COL Capital Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 383

2014 / 2015 Annual Report

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CORPORATE INFORMATION*

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Dr. Lim Cheok Peng
(appointed on 26 October 2015)
Dr. Jonathan Weiyan Seah
(appointed on 26 October 2015)

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
P.C. Woo & Co.

Note* updated to 26 October 2015

PRINCIPAL BANKERS

Argicultural Bank of China Limited
Bank of China (Hong Kong) Limited
Bank of Jiangsu Co., Ltd.
DBS Bank
Industrial and Commercial Bank of China (Asia) Limited
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 2015.

FINANCIAL RESULTS

For the year ended 30 June 2015, the Group recorded a total revenue of HK$1,969,740,000 (2014: restated as HK$1,938,127,000) and a decreased profit for the year attributable to shareholders of HK$228,443,000 (2014: HK$927,908,000) which was mainly due to the decline in gain in fair value of investments held for trading of HK$393,717,000 (2014: HK$765,476,000), loss in fair value of derivative financial instruments of HK$17,276,000 (2014: gain of HK$69,454,000) against a net gain on disposal of available-for-sale investments of HK$31,259,000 (2014: HK$125,946,000). Further, the Group also recorded a loss from its share of results of associates (inclusive of former associates) of HK$338,512,000 (2014: profit of HK$254,389,000) which was partially offset by a net gain of reversal of impairment and result on distribution in specie of shares of a former associate of HK$261,266,000 (2014: impairment loss of HK$232,639,000).

Earnings per share (basic and diluted) for the year ended 30 June 2015 was HK$0.02 (2014: HK$0.09, adjusted for the Company's share subdivision effective from 15 June 2015). The Group's net asset value per share as at 30 June 2015 decreased to HK$0.16 from HK$0.17 (adjusted for the Company's share subdivision effective from 15 June 2015) in 2014.

FINAL DIVIDEND

During the year ended 30 June 2015 a special interim dividend satisfied by way of a distribution in specie of shares of APAC Resources Limited ("APAC Shares") held by the Group in the proportion of 3.75 APAC Shares for every share held ("Distribution in Specie") was declared. Based on the market value of the APAC Shares as at the date of despatch on 24 December 2014, this special interim dividend equates to HK$0.48 per share, bringing the amount distributed to the shareholders to approximately HK$254,551,000.

The Directors do not recommend the payment of a final dividend (2014: HK$0.05 per share) or a special dividend (2014: HK$0.05 per share) for the year ended 30 June 2015.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "Annual General Meeting") is scheduled to be held on Monday, 7 December 2015. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 3 December 2015 to Monday, 7 December 2015, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible 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 Wednesday, 2 December 2015.

CHAIRMAN'S STATEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

Securities Trading and Investments

The beginning of 2015 saw a sharp rally in the equity market in China. However this was followed by an abrupt reversal from June 2015 caused by the concerns over the weakening of the Chinese economy and the subsequent devaluation of the Yuan.

The contagion was rapidly felt by the global economic and financial markets which were already experiencing the adverse impact of the depressed commodity prices, geopolitical tensions and conflicts, the drama of the Greek crisis in the euro zone, the slower than expected growth from the industrialized and the emerging economies, and the negative effects of the imminent interest rate hike cycle in the United States ("U.S.").

Despite this backdrop of volatile market conditions, the Group's securities trading and investments activities managed to increase its turnover to HK$1,268,782,000 (2014: HK$868,374,000) and achieved a profit, though reduced, of HK$370,199,000 (2014: HK$906,834,000) for the year ended 30 June 2015. This was mainly due to the gain in fair value of investments held for trading of HK$393,717,000 (2014: HK$765,476,000) and the net gain on disposal of available-for-sale investments of HK$31,259,000 (2014: HK$125,946,000), inclusive of the on-market disposals of about 19 million shares of First Steamship Co., Ltd. (益航股份有限公司), but partially affected by the loss in fair value of derivative financial instruments of HK$17,276,000 (2014: gain of HK$69,454,000). As at 30 June 2015, the Group maintained a portfolio of available-for-sale investments of HK$64,749,000 (2014: HK$168,739,000) and a trading portfolio of HK$1,830,232,000 (2014: HK$1,540,273,000).

Money Lending

During the year under review, the Group's money lending business recorded a decline in interest income from HK$101,332,000 in 2014 to HK$18,800,000 in 2015 and profit also declined to HK$3,486,000 (2014: HK$72,654,000). As at 30 June 2015, the Group's loan portfolio decreased to HK$61,247,000 (2014: HK$202,103,000).

Property Investments

The Group's investment properties located in Hong Kong and the People's Republic of China ("PRC") recorded a rental income of HK$4,020,000 compared to HK$4,005,000 in 2014 and an increase in profit to HK$18,242,000 (2014: HK$14,184,000) for the year mainly due to the increase in gain from fair value on its investment properties portfolio to HK$15,610,000 (2014: HK$11,498,000). As at 30 June 2015, the Group's investment properties portfolio amounted to HK$229,270,000 (2014: HK$213,660,000).

Property Development

The Group's property development business in the PRC mainly consists of the Kangya Garden (康雅苑) Phase III development project located in the Jiangning Development Zone in Nanjing in the PRC with a total gross floor area of approximately 40,650 sqm., the construction of which is expected to be completed by the end of 2015. For the year ended 30 June 2015, this business activity recorded a turnover of HK$5,657,000 (2014: HK$327,700,000) and a loss of HK$15,718,000 (2014: profit of HK$823,000) as the contribution from the Kangya Garden Phase III development project will only be recorded after late 2015.

CHAIRMAN'S STATEMENT

Hospital Operation

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 hospital and healthcare services.

For the year ended 30 June 2015, the Group's hospital operation recorded a turnover of HK$672,481,000 (2014: HK$636,716,000) and a loss of HK$37,716,000 (2014: HK$47,171,000) mainly due to continued inflation and increase in labour cost in the PRC, especially for the medical and technical staff, depreciation and finance costs. Without the depreciation and finance costs, the hospital operation generated a profit of HK$80,127,000 for 2015, a significant improvement compared to HK$58,811,000 in 2014.

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) for a consideration of RMB324.995 million. However, as the conditions precedent in the agreement were not fulfilled prior to the long stop date, the agreement was terminated on 15 October 2014.

In May 2014, the Company received a non-binding offer, subject to a formal agreement, for the acquisition of the Group's entire interest in the Jiatai 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) for a consideration of RMB50 million ("Acquisition"). However, as not all of the conditions precedent in the agreement of the Disposal were fulfilled or waived by the relevant parties by the long stop date despite using best endeavours, the Company served a termination notice on the purchasers on 3 March 2015 in accordance with the terms of the agreement. Further, as the Acquisition is a condition precedent to the completion of the Disposal and the Disposal was terminated, accordingly, the vendor and Jiatai Construction entered into an agreement on 23 March 2015 to terminate the Acquisition.

In late June 2015, the Company received an offer to acquire the Group's 60.52% equity interest in Jiatai Construction. However, the Company received a notice dated 28 June 2015 from the purchaser to withdraw the offer. The reason cited by the purchaser was that in view of the recent volatility of the financial market in the PRC, the relevant financing of the proposed acquisition would not be forthcoming. In light of the purchaser's inability to obtain financing and to avoid proceeding with a transaction that may not complete, after seeking legal advice, the Company decided to accept the withdrawal of the offer.

PRINCIPAL ASSOCIATED COMPANIES

For the year ended 30 June 2015, the loss from its share of results of associates (inclusive of former associates), the net gain of reversal of impairment on interest in a former associate and result on distribution in specie of shares of a former associate, the gain on disposal of a former associate and the gain on deemed acquisition of a former associate was HK$338,512,000 (2014: profit of HK$254,389,000), HK$261,266,000 (2014: impairment loss of HK$232,639,000), HK$10,665,000 (2014: nil) and nil (2014: gain of HK$67,116,000) respectively. As at 30 June 2015, following the Distribution in Specie and disposal of the Group's interest in Mabuhay Holdings Corporation, the Group's investment in associates has decreased to HK$9,001,000 from HK$415,534,000 in 2014.

CHAIRMAN'S STATEMENT

Aveo China (Holdings) Limited ("Aveo China") (formerly known as Think Future Investments Limited) – 30% owned by the Group

Aveo China is an investment holding company and through it subsidiaries (the Aveo China Group engaged in property development and project management businesses in the PRC with focus on elderly care and retirement community. Currently, the Aveo China Group has a development, namely Tide Health Campus (天地健康城), located in Zhu Jia Jiao County, Shanghai in the PRC to develop into a showcase project comprising a health industry headquarter and base, offering a range of elderly care and health services, and retirement related services packages to the elderlies. Tide Health Campus (天地健康城) consists of an elderly nursing home, service apartments, independent living units and a commercial area comprising shopping mall, retail shops and club hall facilities. Construction of the elderly nursing home, the independent living units and the commercial areas are expected to be completed around late 2015 to first quarter of 2016 while the construction of the service apartments is in progress.

APAC Resources Limited ("APAC") – formerly owned as to approximately 33.32% by the Group

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. After completion of the Distribution in Specie in December 2014, APAC ceased to be classified as an associate of the Group.

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

MHC is a company incorporated in the Philippines with its shares listed on the Philippine Stock Exchange ("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., whose shares are also listed on the PSE. After disposal of the Group's interest in MHC in June 2015 resulting in a gain on disposal of HK$10,665,000, MHC has ceased to be classified as an associate of the Group.

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

As at 30 June 2015, the Group's non-current assets of HK$1,888,713,000 (2014: HK$2,182,366,000) consisted of investment properties of HK$229,270,000 (2014: HK$213,660,000), property, plant and equipment of HK$1,366,311,000 (2014: HK$1,392,626,000), prepaid lease payments of HK$118,298,000 (2014: HK$121,400,000), interests in associates of HK$9,001,000 (2014: HK$415,534,000), available-for-sale investments of HK$11,353,000 (2014: HK$746,000), intangible assets of HK$14,844,000 (2014: HK$15,682,000), nil deposits for acquisition of property, plant and equipment (2014: HK$22,718,000) and pledged bank deposit of HK$139,636,000 (2014: nil). These non-current assets are principally financed by the Group's shareholders' funds. As at 30 June 2015, the Group's net current assets decreased to HK$470,450,000 (2014: HK$643,991,000).

As at 30 June 2015, the total borrowings and bonds of the Group amounted to HK$1,874,130,000 (2014: HK$2,935,360,000) consisting of securities margin loans of HK$415,359,000 (2014: HK$857,668,000), unsecured term loan of HK$302,383,000 (2014: HK$488,022,000), secured bank borrowings of HK$246,771,000 (2014: HK$390,850,000), unsecured bank borrowings of HK$465,615,000 (2014: HK$539,577,000), secured other borrowings of HK$21,238,000 (2014: nil), unsecured other borrowings of HK$297,834,000 (2014: HK$258,042,000), discounted bills of HK$124,930,000 (2014: HK$154,201,000) and nil bonds (2014: HK$247,000,000).

CHAIRMAN'S STATEMENT

Among the total borrowings of the Group, an amount of HK$1,641,721,000 (2014: HK$2,233,858,000) was with maturity on demand or within one year, HK$232,409,000 (2014: HK$448,254,000) was with maturity of over one year but not exceeding two years and nil borrowings (2014: HK$6,248,000) was with maturity of over two years but not exceeding five years.

As at 30 June 2015, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (total borrowings and bonds less pledged bank deposits, restricted bank deposits and bank balances and cash) over total equity, was reduced to 67.9% from 87.9% in 2014. The Group's gearing ratio would be adjusted to zero (2014: 12.4%) with marketable securities inclusive of available-for-sale investments (current) and investments held for trading deducted from the net borrowings.

During the year under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Australian Dollar, US 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 its 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 2015, the Group had no capital commitment contracted but not provided – acquisition of property, plant and equipment (2014: HK$1,295,000).

In July 2013, Jiatai Group 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"), a connected person of Jiatai Construction, pursuant to the Mutual Guarantee, both parties agreed that should any party (inclusive of their subsidiaries) apply for a loan or loans from a bank or financial institution, 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 million. The effective period of the Mutual Guarantee shall be approximately 18 months from 18 July 2013 to 31 December 2014 and further extended to 31 December 2015. As at 30 June 2015, the Jiatai Group provided guarantees of RMB50,000,000 (approximately HK$62,465,000) (2014: RMB180,000,000 (approximately HK$224,928,000)) to Huali under the Mutual Guarantee, while Huali and its subsidiary provided guarantees of RMB243,000,000 (approximately HK$303,581,000) (2014: RMB212,000,000 (approximately HK$264,915,000)) to Jiatia Group under the Mutual Guarantee.

During the year under review, the Company repurchased a total of 4,928,000 shares (without any adjustment for the Company's share subdivision effective from 15 June 2015) (2014: 11,188,000 shares, without any adjustment for the Company's share subdivision effective from 15 June 2015) in the capital of the Company for an aggregate consideration of HK$17,902,000 (2014: HK$25,085,000). These shares have been cancelled.

Pursuant to a resolution passed at a special general meeting of the Company held on 12 June 2015, issued and unissued share of the Company of HK$0.01 each was subdivided into 20 shares of HK$0.0005 each of the Company. The share subdivision was completed on 15 June 2015.

CHAIRMAN'S STATEMENT

CHARGE ON GROUP ASSETS

As at 30 June 2015, the Group's investments held for trading of HK$1,757,635,000 (2014: HK$1,495,409,000), interests in associates of nil (2014: HK$383,500,000), buildings (included in property, plant and equipment) of HK$586,093,000 (2014: HK$596,597,000), available-for-sale investments of HK$10,608,000 (2014: HK$103,182,000), prepaid lease payment of HK$91,469,000 (2014: HK$93,834,000), properties under development for sale of HK$618,718,000 (2014: HK$704,588,000), properties held for sale of HK$19,343,000 (2014: HK$20,686,000) and pledged bank deposits of HK$297,147,000 (2014: HK$238,462,000) were pledged to banks and securities houses to secure credit facilities granted to the Group.

The Jiatai Group's obligations under finance leases are secured by the Jiatai Group's charge over the leased assets. At 30 June 2015, the carrying amount of the Jiatai Group's medical equipment includes an amount of HK$201,575,000 (2014: HK$139,143,000) in respect of assets held under finance leases.

EMPLOYEES

The Group had 2,120 employees as at 30 June 2015 (2014: 2,052). 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.

POST BALANCE SHEET EVENT

On 15 September 2015, the Company issued offer letters to all other shareholders of Jiatai Construction to acquire from them the remaining 39.48% equity interest of Jiatai Construction at an aggregate consideration of RMB592,200,000. All the offers under the offer letters have been accepted by 17 September 2015. If these acquisitions are completed, the Group will be interested in the entire equity interests of the Jiatai Construction.

On 23 September 2015, the Company issued offer letter to another shareholder of Aveo China to acquire from it a 40% equity interest of Aveo China at a consideration of HK$120,000,000. The offer under the offer letter has been accepted on 24 September 2015. If this acquisition is completed, the Group will be interested in 70% equity interests of the Aveo China.

PROSPECTS

The Group considers that the outlook for the private healthcare and elderly care sectors in the PRC is bright due to its favourable demographic (such as aging population) and macro factors (such growing middle class), supportive government policies and low penetration of private healthcare institutions. Further, there is an increase in the public's awareness of health and safety. As such, private sector investments in medical and healthcare institutions, a key part of the ongoing healthcare reform in China, will continue to provide the Jiatai Group with significant growth opportunities.

CHAIRMAN'S STATEMENT

The fears of a global economic slowdown and the prospect of an imminent increase in U.S. interest rates continue to weigh on market sentiments and have led to market volatility. These negative factors are further perpetuated by the rising threats of geopolitical conflicts and the weakness in the economic situation in the euro zone countries, the PRC and the emerging markets. As a value investor, the Group will continuously review and adjust its investment strategies, investment portfolio and operations to the prevailing economic and investment environment and seek grossly undervalued investment and business opportunities in China, Hong Kong and the Asia Pacific region to enhance value for shareholders.

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, 24 September 2015

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS*

EXECUTIVE DIRECTORS

Ms. Chong Sok Un, M.H. aged 61, 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 the National Committee of the Chinese People's Political Consultative Conference, Guangdong Province, 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 the namer and director of YOT Chong Sok Un Medical Fund (cancer aid) since 2007 and a member of Yan Oi Tong Advisory Board since 2011. Ms. Chong was the chairman of the 31st Term Board of Directors of Yan Oi Tong from 2010 to 2011 and a director of the 27th Term Board of Directors of Yan Oi Tong from 2006 to 2007. She was also a director of Po Leung Kuk from 2009 to 2010. She was a non-executive director of Alibaba Pictures Group Limited from 25 June 2007 to 23 April 2009.

Dato' Wong Peng Chong, aged 71, 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., and Asia Development Capital Co., Ltd. (formerly known as Asia Alliance Holdings Co., Ltd.), a company listed in The Tokyo 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 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 49, was appointed as executive director of the Company on 13 May 2002. He is an executive director of APAC Resources Limited. From 4 July 2007 to 24 June 2014, he was also an executive director and non-executive director of Alibaba Pictures Group Limited. He was an executive director of Landing International Development Limited from 13 October 2009 to 21 January 2010. During September 2010 to September 2015, he was also a director of Mabuhay Holdings Corporation and IRC Properties, Inc., companies listed in The Philippine Stock Exchange, Inc..

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*

NON-EXECUTIVE DIRECTORS

Dr. Lim Cheok Peng, aged 68, was appointed as a non-executive director of the Company on 26 October 2015. Dr. Lim has over 25 years of international experience in the healthcare sector. He has extensive experience both as a medical practitioner and in managing hospital businesses. He is a chairman of Ophir Ventures Sdn Bhd and previous to this was a senior advisor to the board of directors at IHH Healthcare Berhad ("**IHH**"), a company which is listed on the Kuala Lumpur Stock Exchange and has a secondary listing on the Singapore Exchange and a managing director/executive director of IHH during the periods of 5 April 2012 to 31 December 2013 and 1 May 2011 to 4 April 2012 respectively. Prior to that, Dr. Lim was a vice chairman/executive vice chairman/managing director of Parkway Holdings Limited, a company which was listed on the Singapore Exchange, during the periods of 1 April 2011 to 26 May 2011, 24 April 2009 to 31 March 2011 and 7 June 2000 to 23 April 2009 respectively. Dr. Lim is also the president of IXL Partners since October 2015.

Dr. Lim graduated from the University of Singapore in 1972 with a bachelor of medicine and bachelor of surgery. In 1976, he obtained a master in medicine (internal medicine) from the University of Singapore. Dr. Lim was presented with the Singapore Medical Association Merit Award in 2013 for his significant contributions to the medical profession and the social service to the community in Singapore.

Dr. Jonathan Weiyan Seah, aged 45, was appointed as a non-executive director of the Company on 26 October 2015. Dr. Seah has over 20 years of experience in clinical medicine, investment banking, private equity, and general management in the USA, China, and Southeast Asia.

Dr. Seah is the managing director of IXL Ventures L.P., IXL Partners, IXL Fund, IXL Capital, and Living Ventures Holdings Limited. Dr. Seah was previously the founding chief executive officer of ParkwayHealth's China Division, an operator of international-quality medical centers in China. He was also previously a director of First Steamship Co., Ltd from 1 August 2012 to 5 February 2014 and is a director of Grand Ocean Retail Group Ltd since 30 August 2011, both of which are listed on the Taiwan Stock Exchange. Prior to this, Dr. Seah was a corporate finance investment banker with Merrill Lynch Pierce Fenner & Smith, Inc. in California, USA. Before attending business school, Dr. Seah was a medical doctor at the National University Hospital, Tan Tock Seng Hospital, and Raffles Medical Group in Singapore.

Dr. Seah was a director from 23 April 2010 to 12 June 2012 and the chairman from 8 May 2013 to 15 October 2013 of 連雲港嘉泰建設工程有限公司 (Lianyungang Jiatai Construction Co., Ltd.*) ("Jiatai Construction"), a direct non wholly-owned subsidiary of the Company. He was also a director from 7 May 2010 to 20 June 2012, and the chairman from 7 August 2012 to 15 October 2013 of 同仁醫療產業集團有限公司 (Tongren Healthcare Industry Group Company Limited*), an indirect non wholly-owned subsidiary of Jiatai Construction.

Dr. Seah holds an MBA from Harvard Business School and a bachelor's degree in medicine from the Royal College of Surgeons in Ireland.

BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Siu Ki, aged 57, 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 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., Embry Holdings Limited and UKF (Holdings) Limited. He is also the company secretary of Yeebo (International Holdings) Limited and Hung Fook Tong Group Holdings Limited and the independent supervisor of Beijing Capital International Airport Co., Ltd..

Mr. Ma Wah Yan, aged 67, 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 73, was appointed as independent non-executive director of the Company on 16 October 2006. He is a professional senior engineer in PRC and the Chairman of Xian University of Architecture & Technology Peking Alumni Association. 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..

Note* updated to 26 October 2015

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 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 49 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2015 are set out in the consolidated statement of profit or loss on page 32.

During the year ended 30 June 2015 a special interim dividend satisfied by way of a distribution in specie of shares of APAC Resources Limited ("APAC Shares") held by the Group in the proportion of 3.75 APAC Shares for every share held ("Distribution in Specie") was declared. Based on the market value of the APAC Shares as at the date of despatch on 24 December 2014, this special interim dividend equates to HK$0.48 per share, bringing the amount distributed to the shareholders to approximately HK$254,551,000.

The Directors do not recommend the payment of a final dividend (2014: HK$0.05 per share) or a special dividend (2014: HK$0.05 per share) for the year ended 30 June 2015.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 37 to the consolidated financial statements.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties were revalued at 30 June 2015 and the resulting revaluation increase of HK$15,610,000 has been credited directly to the consolidated statement of profit or loss.

The Group's buildings were revalued at 30 June 2015 and a revaluation surplus on leasehold land and building in Hong Kong of approximately HK$1,100,000 has been credited to the property revaluation reserve and revaluation deficit on building in the PRC of approximately HK$60,066,000 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' REPORT

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

In accordance with clause 99 of the Company's Bye-Laws, Dato' Wong Peng Chong, Mr. Kong Muk Yin 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 2015, 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:

DIRECTORS' REPORT

Long positions in the shares of the Company

Name of Director	Number of ordinary shares of HK$0.0005 each: Personal interests	Family interests	Corporate interests	Other interests	Total	Percentage of issued ordinary shares
Ms. Chong Sok Un ("Ms. Chong")	–	–	7,822,514,140 (Note)	–	7,822,514,140	74.34%

Note:

Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit"), owns 7,822,514,140 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 7,822,514,140 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2015, 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.

Further note:

Subsequent to the year-end date, on 13 July 2015, Vigor granted call options to several grantees over an aggregate of 2,000,000,000 ordinary shares of the Company held by it, represent approximately 19.0% of the entire issued share capital of the Company (based on the total number of issued shares of the Company of 10,522,933,940 shares as at 30 June 2015).

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 2015, 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:

DIRECTORS' REPORT

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)	7,822,514,140	74.34%
China Spirit Limited ("China Spirit")	Held by controlled corporation (Note)	7,822,514,140	74.34%
Vigor Online Offshore Limited ("Vigor") (Note)	Beneficial owner (Note)	7,822,514,140	74.34%

Note:

Vigor, a wholly-owned subsidiary of China Spirit, owns 7,822,514,140 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 7,822,514,140 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2015, 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.

Further note:

Subsequent to the year-end date, on 13 July 2015, Vigor granted call options to several grantees over an aggregate of 2,000,000,000 ordinary shares of the Company held by it, represent approximately 19.0% of the entire issued share capital of the Company (based on the total number of issued shares of the Company of 10,522,933,940 shares as at 30 June 2015).

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 4,928,000 ordinary shares (without any adjustment for the Company's share subdivision effective from 15 June 2015) in the capital of the Company on the Stock Exchange in the range from HK$2.43 to HK$4.2 per ordinary share for a total consideration of HK$17,902,000. 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 2015.

DONATIONS

During the year, the Group made donations amounting to HK$50,000.00.

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, 24 September 2015

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 2015, 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 10 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)*	3/4	75%
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 2015.

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 A.5.6 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 11 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 2 times during the year.

CORPORATE GOVERNANCE REPORT

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. 2 meetings were 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)*	2/2	100%
Dato' Wong Peng Chong	2/2	100%
Mr. Kong Muk Yin	2/2	100%
Mr. Lau Siu Ki	2/2	100%
Mr. Zhang Jian	2/2	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 2014/2015 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	1/1	100%
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 2014 and for the year ended 30 June 2015;

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 2015; and

v) reviewed and recommended for approval by the Board the audit scope and fees for the year ended 30 June 2015.

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 2015 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	1,693
Non-audit services	400
	2,093

CORPORATE GOVERNANCE REPORT

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 2015 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 2015.

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 2015, 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 2015, an AGM and a special general meeting (the "SGM") were held and the attendance of each Director at the AGM and SGM are set out as follows:

Name of Directors	Number of AGM attended/held	Number of SGM attended/held
Ms. Chong Sok Un *(Chairman)*	1/1	0/1
Dato' Wong Peng Chong	1/1	1/1
Mr. Kong Muk Yin	1/1	1/1
Mr. Lau Siu Ki	1/1	1/1
Mr. Ma Wah Yan	1/1	1/1
Mr. Zhang Jian	1/1	0/1

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 3 December 2014 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 7 December 2015, 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 2015.

On behalf of the Board
COL Capital Limited

Chong Sok Un
Chairman

Hong Kong, 24 September 2015

INDEPENDENT AUDITOR'S REPORT

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 32 to 134, which comprise the consolidated statement of financial position as at 30 June 2015, 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 financial position of the Group as at 30 June 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 September 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000 (restated)
Revenue	7	**715,017**	1,096,403
Gross proceeds from sale of investments held for trading		**1,254,723**	841,724
Total		**1,969,740**	1,938,127
Revenue	7	**715,017**	1,096,403
Cost of goods and services		**(644,645)**	(895,940)
Gross profit		**70,372**	200,463
Other gains and losses	9	**429,397**	1,063,670
Other income	10	**17,844**	22,263
Selling and distribution expenses		**(2,489)**	(3,750)
Administrative expenses		**(138,196)**	(207,268)
Finance costs	11	**(144,137)**	(183,128)
Other expenses		**–**	(15,675)
Share of results of associates	21	**(338,512)**	254,389
Reversal of impairment/impairment on interest in an associate and result on distribution in specie of shares of an associate	21	**261,266**	(232,639)
Profit before taxation		**155,545**	898,325
Taxation expense	14	**(15,335)**	(40,495)
Profit for the year	15	**140,210**	857,830
Profit (loss) for the year attributable to:			
– Owners of the Company		**228,443**	927,908
– Non-controlling interests		**(88,233)**	(70,078)
		140,210	857,830
Earnings per share	17		
– Basic		**HK$0.02**	HK$0.09
– Diluted		**HK$0.02**	HK$0.09

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015 HK$'000	2014 HK$'000
Profit for the year	**140,210**	857,830
Other comprehensive (expense) income		
Items that will be reclassified subsequently to profit or loss:		
Net (loss) gain on available-for-sale investments:		
(Loss) gain on fair value changes	**(10,572)**	24,696
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale investments	**(31,259)**	(125,946)
Share of changes in other comprehensive income of associates	**–**	3,048
Reclassification adjustment for the cumulative loss included in profit or loss upon distribution in specie of shares of an associate	**15,447**	–
	(26,384)	(98,202)
Exchange difference arising on translation:		
Exchange gain arising from translation of foreign operation	**801**	12,136
Share of changes in other comprehensive (expense) income of associates	**(99,851)**	20,306
Reclassification adjustment for the cumulative loss included in profit or loss upon distribution in specie of shares of an associate	**51,603**	–
	(47,447)	32,442
Items that will not be reclassified to profit or loss:		
Surplus on revaluation of leasehold land and buildings	**1,100**	1,000
Other comprehensive expense for the year	**(72,731)**	(64,760)
Total comprehensive income for the year	**67,479**	793,070
Total comprehensive income (expense) attributable to:		
Owners of the Company	**156,902**	864,896
Non-controlling interests	**(89,423)**	(71,826)
	67,479	793,070

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	NOTES	2015 HK$'000	2014 HK$'000 (restated)
Non-current assets			
Investment properties	18	**229,270**	213,660
Property, plant and equipment	19	**1,366,311**	1,392,626
Prepaid lease payments	20	**118,298**	121,400
Interests in associates	21	**9,001**	415,534
Available-for-sale investments	22	**11,353**	746
Intangible assets	23	**14,844**	15,682
Deposits for acquisition of property, plant and equipment		**–**	22,718
Pledged bank deposit	29	**139,636**	–
		1,888,713	2,182,366
Current assets			
Inventories	24	**20,649**	18,529
Properties under development for sale	25	**974,554**	830,972
Properties held for sale	25	**27,544**	31,665
Prepaid lease payments	20	**3,073**	3,072
Available-for-sale investments	22	**53,396**	167,993
Investments held for trading	26	**1,830,232**	1,540,273
Debtors, deposits and prepayments	27	**197,729**	205,870
Loans receivable	28	**61,247**	202,103
Derivative financial instruments	35	**470**	11,447
Pledged bank deposits	29	**157,511**	238,462
Restricted bank deposits	29	**53,698**	74,160
Bank balances and cash	29	**157,622**	632,769
		3,537,725	3,957,315
Current liabilities			
Creditors and accrued charges	30	**657,126**	395,865
Deposits received on sales of properties		**519,623**	186,132
Customers' deposits and receipts in advance		**24,861**	29,473
Consideration payable	31	**68,712**	87,472
Amount due to an associate	32	**8,120**	8,122
Borrowings – due within one year	33	**1,641,721**	2,233,858
Obligations under finance leases – due within one year	34	**51,819**	43,390
Derivative financial instruments	35	**17,816**	3,873
Taxation payable		**77,477**	78,139
Bonds	36	**–**	247,000
		3,067,275	3,313,324

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	NOTES	**2015** **HK$'000**	2014 HK$'000 (restated)
Net current assets		**470,450**	643,991
Total assets less current liabilities		**2,359,163**	2,826,357
Non-current liabilities			
Deferred tax liabilities	40	**77,445**	77,654
Borrowings – due after one year	33	**232,409**	454,502
Obligations under financial leases – due after one year	34	**37,884**	29,274
		347,738	561,430
		2,011,425	2,264,927
Capital and reserves			
Share capital	37	**5,262**	5,311
Reserves	38	**1,649,125**	1,817,659
Equity attributable to owners of the Company		**1,654,387**	1,822,970
Non-controlling interests	39	**357,038**	441,957
Total equity		**2,011,425**	2,264,927

The financial statements on pages 32 to 134 were approved and authorised for issue by the Board of Directors on 24 September 2015 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 2015

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Properties revaluation reserve HK$'000 (note 38)	Investment revaluation reserve HK$'000 (note 38)	Capital redemption reserve HK$'000	Other reserve HK$'000 (note)	Translation reserve HK$'000 (note 38)	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 July 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 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 46)	–	–	–	–	–	–	–	–	–	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
Profit for the year	–	–	–	–	–	–	–	228,443	228,443	(88,233)	140,210
Other comprehensive income (expenses) for the year	–	–	1,100	(26,384)	–	–	(46,257)	–	(71,541)	(1,190)	(72,731)
Total comprehensive income (expenses) for the year	–	–	1,100	(26,384)	–	–	(46,257)	228,443	156,902	(89,423)	67,479
Recognition of equity-settled share-based payments (note 46)	–	–	–	–	–	–	–	–	–	4,504	4,504
Dividends recognised as distribution (note 16)	–	–	–	–	–	–	–	(53,032)	(53,032)	–	(53,032)
Dividend by way of distribution of shares of an associate (note 16)	–	–	–	–	–	–	–	(254,551)	(254,551)	–	(254,551)
Repurchase of shares	(49)	(17,853)	–	–	49	–	–	(49)	(17,902)	–	(17,902)
At 30 June 2015	**5,262**	**641,175**	**17,100**	**3,819**	**2,489**	**46,696**	**35,652**	**902,194**	**1,654,387**	**357,038**	**2,011,425**

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 2015

	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES		
Profit before taxation	**155,545**	898,325
Adjustments for:		
Interest income	**(10,724)**	(12,851)
Depreciation of property, plant and equipment	**91,256**	89,894
(Gain) loss on disposal of property, plant and equipment	**(42)**	162
Interest expense	**144,137**	183,128
Cumulative gain reclassified from equity on disposal of available-for-sale investments	**(31,259)**	(125,946)
Change in fair value of investments held for trading	**(59,079)**	(434,627)
Fair value changes on investment properties	**(15,610)**	(11,498)
Share of results of associates, net of reversal of impairment/ impairment on interest in an associate and result on distribution in specie of shares of an associate	**77,246**	(21,750)
Impairment loss recognised on other receivables	**–**	6,784
Gain on disposal of an associate	**(10,665)**	–
Gain on deemed acquisition of an associate	**–**	(67,116)
Gain on early repayment from a loan receivable	**–**	(32,981)
Change in fair value of derivative financial instruments	**24,920**	(52,230)
Release of prepaid lease payments	**3,080**	3,107
Amortisation of intangible assets	**835**	842
Share-based payment expense	**4,504**	6,005
Operating cash flow before movements in working capital	**374,144**	429,248
Increase in inventories	**(2,120)**	(2,221)
(Increase) decrease in properties under development for sale and properties held for sale	**(139,666)**	97,277
Increase in investments held for trading	**(234,757)**	(149,057)
Decrease (increase) in debtors, deposits and prepayments	**7,120**	(29,771)
Decrease (increase) in loans receivable	**140,856**	(65,361)
Increase in creditors and accrued charges	**298,818**	70,962
Increase (decrease) in deposits received on sale of properties	**333,535**	(84,774)
(Decrease) increase in customers' deposits and receipts in advance	**(4,606)**	1,992
Cash from operating activities	**773,324**	268,295
Interest paid	**(144,137)**	(192,390)
Tax paid	**(16,191)**	(41,742)
NET CASH FROM OPERATING ACTIVITIES	**612,996**	34,163

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	NOTES	2015 HK$'000	2014 HK$'000
INVESTING ACTIVITIES			
Proceeds from disposal of available-for-sale investments		**104,084**	188,104
Placement of pledged bank deposits/restricted bank deposits		**(971,993)**	(1,160,459)
Withdrawal of pledged bank deposits/restricted bank deposits		**933,714**	1,112,612
Interest received		**10,724**	12,851
Settlement of consideration payable	31	**(18,740)**	–
Purchases of property, plant and equipment		**(41,157)**	(26,020)
Proceeds from disposal of property, plant and equipment		**743**	4,081
Acquisition of additional interests in an associate		**(1,822)**	–
Capital injection into associates		**–**	(30,277)
Proceeds from disposal of an associate		**47,222**	–
Refund of deposits received for sales of a subsidiary	30	**(37,488)**	–
NET CASH FROM INVESTING ACTIVITIES		**25,287**	100,892
FINANCING ACTIVITIES			
New borrowings raised		**1,690,692**	1,942,126
New obligations under finance leases		**62,465**	–
Repayments of borrowings		**(2,504,603)**	(1,702,176)
Dividends paid		**(53,032)**	–
Repurchase of shares		**(17,902)**	(25,085)
Repayments of obligations under finance leases		**(45,409)**	(42,540)
Repayments of bonds		**(247,000)**	–
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(1,114,789)**	172,325
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(476,506)**	307,380
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES		**1,359**	15,880
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**632,769**	309,509
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**157,622**	632,769

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2015

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 49.

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").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 19	Defined benefit plans: Employees contributions
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle
HK(IFRIC) – INT 21	Levies

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 HKAS 32 Offsetting financial assets and financial liabilities

The Group has applied the amendments to HKAS 32 "Offsetting financial assets and financial liabilities" for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle[3]
Amendments to HKAS 1	Disclosure initiative[3]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exceptions[3]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[3]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[3]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[3]
Amendments to HKAS 27	Equity method in separate financial statements[3]

[1] Effective for annual periods beginning on or after 1 January 2018.
[2] Effective for annual periods beginning on or after 1 January 2017.
[3] Effective for annual periods beginning on or after 1 January 2016.

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

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financial liabilities' 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 fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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

HKFRS 9 Financial instruments *(continued)*

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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.

HKFRS 15 Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In the opinion of the directors of the Company, it is not practicable to provide a reasonable estimate of the effect for the application of HKFRS 15 until a detailed review has been completed.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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 and by the Hong Kong Companies Ordinance.

Basis of preparation

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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;

- 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment *(continued)*

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.

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).

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, 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.

Distribution in specie

Where the Company distributes non-cash assets to its equity holders, the dividend is recognised when the dividend declared and is measured at the fair value of such non-cash assets. The carrying amount of the dividend payable is adjusted up to the settlement date, with any changes in the carrying amount of the dividend payable recognised in equity as adjustments to the amount of the distribution. When the Group settles the dividend payable, the difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable, if any, is recognised in profit or loss.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

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.

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, obligations under finance leases, 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)*

Derivative 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 released 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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

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).

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2015

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 2015, 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$2,142 million (2014: HK$2,374 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

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 ("PRC"). 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.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty *(continued)*

Impairment of intangible assets, prepaid lease payments and property, plant and equipment

During the year ended 30 June 2015, the hospital segment incurred a segment loss and caused an impairment indication on the assets allocating to the hospital segment. An impairment assessment was performed by management to estimate the recoverable amount of the individual asset or the CGU to which the asset belongs.

Determining whether an impairment requires an estimation of recoverable amounts of relevant intangible assets, prepaid lease payments and property, plant and equipment or the respective CGU in which the intangible assets, prepaid lease payments and property, plant and equipment belong, which is the higher of value in use and fair value less costs to sell. If there is any indication that an asset may be impaired, recoverable amount is estimated for relevant asset individually. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the CGU to which the asset belongs.

The value in use calculation requires the Group to estimate the future cash flows expected to arise from the assets or CGU and a suitable discount rate in order to calculate the present value. The discount rate represents rate that reflects current market assessments of time value of money and the risks specific to the asset or CGU for which the future cash flow estimates have not been adjusted. Where the actual future cash flows are less than expected or there is a downward revision of future estimated cash flows due to unfavourable changes in facts and circumstances, a material impairment loss may arise.

Based on the assessment of recoverable amounts determined by value in use and/or fair value less costs of disposal, no impairment on the assets allocating to the hospital segment as at 30 June 2015. Management believed that any reasonably possible change in any of the assumptions would not cause the aggregate carrying amount of the assets allocating the hospital segment to exceed the aggregate recoverable amount.

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.

5. FINANCIAL INSTRUMENTS *(continued)*

Categories of financial instruments

	2015 HK$'000	2014 HK$'000 (restated)
Financial assets		
Investments held for trading	**1,830,232**	1,540,273
Loans and receivables (including cash and cash equivalents)	**707,181**	1,322,971
Available-for-sale financial assets	**64,749**	168,739
Derivative financial instruments	**470**	11,447
Financial liabilities		
Amortised cost	**2,608,088**	3,426,819
Obligations under finance leases	**89,703**	72,664
Derivative financial instruments	**17,816**	3,873

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)

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

	Assets		Liabilities	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(restated)		(restated)
United States Dollars ("USD")	**18,110**	140,180	**2,383**	569,048
Renminbi ("RMB")	**536,698**	514,454	**1,156,389**	1,342,670
Australian Dollars ("AUD")	**10,151**	521,423	**–**	–
Japanese Yen ("JPY")	**–**	699	**–**	–
New Taiwan Dollars ("TWD")	**6,562**	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% (2014: 10%) increase and decrease in HK$ against relevant foreign currencies and all other variables were held constant. 10% (2014: 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% (2014: 10%) change in foreign currencies rates. A positive number below indicates an increase in post-tax profit for the year where foreign currencies strengthen 10% (2014: 10%) against HK$. For a 10% (2014: 10%) weakening of foreign currencies against HK$ there would be an equal and opposite impact on the result for the year.

	RMB Impact		AUD Impact		JPY Impact		TWD Impact	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
		(restated)		(restated)		(restated)		(restated)
Profit or loss	**(51,744)**	(69,156)	**848**	43,539	**–**	58	**548**	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, Japan 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% (2014: 30%) higher/lower and all other variables were held constant, the Group's:

- post-tax profit for the year ended 30 June 2015 would increase/decrease approximately by HK$469,080,000 (2014: HK$489,020,000) as a result of the changes in fair value of held for trading investments and listed available-for-sale investments;

- investment revaluation reserve would increase/decrease approximately by HK$19,201,000/HK$19,201,000 (2014: HK$50,398,000/HK$50,398,000) as a result of the changes in fair value of certain available-for-sale investments

- post-tax profit for the year ended 30 June 2015 would increase/decrease approximately by HK$4,345,000/HK$5,204,000 (2014: HK$1,897,000/HK$2,272,000) 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 25% (2014: 47%) 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	
	2015	2014
	HK$'000	HK$'000 (restated)
USD	**177,504**	209,226
AUD	**204,064**	306,489
Malaysian Ringgit	**44,887**	128,115
Pound Sterling ("GBP")	**3,581**	27,515
TWD	**22,136**	123,775
JPY	**27,130**	–
Philippine Peso ("PHP")	**1,092**	640
RMB	**4,025**	–

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. During the year ended 30 June 2014, the Group also exposed to foreign currencies price risk through equity securities held by an associate of the Group. The equity securities held by an associate are mainly denominated in AUD.

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 *(continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 10% (2014: 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% (2014: 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 increase in investment revaluation reserve for the period where foreign currencies strengthen 10% (2014: 10%) against HK$. For a 10% (2014: 10%) weakening of foreign currencies against HK$ there would be an equal and opposite impact on the result for the year and the investment revaluation reserve.

	2015	2014
	HK$'000	HK$'000
		(restated)
Increase in post-tax profit for the year	**30,289**	55,801
Increase in investment revaluation reserve	**–**	10,318

(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$522,000 (2014: HK$586,000).

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.

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk (continued)

Interest rate risk (continued)

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$3,452,000 (2014: HK$7,145,000).

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.

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 2015 and 30 June 2014 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.

5. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk (continued)

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.

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$94,605,000 (2014: HK$36,951,000) and HK$309,335,000 (2014: HK$126,595,000) 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 35.

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 2015							
Non-derivative financial liabilities							
Creditors and accrued charges	–	–	657,126	–	–	657,126	657,126
Consideration payable	–	68,712	–	–	–	68,712	68,712
Amount due to an associate	–	8,120	–	–	–	8,120	8,120
Borrowings							
– variable rates	2.65% – 7.38%	415,359	–	74,384	33,962	523,705	516,802
– fixed rates	1.2% – 18%	–	55,999	1,156,535	206,401	1,418,935	1,357,328
		492,191	713,125	1,230,919	240,363	2,676,598	2,608,088

	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 (restated)							
Non-derivative financial liabilities							
Creditors and accrued charges	–	–	395,865	–	–	395,865	395,865
Consideration payable	–	–	–	87,472	–	87,472	87,472
Amount due to an associate	–	8,122	–	–	–	8,122	8,122
Borrowings							
– variable rates	2.6% – 7.83%	857,668	–	118,520	146,074	1,122,262	1,097,216
– fixed rates	3% – 18%	–	692,694	598,211	355,816	1,646,721	1,591,144
Bonds	6% – 8%	–	130,057	118,192	–	248,249	247,000
		865,790	1,218,616	922,395	501,890	3,508,691	3,426,819

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 in the consolidation statement of financial position	Fair value as at 30 June 2015	Fair value as at 30 June 2014	Fair value hierarchy	Valuation techniques and key inputs
1) Investments in listed equity securities classified as investments held for trading	Listed equity securities: – Hong Kong HK$1,399,209,000 – Overseas HK$431,023,000	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	Listed equity securities: – Hong Kong HK$10,607,000	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	Assets - HK$1,230,000	Assets - HK$6,182,000	Level 2	Quoted prices from financial institutions
4) Investments in listed debt securities classified as available-for-sale investments	–	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	Assets - HK$52,166,000	Assets - HK$52,416,000	Level 2	Quoted prices from financial institutions
6) Gross-settled option contracts linked with listed equity securities and option contracts linked with foreign exchange rates	Assets - HK$470,000	Assets - HK$6,536,000	Level 3	Quoted prices from financial institutions
	Liabilities - HK$17,816,000	Liabilities - HK$3,873,000	Level 3	
7) Forward foreign exchange contracts	–	Assets - HK$4,911,000	Level 2	Quoted prices 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 2015

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Derivative financial assets	–	–	470	470
Held for trading-listed equity securities	1,830,232	–	–	1,830,232
Available-for-sale investments				
Listed equity securities	10,607	–	–	10,607
Listed debt securities	–	52,166	–	52,166
Unlisted unit trust	–	1,230	–	1,230
Total	1,840,839	53,396	470	1,894,705
Financial liabilities				
Derivative financial liabilities	–	–	17,816	17,816

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	
	2015	2014
	HK$'000	HK$'000
At 1 July	**2,663**	(44,656)
Realised gain in profit or loss	**70**	61,880
Unrealised (loss) gain in profit or loss	**(17,346)**	2,663
Settlement	**(2,733)**	(17,224)
At 30 June	**(17,346)**	2,663

Of the total gains or losses for the period included in profit or loss, HK$17,346,000 (2014: HK$2,663,000) 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 2015						
Financial assets						
– Receivables from financial institutions	**18,672**	**–**	**18,672**	**(8,144)**	**–**	**10,528**
– Pledged bank deposits	**6,084**	**–**	**6,084**	**(9,672)**	**–**	**(3,588)**
– Derivative financial instruments	**470**	**–**	**470**	**–**	**–**	**470**
	25,226	**–**	**25,226**	**(17,816)**	**–**	**7,410**
Financial liabilities						
– Derivative financial instruments	**17,816**	**–**	**17,816**	**(17,816)**	**–**	**–**
At 30 June 2014						
Financial assets						
– Receivables from 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

7. REVENUE

	2015	2014
	HK$'000	HK$'000
		(restated)
Dividend income from listed investments	**14,059**	26,650
Interest income from loans receivable	**18,800**	101,332
Rental income	**4,020**	4,005
Hospital fees and charges	**672,481**	636,716
Revenue from sale of properties	**5,657**	327,700
	715,017	1,096,403

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 were originally excluded from segment information of continuing operations as both segments were 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"). However, as the proposed disposal has been terminated during the year ended 30 June 2015, the comparative figures in the segment information for the year ended 30 June 2014 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 2015

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Property development HK$'000	Hospital HK$'000	Consolidated HK$'000
Gross proceeds from sale of investments held for trading	1,254,723	–	–	–	–	1,254,723
Revenue	14,059	18,800	4,020	5,657	672,481	715,017
Segment profit (loss)	370,199	3,486	18,242	(15,718)	(37,716)	338,493
Other income and other gains and losses						10,689
Net foreign exchange loss						(79)
Gain on disposal of an associate						10,665
Central corporate expenses						(64,992)
Share of results of associates						(338,512)
Reversal of impairment on interest in an associate and result on distribution in specie of shares of an associate						261,266
Finance costs						(61,985)
Profit before taxation						155,545

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For the year ended 30 June 2015

8. SEGMENT INFORMATION *(continued)*

Segment revenues and results *(continued)*

For the year ended 30 June 2014 (restated)

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Property development HK$'000	Hospital HK$'000	Consolidated HK$'000
Gross proceeds from sale of investments held for trading	841,724	–	–	–	–	841,724
Revenue	26,650	101,332	4,005	327,700	636,716	1,096,403
Segment profit (loss)	906,834	72,654	14,184	823	(47,171)	947,324
Other income and other gains and losses						9,713
Net foreign exchange gain						6,529
Gain on deemed acquisition in interests in an associate						67,116
Central corporate expenses						(90,848)
Share of results of associates						254,389
Impairment loss recognised on interest in an associate						(232,639)
Finance costs						(63,259)
Profit before taxation						898,325

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 and other gains and losses, certain net foreign exchange gain/loss, central corporate expenses, gain on deemed acquisition in interests in an associate, gain on disposal of an associate, share of results of associates, impairment loss recognised on interest in an associate, reversal of impairment on interest in an associate and result on distribution in specie of shares of 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 2015

	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	**1,945,793**	**62,226**	**229,273**	**1,115,873**	**1,555,783**	**4,908,948**
Interests in associates						**9,001**
Corporate assets						**508,489**
Consolidated assets						**5,426,438**
Segment liabilities	**981,504**	**70,265**	**1,095**	**827,197**	**671,644**	**2,551,705**
Corporate liabilities						**863,308**
Consolidated liabilities						**3,415,013**

At 30 June 2014 (restated)

	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	1,756,386	257,269	213,821	997,209	1,570,503	4,795,188
Interests in associates						415,534
Corporate assets						928,959
Consolidated assets						6,139,681
Segment liabilities	891,035	526,917	948	614,970	626,009	2,659,879
Corporate liabilities						1,214,875
Consolidated liabilities						3,874,754

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, amount due from an associate, pledged bank deposits and 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 and bonds.

Other segment information

For the year ended 30 June 2015

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Property development HK$'000	Hospital 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)	(3,700)	(18,800)	–	–	–	(6,678)	(29,178)
Finance costs	45,360	8,858	–	–	27,934	61,985	144,137
Depreciation of property, plant and equipment	–	–	49	–	89,909	1,298	91,256
Additions to property, plant and equipment	–	–	–	–	60,175	3,695	63,870
Fair value changes on investment properties	–	–	(15,610)	–	–	–	(15,610)
Gain in fair value change of investments held for trading	(393,717)	–	–	–	–	–	(393,717)
Net foreign exchange loss	2,351	2,184	6	–	–	79	4,620
Loss in fair value change of derivative financial instruments	12,365	4,911	–	–	–	–	17,276
Net gain on disposal of available-for-sale investments	(31,259)	–	–	–	–	–	(31,259)
Net gain on disposal of property, plant and equipment	–	–	–	–	–	(42)	(42)
Release of prepaid lease payments	–	–	–	–	1,259	1,821	3,080
Amortisation of intangible assets	–	–	–	–	835	–	835

8. SEGMENT INFORMATION *(continued)*

Other segment information *(continued)*

For the year ended 30 June 2014 (restated)

	Securities trading and investments HK$'000	Financial services HK$'000	Property investment HK$'000	Property development HK$'000	Hospital 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)	–	–	–	(8,566)	(114,183)
Finance costs	61,992	38,237	–	–	19,640	63,259	183,128
Depreciation of property, plant and equipment	–	–	51	–	86,342	3,501	89,894
Additions to property, plant and equipment	–	–	–	–	19,329	6,691	26,020
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)
Net loss on disposal of property, plant and equipment	–	–	–	–	150	12	162
Impairment loss recognised on other receivables	–	4,540	–	–	2,244	–	6,784
Release of prepaid lease payments	–	–	–	–	1,270	1,837	3,107
Amortisation of intangible assets	–	–	–	–	842	–	842

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 operations in property development and hospital are located in the PRC.

None of the customers contributed over 10% of total revenue of the Group.

The Group's revenue 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, intangible assets, deposits for acquisition for property, plant and equipment and pledged bank deposit are located and where the associates are incorporated/listed) respectively are detailed below:

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	HK$'000	HK$'000 (restated)	**HK$'000**	HK$'000 (restated)
Hong Kong	**19,081**	40,485	**201,576**	557,815
Australia	**–**	80,160	**–**	–
The PRC	**685,437**	969,009	**1,675,784**	1,587,596
The Philippines	**10,499**	6,749	**–**	36,209
	715,017	1,096,403	**1,877,360**	2,181,620

Note: Non-current assets excluded financial instruments.

Revenue from major products and services

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

	2015	2014
	HK$'000	HK$'000 (restated)
Revenue from medical and consultation services (note)	**614,263**	588,322
Revenue from health screening services	**58,218**	48,394
Revenue from rendering financial services	**18,800**	101,332
Revenue from rental services	**4,020**	4,005
Sales of properties in the PRC	**5,657**	327,700
	700,958	1,069,753

Note: Revenue from medical and consultation services includes sales of medicine and in-patient, outpatient and consultation services income from hospital operation. In the opinion of the Directors, it is time consuming and excessive costs to provide further analysis in respect of sales of medicines and different kind of service income of the hospital operation. Accordingly, no such information is included in the segment information.

9. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	HK$'000
		(restated)
Gain in fair value of investments held for trading (Note a)	**393,717**	765,476
(Loss) gain in fair value of derivative financial instruments (Note b)	**(17,276)**	69,454
Net gain on disposal of available-for-sale investments	**31,259**	125,946
Impairment loss recognised on other receivables	**–**	(6,784)
Fair value changes on investment properties	**15,610**	11,498
Net foreign exchange loss	**(4,620)**	(1,855)
Gain on disposal of an associate (note 21(b))	**10,665**	–
Gain on deemed acquisition of an associate (note 21(a))	**–**	67,116
Gain on early repayment from a loan receivable	**–**	32,981
Net gain (loss) on disposal of property, plant and equipment	**42**	(162)
	429,397	1,063,670

Notes:

(a) Net realised gain of approximately HK$334,638,000 (2014: HK$330,849,000) on disposal of investments held for trading is included in change in fair value of investments held for trading.

(b) Net realised loss of approximately HK$55,666,000 (2014: net realised gain of approximately HK$61,880,000) on derivative financial instruments is included in change in fair value of derivative financial instruments.

10. OTHER INCOME

	2015 HK$'000	2014 HK$'000 (restated)
Interest income from:		
– Available-for-sale debt instruments	**3,700**	4,285
– Bank deposits	**7,024**	8,566
	10,724	12,851
Government grants	**442**	2,512
Compensation income	**1,494**	1,922
Others	**5,184**	4,978
	17,844	22,263

11. FINANCE COSTS

	2015 HK$'000	2014 HK$'000 (restated)
Interest on:		
Other borrowings wholly repayable within five years	**67,632**	100,229
Bank borrowings wholly repayable within five years	**58,573**	45,140
Promissory note	**–**	3,206
Bonds	**1,807**	17,420
Obligations under finance leases	**6,713**	8,412
Discounted bills	**9,412**	8,721
	144,137	183,128

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' emoluments

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

	For the year ended 30 June 2015				
	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	5,000	18	5,473
Dato' Wong Peng Chong	–	1,560	390	18	1,968
Mr. Kong Muk Yin	–	1,560	390	18	1,968
Independent non-executive directors					
Mr. Lau Siu Ki	180	–	–	–	180
Mr. Ma Wah Yan	180	–	–	–	180
Mr. Zhang Jian	80	–	–	–	80
	440	3,575	5,780	54	9,849

	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

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 *(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.

13. FIVE HIGHEST PAID INDIVIDUALS

During the year, the five highest paid individuals included three directors (2014: three), details of their emoluments are set out in note 12. The emoluments for the remaining two (2014: two) highest paid individuals of the Group are as follows:

	2015	2014
	HK$'000	HK$'000
Salaries and other benefits	**4,004**	21,720
Retirement benefits scheme contributions	**146**	131
	4,150	21,851

The emoluments are within the following bands:

	2015	2014
	Number of employees	Number of employees
HK$1,000,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$3,000,000	**1**	–
HK$8,500,001 to HK$9,000,000	**–**	1
HK$13,000,001 to HK$13,500,000	**–**	1

14. TAXATION EXPENSE

	2015 **HK$'000**	2014 HK$'000 (restated)
Current tax credit (charge):		
Overprovision of Hong Kong Profits Tax in previous years	**–**	1,374
Enterprise Income Tax ("EIT") in the PRC	**(533)**	(40,907)
Underprovision of EIT in the PRC in previous years	**–**	(14,110)
Land appreciation tax ("LAT") in the PRC	**(14,998)**	(18,322)
Withholding tax in Australia	**–**	(1,808)
Deferred tax credit (note 40)	**196**	33,278
	(15,335)	(40,495)

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 both years ended 30 June 2015 and 30 June 2014 are wholly absorbed by tax losses brought forward.

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.

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.

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 of HK$10,291,000 were offset with tax reserve certificates purchased by the Group in previous years.

14. TAXATION EXPENSE *(continued)*

The taxation for the year can be reconciled to the profit before taxation per the consolidated profit or loss as follows:

	2015 HK$'000	2014 HK$'000 (restated)
Profit before taxation	**155,545**	898,325
Taxation at the domestic income tax rate of 16.5%	**(25,665)**	(148,224)
Tax effect of share of results of associates	**(55,854)**	41,974
Tax effect of expenses that are not deductible	**(62,426)**	(56,229)
Tax effect of income that is not taxable	**108,116**	131,242
Tax effect of utilisation of tax losses/deductible temporary differences previously not recognised	**58,465**	58,837
Tax effect of tax losses not recognised	**(20,343)**	(24,249)
Overprovision of Hong Kong Profits Tax in previous years	**–**	1,374
Underprovision of EIT in the PRC in previous years	**–**	(14,110)
LAT	**(14,998)**	(18,322)
Income tax effect of LAT	**2,475**	3,023
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(5,105)**	(14,003)
Withholding tax levied on income from other jurisdictions	**–**	(1,808)
Taxation for the year	**(15,335)**	(40,495)

15. PROFIT FOR THE YEAR

	2015	2014
	HK$'000	HK$'000
		(restated)
Profit for the year has been arrived at after charging (crediting):		
Auditor's remuneration	**1,693**	1,924
Depreciation of property, plant and equipment	**91,256**	89,894
Staff costs, inclusive of directors' emoluments	**224,114**	238,287
Gross rental income from properties	**(4,020)**	(4,005)
Less: Direct operating expenses that generated rental income	**745**	730
Direct operating expenses that did not generate rental income	**356**	349
Net rental income	**(2,919)**	(2,926)
Release of prepaid lease payments	**3,080**	3,107
Share-based payment expense (included in staff costs)	**4,504**	6,005
Amortisation of intangible assets (included in cost of goods and services)	**835**	842
Cost of inventories recognised as an expense (included in cost of goods and services)	**302,262**	291,311
Cost of properties held for sale recognised as an expense (included in cost of goods and services)	**3,785**	298,456

16. DIVIDENDS

Dividends recognised as distribution during the year ended:

	2015	2014
	HK$'000	HK$'000
Final dividend for the year ended 30 June 2014, declared – HK$0.05 per share	**26,516**	–
Special dividend for the year ended 30 June 2014, declared – HK$0.05 per share	**26,516**	–
Special interim dividend by way of distribution of shares in an associate (Note)	**254,551**	–
	307,583	–

16. DIVIDENDS *(continued)*

Note:

On 20 November 2014, the Company announced that a special interim dividend was declared and would be satisfied by way of a distribution in specie ("Distribution in Specie") of the ordinary shares of APAC Resources Limited ("APAC Shares"), a company with its ordinary shares listed on the Main Board of the Stock Exchange, held by the Group in the proportion of 3.75 APAC Shares for every 1 ordinary share of the Company held by the shareholders of the Company which represents 1,988,680,113 APAC Shares. Fair value of the 1,988,680,113 APAC Shares as determined based on quoted market bid price at the date of distribution was HK$254,551,000.

No final dividend was proposed during the year ended 30 June 2015, nor has any dividend been proposed since the end of the reporting period.

17. EARNINGS PER SHARE

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

Earnings

	2015 **HK$'000**	2014 HK$'000
Earnings for the purpose of basic and diluted earnings per share for the year attributable to owners of the Company	**228,443**	927,908

	Number of shares	Number of shares (restated)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**10,594,170,182**	10,734,941,139

The computations of diluted earnings per share for the year ended 30 June 2015 and 2014 do not assume the exercise of share options granted by a subsidiary since such assumed exercise would be anti-dilutive.

The weighted average number of ordinary shares adopted in the calculation of basic and diluted earnings per share for the year ended 30 June 2015 and 2014 have been adjusted to reflect the impact of the share subdivision effected during the year ended 30 June 2015 as disclosed in note 37(b).

18. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 July 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
Net increase in fair value recognised in profit or loss	15,610
At 30 June 2015	**229,270**

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.

	2015 **HK$'000**	2014 HK$'000
Unrealised gain on property valuation included in profit or loss (included in other gains and losses)	**15,610**	11,498

The Group's investment properties are analysed as follows:

	2015 **HK$'000**	2014 HK$'000
Properties held under medium-term leases:		
– in Hong Kong	**183,500**	168,230
– in the PRC	**40,500**	40,189
Properties situated in the PRC held under long-term leases	**5,270**	5,241
	229,270	213,660

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 2015 and 30 June 2014 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. DTZ has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

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 and location (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.

	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 2015						
Industrial property units located in Hong Kong	**69,100**	Level 3	Investment Method	(i) Capitalisation rate	3.75%	The higher the capitalisation rate, the lower the fair value.
				(ii) Monthly market rent per square feet	HK$16 – HK$18 per square feet	The higher the market rent, the higher the fair value.
Industrial property units located in Hong Kong	**109,000**	Level 3	Comparison Approach	Market unit rate	HK$6,000 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	**5,400**	Level 3	Comparison Approach	Market unit rate	HK$97 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	**40,500**	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	RMB163 per square meter	The higher the capitalisation rate, the lower the fair value.
Residential property units located in the PRC	**5,270**	Level 3	Comparison Approach	Market unit rate	RMB4,205 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.
	229,270					

18. INVESTMENT PROPERTIES *(continued)*

Information about fair value measurements using significant unobservable inputs *(continued)*

	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 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	Hospital buildings under medium-term lease in the PRC	Other buildings under medium-term lease in the PRC	Construction in progress	Computer, medical and electronic equipment	Furniture and fixtures	Office equipment	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
COST OR VALUATION									
At 1 July 2013 (restated)	9,950	1,007,563	80,725	148,638	223,586	4,151	12,551	6,008	1,493,172
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)
Exchange differences	–	(10,838)	(664)	(1,733)	(2,625)	(33)	(135)	(60)	(16,088)
At 30 June 2014 (restated)	16,900	947,303	72,563	151,402	229,884	5,036	11,673	5,835	1,440,596
Additions	–	34,632	3,133	–	24,605	150	819	531	63,870
Transfer	–	4,645	–	(4,645)	–	–	–	–	–
Disposals	–	–	–	–	(1,773)	(4)	(107)	(678)	(2,562)
Revaluation increase (decrease)	1,100	(51,316)	(8,750)	–	–	–	–	–	(58,966)
Exchange differences	–	(227)	(20)	(32)	(136)	(1)	(66)	(1)	(483)
At 30 June 2015	18,000	935,037	66,926	146,725	252,580	5,181	12,319	5,687	1,442,455
Comprising:									
At cost – 2015	–	–	–	146,725	252,580	5,181	12,319	5,687	422,492
At valuation – 2015	18,000	935,037	66,926	–	–	–	–	–	1,019,963
	18,000	935,037	66,926	146,725	252,580	5,181	12,319	5,687	1,442,455
Comprising:									
At cost – 2014	–	–	–	151,402	229,884	5,036	11,673	5,835	403,830
At valuation – 2014	16,900	947,303	72,563	–	–	–	–	–	1,036,766
	16,900	947,303	72,563	151,402	229,884	5,036	11,673	5,835	1,440,596

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 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)
Exchange difference	–	–	–	–	(448)	(11)	(32)	(7)	(498)
At 30 June 2014 (restated)	–	–	–	–	41,014	2,905	2,811	1,240	47,970
Provided for the year	467	51,316	8,750	–	27,783	788	1,209	943	91,256
Eliminated on revaluation	(467)	(51,316)	(8,750)	–	–	–	–	–	(60,533)
Eliminated on disposal	–	–	–	–	(1,116)	(4)	(63)	(678)	(1,861)
Exchange difference	–	–	–	–	(616)	(2)	(68)	(2)	(688)
At 30 June 2015	–	–	–	–	67,065	3,687	3,889	1,503	76,144
CARRYING VALUES									
At 30 June 2015	18,000	935,037	66,926	146,725	185,515	1,494	8,430	4,184	1,366,311
At 30 June 2014 (restated)	16,900	947,303	72,563	151,402	188,870	2,131	8,862	4,595	1,392,626

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:

	2015	2014
	HK$'000	HK$'000
		(restated)
Leasehold land and buildings under medium-term lease in Hong Kong	**18,000**	16,900
Buildings under medium-term lease in the PRC	**1,001,963**	1,019,866
	1,019,963	1,036,766

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$1,100,000 (2014: HK$1,000,000) has been credited to the properties revaluation reserve and revaluation deficit on buildings in the PRC of approximately HK$60,066,000 (2014: HK$60,565,000) has been debited to profit or loss.

If the leasehold land and buildings in Hong Kong and in the PRC had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation of HK$598,000 (2014: HK$616,000) and HK$946,320,000(2014: HK$1,006,885,000) respectively at 30 June 2015.

The Group has not obtained the building certificates for the buildings in the PRC with carrying value of approximately HK$922,485,000 (2014: HK$950,659,000) as at 30 June 2015.

Details of pledged property, plant and equipment are set out in note 41.

The buildings in Hong Kong were valued on 30 June 2015 and 30 June 2014 by DTZ and the buildings in the PRC were valued on 30 June 2015 and 30 June 2014 by Asset Appraisal Limited ("Asset Appraisal"), firms of independent qualified professional property valuers not connected with the Group. Asset Appraisal is a certified public valuer in the PRC. The buildings in Hong Kong were valued using the 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 ("Depreciated Replacement Cost Approach").

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.

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

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.

	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 2015						
Industrial property units located in Hong Kong	**18,000**	Level 3	Comparison Approach	Market unit rate	HK$1,770 – HK$4,100 per square feet	A significant increase in the market unit rate would result in a significant increase in fair value, and vice versa.
Hospital buildings located in the PRC	**935,037**	Level 3	Depreciated Replacement Cost Approach	Depreciated replacement cost per square metre	RMB2,802 – RMB7,530 per square feet	The higher the depreciated replacement cost per square metre, the higher the fair value.
Other buildings located in the PRC	**66,926**	Level 3	Depreciated Replacement Cost Approach	Depreciated replacement cost per square metre	RMB2,106 – RMB2,723 per square feet	The higher the depreciated replacement cost per square metre, the higher the fair value.
	1,019,963					

	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.
Hospital buildings in the PRC	947,303	Level 3	Depreciated Replacement Cost Approach	Depreciated replacement cost per square metre	RMB2,904 – RMB6,674 per square feet	The higher the depreciated replacement cost per square metre, the higher the fair value.
Other buildings located in the PRC	72,563	Level 3	Depreciated Replacement Cost Approach	Depreciated replacement cost per square metre	RMB1,731 – RMB3,374 per square feet	The higher the depreciated replacement cost per square metre, the higher the fair value.
	1,036,766					

20. PREPAID LEASE PAYMENTS

	2015	2014
	HK$'000	HK$'000
		(restated)
The Group's prepaid lease payments comprise:		
Medium-term leasehold land in the PRC	**121,371**	124,472
Analysed for reporting purposes as:		
Non-current assets	**118,298**	121,400
Current assets	**3,073**	3,072
	121,371	124,472

Prepaid lease payments are held under medium-term leases in the PRC. The prepaid lease payments are amortised over the terms of the lease from 40 to 45 years.

Details of pledged prepaid lease payments are set out in note 41.

21. INTERESTS IN ASSOCIATES

	2015	2014
	HK$'000	HK$'000
		(restated)
Cost of investments in associates		
Listed in the Philippines	**–**	26,448
Listed in Hong Kong	**–**	973,744
Unlisted	**259,199**	258,558
Share of post-acquisition losses and other comprehensive income, net of dividends received	**(27,309)**	(292,011)
Less: Impairment loss	**(222,889)**	(551,205)
	9,001	415,534
Fair value of listed investments	**–**	392,744

21. INTERESTS IN ASSOCIATES *(continued)*

Share of results of associates, net of reversal of impairment/impairment on interests in an associate and result on distribution in specie of shares of an associate:

	2015	2014
	HK$'000	HK$'000
		(restated)
Share of (loss) profit of associates	**(338,512)**	254,389
Reversal of impairment (impairment loss) recognised on interests in an associate	**328,316**	(232,639)
Result on distribution in specie of shares of an associate	**(67,050)**	–
	(77,246)	21,750

As at 30 June 2015 and 30 June 2014, 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 June 2015	Proportion of nominal value of issued capital held by the Group		Proportion of voting power held		Principal activity
						2015	2014	**2015**	2014	
						%	%	**%**	%	
APAC Resources Limited ("APAC") (Note a)	Incorporated	Bermuda	Hong Kong	Ordinary	– (2014: 2,032,579,562)	**–**	33.15	**–**	33.15	Trading of mineral commodities, and investments in securities as well as companies engaged in natural resources activities
Essence International Holdings Limited	Incorporated	Hong Kong	Hong Kong/PRC	Ordinary	4,500,000 (2014: 4,500,000)	**30**	30	**30**	30	Japanese Ramen restaurant
Mabuhay Holdings Corporation ("Mabuhay") (Note b)	Incorporated	The Philippines	The Philippines	Ordinary	– (2014: 358,242,000)	**–**	29.85	**–**	29.85	Investments in securities, properties and other investments in the Philippines
Printronics Electronics Limited	Incorporated	Hong Kong	Hong Kong	Ordinary	2 (2014: 2)	**40**	40	**40**	40	Inactive
Aveo China (Holdings) Limited ("Aveo China") (formerly known as Think Future Investments Limited) (Note c)	Incorporated	BVI	PRC	Ordinary	1,200 (2014: 1,200)	**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)	Incorporated	PRC	PRC	Registered	RMB13,000,000 (2014: RMB13,000,000)	**21.67%**	21.67%	**21.67%**	21.67%	Hospital 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.

During the year ended 30 June 2015, part of the Group's interests in APAC was distributed to the shareholders of the Company by way of Distribution in Specie. On the date of declaration and distribution of the APAC Shares, the Group owned an aggregate of 2,041,719,562 APAC Shares. The Group's investment in equity interest of APAC was classified as interests in an associate in the consolidated financial statements before the distribution.

At the date of distribution, the Group performed an impairment assessment of its interests in APAC. Management compared the value in use with the fair value less cost to sell and concluded that the fair value less costs to sell is higher than the value in use. The fair value of APAC is determined based on quoted market bid prices available on the Stock Exchange. Based on the assessment, the recoverable amount of the Group's interests in APAC is estimated to be greater than the carrying amount (before impairment recognised) and impairment loss recognised in the prior years of HK$328,316,000 was reversed to profit or loss during the year ended 30 June 2015. As at 30 June 2014, the Group performed the same impairment assessment as described above. An impairment loss of HK$232,639,000 was recognised to profit or loss during the year ended 30 June 2014.

At the date of distribution, cumulative exchange loss of HK$51,603,000 and accumulated loss included in investment revaluation reserve of HK$15,447,000 previously shared by the Group through its interests in APAC were reclassified from equity to profit or loss and was recognised as result on distribution in specie of shares of an associate.

Upon the completion of the Distribution in Specie, the Group distributed 1,988,680,113 APAC Shares with fair value amounting to HK$254,551,000 to the shareholders of the Company and retained 53,039,449 APAC Shares with fair value amounting to HK$10,607,000, which is classified as an available-for-sale investment in the consolidated financial statements.

(b) Mabuhay is a company with its common shares listed on the Philippine Stock Exchange, Inc. During the year ended 30 June 2015, the Group disposed of 29.85% equity interests in Mabuhay for a consideration of approximately HK$47,222,000. A gain on disposal of Mabuhay of HK$10,665,000 was recognised to profit or loss during the year ended 30 June 2015.

(c) During the year ended 30 June 2014, Aveo China 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 Aveo China for a total consideration of HK$30,000,000 and the Group's shareholding in Aveo China remains at 30%.

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 were accounted for using the equity method in these consolidated financial statements.

APAC

	2014 HK$'000
Current assets	806,013
Non-current assets	2,531,023
Current liabilities	(207,835)
Net assets attributable to owners of APAC	3,129,201
Revenue	774,512
Profit for the year	907,260
Other comprehensive income for the year	85,708
Total comprehensive income for the year	992,968
The Group's share of profit of APAC for the year	270,454
The Group's share of other comprehensive income of APAC for the year	25,550
	296,004

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
Net assets of APAC	3,129,201
Proportion of the Group's ownership interest in APAC	33.15%
Fair value adjustments at acquisition	(211,851)
Impairment	(478,188)
Carrying amount of the Group's interest in APAC	347,291

21. INTERESTS IN ASSOCIATES *(continued)*

Mabuhay

	2014 HK$'000
Current assets	78,545
Non-current assets	211,112
Current liabilities	(112,016)
Non-current liabilities	(8,212)
Net assets	169,429
Equity attributable to:	
Owners of Mabuhay	159,951
Non-controlling interests	9,478
	169,429
Revenue	1,048
Profit for the year	10,440
Other comprehensive expense for the year	(2,522)
Total comprehensive income for the year	7,918
Total comprehensive income (expense) for the year attributable to:	
– Owners of Mabuhay	15,015
– Non-controlling interests	(7,097)
	7,918
The Group's share of profit of Mabuhay for the year	4,968
The Group's share of other comprehensive expense of Mabuhay for the year	(486)
	4,482

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
Net assets attributable to owners of Mabuhay	159,951
Proportion of the Group's ownership interest in Mabuhay	29.85%
Fair value adjustments at acquisition	(11,536)
Carrying amount of the Group's interest in Mabuhay	36,209

Aveo China

	2015 **HK$'000**	2014 HK$'000
Current assets	**1,082,975**	663,265
Non-current assets	**2,926**	2,690
Current liabilities	**(651,102)**	(309,807)
Non-current liabilities	**(400,032)**	(268,664)
Net assets attributable to owners of Aveo China	**34,767**	87,484
Revenue	**7,300**	8,844
Loss for the year	**(46,100)**	(40,112)
Other comprehensive expense for the year	**(6,617)**	(3,562)
Total comprehensive expense for the year	**(52,717)**	(43,674)
The Group's share of loss of Aveo China for the year	**(13,830)**	(12,034)
The Group's share of other comprehensive expense of Aveo China for the year	**(1,985)**	(1,069)
	(15,815)	(13,103)

21. INTERESTS IN ASSOCIATES *(continued)*

Aveo China *(continued)*

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

	2015 **HK$'000**	2014 HK$'000
Net assets of Aveo China	**34,767**	87,484
Proportion of the Group's ownership interest in Aveo China	**30%**	30%
Fair value adjustments at acquisition	**(1,429)**	(1,429)
Carrying amount of the Group's interest in Aveo China	**9,001**	24,816

Aggregate information of associates that are not individually material

	2015 **HK$'000**	2014 HK$'000 (restated)
The Group's share of loss and total comprehensive expense	**(7,218)**	(8,999)
Aggregate carrying amount of the Group's interest in these associates	**–**	7,218

Unrecognised share of losses of associates

	Year ended 30 June 2015 **HK$'000**	Year ended 30 June 2014 HK$'000
The unrecognised share of loss of the associates for the year	**4,164**	2,337
Cumulative share of loss of the associates	**10,155**	5,991

22. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2015 **HK$'000**	2014 HK$'000
Listed investments:		
– Equity securities listed in Hong Kong	**10,607**	–
– Equity securities listed elsewhere	**–**	103,182
– Debt securities	**–**	6,213
– Fixed rate bonds	**52,166**	52,416
	62,773	161,811
Unlisted investments:		
– Unit trusts	**1,230**	6,182
– Club debentures	**678**	678
– Equity securities, at cost	**68**	68
	1,976	6,928
Total	**64,749**	168,739
Analysed for reporting purposes as:		
Current assets	**53,396**	167,993
Non-current assets	**11,353**	746
	64,749	168,739

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 2015 and 2014.

As at 30 June 2014, listed investments with carrying amount of HK$103,182,000 were classified as current assets as the directors determine that the investments are highly probable to be disposed of within twelve months. Moreover, as at 30 June 2015, unlisted investments of HK$1,230,000 (2014: HK$6,182,000), listed fixed rate bonds of HK$52,166,000 (2014: HK$52,416,000) and listed debt securities of nil (2014: HK$6,213,000) 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 2013	17,344
Exchange differences	(197)
At 30 June 2014 (restated)	17,147
Exchange differences	(4)
At 30 June 2015	17,143
AMORTISATION	
At 1 July 2013	631
Charge for the year	842
Exchange differences	(8)
At 30 June 2014 (restated)	1,465
Charge for the year	835
Exchange differences	(1)
At 30 June 2015	2,299
CARRYING AMOUNT	
At 30 June 2015	14,844
At 30 June 2014 (restated)	15,682

The intangible assets represent the trademark of "Tongren" and are amortised on a straight-line basis over 20 years starting from the acquisition date.

24. INVENTORIES

	2015 HK$'000	2014 HK$'000 (restated)
Medical consumables	**6,822**	6,405
Medicines	**13,827**	12,124
	20,649	18,529

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

Properties under development for sale

	2015 HK$'000	2014 HK$'000 (restated)
COST		
At the beginning of the year	**830,972**	851,165
Additions	**144,182**	208,750
Exchange adjustments	**(600)**	(8,140)
Transfer to properties held for sale	**–**	(220,803)
At the end of the year	**974,554**	830,972
Properties under development for sales of which:		
– expected to be realised within 12 months	**618,719**	–
– expected to be realised over 12 months	**355,835**	830,972
	974,554	830,972

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. 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.

26. INVESTMENTS HELD FOR TRADING

Investments held for trading include:

	2015 HK$'000	2014 HK$'000
Listed securities:		
– Equity securities listed in Australia	**204,064**	306,489
– Equity securities listed in Hong Kong	**1,399,209**	912,506
– Equity securities listed in Malaysia	**44,887**	128,115
– Equity securities listed in the United States of America	**124,108**	144,415
– Equity securities listed elsewhere (Note)	**57,964**	48,748
	1,830,232	1,540,273

Note: The equity securities listed elsewhere are mainly denominated in PHP of HK$1,092,000 (2014: HK$640,000), TWD of HK$22,136,000 (2014: HK$20,593,000) and GBP of HK$3,581,000 (2014: HK$27,515,000) as at 30 June 2015. Besides, equity securities listed elsewhere as at 30 June 2015 also included HK$27,130,000 and HK$4,025,000 denominated in JPY and RMB respectively.

27. DEBTORS, DEPOSITS AND PREPAYMENTS

	2015 HK$'000	2014 HK$'000 (restated)
Debtors from securities trading	**18,672**	17,845
Trade receivables arising from hospital operation	**58,481**	44,937
Deposits with and receivables from the financial institutions	**30,503**	19,824
Prepayments	**32,087**	22,479
Prepaid business taxes and other PRC taxes	**28,175**	7,914
Other debtors and deposits	**29,811**	92,871
	197,729	205,870

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 2015 and 2014.

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.

27. 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 2015 and 30 June 2014:

	2015	2014
	HK$'000	HK$'000
		(restated)
0 – 30 days	**29,580**	23,116
31- 60 days	**14,053**	10,231
61 – 90 days	**7,483**	5,488
91 – 365 days	**7,365**	6,102
	58,481	44,937

As at 30 June 2015 and 30 June 2014, 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 2015 and 2014, other debtors and deposits are netted off by an impairment of HK$14,993,000. During the year ended 30 June 2014, impairment losses in respect of other receivables of HK$6,784,000 is recognised.

28. LOANS RECEIVABLE

	2015	2014
	HK$'000	HK$'000
Fixed-rate loans	**59,247**	131,764
Variable-rate loans	**2,000**	70,339
	61,247	202,103

The loans receivable had contractual maturity dates within 1 year as at 30 June 2015 and 30 June 2014.

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 was recorded as loans receivable, which was initially measured at fair value and subsequent to initial recognition, and was 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, a company with its shares is listed on the Australian Stock Exchange. The Debtor and its guarantors provided certain collaterals over the Loan which included 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 were 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 was AUD9,356,000 (approximately HK$68,339,000) and was classified as current assets. During the year ended 30 June 2015, the Loan was matured and fully settled.

As at 30 June 2014, loans receivable with carrying amount of HK$55,735,000 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.

28. LOANS RECEIVABLE *(continued)*

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 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.

As at 30 June 2015, the fixed-rate loans receivable are denominated in RMB and HK$ (2014: USD, RMB and HK$). The average interest rate for the fixed-rate loans receivable was 24% (2014: 12% to 24%) per annum.

As at 30 June 2015, the variable-rate loans receivable are denominated in HK$ (2014: 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 prime rate with effective interest rate of 5% (2014: 5%) per annum and interest is normally repriced every six months.

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

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

Pledged bank deposits

Pledged bank deposits amounting to HK$157,511,000 (2014: HK$238,462,000) are used to secure the short-term general banking facilities granted to the Group. Accordingly, the pledged bank deposits are classified as current assets. In addition, the pledged bank deposit of HK$139,636,000 (2014: nil) are used to secure a bank borrowing which are repayable after one year. Accordingly, the pledged bank deposit is classified as non-current assets. During the year, the pledged bank deposits carried interest with a range from 0.35% to 3.03% per annum (2014: 0.35% to 3%).

Restricted bank deposits

As at 30 June 2015, in accordance with the applicable government regulations, HK$53,698,000 (2014: HK$74,160,000) were placed in bank deposits which could only be used in the designated property development projects. During the year, the deposits carried interest at average market rates of 0.35% (2014: 0.35%) per annum.

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 (2014: 0.001% to 5%).

30. CREDITORS AND ACCRUED CHARGES

	2015 HK$'000	2014 HK$'000 (restated)
Trade payables to construction contractors and of hospital operation	**123,741**	142,364
Creditors from securities trading	**315,946**	17,737
Accrued compensation for late delivery of properties held for sale	**6,626**	8,791
Accrued construction cost for properties under development for sale	**126,232**	65,770
Construction cost payable for hospital buildings classified as property, plant and equipment	**14,150**	14,154
Deposits 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") (Note)	**–**	37,488
Other creditors and accrued charges	**70,431**	109,561
	657,126	395,865

Note: 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").

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 Kumming 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 and the transaction is not completed. However, as the conditions precedent in the agreement were not fulfilled prior to the long stop date, the agreement was terminated on 15 October 2014. Hence the deposits of RMB30,000,000 (approximately HK$37,488,000) were refunded during the year ended 30 June 2015.

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.

30. 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 2015:

	2015	2014
	HK$'000	HK$'000 (restated)
0 – 30 days	**77,905**	47,046
31- 60 days	**1,690**	21,253
61 – 90 days	**404**	17,102
91 – 365 days	**9,882**	25,477
Over 1 year but not exceeding 2 years	**23,668**	22,154
Over 2 years but not exceeding 5 years	**10,192**	9,332
	123,741	142,364

31. CONSIDERATION PAYABLE

Prior to the acquisition of Jiatai Construction in September 2012, 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. During the year ended 30 June 2015, RMB15,000,000 (equivalent to HK$18,740,000) was settled by cash. The remaining consideration amounting to RMB55,000,000 (equivalent to HK$68,712,000) (2014: RMB70,000,000 (equivalent to HK$87,472,000)) as at 30 June 2015 is unsecured and interest-free.

32. AMOUNT DUE TO AN ASSOCIATE

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

33. BORROWINGS

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

	2015 **HK$'000**	2014 HK$'000 (restated)
Securities margin loans (Note a)	**415,359**	857,668
Unsecured term loans (Note b)	**302,383**	488,022
Secured bank borrowings (Note c)	**246,771**	390,850
Unsecured bank borrowings (Note c)	**465,615**	539,577
Secured other borrowing (Note d)	**21,238**	–
Unsecured other borrowings (Note e)	**297,834**	258,042
Discounted bills (Note f)	**124,930**	154,201
	1,874,130	2,688,360

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

	2015 **HK$'000**	2014 HK$'000 (restated)
On demand or within one year	**1,641,721**	2,233,858
Over one year but not exceeding two years	**232,409**	448,254
Over two years but not exceeding five years	**–**	6,248
	1,874,130	2,688,360
Less: Amount due within one year shown under current liabilities	**(1,641,721)**	(2,233,858)
Amount shown under non-current liabilities	**232,409**	454,502

33. BORROWINGS *(continued)*

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 41. 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 2.65% to 5.25% (2014: 2.60% to 5.25%) per annum.

(b) Unsecured term loans

As at 30 June 2015, the unsecured term loans bore fixed interest rate with a range of 1.2% to 6% (2014: 6% to 10.9%) per annum.

(c) 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 1.95% to 7.8% (2014: 3% to 7.83%) per annum.

(d) Secured other borrowing

Secured other borrowing is denominated in RMB, which is the functional currency of that entity of the Group. The interest rate per annum (which are also equal to contracted interest rates) of the fixed-rate other borrowing is at 6.4% per annum.

(e) Unsecured other borrowings

Unsecured 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 10.3% to 18% (2014: 10% to 18%) per annum.

(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 3.76% (2014: 5.79%) 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 securities margin loans and secured bank borrowings are secured by the Group's assets as disclosed in note 41. The Group's bank borrowings of HK$303,581,000 (2014: HK$264,915,000) at 30 June 2015 guaranteed by the companies beneficially owned by a director of a non-wholly owned subsidiary.

34. OBLIGATIONS UNDER FINANCE LEASES

	2015	2014
	HK$'000	HK$'000
		(restated)
Analysed for reporting purpose as:		
Current liabilities	**51,819**	43,390
Non-current liabilities	**37,884**	29,274
	89,703	72,664

	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(restated)		(restated)
Amount payable under finance leases:				
Within one year	**60,934**	50,200	**51,819**	43,390
In more than one year but not more than two years	**21,771**	24,442	**15,158**	19,902
In more than two years but not more than five years	**27,492**	12,217	**22,726**	9,372
	110,197	86,859	**89,703**	72,664
Less: Future finance charges	**(20,494)**	(14,195)	**N/A**	N/A
Present value of lease obligations	**89,703**	72,664	**89,703**	72,664
Less: Amount due for settlement within one year (shown under current liabilities)			**(51,819)**	(43,390)
Amount due for settlement after one year			**37,884**	29,274

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 6.02% to 8.63% per annum. No arrangement was entered into for contingent rental payments.

During the year ended 30 June 2015, the Group entered new finance leases of the Group's medical equipment of carrying amount of RMB51,623,000 (equivalent to HK$64,493,000) and RMB50,000,000 (equivalent to HK$62,465,000) was received.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets.

35. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2015, 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 at 30 June 2014, the derivative financial instruments also comprise 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.

36. 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 at 30 June 2014, the bonds were classified as current liabilities as the bonds will be settled within 12 months. During the year ended 30 June 2015, unsecured bonds with principal amount of HK$247,000,000 was fully repaid.

37. SHARE CAPITAL

		Number of shares		Carrying value	
		2015	2014	**2015**	2014
	Notes			**HK$'000**	HK$'000
Ordinary shares of HK$0.0005 (2014: HK$0.01) each					
Authorised:					
At beginning of the year		**30,000,000,000**	30,000,000,000	**300,000**	300,000
Share subdivision	(b)	**570,000,000,000**	–	**–**	–
At end of the year		**600,000,000,000**	30,000,000,000	**300,000**	300,000
Issued and fully paid:					
At beginning of the year		**531,074,697**	542,262,697	**5,311**	5,423
Repurchase of shares	(a)	**(4,928,000)**	(11,188,000)	**(49)**	(112)
Share subdivision	(b)	**9,996,787,243**	–	**–**	–
At end of the year		**10,522,933,940**	531,074,697	**5,262**	5,311

37. SHARE CAPITAL *(continued)*

Note:

(a) During the year ended 30 June 2015 and 30 June 2014, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	Number of ordinary shares of HK$0.01 each	Price per share Highest HK$	Price per share Lowest HK$	Aggregate consideration paid HK$'000
Year ended 30 June 2015				
October 2014	**252,000**	**2.50**	**2.43**	**627**
November 2014	**508,000**	**3.15**	**2.63**	**1,430**
March 2015	**180,000**	**3.52**	**3.39**	**619**
April 2015	**3,432,000**	**3.90**	**3.52**	**12,959**
May 2015	**556,000**	**4.20**	**3.98**	**2,267**
	4,928,000			**17,902**
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

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$17,853,000 (2014: HK$24,973,000) 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 2015 and 30 June 2014 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.

(b) Pursuant to a resolution passed at a special general meeting of the Company held on 12 June 2015, issued and unissued share of the Company of HK$0.01 each was subdivided into 20 subdivided shares of HK$0.0005 each of the Company. The share subdivision was completed on 15 June 2015.

38. RESERVES

Properties revaluation reserve

	2015 HK$'000	2014 HK$'000
Items that will not be reclassified to profit or loss:		
At 1 July	**16,000**	15,000
Surplus on revaluation of leasehold land and buildings	**1,100**	1,000
At 30 June	**17,100**	16,000

At 30 June 2015, the balance of properties revaluation reserve included surplus of HK$5,456,000 (2014: 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

	2015 HK$'000	2014 HK$'000
Items that will be reclassified subsequently to profit or loss:		
At 1 July	**30,203**	128,405
(Loss) gain on fair value changes of available-for-sale investments	**(10,572)**	24,696
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of available-for-sale investments	**(31,259)**	(125,946)
Share of changes in other comprehensive income of associates	**–**	3,048
Reclassification adjustment for the cumulative loss included in profit or loss upon distribution in specie of shares of an associate	**15,447**	–
At 30 June	**3,819**	30,203

38. RESERVES *(continued)*

Translation reserve

	2015 HK$'000	2014 HK$'000
Items that will be reclassified subsequently to profit or loss:		
At 1 July	**81,909**	47,719
Exchange gain arising from translation of foreign operation	**1,991**	13,884
Share of changes in other comprehensive (expense) income of associates	**(99,851)**	20,306
Reclassification adjustment for the cumulative loss included in profit or loss upon distribution in specie of shares of an associate	**51,603**	–
At 30 June	**35,652**	81,909

39. NON-CONTROLLING INTERESTS

	Share of net assets of subsidiaries HK$'000	Share options reserve of subsidiaries HK$'000	Total HK$'000
At 1 July 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 46)	–	6,005	6,005
At 30 June 2014	435,952	6,005	441,957
Share of loss for the year	(88,233)	–	(88,233)
Share of other comprehensive expense for the year	(1,190)	–	(1,190)
Share of total comprehensive expense for the year	(89,423)	–	(89,423)
Recognition of equity-settled share-based payment (note 46)	–	4,504	4,504
At 30 June 2015	**346,529**	**10,509**	**357,038**

40. 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 2013	111,609
Credit to profit or loss for the year	(33,278)
Exchange difference	(677)
At 30 June 2014 (restated)	77,654
Credit to profit or loss for the year	(196)
Exchange difference	(13)
At 30 June 2015	**77,445**

At 30 June 2015, the Group had estimated unused tax losses of approximately HK$2,142 million (2014: HK$2,374 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$1,710 million (2014: HK$2,038 million) may be carried forward indefinitely. Unused tax losses of HK$432 million (2014: HK$336 million) will expire between 2016 and 2020 (2014: between 2015 and 2019).

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 (2014: HK$160 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.

41. 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:

	2015	2014
	HK$'000	HK$'000
		(restated)
Investments held for trading	**1,757,635**	1,495,409
Interests in associates	**–**	383,500
Buildings (included in property, plant and equipment)	**586,093**	596,597
Available-for-sale investments	**10,608**	103,182
Prepaid lease payments	**91,469**	93,834
Properties under development for sale	**618,718**	704,588
Properties held for sale	**19,343**	20,686
Pledged bank deposits	**297,147**	238,462
	3,381,013	3,636,258

The Group's obligations under finance leases are secured by the Group's charge over the leased assets. At 30 June 2015, the carrying amount of the Group's medical equipment included an amount of HK$201,575,000 (2014: HK$139,143,000) in respect of assets held under finance leases.

42. COMMITMENTS

Lease commitments

The Group as lessee

	2015	2014
	HK$'000	HK$'000
Minimum lease payments paid under operating leases in respect of premises	**2,167**	2,126

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For the year ended 30 June 2015

42. COMMITMENTS *(continued)*

Lease commitments *(continued)*

The Group as lessee (continued)

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:

	2015 HK$'000	2014 HK$'000
Within one year	2,627	1,948
In the second to fifth year inclusive	5,035	–
	7,662	1,948

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 three (2014: four) years.

The Group as lessor

Property rental income earned during the year was approximately HK$4,020,000 (2014: HK$4,005,000). The properties held have committed tenants for a lease term ranging from two to three years (2014: 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:

	2015 HK$'000	2014 HK$'000
Within one year	4,055	1,607
In the second to fifth year inclusive	1,454	–
	5,509	1,607

Capital commitments

	2015 HK$'000	2014 HK$'000
Capital expenditure contracted for but not provided – acquisition of property, plant and equipment	–	1,295

43. 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 2015, the retirement benefits scheme contributions charged to consolidated statement of profit or loss were HK$12,317,000 (2014: HK$11,116,000).

44. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties:

	2015 **HK$'000**	2014 HK$'000
Interest income from loans granted to associates of the Company	**9,943**	8,119

Compensation of key management personnel

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

	2015 **HK$'000**	2014 HK$'000
Salaries and other short-term employee benefits	**9,795**	25,495
Retirement benefits costs	**54**	45
	9,849	25,540

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2015

45. RESTATEMENTS

The comparative financial information has been restated due to the following reasons:

(a) On 21 July 2014, the Company entered into an agreement (the "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 "Disposal"). The principal asset 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.

The Company conditionally agreed to dispose of its entire interest in Jiatai Construction through the disposal of Exceptional Talent Limited. The directors determined the Disposal was highly probable and thus, the relevant assets and liabilities of the Jiatai Construction and its subsidiaries (all together the "Jiatai Group") as at 30 June 2014 were 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".

As disclosed in the Company's announcements dated 6 August 2014, 27 August 2014, 14 October, 2014, 1 December 2014 and 8 January 2015, the completion of the Disposal is conditional upon the satisfaction and/or waiver of certain conditions. As not all of the conditions have been fulfilled or waived by the relevant parties by the long stop date despite using best endeavours, in accordance with the terms of the Agreement, the Company has served a termination notice on the purchasers on 3 March 2015 to terminate the Agreement (the "Termination"). Accordingly, the Agreement has become void and of no further force and effect except in respect of any antecedent breaches by the parties to the Agreement prior to the Termination. The Disposal therefore did not materialise. Accordingly, the assets and liabilities of the Jiatai Group as at 30 June 2014 were reclassified from "assets classified as held for sale" and "liabilities associated with assets classified as held for sale" to relevant assets and liabilities and the result of the Jiatai Group for the year ended 30 June 2014 was reclassified from discontinuing operations to relevant profit or loss items.

(b) Pursuant to the Company's announcement dated 7 November 2014, there were inadvertent errors in the disclosure of the gross proceeds from sale of investments held for trading of the Group for the year ended 30 June 2014 which arose as a result of a typographical mistake.

45. RESTATEMENTS *(continued)*

The following tables summarise the effect of the restatements on the Group's consolidated statement of financial position as at 30 June 2014 and consolidated statement of profit or loss for the year ended 30 June 2014. The restatements have no effect on the financial position of the Group as at 1 July 2013.

Consolidated statement of financial position

At 30 June 2014

	As originally stated HK$'000	Adjustment HK$'000 (note a)	As restated HK$'000
Non-current assets			
Investment properties	213,660	–	213,660
Property, plant and equipment	17,478	1,375,148	1,392,626
Prepaid lease payments	–	121,400	121,400
Interests in associates	408,316	7,218	415,534
Available-for-sale investments	746	–	746
Intangible assets	–	15,682	15,682
Deposit paid for acquisition of property, plant and equipment	–	22,718	22,718
	640,200	1,542,166	2,182,366
Current assets			
Inventories	–	18,529	18,529
Properties under development for sale	–	830,972	830,972
Properties held for sale	–	31,665	31,665
Prepaid lease payments	–	3,072	3,072
Available-for-sale investments	167,993	–	167,993
Investments held for trading	1,540,273	–	1,540,273
Debtors, deposits and prepayments	116,667	89,203	205,870
Loans receivable	202,103	–	202,103
Derivative financial instruments	11,447	–	11,447
Pledged bank deposits	2,944	235,518	238,462
Restricted bank deposits	–	74,160	74,160
Bank balances and cash	517,837	114,932	632,769
	2,559,264	1,398,051	3,957,315
Assets classified as held for sale	2,940,217	(2,940,217)	–
	5,499,481	(1,542,166)	3,957,315

45. RESTATEMENTS *(continued)*

Consolidated statement of financial position *(continued)*

	As originally stated HK$'000	Adjustment HK$'000 (note a)	As restated HK$'000
Current liabilities			
Creditors and accrued charges	106,055	289,810	395,865
Deposits received on sales of properties	–	186,132	186,132
Customers' deposits and receipts in advance	3,387	26,086	29,473
Consideration payable	–	87,472	87,472
Amount due to an associate	–	8,122	8,122
Borrowings – due within one year	1,275,690	958,168	2,233,858
Obligations under finance leases – due within one year	–	43,390	43,390
Derivative financial instruments	3,873	–	3,873
Taxation payable	68,759	9,380	78,139
Bonds	247,000	–	247,000
	1,704,764	1,608,560	3,313,324
Liabilities associate with assets held for sale	2,099,990	(2,099,990)	–
	3,804,754	(491,430)	3,313,324
Net current assets	1,694,727	(1,050,736)	643,991
Total assets less current liabilities	2,334,927	491,430	2,826,357
Non-current liabilities			
Deferred tax liabilities	–	77,654	77,654
Borrowings – due after one year	70,000	384,502	454,502
Obligations under finance leases – due after one year	–	29,274	29,274
	70,000	491,430	561,430
	2,264,927	–	2,264,927
Capital and reserves			
Share capital	5,311	–	5,311
Reserves	1,817,659	–	1,817,659
Equity attributable to owners of the Company	1,822,970	–	1,822,970
Non-controlling interests	441,957	–	441,957
Total equity	2,264,927	–	2,264,927

45. RESTATEMENTS *(continued)*

Consolidated statement of profit or loss

For the year ended 30 June 2014

	As originally stated HK$'000	Adjustment HK$'000 (note a)	Adjustment HK$'000 (note b)	As restated HK$'000
Continuing operations				
Revenue	131,987	964,416	–	1,096,403
Gross proceeds from sale of investments held for trading	1,077,695	–	(235,971)	841,724
Total	1,209,682	964,416	(235,971)	1,938,127
Revenue	131,987	964,416	–	1,096,403
Cost of sales and services	–	(895,940)	–	(895,940)
Gross profit	131,987	68,476	–	200,463
Other gains and losses	1,066,033	(2,363)	–	1,063,670
Other income	9,864	12,399	–	22,263
Selling and distribution expenses	–	(3,750)	–	(3,750)
Administrative expenses	(73,122)	(134,146)	–	(207,268)
Finance costs	(120,855)	(62,273)	–	(183,128)
Other expenses	(15,675)	–	–	(15,675)
Share of results of associates	263,388	(8,999)	–	254,389
Reversal of impairment/impairment on interest in an associate and result on distribution in specie of shares of an associate	(232,639)	–	–	(232,639)
Profit before taxation	1,028,981	(130,656)	–	898,325
Taxation expense	(1,072)	(39,423)	–	(40,495)
Profit for the year from continuing operations	1,027,909	(170,079)	–	857,830
Discontinuing operations				
Loss for the year from discontinuing operations	(170,079)	170,079	–	–
Profit for the year	857,830	–	–	857,830

46. 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 南京同仁醫院 ("Nanjing Tongren Hospital") 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.

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.

During the year ended 30 June 2015, share-based payment expense of HK$4,504,000 was recognised (2014: HK$6,005,000) in the consolidated statement of profit or loss and other comprehensive income.

47. 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 and further extended to 31 December 2015. A director of Jiatai Construction and certain subsidiaries of the Jiatai Group has a beneficial interest in Huali. As at 30 June 2015, Tongren Healthcare provided guarantees of RMB50,000,000 (approximately HK$62,465,000) (2014: RMB180,000,000 (approximately HK$224,928,000)) to Huali under the Mutual Guarantee, while Huali and its subsidiary provided guarantees of RMB243,000,000 (approximately HK$303,581,000) (2014: RMB212,000,000 (approximately HK$264,915,000)) to Tongren Healthcare and its subsidiaries under the Mutual Guarantee. As at 30 June 2015 and 2014, the fair value of the Mutual Guarantees is estimated to be insignificant.

48. EVENTS AFTER THE REPORTING PERIOD

(a) On 15 September 2015, the Company issued the relevant offer letters dated on the same date to the relevant non-controlling interests of a subsidiary ("Vendors") in respect to the acquisition of an aggregate of 28.07%, 9.00% and 2.41% equity interests in Jiatai Construction ("Possible Acquisitions I") at consideration of RMB412,000,000, RMB135,000,000 and RMB36,150,000 respectively, which shall be satisfied by the allotment and issuance of the ordinary shares of HK$0.0005 each in the share capital of the Company at the issue price of HK$0.4 per share credited as fully paid. On 17 September 2015, all of the offers pursuant to respective offer letters in respect of the Possible Acquisitions I have been accepted. If the Possible Acquisitions I are completed, the Company would be interested in the entire equity interests of the Jiatai Construction. Details of the Proposed Acquisitions I are set out in the Company's announcements dated 15 September 2015 and 17 September 2015. The Directors are in the progress of assessing the financial impact of this Proposed Acquisitions I to the Group.

(b) On 23 September 2015, the Company issued the offer letter dated on the same date to another shareholder of Aveo China in respect to the acquisition of 40% equity interest in Aveo China at a consideration of HK$120,000,000 ("Possible Acquisition II"), which shall be satisfied by the allotment and issuance of the ordinary shares of HK$0.0005 each in the share capital of the Company at the issue price of HK$0.4 per share credited as fully paid. On 24 September 2015, the offer pursuant to this offer letter in respect of the Possible Acquisition II has been accepted. If the Possible Acquisition II is completed, the Group will be interested in 70% equity interests of the Aveo China. Details of the Possible Acquisition II are set out in the Company's announcements dated 23 September 2015 and 24 September 2015. The Directors are in the progress of assessing the financial impact of the Possible Acquisition II to the Group.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries as at 30 June 2015 and 30 June 2014 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		Principal activities
			2015	2014	
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

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

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 2015	2014	Principal activities
Indirectly held by the Company *(continued)*					
Fortune Team Investment Limited	Hong Kong	Ordinary HK$1	**100%**	100%	Money lending
Future Rise Investments Limited	BVI	Ordinary US$1	**100%**	100%	Trading of securities listed in oversea exchange
Genwo Limited	Hong Kong	Ordinary HK$200,000	**100%**	100%	Property investment
Gold Chopsticks Limited***	BVI	Ordinary US$1	**N/A**	100%	Holding of investment listed in Hong Kong
Honest Opportunity Limited	BVI	Ordinary US$1	**100%**	100%	Securities trading and investment in Hong Kong
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
Treasury Wagon Limited***	BVI	Ordinary US$1	**N/A**	100%	Financial services
Widerich Limited	Hong Kong	Ordinary HK$2	**100%**	100%	Property investment

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

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 2015	2014	Principal activities
Nanjing Tongren Industrial Company Limited** (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 Company Limited** (南京同仁醫院有限公司) ("NJ 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 Company Limited** (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

* Wholly foreign-owned enterprise.

** Domestic owned enterprise.

*** The entities were deregistered during the year ended 30 June 2015.

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, NJ 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 2015 and 30 June 2014 or at any time during the respective year.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

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 2015	2014
Securities trading and investments	Hong Kong	**6**	8
Property investment	PRC	**1**	1
Property development	PRC	**2**	2
Investing holding	Hong Kong/PRC/BVI	**41**	40
		50	51

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	
		2015	2014	**2015**	2014	**2015**	2014
		HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Jiatai Construction	PRC	**39.48%**	39.48%	**(83,301)**	(65,595)	**326,284**	405,081
Individually immaterial subsidiaries with non-controlling interests						**30,754**	36,876
						357,038	441,957

Summarised consolidated financial information for the years ended 30 June 2015 and 2014 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.

49. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Jiatai Construction and its subsidiary (collectively "Jiatai Group")

	2015 HK$'000	2014 HK$'000
Non-current assets	**1,480,677**	1,542,166
Current assets	**1,443,839**	1,398,051
Non-current liabilities	**(277,738)**	(491,430)
Current liabilities	**(1,989,183)**	(1,608,560)
Total equity	**657,595**	840,227
Equity attributable to the owners of Jiatai Group	**331,311**	435,146
Non-controlling interests of Jiatai Group	**326,284**	405,081
	657,595	840,227
Revenue	**678,138**	964,416
Other income and other gains and losses	**11,094**	10,036
Expenses	**(836,216)**	(1,096,109)
Share of result of an associate	**(7,218)**	(8,999)
Taxation expense	**(14,785)**	(39,423)
Loss for the year	**(168,987)**	(170,079)
Other comprehensive income for the year	**801**	12,136
Total comprehensive expenses for the year	**(168,186)**	(157,943)
Loss for the year attributable to		
– the owners of Jiatai Group	**(86,876)**	(104,484)
– non-controlling interests of Jiatai Group	**(82,111)**	(65,595)
Loss for the year	**(168,987)**	(170,079)
Other comprehensive income (expense) for the year attributable to		
– the owners of Jiatai Group	**1,991**	13,884
– non-controlling interests of Jiatai Group	**(1,190)**	(1,748)
Other comprehensive income for the year	**801**	12,136
Total comprehensive expense for the year attributable to		
– the owners of Jiatai Group	**(89,389)**	(96,605)
– non-controlling interests of Jiatai Group	**(78,797)**	(61,338)
Total comprehensive expense for the year	**(168,186)**	(157,943)
Net cash inflow (outflow) from operating activities	**174,255**	(42,109)
Net cash inflow (outflow) from investing activities	**51,377**	(63,640)
Net cash (outflow) inflow from financing activities	**(247,725)**	142,649
Net cash (outflow) inflow	**(22,093)**	36,900
Dividend paid to non-controlling interests of Jiatai Group	**–**	–

INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2015 HK$'000	2014 HK$'000
Total assets	**1,627,263**	1,952,567
Total liabilities	**(522,818)**	(620,058)
	1,104,445	1,332,509
Capital and reserves		
Share capital	**5,261**	5,311
Reserves	**1,099,184**	1,327,198
	1,104,445	1,332,509

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 period from 1 January 2010 to 30 June 2011 HK$'000	For the year ended 30 June 2012 HK$'000	2013 HK$'000	2014 HK$'000 (restated)	2015 HK$'000
Revenue	2,234,930	538,434	1,298,331	1,938,127	**1,969,740**
Profit (loss) before taxation	402,126	(550,823)	(814,665)	898,325	**155,545**
Taxation (charge) credit	(483)	(383)	5,877	(40,495)	**(15,335)**
Profit (loss) for the period/year	401,643	(551,206)	(808,788)	857,830	**140,210**
Attributable to:					
Owners of the Company	399,481	(531,425)	(780,719)	927,908	**228,443**
Non-controlling interests	2,162	(19,781)	(28,069)	(70,078)	**(88,233)**
	401,643	(551,206)	(808,788)	857,830	**140,210**

ASSETS AND LIABILITIES

	As at 30 June 2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	2015 HK$'000
Total assets	4,326,419	3,466,029	5,285,317	6,139,681	**5,426,438**
Total liabilities	(1,663,874)	(1,619,083)	(3,794,380)	(3,874,754)	**(3,415,013)**
	2,662,545	1,846,946	1,490,937	2,264,927	**2,011,425**
Equity attributable to owners of the Company	2,607,212	1,804,495	983,159	1,822,970	**1,654,387**
Non-controlling interests	55,333	42,451	507,778	441,957	**357,038**
	2,662,545	1,846,946	1,490,937	2,264,927	**2,011,425**