4,705	1,451,117

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

Leasehold land and buildings	Over the shorter of the lease terms or 30-50 years
Computer, medical and electronic equipment	10% – 20%
Furniture and fixtures	20%
Office equipment	20%
Motor vehicles	20% – 50%

19. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The carrying amount of leasehold land and buildings comprises properties located on:

	2014	2013
	HK$'000	HK$'000
Leasehold land and buildings under medium-term lease in Hong Kong	**16,900**	9,950
Buildings under medium-term lease in the PRC	**–**	1,075,608
	16,900	1,085,558

Property, plant and equipment (including hospital buildings and other buildings in the PRC, construction in progress, computer, medical and electronic equipment, furniture and fixtures, office equipment and motor vehicles) amounting to HK$1,357,315,000 has been transferred to assets classified as held for sale (see note 31). The construction in progress represents hospital buildings under construction which are situated in the PRC.

A revaluation surplus on leasehold land and buildings in Hong Kong of approximately HK$1,000,000 (2013: HK$3,740,000) has been credited to the properties revaluation reserve and revaluation deficit on buildings in the PRC of approximately HK$60,565,000 (2013: HK$35,487,000) has been debited to profit or loss.

If the leasehold land and buildings in Hong Kong and in the PRC (which have been transferred to assets classified as held for sale) had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation of HK$6,696,000 and HK$1,006,885,000 respectively at 30 June 2014. The historical cost less accumulated depreciation of leasehold land and buildings at 30 June 2013 was HK$1,076,076,000.

The Group has not obtained the building certificates for the buildings in the PRC with carrying value of approximately HK$950,659,000 (2013: HK$1,008,030,000) as at 30 June 2014. These buildings in the PRC have been transferred to assets classified as held for sales (see note 31) as at 30 June 3014.

Details of pledged property, plant and equipment are set out in note 43.

The buildings in Hong Kong were valued on 30 June 2014 and 30 June 2013 by DTZ and the buildings in the PRC (which have been transferred to assets held for sale (see note 31) as at 30 June 2014) were valued on 30 June 2014 and 30 June 2013 by Asset Appraisal Limited, firms of independent professional property valuers not connected with the Group. The buildings in Hong Kong were valued using Comparison Approach. The buildings in the PRC (i.e. hospital buildings) were valued using depreciated replacement cost method by reference to the construction costs required to rebuild the buildings and deducting for physical deterioration and all relevant forms of obsolescence and optimisations.

19. PROPERTY, PLANT AND EQUIPMENT *(continued)*

In estimating the fair value of the buildings, the highest and best use of the buildings is their current use.

There were no transfers into or out of Level 3 during both years.

Fair value measurements using significant unobservable inputs

The following table shows the valuation techniques used in the determination of fair values for buildings and unobservable inputs used in the valuation models.

Description	Fair value HK$'000	Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of significant inputs	Relationship of inputs to fair value
As at 30 June 2014						
Industrial property units located in Hong Kong	16,900	Level 3	Comparison Approach	Market unit rate	HK$1,690 - HK$3,840 per square feet	A significant increase in the market unit rate would result in a significant increase in fair value, and vice versa.

20. PREPAID LEASE PAYMENTS

	2014 HK$'000	2013 HK$'000
The Group's prepaid lease payments comprise:		
Medium-term leasehold land in the PRC	–	67,023
Analysed for reporting purposes as:		
Non-current assets	–	65,426
Current assets	–	1,597
	–	67,023

Prepaid lease payments are held under medium-term lease in the PRC. The prepaid lease payments have been transferred to assets classified as held for sales (see note 31) and are amortised over the terms of the lease from 40 to 45 years.

Details of pledged prepaid lease payments are set out in note 43.

21. INTERESTS IN ASSOCIATES

	2014	2013
	HK$'000	HK$'000
Cost of investments in associates		
Listed in the Philippines	**26,448**	26,448
Listed in Hong Kong	**973,744**	973,467
Unlisted	**242,341**	229,199
Share of post-acquisition losses and other comprehensive income, net of dividends received	**(283,012)**	(637,511)
Less: Impairment loss	**(551,205)**	(318,566)
	408,316	273,037
Fair value of listed investments	**392,744**	290,719

Share of results of associates included in continuing operations, net of impairment on interests in an associate:

	2014	2013
	HK$'000	HK$'000
Share of profit (loss) of associates from continuing operations	**263,388**	(624,814)
Impairment loss recognised on interests in an associate	**(232,639)**	–
	30,749	(624,814)

21. INTERESTS IN ASSOCIATES *(continued)*

As at 30 June 2014 and 30 June 2013, the Group had interests in the following associates:

Name of entities	Form of business structure	Country/ place of incorporation/ registration	Principal place of operation	Class of share held	Number of shares/paid-up capital held by the Group as at 30.6.2014	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activity
						2014 %	2013 %	**2014** %	2013 %	
APAC Resources Limited ("APAC") (Note a)	Incorporated	Bermuda	Hong Kong	Ordinary	2,032,579,562 (2013: 2,030,939,562)	**33.15**	29.81	**33.15**	29.81	Trading of mineral commodities, and investments in securities as well as companies engaged in natural resources activities
Essence International Holdings Limited ("Essence")	Incorporated	Hong Kong	Hong Kong/ PRC	Ordinary	4,500,000 (2013: 4,500,000)	**30**	30	**30**	30	Japanese Ramen restaurant
Mabuhay Holdings Corporation ("Mabuhay") (Note b)	Incorporated	The Philippines	The Philippines	Ordinary	358,242,000 (2013: 358,242,000)	**29.85**	29.85	**29.85**	29.85	Investments in securities, properties and other investments in the Philippines
Printronics Electronics Limited ("Printronics")	Incorporated	Hong Kong	Hong Kong	Ordinary	2 (2013: 2)	**40**	40	**40**	40	Inactive
Think Future Investments Limited ("Think Future") (Note c)	Incorporated	BVI	PRC	Ordinary	1,200 (2013: 600)	**30**	30	**30**	30	Property development and project management business in the PRC
Jiaozuo Tongren Medical Industry Company Limited (焦作同仁醫療產業投資有限公司) ("Jiaozuo Tongren") (Note d)	Incorporated	PRC	PRC	Registered	RMB13,000,000 (2013: RMB13,000,000)	**21.67%**	21.67%	**21.67%**	21.67%	Hospital operation but has not yet started operation

21. INTERESTS IN ASSOCIATES *(continued)*

Notes:

(a) APAC is a company with its shares being listed on the Stock Exchange.

On 23 January 2014, APAC announced a conditional cash offer to the shareholders of APAC to repurchase for cancellation up to a maximum of 680,000,000 shares of APAC at an offer price of HK$0.18 per share. The Group did not accept the cash offer for the APAC's shares held by it. The repurchase of 680,000,000 APAC's shares was completed on 5 May 2014 and the repurchased APAC's shares were cancelled by APAC thereafter. Accordingly, the issued share capital of APAC was reduced by the nominal value thereof. As a result of the repurchase, the Group's effective interest in APAC was increased from approximately 29.84% to approximately 33.14%. The amount of gain on deemed acquisition in interest in APAC of approximately HK$67,116,000 was recognised to profit or loss during the year ended 30 June 2014.

As at 30 June 2014, the carrying amount of the Group's interest in APAC was higher than its fair value. The Group performed an impairment assessment of its interest in APAC. The recoverable amount of the Group's interest in APAC is estimated in order to determine the extent of the impairment loss. Recoverable amount is the higher of fair value less costs to sale and value in use. Management compared the value in use with the fair values less costs to sell (which is determined based on the quoted market bid price) and concluded that the fair value less costs to sell is higher than the value in use. Accordingly, the fair value of APAC is determined based on the quoted market bid price available on the Stock Exchange. Based on the assessment, the recoverable amount of the Group's interest in APAC is estimated to be less than the carrying amount (before impairment) and an impairment loss of HK$232,639,000 (2013: nil) is recognised to profit or loss during the year ended 30 June 2014.

(b) Mabuhay is a company with its common shares listed on the Philippine Stock Exchange, Inc. During the year ended 30 June 2013, the Group disposed of 0.57% equity interests in Mabuhay for a consideration of approximately HK$908,000. A gain on partial disposal of Mabuhay of HK$466,000 was recognised to profit or loss during the year ended 30 June 2013.

(c) During the year ended 30 June 2013, one of the shareholders of Think Future subscribed 8% of the enlarged share capital of Think Future at a consideration of HK$10,001,000. The shareholding in Think Future held by the Group was then decreased from 33.3% to 30%. The gain/loss on dilution in shareholding in Think Future was not significant to the results of the Group. During the year ended 30 June 2014, Think Future issued total 2,000 shares in proportion to its existing shareholders for a total consideration of HK$100,000,000. The Group subscribed 600 shares of Think Future for a total consideration of HK$30,000,000 and the Group's shareholding in Think Future remains at 30%.

(d) Jiaozuo Tongren has been reclassified as assets classified as held for sale (see note 31) as at 30 June 2014.

21. INTERESTS IN ASSOCIATES *(continued)*

Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below.

All of these associates are accounted for using the equity method in these consolidated financial statements.

APAC

	2014 **HK$'000**	2013 HK$'000
Current assets	**806,013**	1,098,556
Non-current assets	**2,531,023**	1,428,755
Current liabilities	**(207,835)**	(268,678)
Net assets attributable to owners of APAC	**3,129,201**	2,258,633
Revenue	**774,512**	1,104,617
Profit (loss) for the year	**907,260**	(2,079,687)
Other comprehensive income (expense) for the year	**85,708**	(317,193)
Total comprehensive income (expense) for the year	**992,968**	(2,396,880)
The Group's share of profit (loss) of APAC for the year	**270,454**	(605,050)
The Group's share of other comprehensive income (expense) of APAC for the year	**25,550**	(94,555)
	296,004	(699,605)

Reconciliation of the above summarised financial information to the carrying amount of the interest in APAC recognised in the consolidated financial statements:

	2014 **HK$'000**	2013 HK$'000
Net assets of APAC	**3,129,201**	2,258,633
Proportion of the Group's ownership interest in APAC	**33.15%**	29.81%
Fair value adjustments at acquisition	**(211,851)**	(211,216)
Impairment	**(478,188)**	(245,549)
Carrying amount of the Group's interest in APAC	**347,291**	216,534

21. INTERESTS IN ASSOCIATES *(continued)*

Mabuhay

	2014	2013
	HK$'000	HK$'000
Current assets	**78,545**	76,235
Non-current assets	**211,112**	201,938
Current liabilities	**(112,016)**	(106,942)
Non-current liabilities	**(8,212)**	(9,720)
Net assets	**169,429**	161,511
Equity attributable to:		
Owners of Mabuhay	**159,951**	144,936
Non-controlling interests	**9,478**	16,575
	169,429	161,511
Revenue	**1,048**	26,499
Profit for the year	**10,440**	8,122
Other comprehensive expense for the year	**(2,522)**	–
Total comprehensive income for the year	**7,918**	8,122
Total comprehensive income (expense) for the year attributable to:		
– Owners of Mabuhay	**15,015**	7,174
– Non-controlling interests	**(7,097)**	948
	7,918	8,122
The Group's share of profit of Mabuhay for the year	**4,968**	2,156
The Group's share of other comprehensive expense of Mabuhay for the year	**(486)**	–
	4,482	2,156

21. INTERESTS IN ASSOCIATES *(continued)*

Mabuhay *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Mabuhay recognised in the consolidated financial statements.

	2014 HK$'000	2013 HK$'000
Net assets attributable to owners of Mabuhay	**159,951**	144,936
Proportion of the Group's ownership interest in Mabuhay	**29.85%**	29.85%
Fair value adjustments at acquisition	**(11,536)**	(11,536)
Carrying amount of the Group's interest in Mabuhay	**36,209**	31,727

Think Future

	2014 HK$'000	2013 HK$'000
Current assets	**663,265**	414,279
Non-current assets	**2,690**	2,451
Current liabilities	**(309,807)**	(385,572)
Non-current liabilities	**(268,664)**	–
Net assets attributable to owners of Think Future	**87,484**	31,158
Revenue	**8,844**	9,920
Loss for the year	**(40,112)**	(46,233)
Other comprehensive (expense) income for the year	**(3,562)**	7,393
Total comprehensive expense for the year	**(43,674)**	(38,840)
The Group's share of loss of Think Future for the year	**(12,034)**	(13,869)
The Group's share of other comprehensive (expense) income of Think Future for the year	**(1,069)**	2,218
	(13,103)	(11,651)

21. INTERESTS IN ASSOCIATES *(continued)*

Think Future *(continued)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in Think Future recognised in the consolidated financial statements.

	2014	2013
	HK$'000	HK$'000
Net assets of Think Future	**87,484**	31,158
Proportion of the Group's ownership interest in Think Future	**30%**	30%
Fair value adjustments at acquisition	**(1,429)**	(1,429)
Carrying amount of the Group's interest in Think Future	**24,816**	7,918

Aggregate information of associates that are not individually material

	2014	2013
	HK$'000	HK$'000
The Group's share of loss	**–**	(8,051)
The Group's share of other comprehensive income	**–**	3,247
The Group's share of total comprehensive expense	**–**	(4,804)
Aggregate carrying amount of the Group's interest in these associates	**–**	16,858

Unrecognised share of losses of associates

	Year ended	Year ended
	30.6.2014	30.6.2013
	HK$'000	HK$'000
The unrecognised share of loss of the associates for the year	**2,337**	1,069
Cumulative share of loss of the associates	**5,991**	3,654

22. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2014 HK$'000	2013 HK$'000
Listed investments:		
– Equity securities listed in Hong Kong	–	126,073
– Equity securities listed elsewhere	**103,182**	105,818
– Debt securities	**6,213**	4,918
– Fixed rate bonds	**52,416**	48,422
	161,811	285,231
Unlisted investments:		
– Unit trusts	**6,182**	45,562
– Club debentures	**678**	678
– Equity securities, at cost	**68**	68
	6,928	46,308
Total	**168,739**	331,539
Analysed for reporting purposes as:		
Current assets	**167,993**	204,720
Non-current assets	**746**	126,819
	168,739	331,539

The equity securities listed elsewhere are denominated in TWD while the listed debt securities, listed fixed rate bonds and the unlisted unit trusts are denominated in USD as at 30 June 2014 and 2013.

As at 30 June 2014, listed investments with carrying amount of HK$103,182,000 (2013: HK$105,818,000) are classified as current assets as the directors determine that the investments are highly probable to be disposed of within twelve months. Moreover, unlisted investments of HK$6,182,000 (2013: HK$45,562,000), listed fixed rate bonds of HK$52,416,000 (2013: HK$48,422,000) and listed debt securities of HK$6,213,000 (2013: HK$4,918,000) are classified as current assets as the directors determine that these investments are highly probable to be recovered within twelve months.

23. INTANGIBLE ASSETS

	HK$'000
COST	
At 1 July 2012	–
Acquisition of subsidiaries	16,816
Exchange differences	528
At 30 June 2013	17,344
Exchange differences	(197)
Transfer to assets classified as held for sale	(17,147)
At 30 June 2014	–
AMORTISATION	
At 1 July 2012	–
Charge for the year	619
Exchange differences	12
At 30 June 2013	631
Charge for the year	842
Exchange differences	(8)
Transfer to assets classified as held for sale	(1,465)
At 30 June 2014	–
CARRYING AMOUNT	
At 30 June 2014	–
At 30 June 2013	16,713

The intangible assets represent the trademark of "Tongren" and are amortised on a straight-line basis over 20 years starting from the acquisition date. The intangible assets have been transferred to assets classified as held for sale (see note 31) at 30 June 2014.

24. INVENTORIES

	2014	2013
	HK$'000	HK$'000
Medical consumables	–	10,308
Medicines	–	6,188
	–	16,496

25. IMPAIRMENT ASSESSMENT ON INTANGIBLE ASSETS, PREPAID LEASE PAYMENTS AND PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2013, the hospital segment incurred a segment loss and caused an impairment indication on the assets allocating to the hospital segment. An impairment assessment required an estimation of recoverable amount of the respective CGU to which the intangible assets, prepaid lease payments and property, plant and equipment belonged, which was determined at the higher of value in use and fair value less costs to sell. Specifically, the carrying amount of intangible assets, prepaid lease payments and property, plant and equipment allocating to the hospital operation in Nanjing and Kunming as at 30 June 2013 were as follows:

	Hospital at Nanjing	**Hospital at Kunming**	**Total**
	HK$'000	HK$'000	HK$'000
Property, plant and equipment	849,333	582,627	1,431,960
Prepaid lease payments	31,729	35,294	67,023
Intangible assets	16,713	–	16,713
	897,775	617,921	1,515,696

The recoverable amount of the CGUs of the hospital operation in Nanjing and Kunming was determined based on value in use calculation. The value in use calculation used cash flow projections based on financial budgets approved by management covering a 5-year period and discount rate of 15.89%. The cash flows beyond the 5-year period were extrapolated using a growth rate of 3%. No impairment on this CGUs was made during the year ended 30 June 2013 as the recoverable amount exceeded the carrying amount. Management believed that any reasonably possible change in any of the assumptions would not cause the aggregate carrying amount of the above CGUs to exceed the aggregate recoverable amount of the above CGUs.

26. PROPERTIES UNDER DEVELOPMENT FOR SALE AND PROPERTIES HELD FOR SALE

Properties under development for sale

	2014	2013
	HK$'000	HK$'000
COST		
At the beginning of the year	**851,165**	–
Additions through acquisition of subsidiaries	**–**	621,695
Transfer from deposit paid for acquisition of land use right for property development	**–**	332,045
Additions	**208,750**	121,496
Exchange adjustments	**(8,140)**	22,979
Transfer to properties held for sale	**(220,803)**	(247,050)
Transfer to assets classified as held for sale (note 31)	**(830,972)**	–
At the end of the year	**–**	851,165
Properties under development for sales of which:		
– expected to be realised within 12 months	**–**	203,935
– expected to be realised over 12 months	**–**	647,230
	–	851,165

The properties under development for sale of the Group are situated in the PRC and located on the leasehold lands under medium-term leases.

Properties held for sale

The Group's properties held for sale are situated in the PRC and have been transferred to assets classified as held for sales (see note 31) as at 30 June 2014. All the properties held for sale are stated at cost. In the opinion of the directors, properties held for sales will be realised within twelve months.

27. INVESTMENTS HELD FOR TRADING

Investments held for trading include:

	2014 HK$'000	2013 HK$'000
Listed securities:		
– Equity securities listed in Hong Kong	**912,506**	518,816
– Equity securities listed in Australia	**306,489**	124,124
– Equity securities listed in Malaysia	**128,115**	128,674
– Equity securities listed in the United States of America	**144,415**	142,355
– Equity securities listed elsewhere (Note)	**48,748**	43,228
	1,540,273	957,197

Note: The equity securities listed elsewhere are mainly denominated in PHP of HK$640,000 (2013: nil), TWD of HK$20,593,000 (2013: HK$16,946,000) and GBP of HK$27,515,000 (2013: HK$20,602,000) as at 30 June 2014. As at 30 June 2013, equity securities listed elsewhere also included HK$5,680,000 denominated in JPY.

28. DEBTORS, DEPOSITS AND PREPAYMENTS

	2014 HK$'000	2013 HK$'000
Debtors from securities trading	**17,845**	17,474
Trade receivables arising from hospital operation	–	40,323
Deposits with and receivables from the financial institutions	**19,824**	38,125
Prepayments	**1,818**	13,474
Prepaid business taxes and other PRC taxes	–	23,583
Deposits paid to suppliers	–	16,527
Other debtors and deposits	**77,180**	34,890
	116,667	184,396

The settlement terms of debtors from securities trading are 2-3 days after trade date and they are aged within 2-3 days as at 30 June 2014 and 2013.

The customers of hospital operation are either settled by cash, credit card or medical insurance. For credit card payment, the banks will pay the Group usually 7 days after the trade date. The medical insurance companies will usually pay the Group 90 days after the trade date. The trade receivables arising from hospital operation have been transferred to assets classified as held for sale and included in the debtors, deposits and prepayments. The aged analysis is set out in note 31(a).

28. DEBTORS, DEPOSITS AND PREPAYMENTS *(continued)*

The following is an aged analysis of trade receivables from hospital operation presented based on the invoice date (approximate the date of revenue recognition) as at 30 June 2013:

	2013
	HK$'000
0 – 30 days	19,912
31 – 60 days	12,197
61 – 90 days	8,214
	40,323

As at 30 June 2013, trade receivables from hospital operation disclosed above were neither past due nor impaired for which the Group considered that the amounts were recoverable because the receivables were related to a number of independent customers that have good repayment records with the Group.

The Group has policy for recognition of impairment which is based on the evaluation of collectability and age analysis of accounts and on management's judgment including creditworthiness and the past collection history of each customer.

As at 30 June 2014, other debtors, deposits and prepayments are netted off by an impairment of HK$14,993,000 (2013: HK$10,453,000). During the year ended 30 June 2014, impairment losses in respect of other receivables of HK$4,540,000 (2013: HK$4,887,000) is recognised.

29. LOANS RECEIVABLE

	2014	2013
	HK$'000	HK$'000
Fixed-rate loans	**131,764**	101,761
Variable-rate loans	**70,339**	2,000
	202,103	103,761

The loans receivable had contractual maturity dates within 1 year as at 30 June 2014 and 30 June 2013.

29. LOANS RECEIVABLE *(continued)*

On 2 October 2013, the Group entered into a substitution agreement (the "Substitution Agreement") with certain unrelated third parties including the outgoing participant (the "Outgoing Participant") and debtor (the "Debtor") to which the Outgoing Participant agreed to novate to the Group its participation in a loan with a principal amount of AUD90,000,000 (approximately HK$657,314,000) carrying at an annual interest of Bank Bill rate plus 1.25% which was initially offered to the Debtor by the Outgoing Participant (the "Loan"). Pursuant to the Substitution Agreement, the Group replaced the Outgoing Participant under the Loan and the Group has become the lender of the Loan. All obligations and benefits of the Outgoing Participant under the Loan was novated to the Group. The completion of the Substitution Agreement took place on 9 October 2013 whereas the amount of consideration paid was AUD75,547,000 (approximately HK$551,026,000). The amount is recorded as loans receivable, which is initially measured at fair value and subsequent to initial recognition, and is carried at amortised cost using the effective interest method, less any identified impairment losses. The Debtor is a wholly-owned subsidiary of AVEO Group Limited (formerly known as FKP Property Group Limited), a company with its shares is listed on the Australian Stock Exchange. The Debtor and its guarantors provided certain collaterals over the Loan which includes the shares of the Debtor and certain properties. Pursuant to the terms of the Loan, the principal amount of the Loan of AUD25,000,000 and AUD65,000,000 will be repayable on 31 December 2013 and 31 July 2014 respectively. During the year ended 30 June 2014, the Debtor early settled AUD80,644,000 (approximately HK$588,975,000) of the Loan and the difference between the principal amount repaid and its carrying amount at the dates of repayment amounting to AUD4,515,000 (approximately HK$32,981,000) was recognised as other gains and losses in the profit or loss. As at 30 June 2014, the carrying amount of the Loan is AUD9,356,000 (approximately HK$68,339,000) and is classified as current assets.

As at 30 June 2014, loans receivable with carrying amount of HK$55,735,000 (2013: HK$44,978,000) was due from associates of the Group.

The Group has policy for allowance of bad and doubtful debts which is based on the evaluation of collectability and aging analysis of accounts and on management's judgment, including the current creditworthiness, collaterals and the past collection history of each client.

In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date credit was initially granted up to the reporting date, the value of collaterals obtained and the past collection history of each client. At 30 June 2014, aggregated loans receivable amounting to HK$35,735,000 (2013: nil) was past due but not impaired at the reporting date as either the fair value of the securities pledged by the borrower is higher than the loan amount or the loan was subsequently settled after the end of the reporting period.

The fixed-rate loans receivable are denominated in USD, RMB and HK$. The average interest rate for the fixed-rate loans receivable was ranging from 12% to 24% (2013: 12% to 20%) per annum.

29. LOANS RECEIVABLE *(continued)*

The variable-rate loans receivable are denominated in AUD and HK$. The terms of the AUD denominated loan receivable is set out in the above paragraph. The contracted interest rate of the HK$ denominated loan receivable is The Hongkong and Shanghai Banking Corporation Limited ("HSBC") prime rate with effective interest rate of 5% (2013: 5%) per annum and interest is normally repriced every six months.

The loans receivable with a carrying amount of HK$44,978,000 (2013: HK$44,978,000) are secured by listed securities and the fair value of such pledged securities was approximately HK$84,466,000 (2013: HK$79,187,000) at 30 June 2014. The fair value of pledged marketable securities of the individual clients is higher than the corresponding outstanding loans.

30. PLEDGED BANK DEPOSITS, RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

Pledged bank deposits

The amounts represent bank deposits pledged to secure the short-term general banking facilities granted to the Group. During the year, the pledged bank deposits carried interest with a range from 0.35% to 3% per annum (2013: 0.50% to 3.5%). Pledged bank deposits amounting to HK$235,518,000 have been transferred to assets classified as held for sale (see note 31).

Restricted bank deposits

As at 30 June 2013 and 2014, in accordance with the applicable government regulations, HK$74,160,000 (2013: HK$2,376,000) were placed in bank deposits which could only be used in the designated property development projects. The deposits carried interest at average market rates of 0.35% (2013: 0.50%) per annum. The restricted deposits at 30 June 2014 have been transferred to assets classified as held for sale (see note 31).

Bank balances and cash

Bank balances and cash comprise cash and bank balances held by the Group with original maturity of three months or less. During the year, they carried interest at a range from 0.001% to 5% per annum (2013: 0.001% to 5.0%). Bank balances and cash amounting to HK$114,932,000 have been transferred to assets classified as held for sale (see note 31).

31. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

As at 30 June 2014

As disclosed in notes 14 and 50, the Company conditionally agreed to dispose of its entire interest in Jiatai Construction through the disposal of Exceptional Talent Limited. The directors determine the disposal is highly probable and thus, the relevant assets and liabilities of the Jiatai Group are classified to assets classified as held for sale and liabilities associated with assets classified as held for sale respectively in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations". Details of the relevant assets and liabilities of the Jiatai Group as at 30 June 2014 are as follows:

	HK$'000
Property, plant and equipment	1,375,148
Prepaid lease payments (note 20)	124,472
Interest in an associate	7,218
Intangible assets (note 23)	15,682
Deposits for acquisition of property, plant and equipment	22,718
Inventories	18,529
Properties under development for sale (note 26)	830,972
Properties held for sale (note 26)	31,665
Debtors, deposits and prepayments (Note a)	89,203
Pledged bank deposits (note 30)	235,518
Restricted bank deposits (note 30)	74,160
Bank balances and cash (note 30)	114,932
Total assets classified as held for sale	2,940,217
Creditors and accrued charges (Note b)	289,810
Customers' deposit and receipts in advance	26,086
Deposits received on sales of properties	186,132
Consideration payable (note 33)	87,472
Amount due to an associate (note 34)	8,122
Obligations under finance leases (Note c)	72,664
Borrowings (Note d)	1,342,670
Taxation payable	9,380
Deferred taxation (note 42)	77,654
Total liabilities associated with assets held for sale	2,099,990

31. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE *(continued)*

As at 30 June 2014 *(continued)*

Notes:

(a) The following is an analysis of the Jiatai Group's debtors, deposits and prepayments:

	2014 HK$'000
Trade receivables arising from hospital operation	44,937
Prepayments	20,661
Prepaid business taxes and other PRC taxes	7,914
Other debtors and deposits	15,691
	89,203

The following is an aged analysis of trade receivables from hospital operation presented based on the invoice date (approximate the date of revenue recognition) as at 30 June 2014:

	2014 HK$'000
0 – 30 days	23,116
31 – 60 days	10,231
61 – 90 days	5,488
91 – 365 days	6,102
	44,937

(b) The following is an analysis of the Jiatai Group's creditors and accrued charges:

	2014 HK$'000
Trade payables to construction contractors and of hospital operations	142,364
Accrued compensation for late delivery of properties held for sale	8,791
Accrued construction cost for properties under development for sale	65,770
Construction cost payable for hospital buildings classified as property, plant and equipment	14,154
Deposit received for sales of Kunming Tongren Industrial Development Company Limited (昆明同仁實業開發有限公司) ("Kunming Tongren Industrial")	37,488
Other creditors and accrued charges	21,243
	289,810

31. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE *(continued)*

As at 30 June 2014 *(continued)*

Notes: *(continued)*

(b) The following is an analysis of the Jiatai Group's creditors and accrued charges: *(continued)*

The following is an aged analysis of trade payables to construction contractors and of hospital operations presented based on the invoice date as at 30 June 2014:

	2014 HK$'000
0 – 30 days	47,046
31 – 60 days	21,253
61- 90 days	17,102
91 – 365 days	25,477
Over 1 year but not exceeding 2 years	22,154
Over 2 years but not exceeding 5 years	9,332
	142,364

(c) The following is a repayment analysis of the Jiatai Group's obligations under finance leases:

	2014 HK$'000
Amount payable under finance leases:	
Within one year	43,390
In more than one year but not more than two years	19,902
In more than two years but not more than five years	9,372
	72,664

(d) The following is an analysis of the Jiatai Group's borrowings:

	2014 HK$'000
Secured bank borrowings (note 35(d))	390,850
Unsecured bank borrowings (note 35(d))	539,577
Unsecured other borrowings (note 35(e))	258,042
Discounted bills (note 35(f))	154,201
	1,342,670

31. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE *(continued)*

As at 30 June 2014 *(continued)*

Notes: *(continued)*

(d) The following is an analysis of the Jiatai Group's borrowings: *(continued)*

Carrying amount repayable based on scheduled repayment dates set out in the loan agreements:

	2014 HK$'000
On demand or within one year	958,168
Over one year but not exceeding two years	378,254
Over two years but not exceeding five years	6,248
	1,342,670

The secured borrowings are secured by the Jiatai Group's assets as disclosed in note 43. The Jiatai Group's bank borrowings of HK$264,915,000 as at 30 June 2014 were guaranteed by the companies beneficially owned by a director of Jiatai Construction.

As at 30 June 2013

In June 2013, the directors determined to dispose of the land use rights for the development of elderly care services, land use rights and buildings for kindergarten and properties held for sale in Kunming (the "Properties") and considered that the disposal of the Properties is highly probable, thus the Properties is classified to assets classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations". On 27 August 2013, the Group entered into a sale and purchase agreement with independent third parties pursuant to which the Group agreed to dispose of the Properties through disposal of the entire registered capital of Kunming Tongren Industrial at a consideration of RMB324,995,000. Pursuant to the agreement, the Group shall procure Kunming Tongren Industrial to strip off its certain assets and restructure its existing receivables and liabilities so that Kunming Tongren Industrial will only own the Properties upon completion of the disposal. The assets stripping and the restructuring of the receivables and liabilities are required to be completed within six months from the agreement. Details of this transaction are set out in the announcement made by the Company on 27 August 2013. As at 30 June 2014, deposits of RMB30,000,000 (approximately HK$37,488,000) were received as part of the consideration.

Kunming Tongren Industrial is a subsidiary of Jiatai Construction. As the relevant assets and liabilities of the Jiatai Group had been classified as assets classified as held for sale and liabilities associated with assets held for sale at 30 June 2014, the Properties were thus consolidated by Jiatai Construction and presented together with relevant assets for the Jiatai Group as assets classified as held for sale at 30 June 2014.

31. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE *(continued)*

As at 30 June 2013 *(continued)*

Details of Properties as at 30 June 2013 classified as asset classified held for sale are as follows:

	2013 HK$'000
Buildings and construction in progress	18,039
Prepaid lease payments	61,993
Properties held for sale	27,546
	107,578

32. CREDITORS AND ACCRUED CHARGES

	2014 **HK$'000**	2013 HK$'000
Trade payables to construction contractors and of hospital operation	–	167,791
Creditors from securities trading	**17,737**	40,862
Accrued compensation for late delivery of properties held for sale	–	9,902
Accrued construction cost for properties under development for sale	–	37,388
Construction cost payable for hospital buildings classified as property, plant and equipment	–	12,238
Other creditors and accrued charges	**88,318**	64,440
	106,055	332,621

The settlement terms of creditors from securities trading are 2 – 3 days after trade date.

Trade payables of hospital operation principally comprise amounts outstanding for trade purchases. Trade payables to construction contractors comprise construction costs for property development and other projects. The normal credit period taken for these trade payables is 30 – 60 days. The amounts have been transferred to liabilities associated with assets classified as held for sale (see note 31(b)).

32. CREDITORS AND ACCRUED CHARGES *(continued)*

The following is an aged analysis of trade payables to construction contractors and of hospital operations presented based on the invoice date as at 30 June 2013:

	2013 HK$'000
0 – 30 days	21,087
31 – 60 days	20,555
61 – 90 days	26,972
91 – 365 days	89,914
Over 2 years but not exceeding 5 years	9,263
	167,791

33. CONSIDERATION PAYABLE

Prior to the acquisition of Jiatai Construction in September 2012 as stated in note 47, Jiatai Construction acquired additional 27.5% equity interests in Tongren Healthcare Industry Group Company Limited (同仁醫療產業集團有限公司) ("Tongren Healthcare"), an indirectly held subsidiary of Jiatai Construction, from the non-controlling shareholders at a consideration of RMB110,000,000 (equivalent to HK$136,000,000), of which RMB40,000,000 (equivalent to HK$49,200,000) was settled by cash in April 2012. The remaining consideration amounting to RMB70,000,000 (equivalent to HK$88,472,000 at 30 June 2013 and HK$87,472,000 at 30 June 2014) is unsecured and interest-free. The amount has been transferred to liabilities associated with assets classified as held for sale (see note 31).

34. AMOUNT DUE TO AN ASSOCIATE

The amount is unsecured, interest-free and repayable on demand. The amount has been transferred to liabilities associated with assets classified as held for sale (see note 31).

35. BORROWINGS

The following table provides an analysis of the bank and other borrowings:

	2014 HK$'000	2013 HK$'000
Securities margin loans (Note a)	**857,668**	1,128,582
Unsecured term loans (Note b)	**488,022**	70,000
Promissory note (Note c)	–	91,987
Secured bank borrowings (Note d)	–	308,669
Unsecured bank borrowings (Note d)	–	391,587
Unsecured other borrowings (Note e)	–	122,102
Discounted bills (Note f)	–	350,956
	1,345,690	2,463,883

Carrying amount repayable based on scheduled repayment dates set out in the loan agreements:

	2014 HK$'000	2013 HK$'000
On demand or within one year	**1,275,690**	2,173,222
Over one year but not exceeding two years	**70,000**	162,517
Over two years but not exceeding five years	–	128,144
	1,345,690	2,463,883
Less: Amount due within one year shown under current liabilities	**(1,275,690)**	(2,173,222)
Amount shown under non-current liabilities	**70,000**	290,661

Notes:

(a) Securities margin loans

These represent securities margin financing received from stock broking, futures and options broking houses and are secured by certain collateral of the Group as disclosed in note 43. Additional funds or collateral are required if the balance of the borrowings exceeds the eligible margin value of securities pledged to the broking houses. The collateral can be sold at the broking houses' discretion to settle any outstanding borrowings owed by the Group. The entire loans are repayable on demand and bear variable interest with a range from 2.60% to 5.25% (2013: 3.75% to 5.25%) per annum.

35. BORROWINGS *(continued)*

Notes: *(continued)*

(b) Unsecured term loans

As at 30 June 2014, the unsecured term loans bore fixed interest rate with a range of 6% to 10.9% (2013: 6%) per annum.

(c) Promissory note

During the year ended 30 June 2013, the Group acquired 19.34% equity interest of Extra Earn Holdings Limited ("Extra Earn") at a consideration of HK$89,860,000, which was satisfied by the Group issuing a promissory note to the vendor. The promissory note carries interest of 12% per annum and was repayable on 19 September 2013 and subsequently extended to 30 November 2014. In the opinion of the directors, the carrying amount of promissory note approximated its fair value at the date of issuance. The promissory note was early repaid during the year ended 30 June 2014.

(d) Bank borrowings

Bank borrowings are denominated in RMB, which is the functional currency of respective entities of the Group. The interest rates (which are also equal to contracted interest rates) of the fixed-rate bank borrowings are ranged from 3% to 7.83% (2013: 3% to 8.65%) per annum. The amounts have been transferred to liabilities associated with assets classified as held for sale (see note 31(d)).

(e) Other borrowings

Other borrowings are denominated in RMB, which is the functional currency of respective entities of the Group. The interest rates per annum (which are also equal to contracted interest rates) of the fixed-rate other borrowings are ranged from 10% to 18% (2013: 10% to 15%) per annum. The amounts have been transferred to liabilities associated with assets classified as held for sale (see note 31(d)).

(f) Discounted bills

Discounted bills are denominated in RMB, which is the functional currency of respective entities of the Group, and are secured by pledged bank deposits. The effective interest of the discounted bills is averagely 5.79% (2013: 3%) per annum. Bills are issued through inter-group transactions and the relevant group entities discounted the bills to independent third parties. The bills receivable and payable issued between group entities were fully eliminated on consolidation. The amounts have been transferred to liabilities associated with assets classified as held for sale (see note 31(d)).

The securities margin loans and secured bank borrowings are secured by the Group's assets as disclosed in note 43. The Group's bank borrowings of HK$316,000,000 at 30 June 2013 guaranteed by the companies beneficially owned by a director of a non wholly-owned subsidiary.

36. OBLIGATIONS UNDER FINANCE LEASES

	2014	2013
	HK$'000	HK$'000
Analysed for reporting purpose as:		
Current liabilities	–	43,743
Non-current liabilities	–	72,789
	–	116,532

36. OBLIGATIONS UNDER FINANCE LEASES *(continued)*

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Amount payable under finance leases:				
Within one year	–	52,800	–	43,743
In more than one year but not more than two years	–	50,778	–	43,890
In more than two years but not more than five years	–	35,987	–	28,899
	–	139,565	–	116,532
Less: Future finance charges	–	(23,033)	–	N/A
Present value of lease obligations	–	116,532	–	116,532
Less: Amount due for settlement within one year (shown under current liabilities)			–	(43,743)
Amount due for settlement after one year			–	72,789
Analysed for reporting purpose as:				
Current liabilities			–	43,743
Non-current liabilities			–	72,789
			–	116,532

The Group leased certain of its medical equipment under finance leases. The lease term are ranged from three to six years. Interest rates underlying all obligations under finance leases were fixed at from 3% to 8.63% per annum. No arrangement was entered into for contingent rental payments.

The Group's obligations under finance leases have been transferred to liabilities associated with assets classified as held for sales (see note 31(c)) and are secured by the lessor's charge over the leased assets.

37. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments comprise gross-settled option contracts linked with equity securities listed in Hong Kong and in the United States of America, option contracts linked with exchange rate between AUD and USD and between JPY and USD as well as forward foreign exchange contracts. The fair value of derivative financial instruments is quoted by counterparties and determined based on valuation techniques that incorporated market observable date.

The followings are the major terms of the forward foreign exchange contract:

Notional amount	Settlement date
Sell AUD 63,000,000 and buy US$59,220,000	6 August 2014

38. BONDS

During the year ended 30 June 2013, the Company issued unsecured bonds in an aggregated principle amount of approximately HK$247,000,000 with maturity of two years. Bond in the principal amount of HK$117,000,000 is denominated in USD and the remaining amount is denominated in HK$. The bonds carry fixed rate interest of ranging from 6% to 8% per annum and interest is payable in arrears half yearly. Pursuant to the agreements, the holders have no right to redeem the bonds before the maturity date unless the events of default set out in the agreements occurred while the Company, at its option, can redeem the bonds at par at any time before the maturity date by giving not less than seven days' prior written notice to the holders. As there was no event of default occurred and the directors had no intention to redeem the bonds before the maturity date, the bonds were classified as non-current liabilities in the consolidated statement of financial position as at 30 June 2013. As at 30 June 2014, the bonds are classified as current liabilities as the bonds will be settled within 12 months.

39. SHARE CAPITAL

		Number of shares		Carrying value	
	Note	**2014**	2013	**2014**	2013
				HK$'000	HK$'000
Ordinary shares of HK$0.01 each					
Authorised:					
At beginning and end of the year		**30,000,000,000**	30,000,000,000	**300,000**	300,000
Issued and fully paid:					
At beginning of the year		**542,262,697**	544,458,697	**5,423**	5,445
Repurchase of shares	(a)	**(11,188,000)**	(2,196,000)	**(112)**	(22)
At end of the year		**531,074,697**	542,262,697	**5,311**	5,423

39. SHARE CAPITAL *(continued)*

Note:

(a) During the year ended 30 June 2014 and 30 June 2013, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares of HK$0.01 each	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	HK$	HK$'000
Year ended 30 June 2014				
October 2013	3,284,000	2.38	2.01	7,380
November 2013	1,860,000	2.35	1.80	4,044
December 2013	616,000	1.88	1.75	1,120
January 2014	776,000	1.97	1.80	1,441
March 2014	4,652,000	2.42	2.20	11,100
	11,188,000			25,085
Year ended 30 June 2013				
July 2012	1,324,000	1.13	1.05	1,466
August 2012	172,000	1.18	1.12	197
December 2012	316,000	1.05	0.90	319
January 2013	384,000	1.11	1.07	418
	2,196,000			2,400

The repurchased shares were cancelled upon repurchase and the issued share capital of the Company was reduced by the nominal value of the repurchased shares. The premium payable on repurchase of the shares of HK$24,973,000 (2013: HK$2,378,000) was charged to the share premium account. An amount equivalent to the nominal value of the shares cancelled has been transferred from the retained profits of the Company to the capital redemption reserve.

The repurchases of the Company's shares during the year ended 30 June 2014 and 30 June 2013 were effected by the directors pursuant to the mandate from shareholders with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

40. RESERVES

Properties revaluation reserve

	2014 HK$'000	2013 HK$'000
Items that will not be reclassified to profit or loss:		
At 1 July	**15,000**	11,260
Surplus on revaluation of leasehold land and buildings	**1,000**	3,740
At 30 June	**16,000**	15,000

At 30 June 2014, the balance of properties revaluation reserve included surplus of HK$5,456,000 (2013: HK$5,456,000), arising from revaluation of leasehold land and buildings on transfer of leasehold land and buildings to investment properties carried at fair value.

Investment revaluation reserve

	2014 HK$'000	2013 HK$'000
Items that will be reclassified subsequently to profit or loss:		
At 1 July	**128,405**	120,455
Gain on fair value changes of available-for-sale investments	**24,696**	14,119
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale investments	**(125,946)**	(745)
Share of changes in other comprehensive income (expense) of associates	**3,048**	(5,424)
At 30 June	**30,203**	128,405

Translation reserve

	2014 HK$'000	2013 HK$'000
Items that will be reclassified subsequently to profit or loss:		
At 1 July	**47,719**	144,322
Exchange gain arising from translation of foreign operation	**13,884**	5,697
Share of changes in other comprehensive income (expense) of associates	**20,306**	(83,666)
Reclassification adjustment – transfer to profit or loss upon deemed disposal of an associate	**–**	(18,634)
At 30 June	**81,909**	47,719

41. NON-CONTROLLING INTERESTS

	Share of net assets of subsidiaries HK$'000	Share options reserve of subsidiaries HK$'000	Total HK$'000
At 1 July 2012	42,451	–	42,451
Share of loss for the year	(28,069)	–	(28,069)
Share of other comprehensive income for the year	1,976	–	1,976
Share of total comprehensive expense for the year	(26,093)	–	(26,093)
Acquisition of subsidiaries	413,116	–	413,116
Acquisition of additional interest in a subsidiary through share subscription (note 47)	(3,680)	–	(3,680)
Disposal of partial interest in a subsidiary without losing control (note 47)	81,984	–	81,984
At 30 June 2013	507,778	–	507,778
Share of loss for the year	(70,078)	–	(70,078)
Share of other comprehensive expense for the year	(1,748)	–	(1,748)
Share of total comprehensive expense for the year	(71,826)	–	(71,826)
Recognition of equity-settled share-based payment (note 48)	–	6,005	6,005
At 30 June 2014	435,952	6,005	441,957

42. DEFERRED TAXATION

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

	Fair value adjustment on business combination HK$'000
At 1 July 2012	–
Acquisition of subsidiaries (note 47)	119,271
Credit to profit or loss for the year	(10,151)
Exchange difference	2,489
At 30 June 2013	111,609
Credit to profit or loss for the year	(33,278)
Exchange difference	(677)
Transfer to liabilities associated with assets classified as held for sale	(77,654)
At 30 June 2014	–

At 30 June 2014, the Group had estimated unused tax losses of approximately HK$2,374 million (2013: HK$2,609 million) for offset against future profits. No deferred tax asset has been recognised in respect of estimated tax losses due to the unpredictability of future profit streams. The estimated tax losses of HK$2,038 million (2013: HK$2,329 million) may be carried forward indefinitely. Unused tax losses of HK$336 million (2013: HK$280 million) will expire between 2015 and 2019 (2013: between 2015 and 2018).

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK$160 million (2013: HK$79 million) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

43. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to banks and securities houses to secure credit facilities granted to the Group:

	2014 **HK$'000**	2013 HK$'000
Investments held for trading	**1,495,409**	916,835
Interests in associates	**383,500**	248,261
Buildings (included in property, plant and equipment)	**–**	604,739
Available-for-sale investments	**103,182**	231,892
Prepaid lease payments	**–**	35,293
Pledged bank deposits	**2,944**	265,423
Amounts included in assets classified as held for sale:		
– Buildings (included in property, plant and equipment)	**596,597**	18,039
– Prepaid lease payments	**93,834**	61,993
– Properties under development for sale	**704,588**	–
– Properties held for sale	**20,686**	27,546
– Pledged bank deposits	**235,518**	–
	3,636,258	2,410,021

During the year ended 30 June 2013, the shares of Kunming Tongren Industrial and Kunming Tongren Hospital Company Limited (昆明同仁醫院有限公司) ("Kunming Tongren Hospital"), both non-wholly owned subsidiaries of the Company, were pledged to banks for borrowings granted. The pledge was released upon repayment of borrowings during the year ended 30 June 2014.

The Group's obligations under finance leases are secured by the Group's charge over the leased assets. At 30 June 2014, the carrying amount of the Group's medical equipment included an amount of HK$139,143,000 (2013: HK$174,937,000) in respect of assets held under finance leases. These medical equipment has been transferred to assets classified as held for sale and included in the amount of property, plant and equipment (see note 31).

44. COMMITMENTS

Lease commitments

The Group as lessee

	2014 HK$'000	2013 HK$'000
Minimum lease payments paid under operating leases in respect of premises	**2,126**	2,126

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

	2014 HK$'000	2013 HK$'000
Within one year	**1,948**	2,126
In the second to fifth year inclusive	**–**	1,998
	1,948	4,124

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated and rentals are fixed for a lease term of four years.

The Group as lessor

Property rental income earned during the year was approximately HK$4,005,000 (2013: HK$3,882,000). The properties held have committed tenants for a lease term ranging from two to three years (2013: two to three years).

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

	2014 HK$'000	2013 HK$'000
Within one year	**1,607**	1,790
In the second to fifth year inclusive	**–**	416
	1,607	2,206

44. COMMITMENTS *(continued)*

Capital commitments

	2014 **HK$'000**	2013 HK$'000
Capital expenditure contracted for but not provided – acquisition of property, plant and equipment	**1,295**	1,735

45. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Both the Group and the employees contribute a fixed percentage of the relevant payroll to the MPF Scheme. The cap of contribution amount was HK$1,250 per employee per month before 1 June 2014 and is HK$1,500 per employee per month thereafter. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme.

The Group operates various benefits schemes for its full-time employees in the PRC in accordance with the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to the existing schemes, the Group contributes 7%, 5%, 17%, 2%, 0.5% and 0.5% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury and pregnancy insurance respectively. The only obligation of the Group with respect of the various benefits schemes is to make the required contributions under the scheme.

During the year ended 30 June 2014, the retirement benefits scheme contributions charged to consolidated statement of profit or loss were HK$11,116,000 (2013: HK$6,173,000).

46. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties:

	2014 **HK$'000**	2013 HK$'000
Interest income from loans granted to associates of the Company	**8,119**	8,060

46. RELATED PARTY TRANSACTIONS *(continued)*

Compensation of key management personnel

The remuneration of directors, who are the key management of the Group during the year was as follows:

	2014	2013
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**25,495**	4,495
Retirement benefits costs	**45**	45
	25,450	4,540

The remuneration of directors is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

47. ACQUISITION OF SUBSIDIARIES

On 19 September 2012, the Group entered into a sale and purchase agreement with an independent third party to acquire additional 19.34% equity interest of Extra Earn Holdings Limited ("Extra Earn") at a consideration of HK$89,860,000 ("Acquisition") which was satisfied by the Group issuing promissory note to the independent third party. Details of the promissory note are disclosed in note 35(c).

Before the Acquisition, the Group had 38.67% equity interest in Extra Earn and Extra Earn is an investment holding company with 100% equity interest in Jiatai Construction. Jiatai Construction is an investment holding company and its subsidiaries are engaged in property development and hospital operations in the PRC.

Immediately after the Acquisition, Extra Earn performed a reorganisation by means of the transfer of an aggregate of entire equity interest in Jiatai Construction to the Company and other two shareholders based on their proportionate equity interest, and the repurchase and cancellation of Extra Earn's 180,000 shares and 15,450 shares (total represented 41.99% issued shares of Extra Earn) from the other two shareholders of Extra Earn ("Extra Earn Reorganisation").

Upon the completion of the Acquisition and Extra Earn Reorganisation, the Company's equity interests in Extra Earn and Jiatai Construction increased from 38.67% to 100% and 58.01% respectively. These transactions were completed on 19 September 2012. The Acquisition was accounted for using the purchase method.

Acquisition-related costs amounting to approximately HK$752,000 were excluded from the consideration transferred and were recognised as an expense in the current period, within the other expenses line item in the consolidated statement of profit or loss.

47. ACQUISITION OF SUBSIDIARIES *(continued)*

Assets acquired and liabilities recognised at the date of acquisition:

	HK$'000
Property, plant and equipment	1,438,055
Prepaid lease payments	127,346
Intangible assets	16,816
Interests in associates	15,931
Inventories	18,907
Properties under development for sale	621,695
Properties held for sale	39,441
Debtors, deposits and prepayments (Note)	152,129
Deposit paid for acquisition of land use right for property development	332,045
Pledged bank deposits	222,023
Restricted bank deposits	57,857
Bank balances and cash	131,908
Creditor and accrued charges	(589,626)
Consideration payable	(85,784)
Deposits received on sales of properties	(247,345)
Receipts in advance	(21,999)
Amount due to an associate	(7,966)
Bank borrowings	(1,216,544)
Obligations under finance leases	(56,613)
Deferred tax liabilities	(119,271)
Amount due to the subsidiary of the Company	(54,474)
Net assets acquired	774,531
Less: Non-controlling interests on Jiatai Construction's subsidiaries	(111,901)
	662,630

Note: The fair value of debtors at the date of acquisition amounted to HK$117,554,000, which was the same as the gross contractual amounts of debtors at the date of Acquisition.

47. ACQUISITION OF SUBSIDIARIES *(continued)*

Discount on acquisition:

	HK$'000
Consideration for acquisition of 19.34% equity interest of Extra Earn	89,860
Previously held interests in Extra Earn as an associate, at fair value	244,014
Plus: Non-controlling interests of Jiatai Construction	301,215
Plus: Non-controlling interests on Jiatai Construction's subsidiaries	111,901
Less: Net assets acquired	(774,531)
	(27,541)

Non-controlling interests of Jiatai Construction and Jiatai Construction's subsidiaries are measured at their proportionate share of net assets acquired.

In the opinion of the directors, discount in Acquisition was resulted because the Jiatai Group needed additional funds to settle its short-term borrowings and then seeked for shareholders' further capital contribution to finance the daily operation of the Jiatai Group. The vendor considered that there was no cash return from the investment in Extra Earn and the vendor was in financial difficulty to provide further capital contribution to the Jiatai Group. Therefore, the vendor would like to exit this investment. Thus, the vendor was willing to offer a favourable price to the Group.

Gain on deemed disposal of associate:

	HK$'000
Carrying amount of Extra Earn at date of disposal	(227,854)
Cumulative exchange differences shared by the associate reclassified from equity to profit or loss	18,634
Fair value of the Group's previously held equity interest in Extra Earn	244,014
	34,794

Cash inflow arising on acquisition:

	HK$'000
Cash consideration paid	–
Less: Bank balances and cash acquired	131,908
	131,908

47. ACQUISITION OF SUBSIDIARIES *(continued)*

Included in loss for the year ended 30 June 2013 is HK$50,214,000 attributable to the Jiatai Group. Revenue for the year ended 30 June 2013 includes HK$601,707,000 generated from the Jiatai Group.

Had the Acquisition been effected at the beginning of the reporting period, the total amount of revenue of the Group for the year ended 30 June 2013 would have been HK$797,858,000, and the amount of the loss for the year would have been HK$821,114,000. The proforma information is for illustrative purposes 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 at the beginning of the reporting period, nor is it intended to be a projection of the results.

On 6 December 2012, the Company and Jiatai Construction entered into a subscription agreement pursuant to which the Company agreed to subscribe Jiatai Construction's register capital at a consideration of US$32,000,000 (equivalent to HK$249,000,000). After the subscription, the Company's equity interest in Jiatai Construction increased from 58.01% to 69.52%. The difference between the amount by which the non-controlling interests of Jiatai Construction adjusted and the fair value of the consideration paid by the Company is HK$3,680,000 and then credited to other reserve and accumulated in equity.

On 16 May 2013, the Company entered into a sale and purchase agreement with an independent third party pursuant to which the Company agreed to dispose of 9% equity interest in Jiatai Construction at a consideration of RMB100,000,000 (equivalent to HK$125,000,000). After the disposal, the Company's equity interest in Jiatai Construction decreased from 69.52% to 60.52%. The difference between the amount by which the non-controlling interests of Jiatai Construction adjusted and fair value of the consideration received by the Company is HK$43,016,000 and then credited to other reserve and accumulated in the equity.

48. SHARE-BASED PAYMENT TRANSACTIONS

In March 2013, Jiatai Construction signed a cooperative agreement ("Cooperative Agreement") with a doctor so as to employ the doctor to be the hospital in-charge in Nanjing Tongren Hospital (南京同仁醫院) for ten years. At the same time, Jiatai Construction granted a call option to the doctor so as to provide an incentive to the doctor to serve the Group for the benefit of the development of Nanjing Tongren Hospital. The call option can be exercised within 6 months upon the completion of five years employment and the satisfaction of the performance targets. The performance targets are based on revenue of RMB600 million and profit excluding finance costs of RMB90 million in Nanjing Tongren Hospital in the fifth year commencing on the date of the employment of the doctor (i.e. from May 2018 to April 2019) ("Performance Target") as per the management account of Nanjing Tongren Hospital from May 2018 to April 2019.

48. SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

An option of RMB30,000,000 registered capital of Jiatai Construction is granted from existing equity owners of Jiatai Construction. The exercise price is RMB1 per unit capital of the registered capital of Jiatai Construction. The call option may be exercisable based on the factors as follows:

1. If the Performance Target reaches 90%, 100% of call option can be exercised;

2. If the Performance Target reaches 80%, 90% of call option can be exercised;

3. If the Performance Target reaches 70%, 80% of call option can be exercised;

4. If the Performance Target falls below 70%, no call option can be exercised.

Based on the current registered paid up capital of Jiatai Construction, and assuming no increase in the registered paid up capital of Jiatai Construction until the exercise of the call option, the doctor will be interested in 3.7% of the registered capital of Jiatai Construction upon full exercise of the call option.

The fair value of the call option was calculated using the Binominal pricing model on date of grant in 2013. The variables and assumptions used in the computing the fair value of the call option is based on the best estimation of the directors. The value of the call option varies with different variables of certain subjective assumptions. The inputs in the model were as follows:

Equity value of Jiatai Construction	RMB1.36
Exercise price	RMB1.00
Expected volatility (Note a)	45.34%
Expected life of option	5 years
Risk-free rate (Note b)	3.075%
Expected dividend yield	Nil

Notes:

(a) Expected volatility for options is based on historical daily price movements of comparable listed companies in the same industry over historical period of 5 years.

(b) The risk-free rate is determined by reference to the yield of China Fixed Rate Government Bond.

The estimated fair value of the call option is approximately HK$22,520,000 on date of grant in 2013. During the year ended 30 June 2014, share-based payment expense of HK$6,005,000 was recognised (2013: nil) in the consolidated statement of profit or loss and other comprehensive income.

49. CONTINGENT LIABILITIES

On 18 July 2013, Tongren Healthcare entered into a mutual guarantee agreement (the "Mutual Guarantee") with China Huali Holding Group Company Limited (中國華力控股集團有限公司) ("Huali"). Pursuant to the Mutual Guarantee, both parties agreed that should any party (inclusive of their subsidiaries) (the "Borrowers") apply for a loan or loans (the "Borrowings") from a bank or financial institution (the "Lenders"), if the Lenders so requires, the other party shall provide a guarantee for the obligations of the Borrowers under the Borrowings, subject to a cap of RMB300,000,000. The effective period of the Mutual Guarantee shall be approximately 18 months from 18 July 2013 to 31 December 2014. A director of Jiatai Construction and certain subsidiaries of the Jiatai Group has a beneficial interest in Huali. As at 30 June 2014, Tongren Healthcare provided guarantees of RMB180,000,000 (approximately HK$224,928,000) to Huali under the Mutual Guarantee, while Huali and its subsidiary provided guarantees of RMB212,000,000 (approximately HK$264,915,000) to Tongren Healthcare and its subsidiaries under the Mutual Guarantee. As at 30 June 2014, the fair value of the guarantees is estimated to be insignificant.

50. EVENTS AFTER THE REPORTING PERIOD

On 21 July 2014, the Company entered into an agreement with the purchasers pursuant to which the Company has conditionally agreed to sell, and the purchasers have conditionally agreed to acquire in aggregate 6,052 shares in the share capital of Exceptional Talent Limited (representing 60.52% of its entire then issued share capital) at a total consideration of HK$944,944,150. The principal assets of Exceptional Talent Limited after the group reorganisation is its 100% interest in Jiatai Construction. The disposal constitutes a very substantial disposal for the Company under the Rules Governing the Listing of Securities on the Stock Exchange and is subject to shareholders' approval in a special general meeting. No shareholder of the Company would be required to abstain from voting and Vigor Online Offshore Limited, the Company's ultimate holding company which has 73.65% of the entire issued share capital of the Company, has given an undertaking to the purchasers to vote in favour of resolutions approving the transaction contemplated under the agreement at the special general meeting. Details of this disposal are set out in the Company's announcement dated 6 August 2014.

51. NON-CASH TRANSACTION

During year ended 30 June 2013, the Group acquired certain medical equipment of approximately HK$88,480,000 under finance leases.

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 30 June 2014 and 30 June 2013 are as follows:

Name of subsidiary	Country/ place of incorporation/ registration	Nominal value of issued ordinary share/ registered capital	Proportion of capital/ registered capital held by the Group 2014	2013	Principal activities
Directly held by the Company					
Jiatai Construction*	PRC	Registered US$116,790,000	**60.52%**	60.52%	Investment holding
Indirectly held by the Company					
Forepower Limited	BVI	Ordinary US$1	**100%**	100%	Property investment in Hong Kong
Future Rise Investments Limited	BVI	Ordinary US$1	**100%**	100%	Trading of securities listed in overseas exchange
Genwo Limited	Hong Kong	Ordinary HK$200,000	**100%**	100%	Property investment
Gold Chopsticks Limited	BVI	Ordinary US$1	**100%**	100%	Holding of investment listed in Hong Kong
Honest Opportunity Limited	BVI	Ordinary US$1	**100%**	100%	Securities trading and investment in Hong Kong and overseas
Join Capital Limited	Hong Kong	Ordinary HK$2	**100%**	100%	Money lending
Kintic Limited	Hong Kong	Ordinary HK$2	**100%**	100%	Property investment
Sparkling Summer Limited	BVI	Ordinary US$6,500,000	**100%**	100%	Securities trading in Hong Kong
Star Telecom Properties Limited	Hong Kong	Ordinary HK$200	**100%**	100%	Investment and property holding
Taskwell Limited	BVI	Ordinary US$1	**100%**	100%	Holding of investment listed in Hong Kong
Treasure Wagon Limited***	BVI	Ordinary US$1	**100%**	N/A	Financial services
Widerich Limited	Hong Kong	Ordinary HK$2	**100%**	100%	Property investment
Nanjing Tongren Industrial Co., Ltd** (南京同仁實業有限公司) ("Nanjing Tongren Industrial")	PRC	Registered RMB80,000,000	**80%#**	80%#	Property development
Nanjing Tongren Hospital Co., Ltd** (南京同仁醫院有限公司) ("Nanjing Tongren Hospital")	PRC	Registered RMB50,000,000	**100%#**	100%#	Operation of a hospital in Nanjing
Kunming Tongren Industrial Development Co., Ltd** (昆明同仁實業開發有限公司) ("Kunming Tongren Industrial")	PRC	Registered RMB80 ,000,000	**100%#**	100%#	Property development
Kunming Tongren Hospital Co., Ltd** (昆明同仁醫院有限公司) ("Kunming Tongren Hospital")	PRC	Registered RMB80,000,000	**100%#**	100%#	Operation of a hospital in Kunming

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

* Wholly foreign-owned enterprise.

** Domestic owned enterprise.

*** The entity was newly incorporated during the year ended 30 June 2014.

\# These companies are held indirectly by Jiatai Construction. The Company has effective interests of 41.97%, 41.97%, 52.46% and 52.46% in Nanjing Tongren Industrial, Nanjing Tongren Hospital, Kunming Tongren Industrial and Kunming Tongren Hospital respectively.

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

All subsidiaries operate principally in their places of incorporation unless specified otherwise under "Principal activities".

None of the subsidiaries had any debts securities subsisting at 30 June 2014 and 30 June 2013 or at any time during the respective year.

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	**Principal place of business**	**Number of subsidiaries**	
		2014	2013
Securities trading and investments	Hong Kong	**8**	8
Property investment	PRC	**1**	1
Property development	PRC	**2**	2
Investment holding	Hong Kong/PRC/BVI	**31**	29
		42	40

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

The table below shows details of non wholly-owned subsidiaries of the Group that has material non-controlling interests:

Name of subsidiaries	Country of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2014	2013	**2014**	2013	**2014**	2013
				HK$'000	HK$'000	**HK$'000**	HK$'000
Jiatai Construction	PRC	**39.48%**	39.48%	**(65,595)**	(26,976)	**405,081**	466,419
Individually immaterial subsidiaries with non-controlling interests						**36,876**	41,359
						441,957	507,778

Summarised consolidated financial information for the years ended 30 June 2014 and 2013 in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts after fair value adjustment on acquisition and before intragroup eliminations.

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Jiatai Construction and its subsidiaries

	2014 **HK$'000**	2013 HK$'000
Non-current assets	**1,542,166**	1,641,158
Current assets	**1,398,051**	1,425,227
Non-current liabilities	**(491,430)**	(313,072)
Current liabilities	**(1,608,560)**	(1,845,418)
Total equity	**840,227**	907,895
Equity attributable to the owners of Jiatai Construction	**435,146**	441,476
Non-controlling interests of Jiatai Construction	**405,081**	466,419
	840,227	907,895
Revenue	**964,416**	601,707
Other income and other gains and losses	**10,036**	15,346
Expenses	**(1,096,109)**	(716,360)
Share of result of an associate	**(8,999)**	–
Taxation (expense) credit	**(39,423)**	9,862
Loss for the year	**(170,079)**	(89,445)
Other comprehensive income for the year	**12,136**	7,673
Total comprehensive expenses for the year	**(157,943)**	(81,772)

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Jiatai Construction and its subsidiaries *(continued)*

	2014 HK$'000	2013 HK$'000
Loss for the year attributable to		
– the owners of Jiatai Construction	**(104,484)**	(62,469)
– non-controlling interests of Jiatai Construction	**(65,595)**	(26,976)
Loss for the year	**(170,079)**	(89,445)
Other comprehensive income (expenses) for the year attributable to		
– the owners of Jiatai Construction	**13,884**	5,697
– non-controlling interests of Jiatai Construction	**(1,748)**	1,976
Other comprehensive income for the year	**12,136**	7,673
Total comprehensive expense for the year attributable to		
– the owners of Jiatai Construction	**(90,600)**	(56,772)
– non-controlling interests of Jiatai Construction	**(67,343)**	(25,000)
Total comprehensive expense for the year	**(157,943)**	(81,772)
Net cash outflow from operating activities	**(42,109)**	(27,031)
Net cash (outflow) inflow from investing activities	**(63,640)**	77,076
Net cash inflow (outflow) from financing activities	**142,649**	(110,213)
Net cash inflow (outflow)	**36,900**	(60,168)
Dividend paid to non-controlling interests of Jiatai Construction	**–**	–

INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2014 HK$'000	2013 HK$'000
Total assets	**1,952,567**	1,622,227
Total liabilities	**(620,058)**	(866,795)
	1,332,509	755,432
Capital and reserves		
Share capital	**5,311**	5,423
Reserves	**1,327,198**	750,009
	1,332,509	755,432

COL Capital Limited

FINANCIAL SUMMARY

The results and the assets and liabilities of the Group for the past five financial years/period, as extracted from the Group's published audited consolidated financial statements and reclassified as appropriate, are set out below:

RESULTS

	For the year ended 31 December	For the period from 1 January 2010 to 30 June	For the year ended 30 June		
	2009	**2011**	**2012**	**2013**	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000 (restated)	**HK$'000**
Revenue					
Continuing operations	1,115,002	2,234,930	538,434	696,624	**1,209,682**
Discontinuing operation	71,355	–	–	601,707	**964,416**
	1,186,357	2,234,930	538,434	1,298,331	**2,174,098**
Profit (loss) before taxation					
Continuing operations	931,651	402,126	(550,823)	(719,327)	**1,028,981**
Discontinuing operation	124,449	–	–	(95,338)	**(130,656)**
	1,056,100	402,126	(550,823)	(814,665)	**898,325**
Taxation (charge) credit	(15,066)	(483)	(383)	5,877	**(40,495)**
Profit (loss) for the year	1,041,034	401,643	(551,206)	(808,788)	**857,830**
Attributable to:					
Owners of the Company	1,025,401	399,481	(531,425)	(780,719)	**927,908**
Non-controlling interests	15,633	2,162	(19,781)	(28,069)	**(70,078)**
	1,041,034	401,643	(551,206)	(808,788)	**857,830**

ASSETS AND LIABILITIES

	As at 31 December	As at 30 June			
	2009	**2011**	**2012**	**2013**	**2014**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	2,597,422	4,326,419	3,466,029	5,285,317	**6,139,681**
Total liabilities	(561,515)	(1,663,874)	(1,619,083)	(3,794,380)	**(3,874,754)**
	2,035,907	2,662,545	1,846,946	1,490,937	**2,264,927**
Equity attributable to owners of the Company	1,982,736	2,607,212	1,804,495	983,159	**1,822,970**
Non-controlling interests	53,171	55,333	42,451	507,778	**441,957**
	2,035,907	2,662,545	1,846,946	1,490,937	**2,264,927**