

Annual Report 2007 年報 | Stock Code 股份代號 : 8138



Town Health
International Holdings Company Limited
康健國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立之有限公司)



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Town Health International Holdings Company Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板市場（「創業板」）之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他資深投資者。

由於創業板上市之公司屬新興性質，在創業板買賣之證券可能會較在聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

創業板發佈資料之主要方法為在聯交所為創業板而設之互聯網網頁上刊登。上市公司毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意，彼等須閱覽創業板網頁www.hkgem.com，方可取得創業板上市發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告乃遵照聯交所《創業板證券上市規則》（「創業板上市規則」）的規定而提供有關康健國際控股有限公司（「本公司」）之資料。本公司各董事（「董事」）願共同及個別對本公佈負全部責任，並在作出一切合理查詢後確認，就彼等所知及所信：(1)本報告所載資料在各重大方面均屬準確完整，且無誤導成份；(2)本報告並無遺漏其他事實致使本公佈所載任何內容產生誤導；及(3)本報告內所表達之一切意見乃經審慎周詳考慮後始行發表，並以公平合理之基準及假設為依據。

Town Health

International Holdings Company Limited

康健國際控股有限公司



| | | | |
|-----------|--|------------|--|
| 2 | Corporate Information 公司資料 | 34 | Consolidated Income Statement 綜合收益表 |
| 4 | Chairman's Statement 主席報告 | 35 | Consolidated Balance Sheet 綜合資產負債表 |
| 6 | Management Discussion and Analysis 管理層討論與分析 | 37 | Consolidated Statement of Changes in Equity 綜合權益變動表 |
| 13 | Board of Directors 董事會 | 39 | Consolidated Cash Flow Statement 綜合現金流量表 |
| 16 | Corporate Governance Report 企業管治報告書 | 42 | Notes to the Consolidated Financial Statements 綜合財務報表附註 |
| 23 | Directors' Report 董事會報告書 | 128 | Financial Summary 財務摘要 |
| 32 | Independent Auditor's Report 獨立核數師報告書 | | |

Corporate Information

公司資料

EXECUTIVE DIRECTORS:

Miss Choi Ka Yee, Crystal (*Chairman*)
Dr. Cho Kwai Chee (*Chief Executive Officer*)
Dr. Fung Yiu Tong, Bennet
Mr. Cho Kwai Yee, Kevin

NON-EXECUTIVE DIRECTOR:

Dr. Francis Choi Chee Ming, *JP*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

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

COMPANY SECRETARY AND QUALIFIED ACCOUNTANT:

Mr. Mak Yau Hing *CPA, FCCA, ACIS, ACS*
(*Resigned on 25th June, 2007*)

Mr. Wong Seung Ming *CPA, FCCA*
(*Appointed on 25th June, 2007*)

COMPLIANCE OFFICER:

Dr. Cho Kwai Chee

AUDIT COMMITTEE:

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

REMUNERATION COMMITTEE:

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

AUTHORIZED REPRESENTATIVES:

Dr. Cho Kwai Chee
Dr. Fung Yiu Tong, Bennet

AUDITORS:

Deloitte Touche Tohmatsu
Certified Public Accountants

執行董事：

蔡加怡小姐 (*主席*)
曹貴子醫生 (*行政總裁*)
馮耀棠醫生
曹貴宜先生

非執行董事：

蔡志明博士，*太平紳士*

獨立非執行董事：

陳金釗先生
韋國洪，*太平紳士*
何國華先生

公司秘書及合資格會計師：

麥祐興先生 *CPA, FCCA, ACIS, ACS*
(於二零零七年六月二十五日辭任)

黃尚銘先生 *CPA, FCCA*
(於二零零七年六月二十五日委任)

監察主管：

曹貴子醫生

審核委員會：

陳金釗先生 (*主席*)
韋國洪，*太平紳士*
何國華先生

薪酬委員會：

韋國洪，*太平紳士* (*主席*)
曹貴子醫生
陳金釗先生
何國華先生

授權代表：

曹貴子醫生
馮耀棠醫生

核數師：

德勤•關黃陳方會計師行
執業會計師

Corporate Information

公司資料

PRINCIPAL BANKERS:

The Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
Dah Sing Bank Limited
DBS Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE:

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
Strathvale House
North Church Street
George Town
Grand Cayman, Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE:

Tengis Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Hong Kong

REGISTERED OFFICE:

Ugland House
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS:

Shop 37, Level 3,
Hilton Plaza Commercial Centre,
3-9 Shatin Centre Street,
Shatin, New Territories
Hong Kong

STOCK CODE:

8138

主要往來銀行：

香港上海滙豐銀行有限公司
恒生銀行有限公司
中國銀行(香港)有限公司
大新銀行有限公司
星展銀行(香港)有限公司

主要股份過戶登記處：

Bank of Bermuda (Cayman) Limited
P.O. Box 513 GT
Strathvale House
North Church Street
George Town
Grand Cayman, Cayman Islands
British West Indies

香港股份過戶登記分處：

登捷時有限公司
香港
皇后大道東28號
金鐘匯中心
26樓

註冊辦事處：

Ugland House
P.O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

總辦事處及主要營業地點：

香港
新界沙田
沙田正街3-9號
希爾頓中心
3樓37號舖

上市編號：

8138

Chairman's Statement

主席報告

On behalf of Town Health International Holdings Company Limited ("Town Health" or the "Company"), I am pleased to present this annual report for the year ended 31st March, 2007 (the "Year") to our shareholders.

BUSINESS REVIEW

During the 2006-07 fiscal year, Town Health has achieved robust results and set new record high in both turnover and earnings performance since its listing on the Stock Exchange. In addition, the Company has established the largest medical and healthcare network in Hong Kong. With more than eighty clinics throughout Hong Kong Island, Kowloon and the New Territories, the Company is now providing services to more than 700,000 patients. The Company has already become the largest private medical service group equipped with the most complete and advanced facilities and become the best alternative of medical services other than public medical service institutions.

During the Year, the Company continued to register a robust increase of approximately 19% in turnover compared to last year. With the gradual recovery of Hong Kong's economy and consequent increasing personal income, local citizens' average spending in healthcare services has also increased, which contributes to a horizontal growth in the Company's business. During the Year, Town Health has established a dental specialty center covering 5,000 sq. ft. in Jordan, Kowloon. Meanwhile, the Company also holds the convertible bonds of Hong Kong Health Check and Laboratory Holdings Company Limited, one of the largest medical service companies with the most advanced medical diagnoses equipment in Hong Kong. In addition, the Company is proactively exploring business opportunities in the medical beauty business sector, which further strengthened its service role at the established hair-planting centre. Diversification of medical-related business is one of the key drivers for the Company's success in its operations.

Our profits significantly surged 10.7 times, amounting to HK\$214,850,000 in the period. Since the Company has experienced rapid expansion in its scale of operations and with the increase of clinics sharing medical resources, the economy of scale enhanced correspondingly. Together with the implementation of cost control strategies, profit for the year has increased significantly. Meanwhile, the Company continued to develop medical-related business with higher profit margin, which also contributed to the multiple times increase in profit for the year.

本人謹代表康健國際控股有限公司 (Town Health International Holdings Company Limited) (「康健國際」或「本公司」) 向各股東匯報截至二零零七年三月三十一日止年度 (「本年度」) 之年報。

業務回顧

二零零六至零七年財政年度，是康健國際成就輝煌的一年，本公司無論在營業額抑或盈利表現方面，均創出自上市以來紀錄性新高。此外，本公司成功建立了全港最大的醫療保健連鎖網絡，目前港九、新界共有診所逾八十間，本公司現時服務之病人紀錄已增加至逾七十萬名，成為全港除公立醫療服務機構外，擁有最龐大及最完善設備及服務的私營醫療診斷集團。

本年度，本公司之營業額繼續獲得穩健增長，與去年同期比較上升約19%。隨着本港經濟逐漸復甦，個人收入增加，市民在健康保健方面的平均消費亦告上升，令本公司業務呈現橫向增長。年內，康健國際在九龍佐敦設立一所佔地五千平方呎的牙科專科中心。本公司同時亦持有全港其中一間最大及醫療診斷設備最先進之公司香港體檢及醫學診斷控股有限公司之可換股債券。此外，本公司積極發展醫學美容業務，進一步強化顯赫男仕植髮中心的服務等等。醫療相關業務多元化也是本公司業務成功的主要原因之一。

至於盈利方面，期內大幅躍升10.7倍，達214,850,000港元。由於本公司的規模迅速膨脹，更多的診所共用醫療資源，令經濟效益相對提升，加上實行成本控制措施，故本年度的盈利大幅增加。與此同時，本公司不斷開發利潤率較高的醫療相關業務，這都是令到年度內盈利倍數躍增之主要原因。

Chairman's Statement

主席報告

FUTURE PROSPECT

Looking ahead, the Company will capitalize on solidifying the existing business foundation and target to set new height. For its core medical diagnostic services, the Company will focus on its development and continue to open new clinics in appropriate locations of Hong Kong, expand its medical service network, as well as acquire other well-known medical diagnostic group, in order to secure the market share of its core business.

As men in cosmopolitan are increasingly conscious of their self-image, and together with a record upwards trend in men's disease such as prostate disease, the Company sees the need to establish a healthcare service center for men with systemized and with complete systematic equipment that provides male patients with all-in-one healthcare service.

As domestic economy sustains its dynamic growth, and with Chinese people becoming more health conscious, the developing momentum of China's medical care market will be tremendous. According to the forecast of an industrial authority, China's medical care market is expected to achieve an annual growth rate exceeding 10% in the next three years. And China has become the third largest medical care market in the world, ranking only behind US and Japan. In 5 to 8 years, China is expected to outpace Japan and become the second largest. The Company is determined to take hold of this valuable opportunity and continue to proactively explore the domestic medical care market. As a short-term goal, we are going to set up chain dental clinics in China. During the Year, through cooperation with "Hua Xia Healthcare", a HKSE-listed company, our first dental hospital was set up in Fuzhou City. In addition, the Company plans to establish a chain hospital network in China under the brand name of Town Health through acquisitions, target to open near 20 specialized chain hospitals in the near future, making Town Health one of the most important medical services providers in China.

The Company also plans to expand its lifestyle-related healthcare services, such as hair-planting and medical beauty treatment, to mainland China and the wider Asia-Pacific region. Having built a solid foundation in Hong Kong over the past 18 years, "Town Health" now aims to promote its brand name to the international healthcare services markets in future.

The Board of Directors understands that our remarkable achievements today are the result of combined efforts of our staff and a dedicated team of professional medical personnel, and would like to take this opportunity to extend sincere gratitude to them, and is expecting greater success with their continuous contributions. We would also like to express appreciation to the internationally renowned institutional investors, who have joined us one after the other as our strategic shareholders, for their unwavering support to and confidence in the Company.

Choi Ka Yee, Crystal
Chairman

Hong Kong, 27th June, 2007

前景展望

展望未來，本公司將會鞏固其現有業務基礎，再闢高峰。核心醫療診斷服務方面，本公司仍會專注發展，並繼續在全港各合適地點開始新的診所，擴大醫療服務網絡，同時亦會收購其他知名的醫療診斷集團，以保持集團核心業務之市場佔有率。

隨著大都會男性對儀表日益著重，以及男性疾病如前列腺病有上升的趨勢，本公司看到開設有系統及完善設備之男性保健醫療服務中心之需要，為男士提供一條龍保健醫療服務。

隨著中國社會經濟蓬勃發展，以及國民對醫療保健日趨重視，中國醫療市場發展潛力驚人，據權威機構預測，未來三年中國醫療市場年增長率有望超越過百分之十，已經成為繼美國和日本之後世界第三大醫療市場，並有望在五至八年內超過日本成為世界第二大醫療市場。本公司把握此一難得之機遇，未來將繼續積極在國內發展醫療業務。短期來說，將於國內建立牙科連鎖中心。年內，本公司已與香港另一間上市公司「華夏醫療」合作，於福州市開設首間牙科醫院。另外，本公司亦將透過併購，在國內建立以「康健」為品牌之醫院連鎖網絡，目標是未來在國內擁有約二十間專科連鎖醫院，令康健成為國內最重要的醫療服務機構之一。

本公司亦會擴展時尚生活相關之保健醫療服務如植髮、醫療美容等到中國大陸及亞太地區。過去十八年，「康健國際」建基於香港，未來康健國際將放眼全世界，矢志將其品牌打進國際醫療保健服務市場。

董事局深諳到本公司得到今天的成就，實有賴各員工及專業醫護人員的共同努力，謹此向他們衷心謝意，並希望大家再接再勵，攜手再創新高峰。另外，國際著名機構投資者先後入股本公司為策略性股東，董事局對他們的支持和信任亦致以由衷感激。

主席
蔡加怡

香港，二零零七年六月二十七日

Management Discussion and Analysis

管理層討論與分析

MANAGEMENT DISCUSSION AND ANALYSIS

Financial review

The Group is principally engaged in the provision of healthcare and dental services, sale of healthcare and pharmaceutical products, and sale of cardiology and peripheral vascular related surgical equipment. The Group recorded a revenue of approximately HK\$275,628,000 for the year ended 31st March, 2007 (2006: approximately HK\$231,179,000), representing an increase of 19.2% as compared with the prior year. The increase was mainly due to the significant improvement in the performance of the Group's core business – provision of healthcare and dental services.

Gross profit margin for the year ended 31st March 2007 was 46.8% (2006: 48.4%).

Other income for the current year amounted to approximately HK\$65,016,000 (2006: approximately HK\$9,847,000), out of which, approximately HK\$54,283,000 represents gain on fair value changes of held-for-trading investments acquired by the Group during the year with idle funds of the Group.

Other expenses increased to approximately HK\$21,291,000 from approximately HK\$3,865,000 registered in prior year. In current year, the Group re-assessed the prospect of its investments in subsidiaries, medical and dental practices and associated companies. In view of the current market conditions and the prospect of such investments, the Group, for prudence sake, recognised an impairment loss of approximately HK\$20,335,000 in respect of the goodwill arising on the acquisitions of certain of such investments.

Liquidity and financial resources

As at 31st March, 2007, the Group held cash and bank balances of approximately HK\$75,624,000 (2006: approximately HK\$116,406,000). Net current assets amounted to approximately HK\$297,878,000 (2006: approximately HK\$159,485,000). Current ratio (defined as total current assets divided by total current liabilities) was 4.0 (2006: 2.9).

管理層討論及分析

財務回顧

本集團主要提供醫療保健及牙科服務、銷售保健產品及藥品及銷售心臟科及周邊血管相關外科手術儀器。本集團於截至二零零七年三月三十一日止年度錄得之收益約為275,628,000港元(二零零六年：約231,179,000港元)，較上年度增加19.2%。有關上升主要與本集團之核心業務－提供醫療保健及牙科服務之表現顯著進步有關。

截至二零零七年三月三十一日止年度之毛利率為46.8%(二零零六年：48.4%)。

本年度其他收入約為65,016,000港元(二零零六年：約9,847,000港元)，其中約54,283,000港元乃來自本集團於本年度以本集團閒置資金收購之持作買賣投資公平值變動之收益。

其他開支由上年度約3,865,000港元上升至約21,291,000港元。於本年度，本集團重新評估其投資於附屬公司、西醫及牙科診所及聯營公司之前景。鑑於目前市場狀況及該等投資之前景，本集團為求審慎，就收購若干該等投資產生之商譽確認減值虧損約20,335,000港元。

流動資金及財務資源

於二零零七年三月三十一日，本集團持有之現金及銀行結餘約為75,624,000港元(二零零六年：約116,406,000港元)。流動資產淨值約為297,878,000港元(二零零六年：約159,485,000港元)。流動比率(定義為總流動資產除以總流動負債)為4.0(二零零六年：2.9)。

Management Discussion and Analysis

管理層討論與分析

As at 31st March, 2007, the Group had outstanding bank and other borrowings of approximately HK\$53,022,000 (2006: approximately HK\$62,609,000). The Group had variable-rate borrowings on bank loan which carry interest at prime rate less 2.8% to 1.5% per annum. The range of effective interest rates (which were also equal to contracted interest rates) on the Group's borrowings were as follows:

Effective interest rate:

Variable-rate borrowings

實際利率：

浮動利率借貸

於二零零七年三月三十一日，本集團尚未償還之銀行及其他借貸約為53,022,000港元（二零零六年：約62,609,000港元）。本集團銀行貸款方面之浮動利率借貸按最優惠利率減2.8厘至最優惠利率減1.5厘之年利率計息。本集團借貸之實際利率範圍（亦相當於已訂約利率）如下：

| | 2007 二零零七年 | 2006 二零零六年 |
|--|---------------------------|---------------------------|
| | 5.2% to 6.3% 5.2厘至6.3厘 | 2.7% to 5.7% 2.7厘至5.7厘 |

The other loan is unsecured, interest free and repayable on demand.

Capital structure

As at 31st March, 2007, the Group had equity attributable to equity holders of the Company of approximately HK\$436,587,000 (2006: approximately HK\$249,155,000).

As at 31st March, 2007, gearing ratio (defined as total long-term liabilities divided by total shareholders' equity) of the Group was 6.0% (2006: 26.5%).

Major currencies used for the Group's transactions were Hong Kong Dollars, Renminbi and US Dollars. As Hong Kong Dollars are pegged to the US Dollars and the fiscal policy of the Central Government of the People's Republic of China in relation to Renminbi is relatively stable throughout the year, the Group considers that the potential foreign exchange exposure of the Group is limited.

其他貸款為無抵押、免息及按要求償還。

資本架構

於二零零七年三月三十一日，本集團之本公司股權持有人應佔權益約為436,587,000港元（二零零六年：約249,155,000港元）。

本集團於二零零七年三月三十一日之負債與權益比率（定義為總長期負債除以總股東權益）為6.0%（二零零六年：26.5%）。

本集團交易所用主要貨幣為港元、人民幣及美元。由於港元與美元掛鉤，以及年內中華人民共和國中央政府有關人民幣之財務政策相對穩定，故本集團認為，本集團所承受之潛在匯兌風險有限。

Management Discussion and Analysis

管理層討論與分析

Employee information

A breakdown of the number of staff of the Group by responsibilities as at 31st March, 2007 and 2006 is set out below:

| | |
|--|-------------------|
| Medical and dental practitioners | 西醫及牙醫 |
| Assistant nurses | 助護 |
| Management | 管理人員 |
| Sales/Administration/Clerical support/Others | 銷售／行政／ 文書支援／其他 |

Approximately 7.1% of the total employees are stationed in the PRC and other countries, and the remaining are stationed in Hong Kong.

The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share option may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

The Group maintains good relationship with its staff. There has not been any interruption to its operations as a result of labour disputes. In addition, the Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

Contingent liabilities

As at 31st March, 2007, the Group had no significant contingent liabilities.

Pledge of assets

As at 31st March, 2007, certain property, plant and equipment and investment properties of the Group with the carrying value of HK\$994,000 (2006: HK\$5,585,000) and HK\$38,125,000 (2006: HK\$35,825,000) respectively and bank deposits of HK\$10,000,000 (2006: HK\$10,000,000) were pledged to secure general bank facilities granted to the Group.

僱員資料

於二零零七年及二零零六年三月三十一日，按職務劃分之本集團員工人數明細載列如下：

| | 2007 二零零七年 | 2006 二零零六年 |
|--|---------------|---------------|
| | 96 | 66 |
| | 162 | 132 |
| | 27 | 17 |
| | 163 | 145 |
| | 448 | 360 |

僱員總數中約7.1%派駐中國及其他國家工作，其餘則駐守香港工作。

本集團主要按業內慣例及個人表現與資歷釐定僱員薪酬。除固定薪酬外，本集團亦會按本集團之表現及員工個人表現授予合資格員工酌情花紅及購股權。

本集團與員工之間勞資關係良好。本集團未嘗因勞資糾紛而影響運作。此外，本集團亦按照僱員居住地所屬司法權區之法定規定為其僱員提供公積金福利。

或然負債

於二零零七年三月三十一日，本集團並無任何重大或然負債。

資產抵押

於二零零七年三月三十一日，本集團以賬面值分別為994,000港元(二零零六年：5,585,000港元)及38,125,000港元(二零零六年：35,825,000港元)之若干本集團物業、廠房及設備以及投資物業，以及10,000,000港元(二零零六年：10,000,000港元)之銀行存款作為本集團獲授之一般銀行融資之抵押。

Management Discussion and Analysis

管理層討論與分析

Capital commitments

As at 31st March, 2007, the Group had capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment of approximately HK\$2,257,000 (2006: approximately HK\$38,600,000).

Post balance sheet events

- (a) On 29th March, 2007, Hong Kong Health Check entered into an option agreement with Top Act Group Limited (“Top Act”), a wholly owned subsidiary of the Group. Pursuant to the option agreement, Hong Kong Health Check has agreed to grant the option to Top Act at a nominal consideration of HK\$1.00. Pursuant to the option agreement, Top Act shall be entitled to require Hong Kong Health Check to issue the Convertible Bond II in an aggregate principal amount of HK\$500,000,000 during the period of one month commencing from the date of fulfillment of certain conditions, including independent shareholder’s approval in an Extraordinary Meeting, the Stock Exchange and Bermuda Monetary Authority, precedent of the option agreement. The convertible bonds can be converted into ordinary shares of Hong Kong Health Check at a conversion price of HK\$0.25.

Details of these are disclosed in an announcement of the Company dated 11th April, 2007.

- (b) On 2nd May, 2007 the Company entered into the conditional placing agreement with an independent placing agent for the placing of up to 195,000,000 new shares to the subscribers at the placing place of HK\$0.5412 per placing share. The placement was completed on 25th May 2007.

Details of these are disclosed in announcements of the Company dated 3rd May, 2007 and 25th May, 2007.

資本承擔

於二零零七年三月三十一日，本集團就物業、廠房及設備有已訂約但未於財務報表撥備之資本開支約2,257,000港元（二零零六年：約38,600,000港元）。

結算日後事項

- (a) 於二零零七年三月二十九日，香港體檢與本集團之全資附屬公司Top Act Group Limited（「Top Act」）訂立期權協議。根據期權協議，香港體檢同意以名義代價1.00港元向Top Act授出期權。根據期權協議，Top Act將有權自期權協議之若干先決條件（包括於股東特別大會獲獨立股東批准、獲聯交所及百慕達金融管理局批准）達成當日起計一個月內要求香港體檢發行本金總額為500,000,000港元之第二批可換股債券。可換股債券可按換股價每股0.25港元被轉換為香港體檢之普通股。

有關詳情已披露於本公司日期為二零零七年四月十一日之公佈內。

- (b) 於二零零七年五月二日，本公司與獨立配售代理訂立有條件配售協議，以配售最多達195,000,000股新股份予認購人，配售價為每股配售股份0.5412港元。配售已於二零零七年五月二十五日完成。

有關詳情已披露於本公司日期為二零零七年五月三日及二零零七年五月二十五日之公佈內。

Management Discussion and Analysis

管理層討論與分析

- (c) On 8th May, 2007 the Company entered into another conditional placing agreement with an independent placing agent for the placing of up to 320,000,000 new shares to the subscribers at the placing price of HK\$0.61 per placing share.

Details of these are disclosed in announcements of the Company dated 8th May, 2007.

- (d) On 15th May, 2007, the Company entered into a non-binding term sheet in relation to the Group's possible acquisition of 51% equity interest in a number of companies which operate eight existing Nu/Hart Hair Clinics located in Atlanta, Chicago, New York, Philadelphia and Pittsburgh in the United States of America and in Dubai, Manila, and Puerto Rico for a cash consideration of US\$3,225,750 (equivalent to approximately HK\$25,160,850), subject to adjustment.

The Nu/Hart Hair Clinics are principally engaged in provision of hair transplant and laser hair re-growth services.

Details of these are disclosed in an announcement of the Company dated 16th May, 2007.

Change in auditors of the Company in the preceding three years

Messrs. Deloitte Touche Tohmatsu were first appointed as auditors of the Company on 13th March, 2003. Messrs. Deloitte Touche Tohmatsu, who have been acting as auditors of the Group since then, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

- (c) 於二零零七年五月八日，本公司與獨立配售代理訂立另一份有條件配售協議，以配售最多達320,000,000股新股份予認購人，配售價為每股配售股份0.61港元。

有關詳情已披露於本公司日期為二零零七年五月八日之公佈內。

- (d) 於二零零七年五月十五日，本公司訂立一份無約束力之條款表，內容有關本集團可能收購多間公司之51%股權，該等公司現時經營八間位於美國(包括亞特蘭大、芝加哥、紐約、費城及匹茲堡)、杜拜、馬尼拉及波多黎各之Nu/Hart Hair Clinics，現金代價為3,225,750美元(相等於約25,160,850港元)，可予調整。

Nu/Hart Hair Clinics主要從事提供植髮及激光頭髮再生服務。

有關詳情已披露於本公司日期為二零零七年五月十六日之公佈內。

本集團核數師一職於過去三年之變動

德勤•關黃陳方會計師行於二零零三年三月十三日首次獲委任為本公司核數師。德勤•關黃陳方會計師行自此起一直擔任本集團之核數師，其願意於本公司應屆股東週年大會後留任。

Management Discussion and Analysis

管理層討論與分析

COMPETING INTERESTS

None of the directors, management shareholders or controlling shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may complete with the business of the Group during the year.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the Board of Directors. The audit committee will also be responsible for reviewing and supervising the Group's financial reporting and internal control procedures.

The audit committee comprises three independent non-executive directors, namely Mr. Chan Kam Chiu, Mr. Wai Kwok Hung JP and Mr. Ho Kwok Wah, George. Mr. Chan Kam Chiu is the chairman of the Committee. The Committee has met four times during the year.

The audit committee has reviewed the Group's audited results for the year ended 31st March, 2007.

競爭性權益

年內，本公司之董事、管理層股東或控股股東（定義見創業板上市規則）概無於任何與本集團業務出現競爭或可能出現競爭之業務中擁有任何權益。

審核委員會

本公司已遵照創業板上市規則第5.28至5.33條成立具明文職權範圍之審核委員會。審核委員會之主要職責乃審閱本公司年報及賬目、中期報告及季度報告，並就此向董事會提供建議及意見。審核委員會亦須負責審閱及監督本集團之財務申報事宜及內部監控之程序。

審核委員會由三名獨立非執行董事，分別為陳金釗先生、韋國洪太平紳士及何國華先生組成。陳金釗先生為委員會主席。委員會於年內曾召開四次會議。

審核委員會已審閱本集團截至二零零七年三月三十一日止年度之經審核業績。

Management Discussion and Analysis

管理層討論與分析

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31st March, 2007, the Company repurchased its own shares on GEM as follows:

| Month of repurchase 購回月份 | Number of shares repurchased 購回股份數目 | Price per share 每股價格 | | Aggregate consideration 總代價 HK\$ 港元 | |
|-----------------------------|---|-----------------------------|----------------------------|---|-------------------|
| | | Highest 最高 HK\$ 港元 | Lowest 最低 HK\$ 港元 | | |
| August 2006 | 二零零六年八月 | 19,554,000 | 0.228 | 0.224 | 4,474,286 |
| September 2006 | 二零零六年九月 | 21,262,000 | 0.230 | 0.229 | 4,931,919 |
| October 2006 | 二零零六年十月 | 133,828,000 | 0.233 | 0.227 | 31,144,320 |
| January 2007 | 二零零七年一月 | 130,920,000 | 0.202 | 0.198 | 26,644,366 |
| | | <u>305,564,000</u> | | | <u>67,194,891</u> |

The above shares were cancelled upon repurchases and accordingly the issued share capital of the Company was reduced by the par value of these shares which amounted to HK\$3,055,640. Apart from the repurchases of the shares as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31st March, 2007.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period. The Company has also made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by Directors.

購買、出售或贖回股份

於截至二零零七年三月三十一日止年度，本公司於創業板購回其股份如下：

上述股份已於購回後註銷，據此，本公司之已發行股本已扣除該等股份之面值3,055,640港元。除上述所披露之購回股份外，截至二零零七年三月三十一日止年度，本公司或其任何附屬公司概無購買、出售或贖回任何本公司任何股份。

董事進行之證券交易

期內，本公司已採納不遜於創業板上市規則第5.48至5.67條所載條款之董事進行證券交易之操守守則。本公司亦已向所有董事作出特定查詢，而本公司並不知悉董事進行證券交易時有不遵守買賣之規定準則及有關操守守則之情況。

Board of Directors

董事會

EXECUTIVE DIRECTORS

Miss Choi Ka Yee, Crystal, aged 26, graduated from Boston College, the United States of America, with a bachelor's degree of science in accountancy. She also completed her master's degree in corporate finance from the Hong Kong Polytechnic University in 2006. Miss Choi joined Early Light Group in September 2003, which is principally engaged in the manufacturing and trading of toys and property investment. Miss Choi has extensive knowledge in accounting and corporate finance. She joined the Company in April 2005 as the director of the corporate finance. Miss Choi is also an executive director of Hong Kong Health Check and Laboratory Holdings Company Limited, a company whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited. Miss Choi was appointed as an executive director and chairman of the Company on 12th May, 2006 and 26th October, 2006 respectively.

Dr. Cho Kwai Chee, aged 43, is the Chief Executive Officer of the Company as well as the founder of the Group. Dr. Cho is also the compliance officer of the Company. Dr. Cho graduated from the University of Hong Kong and holds the qualifications of MBBS (HK), FHKCFP, FRACGP, DCH (London), DCH (RCP&SI) and DCH (Glasgow). He is also the Permanent President of Hong Kong Shatin Industries and Commerce Association Limited and the District President of Yau Tsim District of Scout Association of Hong Kong. Dr. Cho founded the Group in December 1989 and now is responsible for directing the Group's overall business and development strategies. He is the brother of Mr. Cho Kwai Yee, Kevin. Dr. Cho is also a director of Broad Idea International Limited, the substantial shareholder of the Company.

Dr. Fung Yiu Tong, Bennet, aged 40, is the Director of Medical Services of the Group. He graduated from the University of Hong Kong and holds the qualifications of MBBS (HK), MRCGP, DCH (London), DFM (CUHK) and Dip Med (CUHK). He joined the Group in 1994 and is responsible for the strategic development of the Group's medical services and provides training to the medical practitioners of the Group. Dr. Fung is also an executive director and chairman of Hong Kong Health Check and Laboratory Holdings Company Limited, the shares of which are listed on the main board of the Stock Exchange.

執行董事

蔡加怡小姐，現年二十六歲，畢業於美國波士頓書院，持有會計理學士學位。彼亦於二零零六年完成香港理工大學之企業融資碩士學位。蔡小姐於二零零三年九月加入主要從事玩具製造與買賣及物業投資業務之旭日集團。蔡小姐於會計及企業融資方面擁有豐富知識。彼於二零零五年四月加入本公司出任企業融資部總監。蔡小姐亦為香港體檢及醫學診斷控股有限公司之執行董事，該公司為一家股份在香港聯合交易所有限公司主板上市之公司。蔡小姐分別於二零零六年五月十二日及二零零六年十月二十六日獲委任為本公司之執行董事及主席。

曹貴子醫生，現在四十三歲，本公司之行政總裁及本集團之創辦人。彼亦同時擔任本公司之監察主任。曹醫生畢業於香港大學，持有香港大學內外全科醫學士、香港家庭醫學院院士、澳洲皇家全科醫學院院士、英國倫敦皇家醫學院小兒科文憑、愛爾蘭皇家內外科醫學院兒科文憑及格拉斯歌皇家內外科醫學院兒科文憑資格。彼亦為香港沙田工商業聯合會永遠會長及香港童軍總會油尖區區會長。曹醫生於一九八九年十二月創立本集團，現今負責監督本集團之整體業務及發展策略。彼為曹貴宜先生之胞弟。曹醫生亦為本公司主要股東Broad Idea International Limited之董事。

馮耀棠醫生，現在四十歲，為本集團之西醫總監。彼畢業於香港大學，持有香港大學內外全科醫學士、英國皇家全科醫學院院士資格、英國倫敦皇家醫學院小兒科文憑、香港中文大學家庭醫學文憑及香港中文大學內科醫學文憑。彼於一九九四年加入本集團，負責本集團醫療服務之策略發展及醫生之培訓。馮醫生亦為香港體檢及醫學診斷控股有限公司（其股份於聯交所主板上市）之執行董事兼主席。

Board of Directors

董事會

Mr. Cho Kwai Yee, Kevin, aged 45, graduated from Newcastle Upon Tyne University in UK with a bachelor degree in 1990. He also holds a Diploma in Management Studies from The Hong Kong Polytechnic University. He has been holding various senior executive positions in a number of corporations. Mr. Cho was appointed as an executive director of the Company on 24th July, 2001. He is responsible for the overall development and operations of the healthcare services of the Group. He is the brother of Dr. Cho Kwai Chee. Mr. Cho is also a director of Broad Idea International Limited, the substantial shareholder of the Company and executive director of Hong Kong Health Check and Laboratory Holdings Company Limited, the shares of which are listed on the main board of the Stock Exchange.

NON-EXECUTIVE DIRECTOR

Dr. Francis Choi Chee Ming, J.P., aged 61, holds a master degree in business administration from Newport University in the United States of America and a bachelor degree in business administration from Sussex College of Technology in the United Kingdom. He also holds a Ph.D in Business Management from Harbin Institute of Technology, the PRC. Dr. Choi is the chairman of Early Light International (Holdings) Ltd. and has extensive business interests in the manufacturing industry and the property sector. He is the Honorary President of the Toys Manufacturer's Association of Hong Kong, Honorary President of the Hong Kong Young Industrialists Council and Council Member of the Hong Kong Polytechnic University. Dr. Choi is also a member of the National Committee of the Chinese People's Political Consultative Conference and a non-executive director and vice chairman of Regal Hotels International Holdings Limited (stock code: 78), the shares of which are listed on the main board of Stock Exchange. Dr. Choi was appointed as a non-executive director and vice-chairman of the Company on 7th February, 2006.

曹貴宜先生，現年四十五歲，於一九九零年畢業於英國紐卡素大學，持有學士學位，彼亦持有香港理工大學之工商管理文憑。彼曾任多間公司的不同高級行政人員職位，曹先生於二零零一年七月二十四日獲委任為本公司之執行董事，彼現負責本集團之醫療服務整體發展及營運。彼為曹貴子醫生之胞兄。彼為本公司之主要股東 **Broad Idea International Limited** 之董事及香港體檢及醫學診斷控股有限公司（其股份於聯交所主板上市）之執行董事。

非執行董事

蔡志明博士，太平紳士，現年六十一歲，持有美國 **Newport University** 工商管理碩士學位及英國 **Sussex College of Technology** 工商管理學士學位，並獲中國哈爾濱工業大學管理學博士之銜。蔡博士為旭日國際集團有限公司之主席，於製造業及房地產方面擁有眾多投資。彼現任香港玩具廠商會與香港青年工業家協會之名譽會長及香港理工大學校董。此外，蔡博士亦為中華人民共和國全國政協委員及為富豪酒店國際控股有限公司（股份代號：78，其股份於聯交所主板上市）之非執行董事兼副主席。蔡博士於二零零六年二月七日獲委任為本公司之非執行董事兼副主席。

Board of Directors

董事會

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Kam Chiu, aged 54, has engaged in the catering industry for almost 30 years. He has also involved in entertainment, property and investment project in the recent years. Mr. Chan is the President (founding chairman) of Hong Kong Shatin Industries & Commerce Association Limited and currently an executive member of the Committee of the Chinese People's Political Consultative Conference of Qingxin County, Guangdong Province and member of the Committee of the Chinese People's Political Consultative Conference of Guangzhou Li Wan. He is also an honorary president and director of Shatin Sports Association Limited since 1992 and the chairman of the Shatin District Junior Police Call since 1996. He was awarded the "Chief Executive's Commendation for Community Service" since July 2004. Mr. Chan was appointed as an Independent non-executive Director and the chairman of the audit committee of the Company both on 30th July, 2002.

Mr. Wai Kwok Hung, J.P., aged 53, is the chairman of the Shatin District Council. Mr. Wai is a councillor of the Shatin District Council since 1988. He was also the chairman of the Culture, Sports and Community Development Committee of the Shatin Provisional District Board for the period from 1998 to 1999. He is currently a vice-president of Shatin Sports Association Limited, a director of the board of Po Leung Kuk Wong Chi Ho (Tin Sum Valley) Primary School and Management Committee Member of Helen Liang Memorial Secondary School. Mr. Wai was appointed as an independent non-executive Director and a member of the audit committee of the Company both on 30th July, 2002.

Mr. Ho Kwok Wah, George, aged 49, is a practicing certified public accountant in Hong Kong. He is the proprietor of George K. W. Ho & Co., Certified Public Accountants and possesses over 20 years' professional experience in accounting, auditing, tax planning and business advisory. Mr. Ho is also a director of The Taxation Institute of Hong Kong and the Hong Kong Commerce and Industry Associations Limited. Mr. Ho is appointed as an independent non-executive director of Belle International Holdings Company Limited with effect from 17th October, 2006. Mr. Ho was appointed as an independent non-executive Director and a member of the audit committee of the Company both on 28th September, 2004.

獨立非執行董事

陳金釗先生，現年五十四歲，從事飲食業接近三十年，近年亦發展娛樂、地產及投資項目。陳先生現為香港沙田工商業聯合會會長（創會主席）及廣東省清新縣政治協商會議常委及廣州荔灣區政治協商會議委員。自一九九二年起，彼擔任沙田體育會名譽會長兼董事及自一九九六年起擔任沙田少年警訊會長。彼於二零零四年七月獲頒「行政長官社區服務獎狀」。陳先生於二零零二年七月三十日獲委任為本公司之獨立非執行董事及審核委員會主席。

韋國洪先生，太平紳士，現年五十三歲，沙田區議會主席。韋先生自一九八八年起擔任沙田區議會議員，彼於一九九八年至一九九九年期間曾任沙田區議會文化、體育及社區發展委員會主席。彼現為沙田體育會副會長，保良局王賜豪（田心谷）小學校董及梁文燕紀念中學管理議會委員。韋先生於二零零二年七月三十日獲委任為本公司之獨立非執行董事及審核委員會委員。

何國華先生，現年四十九歲，乃一位香港執業會計師。彼為何國華會計師事務所之東主，在會計、審計、稅務計劃及業務顧問方面積逾二十年經驗，何先生亦為香港稅務學會及全港各區工商聯有限公司之董事。何先生由二零零六年十月十七日起獲委任為百麗國際控股有限公司之獨立非執行董事。何先生於二零零四年九月二十八日獲委任為本公司之獨立非執行董事及審核委員會委員。

Corporate Governance Report

企業管治報告書

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavors in maintaining high standard of corporate governance for the enhancement of shareholders' value. The Company has complied with the required code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 to the GEM Listing Rules for the year ended 31st March 2007, except for the following deviations:

Code Provision A.2.1

This code stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period up to 25th October, 2006, Dr. Cho Kwai Chee ("Dr. Cho") was the chairman and chief executive officer of the Company who was responsible for managing the Board and the Group's businesses. The Board considered that Dr. Cho's in-depth professional knowledge of and extensive network in the healthcare industry would bring invaluable input to the Board. The Board also considered a balance of power and authority could be ensured by the participation of experienced and high caliber members of the Board which meets regularly to discuss issues affecting operations of the Company.

Though no abuse in power and authority was ever experienced, the Board re-visited the respective function of the Board and the management. In a view to more effectively utilize the valuable time and effort of the senior executives of the Group, the Board resolved that, with effect from 26th October, 2006, Dr. Cho resigned as chairman of the Board but remains as an executive director and the chief executive officer of the Company. Miss Choi Ka Yee, Crystal, an executive director of the Company, was appointed as chairman of the Company.

Code Provision A.4

This code stipulates that all directors should be subject to re-election at regular intervals. The then Articles of Association of the Company do not provide for retirement by rotation of a director holding office as managing director or joint managing director. A resolution was put forward to the shareholders at the Company's last annual general meeting held on 28th July, 2006 for amending the Articles to comply with the Code on Corporate Governance practices. The resolution was passed.

企業管治常規守則

本公司致力維持高水平之企業管治，旨在為股東創造更高價值。截至二零零七年三月三十一日止年度，本公司已遵守創業板上市規則附錄十五內企業管治常規守則所載之所需守則條文，惟以下偏離除外：

守則第A.2.1條

守則規定主席及首席執行長之職務應有區分並不應由一人同時兼任。截至二零零六年十月二十五日止期間，曹貴子醫生（「曹醫生」）同時兼任本公司主席及首席執行長之職務，負責管理董事會及本集團之業務。董事會認為曹醫生對醫護業擁有資深專業知識及廣泛網絡，可對董事會作出寶貴貢獻。董事會亦認為，董事會由富經驗及能幹成員組成，且定期舉行會議以商討影響本公司運作的重大事宜，可達致權力及權限平衡。

儘管並無發生濫用權力及權限事件，但董事會再次檢討董事會及管理層各自之職能。為更有效地利用本集團高級行政人員之寶貴時間及努力，董事會議決，自二零零六年十月二十六日起，曹醫生辭任董事會主席但留任本公司之執行董事及首席執行長職位，而本公司執行董事蔡加怡小姐獲委任為本公司主席。

守則條文第A.4條

守則規定所有董事應定期重選。當時本公司之公司細則並無規定出任董事總經理或聯席董事總經理之董事須輪席退任。本公司已於二零零六年七月二十八日舉行之上屆股東週年大會上向股東提呈一項有關修訂細則之決議案，以符合企業管治常規守則。該決議案已獲通過。

Corporate Governance Report

企業管治報告書

CODE ON CORPORATE GOVERNANCE PRACTICES

(Continued)

Code Provision A.4.2

This code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. The then Articles of Association of the Company only requires such directors who are appointed to fill a casual vacancy to be re-elected at the next annual general meeting. A resolution was put forward to the shareholders at the Company's last annual general meeting held on 28th July, 2006 for amending the Articles to comply with the Code on Corporate Governance practices. The resolution was passed.

Code Provision A.4.4

This code stipulates that listed issuers should establish a nomination committee with specific written terms of reference. The nomination committee should, among others, (i) reviews the structure, size and composition of the board and make recommendations to the board regarding any proposed changes; (ii) identify individuals suitably qualified to become board members; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the board on matters relating to the appointment or re-appointment of directors and succession planning for directors.

The Company has not established a nomination committee. Instead, the full Board is involved in the appointment of new Directors. The Board will take into consideration criteria such as expertise, experience, integrity and commitment when considering new Director appointment. The Board will conduct in-depth assessment on the independence of candidates for post of independent Directors.

企業管治常規守則 (續)

守則條文第A.4.2條

守則規定所有獲委任填補臨時空缺之董事須在獲委任後於首次股東大會上由股東選舉。當時本公司之公司細則僅規定獲委任填補臨時空缺之董事須於下次股東週年大會重選。本公司已於二零零六年七月二十八日舉行之上屆股東週年大會上向股東提呈一項有關修訂細則之決議案，以符合企業管治常規守則。該決議案已獲通過。

守則條文第A.4.4條

守則規定上市發行人應設立提名委員會，並以書面列明其職權範圍。提名委員會應(其中包括)(i)檢討董事會之架構、編制及組成，並就任何建議改動向董事會提出建議；(ii)物色勝任董事之合資格人士成為董事會成員；(iii)評估獨立非執行董事之獨立性；及(iv)就委任或重新委任董事及董事承接安排之事宜向董事會提出建議。

本公司並無設立提名委員會。然而，全體董事會均會參與委任新董事。在考慮委任新董事時，董事會將考慮專業知識、經驗、誠信及承擔感等範疇。董事會將深入評估獨立董事人選之獨立性。

Corporate Governance Report

企業管治報告書

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year. The Company has also made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by Directors.

BOARD OF DIRECTORS

The Board is responsible for determining the overall strategy; reviewing and approving the work plan of the Group; and overseeing the corporate governance of the Group. While the management of the Company is responsible for proposing and implementing the work plan of the Group, executing the day-to-day operation of the Group and undertaking any further responsibility as delegated by the Board from time to time.

董事進行證券交易

於整個年度內，本公司已就本公司董事進行證券交易採納一套操守守則，其條款不遜於創業板上市規則第5.48至5.67條所載之買賣規定標準。本公司已向所有董事作出特定查詢，而本公司並不知悉有任何違反買賣規定準則及其有關董事進行證券交易的操守守則之情況。

董事會

董事會負責釐定整體策略、審閱及批准本集團的工作計劃，及監察本集團的企業管治。本公司管理層負責提議及實施本集團的工作計劃、執行本集團的日常營運及履行董事會不時所指定的任何其他職責。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS (Continued)

The Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors. The Company held four full Board meeting during the year ended 31st March, 2007. The following shows the composition of the Board, name of individual Director and record of attendance of each Director:

| Name of director | 董事名稱 | Number of board meeting held during the director's term of office 董事任期內曾舉行之董事會會議次數 | Number of meeting attended ¹ 曾出席之會議次數 ¹ |
|--|-------------------------|---|--|
| Executive directors | | | |
| Miss. Choi Ka Yee (Chairman) ² | 蔡加怡小姐 (主席) ² | 4 | 4 |
| Dr. Cho Kwai Chee (Chief Executive Officer) | 曹貴子醫生 (行政總裁) | 4 | 4 |
| Mr. Cho Kwai Yee, Kevin ³ | 曹貴宜先生 ³ | 4 | 4 |
| Dr. Fung Yiu Tong, Benent | 馮耀棠醫生 | 4 | 4 |
| Non-executive director | | | |
| Dr. Francis Choi Chee Ming JP (Vice-chairman) | 蔡志明博士太平紳士 (副主席) | 4 | 4 |
| Independent non-executive directors | | | |
| Mr. Chan Kam Chiu | 陳金釗先生 | 4 | 4 |
| Mr. Wai Kwok Hung JP | 韋國洪太平紳士 | 4 | 4 |
| Mr. Ho Kwok Wah, George | 何國華先生 | 4 | 4 |

1 It includes the meeting attended by the Director via telephone conference.

2 Miss Choi Ka Yee, Crystal is a daughter of Dr. Francis Choi Chee Ming JP, a non-executive Director and the Vice-chairman of the Company.

3 Mr. Cho Kwai Yee, Kevin is the brother of Dr. Cho Kwai Chee, an executive Director and the Chief Executive Officer of the Company.

董事會 (續)

董事會由四名執行董事、一名非執行董事及三名獨立非執行董事組成。本公司於截至二零零七年三月三十一日止年度曾舉行四次全體董事會會議。以下載列董事會組成、個別董事名稱及各董事的出席記錄：

| Name of director | 董事名稱 | Number of board meeting held during the director's term of office 董事任期內曾舉行之董事會會議次數 | Number of meeting attended ¹ 曾出席之會議次數 ¹ |
|--|-------------------------|---|--|
| Executive directors | | | |
| Miss. Choi Ka Yee (Chairman) ² | 蔡加怡小姐 (主席) ² | 4 | 4 |
| Dr. Cho Kwai Chee (Chief Executive Officer) | 曹貴子醫生 (行政總裁) | 4 | 4 |
| Mr. Cho Kwai Yee, Kevin ³ | 曹貴宜先生 ³ | 4 | 4 |
| Dr. Fung Yiu Tong, Benent | 馮耀棠醫生 | 4 | 4 |
| Non-executive director | | | |
| Dr. Francis Choi Chee Ming JP (Vice-chairman) | 蔡志明博士太平紳士 (副主席) | 4 | 4 |
| Independent non-executive directors | | | |
| Mr. Chan Kam Chiu | 陳金釗先生 | 4 | 4 |
| Mr. Wai Kwok Hung JP | 韋國洪太平紳士 | 4 | 4 |
| Mr. Ho Kwok Wah, George | 何國華先生 | 4 | 4 |

1 包括董事透過電話會議曾出席的會議。

2 蔡加怡小姐為本公司非執行董事兼副主席蔡志明博士太平紳士的女兒。

3 曹貴宜先生為本公司執行董事兼行政總裁曹貴子醫生的胞兄。

Corporate Governance Report

企業管治報告書

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Mr. Chan Kam Chiu and Mr. Wai Kwok Hung JP have been appointed for a term of two years expiring on 29th July, 2008, and Mr. Ho Kwok Wah, George has been appointed for a term of two years expiring on 27th September, 2008. Dr. Francis Choi Chee Ming JP does not have any service contract with the Company nor will he receive any remuneration from acting as a non-executive Director. These appointments are subject to retirement by rotation and other related provisions as stipulated in the Articles of Association of the Company.

REMUNERATION OF DIRECTORS

The Company has established a remuneration committee with specific written terms of reference. The Committee is mainly responsible for making recommendation to the Board on policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The committee comprises three independent non-executive Directors, namely Mr. Wai Kwok Hung JP (Chairman), Mr. Chan Kam Chiu and Mr. Ho Kwok Wah, George, and an executive Director, Dr. Cho Kwai Chee. The committee has held one meeting during the year ended 31st March, 2007.

AUDITORS' REMUNERATION

The auditors, Deloitte Touche Tohmatsu, provide both statutory audit and non-audit services to the Group. For the year ended 31st March, 2007, fee for statutory audit for the Group amounts to approximately HK\$2,220,000. Non-audit services include tax compliance and planning, agreed upon procedures on review of financial statements and transactions, etc. Total fee paid for non-audit services during the year ended 31st March, 2007 was approximately HK\$446,000.

非執行董事的任期

陳金釗先生及韋國洪太平紳士已獲委任兩年任期，於二零零八年七月二十九日屆滿，而何國華先生之兩年任期將於二零零八年九月二十七日屆滿。蔡志明博士太平紳士與本公司並無訂立服務合約，亦不會就擔任非執行董事收取任何酬金。該等獲委任的董事須輪席告退並須遵守本公司組織章程細則所規定的其他相關條文。

董事酬金

本公司已成立具特定書面職權範圍的薪酬委員會。該委員會主要負責就所有董事及高級管理層的酬金政策及結構向董事會提供建議，並制定發展薪酬政策的正式及具透明度程序。委員會由三名獨立非執行董事（分別為韋國洪太平紳士（主席）、陳金釗先生及何國華先生）及一名執行董事（曹貴子醫生）組成。委員會於截至二零零七年三月三十一日止年度曾召開一次會議。

核數師酬金

核數師德勤•關黃陳方會計師行為本集團提供法定審核及非審核服務。截至二零零七年三月三十一日止年度，本集團之法定審核費用約為2,220,000港元。非審核服務包括稅務遵例及計劃、審閱財務報表及交易的議定程序等。截至二零零七年三月三十一日止年度，就非審核服務支付的總費用約為446,000港元。

Corporate Governance Report

企業管治報告書

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual report and accounts, interim reports and quarterly reports and to provide advice and comments thereon to the board of Directors. The audit committee will also be responsible for reviewing and supervising the Group's financial reporting and internal control procedures.

The audit committee comprises three independent non-executive Directors, namely Mr. Chan Kam Chiu (Chairman), Mr. Wai Kwok Hung JP and Mr. Ho Kwok Wah, George. The Committee convened four meetings with full attendance during the year ended 31st March, 2007. One of these meetings was also attended by the Company's external auditors so that the committee members could exchange their views and concerns with the auditors. During these meetings, the committee reviewed the annual, interim and quarterly results of the Group and made recommendations to the Board and the management in respect of the Group's financial reporting and internal control procedures.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of accounts for each financial period with a view to ensuring such accounts give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Company's accounts are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring the appropriate accounting policies are selected and applied consistently; and that judgements and estimates made are prudent and reasonable.

審核委員會

本公司已遵照創業板上市規則第5.28至第5.33條成立具書面職權範圍的審核委員會。審核委員會的主要職責是審閱本公司的年報及賬目、中期報告及季度報告，並就此向董事會提供建議及意見。審核委員會亦將負責審閱及監察本集團的財務申報及內部控制程序。

審核委員會由三名獨立非執行董事(分別為陳金釗先生(主席)、韋國洪太平紳士及何國華先生)組成。該委員會於截至二零零七年三月三十一日止年度曾召開四次會議，全體成員均有出席。本公司外聘核數師亦列席其中一次會議，以便讓委員會成員與核數師交流意見及關注的問題。於該等會議中，委員會已審閱本集團的年度、中期及季度業績，並就本集團的財務申報及內部控制程序向董事會及管理層提出建議。

董事對財務報表的責任

董事會負責監察各財務期間的賬目編製，以確保該等賬目真實公平地反映本集團於該期間的狀況及業績和現金流量。本公司的賬目乃根據所有有關法定規定及適用會計準則編製。董事負責確保選擇及貫徹地應用合適的會計政策，及所作出的判斷及估計乃屬審慎和合理。

Corporate Governance Report

企業管治報告書

INTERNAL CONTROLS

The internal control system of the Group is designed to provide reasonable assurance regarding the achievement of objectives in (i) effectiveness and efficiency of operations; (ii) reliability of financial reporting; and (iii) compliance with applicable laws and regulations.

The board of Directors is responsible for the Company's system of internal control and for reviewing its effectiveness.

The Group, based on the guidelines given in the book "Internal Control and Risk Management – A Basic Framework" published by the Hong Kong Institute of Certified Public Accountants, designed a system addressing the five different internal control elements, namely the control environment, risk assessment, control activities, information and communication, and monitoring.

The management and various departments conduct periodic self-assessment of the effectiveness of the internal control policies and procedures. On top of the self-assessment, the board of Directors reviews at least annually the overall effectiveness of the Group's internal control systems covering financial, operational and compliance controls as well as risk management.

The board of Directors is of the view that the Group's internal control system is effective to achieve the Group's internal control objectives.

Currently, the Group does not have an internal audit function. The Board considers that a separate internal audit department is not necessary because (i) the existing internal control system of the Group is effective; and (ii) the costs of setting up and maintaining a separate internal audit department outweigh the benefit the department may bring to the Group.

內部監控

本集團的內部監控系統的設計目的乃為實現以下目標提供合理保證：(i)營運有效性及效率；(ii)財務報告的可靠性；及(iii)遵守適用法律及法規。

董事會負責本公司內部控制系統並檢討其有效性。

本集團根據香港會計師公會出版的「內部監控及風險管理－基本框架」一書的指引，設計出針對五個不同內部監控元素（即監控環境、風險評估、監控活動、資料通訊及監測）的系統。

管理層及各部門會定期自行評估內部監控政策及程序的有效性。除自行評估外，董事會至少每年檢討本集團內部監控系統（包括財務、營運及合規監控以及風險管理）的整體有效性。

董事會認為本集團的內部監控系統乃有效實現本集團的內部監控目標。

目前，本集團並無內部審核功能。董事會認為無必要成立一個獨立內部審核部門，因為(i)本集團現有內部監控系統有效；及(ii)成立及維持一個獨立的內部審核部門的成本超逾該部門可能為本集團帶來的利益。

Directors' Report

董事會報告書

The directors of the Company present their annual report and the audited consolidated financial statements for the year ended 31st March, 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 55 and 23 respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2007 are set out in the consolidated income statement on page 34 of the annual report.

The directors do not recommend the payment of a dividend and propose a bonus issue of shares to the shareholders on the basis of two shares for every share held.

SUBSIDIARIES AND ASSOCIATES

During the year, the Group acquired 49% interest in Pak On Medical Company Limited ("Pak On") at a consideration of approximately HK\$2,736,000. Pak On is a company incorporated in Hong Kong and is principally engaged in the operations of medical clinics in Hong Kong.

Following the further issue of convertible bonds by Hong Kong Health Check and Laboratory Holdings Company Limited (formerly known as Town Health Medical Technology Holdings Company Limited) ("Hong Kong Health Check"), the Group's potential voting rights in Hong Kong Health Check, upon the conversion of the Group's current exercisable convertible bonds, was reduced from 55.79% to 35.75%. Accordingly, Hong Kong Health Check has since been reclassified as an associate of the Group.

In addition, the Group disposed of 11.27% interest in Core Healthcare Investment Holdings Limited (formerly known as Plasmagene Biosciences Limited) during the year. The shareholding held by the Group was decreased to approximately 8% and the remaining investment was reclassified as "Held for trading investments".

本公司董事會謹提呈截至二零零七年三月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司及聯營公司之業務分別載於綜合財務報表附註55及23。

業績及分配

本集團截至二零零七年三月三十一日止年度之業績載於年報第34頁之綜合收益表。

董事會建議不派付股息，但建議向股東發行紅股，基準為每持有一股股份獲派兩股紅股。

附屬公司及聯營公司

年內，本集團以代價約2,736,000港元收購栢安醫療有限公司（「栢安」）之49%權益。栢安乃於香港註冊成立之公司，主要於香港從事西醫診所業務。

緊隨香港體檢及醫學診斷控股有限公司（前稱「康健醫療科技控股有限公司」）（「香港體檢」）進一步發行可換股債券之後，本集團於香港體檢之潛在投票權於本集團現時可行使可換股債券獲轉換時，已從55.79%減至35.75%。因此，香港體檢已被重新分類為本集團之聯營公司。

此外，本集團於年內出售其於確思醫藥投資控股有限公司（前稱「普施基因生物科技公司」）之11.27%權益。本集團持有之股權已減至約8%，餘下投資已重新分類為「持作買賣投資」。

Directors' Report

董事會報告書

SUBSIDIARIES AND ASSOCIATES (Continued)

The Group acquired a further 25% interest in Next Dimension Advertising (H.K.) Limited ("Next Dimension") at a consideration of HK\$700,000. Next Dimension is a company incorporated in Hong Kong and is principally engaged in provision of design, promotion, advertising and public relationship services. Following the completion of the acquisition, the Group holds 65% interest in Next Dimension.

Details of the Company's principal subsidiaries and associates at 31st March, 2007 are set in notes 55 and 23 to the consolidated financial statements respectively.

INVESTMENT PROPERTIES

During the year, the Group revalued all of its investment properties at the year end date. The net increase in fair value of investment properties, which has been credited to the consolidated income statement, amounted to HK\$2,300,000.

Details of movements in the investment properties are set out in note 19 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment of approximately HK\$8,309,000 for the expansion of the Group's business.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 20 to the financial statements.

CONVERTIBLE BONDS

Details of the convertible bonds issued by the Group, which were fully converted during the year, are set out in note 42 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 43 to the consolidated financial statements.

附屬公司及聯營公司 (續)

本集團以代價700,000港元進一步收購點•線•面廣告(香港)有限公司(「點•線•面」)之25%權益。點•線•面乃於香港註冊成立之公司，主要從事提供設計、推廣、廣告及公共關係服務。收購完成後，本集團持有點•線•面65%之權益。

本公司主要附屬公司及聯營公司於二零零七年三月三十一日之詳情分別載於綜合財務報表附註55及23。

投資物業

年內，本集團於年結日重估其所有投資物業。投資物業公平值之淨增加2,300,000港元已計入綜合收益表。

投資物業之變動詳情載於財務報表附註19。

物業、廠房及設備

年內，本集團收購約8,309,000港元之物業、廠房及設備，以供本集團業務擴展。

有關上述及本集團物業、廠房及設備於年內之其他變動詳情載於財務報表附註20。

可換股債券

由本集團發行並於年內獲全面轉換之可換股債券之詳情載於綜合財務報表附註42。

股本

本公司於年內之股本變動詳情載於綜合財務報表附註43。

Directors' Report

董事會報告書

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased a total of 305,564,000 ordinary shares of HK\$0.01 each on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate price of approximately HK\$67,195,000, representing an average price of HK\$0.22 paid for each share purchased. All of these shares were cancelled upon repurchase.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31st March, 2007 comprised the share premium, contributed surplus, distributable reserve and accumulated losses which in aggregate amounted to HK\$170,126,626 (2006: HK\$168,001,013). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the payment of distributions or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the Company's Articles of Association, dividends shall be payable out of the profits or other reserves, including the share premium account, of the Company.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 44 to the consolidated financial statements.

優先購股權

本公司之公司組織章程細則或開曼群島之法例並無有關優先購股權之規定，以規定本公司須按比例向現有股東發售新股份。

購回、出售或贖回股份

於年內，本公司以約67,195,000港元之總價格（每股平均購買價為0.22港元）於香港聯合交易所有限公司（「聯交所」）購回合共305,564,000股每股面值0.01港元之普通股。所有該等股份已於購回時註銷。

本公司之可分派儲備

本公司於二零零七年三月三十一日可供分派予股東之儲備包括股份溢價、實繳盈餘、可供分派儲備及累計虧損，合共為170,126,626港元（二零零六年：168,001,013港元）。根據開曼群島公司法（經修訂），本公司之股份溢價可供根據其組織章程大綱及細則之條文支付分派或股息予股東，前提為緊隨支付分派或股息後，本公司有能力支付其於一般業務過程中之到期負債。根據本公司之組織章程細則，股息將以本公司溢利或其他儲備（包括股份溢價賬）支付。

購股權

本公司購股權計劃之詳情載於綜合財務報表附註44。

Directors' Report

董事會報告書

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive directors:

Miss Choi Ka Yee, Crystal (*Chairman*)
(appointed on 12th May, 2006)
Dr. Cho Kwai Chee (*Chief Executive Officer*)
Mr. Cho Kwai Yee, Kevin
Dr. Fung Yiu Tong, Bennet

Non-executive director:

Dr. Francis Choi Chee Ming, *JP*

Independent non-executive directors:

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

In accordance with Article 116 of the Company's Articles of Association, Dr. Cho Kwai Chee, Mr. Cho Kwai Yee, Kevin and Mr. Chan Kam Chiu will retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Mr. Chan Kam Chiu and Mr. Wai Kwok Hung have been appointed for a term of two years expiring on 29th July, 2008, and Mr. Ho Kwok Wah, George has been appointed for a term of two years expiring on 27th September, 2008. The appointments are subject to retirement by rotation and other related provisions as stipulated in the Company's Articles of Association.

Other than as disclosed above, 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.

董事及董事之服務合約

年內及直至本報告日期之本公司董事如下：

執行董事：

蔡加怡小姐 (*主席*)
(於二零零六年五月十二日獲委任)
曹貴子醫生 (*行政總裁*)
曹貴宜先生
馮耀棠醫生

非執行董事：

蔡志明博士，*太平紳士*

獨立非執行董事：

陳金釗先生
韋國洪，*太平紳士*
何國華先生

根據本公司之公司組織章程細則第116條，曹貴子醫生、曹貴宜先生及陳金釗先生將於應屆股東週年大會上輪值退任，惟符合資格並願意膺選連任。

陳金釗先生及韋國洪先生任期兩年，將於二零零八年七月二十九日屆滿，而何國華先生之兩年任期則於二零零八年九月二十七日屆滿。以上任命須受本公司之公司組織章程細則所載有關輪值告退及其他相關條文所限制。

除上文所披露者外，各董事概無與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償(法定補償除外)而予以終止之服務合約。

Directors' Report

董事會報告書

APPOINTMENT 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 5.09 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules") of the Stock Exchange. The Company considers all of the independent non-executive directors are independent.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE BONDS

At 31st March, 2007, the interests of the directors and the chief executives and their associates in the shares, underlying shares and convertible bonds of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code"), were as follows:

The Company

Long position in ordinary shares of HK\$0.01 each

委任獨立非執行董事

本公司已收到各獨立非執行董事就其身份之獨立性而根據聯交所創業板證券上市規則(「創業板上市規則」)第5.09條發出之週年確認書。本公司認為所有獨立非執行董事均屬獨立人士。

董事及主要行政人員於股份、相關股份及可換股債券之權益

於二零零七年三月三十一日，董事、主要行政人員及彼等之聯繫人士於本公司及其相聯法團之股份、相關股份及可換股債券中擁有記入本公司根據證券及期貨條例第352條存置之登記冊內之權益，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)以其他方式知會本公司及聯交所之權益如下：

本公司

於每股面值0.01港元之普通股之長倉

| Name of director 董事姓名 | Capacity 身份 | Number of issued ordinary shares held 所持已發行 普通股數目 | Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比 |
|---|--|---|--|
| Dr. Cho Kwai Chee 曹貴子醫生 | Held by controlled corporation (note) 由受控制法團持有(附註) | 2,615,027,451 | 51.56% |
| Dr. Francis Choi Chee Ming, JP 蔡志明博士太平紳士 | Held by controlled corporation (note) 由受控制法團持有(附註) | 2,615,027,451 | 51.56% |
| Dr. Fung Yiu Tong, Bennet 馮耀棠醫生 | Beneficial owner 實益擁有人 | 2,689,090 | 0.05% |

Directors' Report 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE BONDS (Continued)

Note: These 2,615,027,451 shares are owned by Broad Idea International Limited. Dr. Cho Kwai Chee and Dr. Francis Choi Chee Ming, JP are deemed to be interested in the 2,615,027,451 shares owned by Broad Idea International Limited under Part XV of the SFO given that they are beneficially interested in 50.1% and 49.9% of the issued share capital of Broad Idea International Limited respectively.

Other than as disclosed above, none of the directors, the chief executives of the Company, nor their associates had any interests or short positions in the shares, underlying shares or convertible bonds of the Company or any of its associated corporations as at 31st March, 2007 as recorded in the register required to be kept by the Company under sections 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2007, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain directors and chief executives, the following shareholders had notified the Company of relevant interests or short position in the shares or underlying shares of the Company.

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

| Name of shareholder 股東名稱 | Capacity 身份 | Number of issued ordinary shares held 所持已發行 普通股數目 | Percentage of the issued share capital of the Company 佔本公司已發行 股本百分比 |
|--|---------------------------|---|--|
| Broad Idea International Limited | Beneficial owner 實益擁有人 | 2,615,027,451 | 51.56% |
| Atlantis Investment Management Limited | Beneficial owner 實益擁有人 | 260,000,000 | 5.13% |

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st March, 2007.

董事及主要行政人員於股份、相關股份及可換股債券之權益 (續)

附註：該2,615,027,451股股份由Broad Idea International Limited擁有。根據證券及期貨條例第XV部，基於曹貴子醫生及蔡志明博士太平紳士分別於Broad Idea International Limited之已發行股本中實益擁有50.1%及49.9%權益，故彼等被視為於Broad Idea International Limited擁有之2,615,027,451股股份中擁有權益。

除上文所披露者外，於二零零七年三月三十一日，按本公司根據證券及期貨條例第352條規定存置之登記冊所記錄，本公司各董事、主要行政人員或彼等之聯繫人士概無在本公司或其任何相聯法團之股份、相關股份或可換股債券中擁有任何權益或短倉。

主要股東

於二零零七年三月三十一日，按本公司根據證券及期貨條例第336條規定存置之主要股東登記冊顯示，除上文所披露若干董事及主要行政人員之權益外，以下股東已知會本公司其於本公司股份或相關股份之有關權益或短倉。

於每股面值0.01港元之普通股之長倉

除上文所披露者外，於二零零七年三月三十一日，本公司並無獲悉任何人士在本公司已發行股本中擁有任何其他相關權益或短倉。

Directors' Report

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2007, the percentage of turnover attributable to the Group's five largest customers is less than 30% of the Group's total turnovers. The five largest suppliers of the Group and the largest supplier accounted for approximately 48% and 29% of the Group's total purchases respectively.

Included in the five largest suppliers is Kowloon Hearing Services Limited which is owned by Mr. Lai Kwok Fai, a director of a non-wholly owned subsidiary of the Company.

Other than the aforementioned, at no time during the year, did a director, an associate of a director or a shareholder of the Company, which to the knowledge of the directors owns more than 5% of the Company's issued share capital, have an interest in the share capital of any of the five largest customers of the Group.

COMPETING INTERESTS

Save as disclosed in the section headed "Major Customers and Suppliers", none of the directors, management shareholders or controlling shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Options" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

On 13th September, 2004, the Group entered into a master agreement with Kowloon Hearing Services Limited in relation to the purchase of certain hearing-aid products. For the year ended 31st March, 2007, the Group purchased healthcare products of approximately HK\$2,717,000 from Kowloon Hearing Services Limited.

The transactions are regarded as continuing connected transactions pursuant to the GEM Listing Rules. Particulars of these transactions are disclosed in note 52 to the consolidated financial statements.

主要客戶及供應商

截至二零零七年三月三十一日止年度，本集團五大客戶應佔之營業額佔本集團總營業額少於30%。本集團五大供應商及最大供應商分別佔本集團總採購額約48%及29%。

五大客戶包括由本公司一間非全資擁有附屬公司之一名董事賴國輝先生所擁有之九龍聽覺服務有限公司。

除上述者外，於年內任何時間，概無董事、彼等之聯繫人士或據董事所知擁有本公司已發行股本5%以上權益之股東於本集團五大客戶中擁有任何股本權益。

競爭業務權益

除「主要客戶及供應商」一詳所披露者外，本公司董事、管理層股東或控股股東（定義見創業板上市規則）於年內並無在與本集團業務存在競爭或可能存在競爭之業務中擁有權益。

董事購入股份或債券證之權利

除上文「購股權」一詳所披露外，本公司或其任何附屬公司於年內任何時間概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債務證券（包括債權證）而取得利益。

關連交易

二零零四年九月十三日，本集團與九龍聽覺服務有限公司就購買若干助聽產品訂立主協議。於截至二零零七年三月三十一日止年度，本集團向九龍聽覺服務有限公司購買價值約2,717,000港元之醫療保健產品。

該等交易根據創業板上市規則被視為持續關連交易，有關詳情於綜合財務報表附註52披露。

Directors' Report

董事會報告書

CONNECTED TRANSACTIONS (Continued)

The independent non-executive directors of the Company confirmed that the above transactions had been conducted in the ordinary and usual course of business of the Company, on normal commercial terms or terms no less favourable to the Group than terms available to or from independent third parties, and in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected Transactions", no contracts of significance to which the Company, its holding company or any of its fellow subsidiaries and subsidiaries was a party and in which a director of the Company had a material interest, whether directly and indirectly, subsisted at the end of the year or at any time during the year.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 16 to 22 of the annual report.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors of the Company on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the year. The Company has also made specific enquiry to all directors of the Company and the Company was not aware of any non-compliance with the required standard of dealing and its code of conduct regarding securities transactions by the directors of the Company.

關連交易 (續)

本公司之獨立非執行董事確認上述交易乃於本公司一般及日常業務過程中按正常商業條款或對本集團而言不遜於獨立第三方所享有或提出之條款進行，且符合規管有關交易且屬公平合理及符合本公司股東整體利益之協議條款。

董事於重要合約之權益

除「關連交易」一詳所披露者外，本公司、其控股公司或其任何同系附屬公司及附屬公司並無訂立本公司董事於當中直接或間接擁有重大權益，並於年底或年內任何時間仍具效力且對本公司而言屬重要之合約。

企業管治

本公司所採納之主要企業管治常規之報告載於年報第16至第22頁。

董事進行證券交易

於整個年度內，本公司已就本公司董事進行證券交易採納一套操守守則，其條款不遜於創業板上市規則第5.48至5.67條所載之買賣規定標準。本公司已向所有董事作出特定查詢，而本公司並不知悉有任何違反買賣規定準則及其有關董事進行證券交易的操守守則之情況。

Directors' Report

董事會報告書

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 44 to the consolidated financial statements.

POST BALANCE SHEET EVENTS

Details of the significant events occurring after the balance sheet date are set out in note 53 to the consolidated financial statements.

AUDITORS

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

On behalf of the Board

Choi Ka Yee, Crystal
Chairman

Hong Kong, 27th June, 2007

薪酬政策

本集團僱員之薪酬政策由董事會根據彼等之表現、資歷及能力制訂。

本公司董事之薪酬乃由董事會經考慮本公司之營運業績、個人表現及比較市場數據後決定。

本公司已採納一項購股權計劃，以獎勵董事及合資格僱員，計劃之詳情載於綜合財務報表附註44。

結算日後事項

結算日後發生之重大事項詳情載於綜合財務報表附註53。

核數師

於應屆股東週年大會上將提呈決議案，續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

蔡加怡
主席

香港，二零零七年六月二十七日

Independent Auditor's Report

獨立核數師報告書



TO THE SHAREHOLDERS OF TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Town Health International Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 34 to 127, which comprise the consolidated balance sheet as at 31st March, 2007 and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致

康健國際控股有限公司

(於開曼群島註冊成立之有限公司)

列位股東

本核數師行已審核第34至127頁所載康健國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零零七年三月三十一日之綜合資產負債表、截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事對綜合財務報表之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製並真實兼公平地呈列此等綜合財務報表。此責任包括設計、實施及維護與編製並真實而公平地呈列綜合財務報表有關之內部監控，以確保避免重大錯誤陳述(不論其由欺詐或錯誤引起)；選取並採納適當之會計政策；及作出適合不同情況之合理會計估計。

Independent Auditor's Report

獨立核數師報告書

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, 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 HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March, 2007 and of the Group's profit and cash flows for the year then ended in accordance with HKFRSs and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 27th June, 2007

核數師之責任

本核數師之責任是根據本核數師之審核結果，對該等綜合財務報表表達意見，並單獨向整體股東作出報告，本報告不作其他用途。本核數師不會就本報告內容向任何其他人士負上或承擔任何責任。本核數師乃根據香港會計師公會頒佈之香港核數準則進行審核工作。該等準則要求本核數師遵守操守規定以及計劃及進行審核以合理地確定該等綜合財務報表是否存在任何重大錯誤陳述。

審核工作包括進行程序以取得與綜合財務報表所載數額及披露事項有關之審核憑證。選取之該等程序須視乎本核數師之判斷，包括評估綜合財務報表之重大錯誤陳述（不論其由欺詐或錯誤引起）之風險。在作出該等風險評估時，本核數師將考慮與貴公司編製並真實而公平地呈列綜合財務報表有關之內部監控，以設計適合不同情況之審核程序，但並非旨在就公司內部監控是否有效表達意見。審核工作亦包括評估所用會計政策之恰當性及董事所作會計估計之合理性，並就財務報表之整體呈列方式作出評估。

本核數師相信，本核數師已得到足夠及適當之審核憑證以作為提供審核意見之基礎。

意見

本核數師認為，根據香港財務報告準則，此等綜合財務報表真實而公平地反映貴集團於二零零七年三月三十一日之財政狀況及貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行
執業會計師

香港，二零零七年六月二十七日

Consolidated Income Statement

綜合收益表

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

| | | Notes 附註 | 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|--|----------------------|-------------|-----------------------------|-----------------------------|
| Revenue | 收入 | 7 | 275,627,568 | 231,179,362 |
| Cost of sales | 銷售成本 | | (146,652,218) | (119,340,223) |
| Gross profit | 毛利 | | 128,975,350 | 111,839,139 |
| Other income | 其他收入 | 9 | 65,015,863 | 9,846,782 |
| Administrative expenses | 行政開支 | | (120,123,006) | (90,987,300) |
| Other expenses | 其他開支 | 10 | (21,291,471) | (3,865,435) |
| Finance costs | 融資成本 | 11 | (3,491,133) | (2,399,910) |
| Gain on disposal of associates | 出售聯營公司之收益 | 12 | 1,915,423 | – |
| Share of results of associates | 應佔聯營公司業績 | | 2,739,050 | (475,284) |
| Gain on conversion options embedded in convertible bonds | 可換股債券所附 換股權之收益 | 24 | 166,343,042 | – |
| Loss on early redemption features embedded in convertible bonds | 可換股債券所附 提早贖回機制之虧損 | 24 | (912,839) | – |
| Increase in fair value of investment properties | 投資物業公平值增加 | | 2,300,000 | 3,781,630 |
| Profit before taxation | 除稅前溢利 | | 221,470,279 | 27,739,622 |
| Income tax expense | 所得稅開支 | 15 | (14,686,224) | (6,291,163) |
| Profit for the year | 本年度溢利 | 16 | 206,784,055 | 21,448,459 |
| Attributable to: | 以下人士應佔： | | | |
| Equity holders of the Company | 本公司股權持有人 | | 214,850,183 | 20,030,499 |
| Minority interests | 少數股東權益 | | (8,066,128) | 1,417,960 |
| | | | 206,784,055 | 21,448,459 |
| Dividends | 股息 | 17 | – | 9,993,188 |
| Earnings per share | 每股盈利 | 18 | | |
| – Basic | – 基本 | | 4.18 cents 仙 | 0.44 cent 仙 |
| – Diluted | – 攤薄 | | N/A | N/A |

Consolidated Balance Sheet

綜合資產負債表

At 31st March, 2007
於二零零七年三月三十一日

| | Notes 附註 | 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|--|-------------|-----------------------------|-----------------------------|
| Non-current assets | | | |
| 非流動資產 | | | |
| Investment properties | 19 | 38,125,000 | 35,825,000 |
| Property, plant and equipment | 20 | 15,797,901 | 16,223,250 |
| Prepaid lease payments | 21 | 9,509,148 | 9,750,235 |
| Goodwill | 22 | 37,172,357 | 50,963,605 |
| Interests in associates | 23 | 17,490,868 | 21,205,522 |
| Available-for-sale investments | 24 | 53,243,220 | 3,657,952 |
| Deposit paid on acquisition of property, plant and equipment | 25 | 10,097,585 | 17,206,909 |
| | | 181,436,079 | 154,832,473 |
| Current assets | | | |
| 流動資產 | | | |
| Inventories | 26 | 13,777,997 | 13,782,789 |
| Trade and other receivables | 27 | 51,643,001 | 49,560,143 |
| | | | |
| Prepaid lease payments | 21 | 242,180 | 242,727 |
| Amounts due from associates | 28 | 26,527,106 | 13,047,359 |
| Amounts due from investees | 29 | 1,287,500 | 683,350 |
| Amounts due from related parties | 30 | 2,846,442 | 4,495,365 |
| Amounts due from minority shareholders of subsidiaries | 31 | 10,596,203 | 9,362,196 |
| Amount due from a director | 32 | – | 950,000 |
| Tax recoverable | | 538,670 | 1,215,084 |
| Held for trading investments | 33 | 21,021,288 | 22,929,500 |
| Conversion options embedded in convertible bonds | 34 | 182,405,395 | – |
| Pledged bank deposits | 35 | 10,000,000 | 10,000,000 |
| Bank balances and cash | 36 | 75,624,316 | 116,406,424 |
| | | 396,510,098 | 242,674,937 |
| Current liabilities | | | |
| 流動負債 | | | |
| Trade and other payables | 37 | 41,054,213 | 38,909,353 |
| Early redemption option embedded in convertible bonds | 34 | 912,839 | – |
| Amounts due to minority shareholders of subsidiaries | 31 | 11,541,974 | 4,737,290 |
| Amounts due to related parties | 38 | 914,859 | – |
| Bank and other borrowings – due within one year | 39 | 29,734,414 | 37,487,642 |
| Obligations under finance leases – due within one year | 40 | 45,600 | – |
| Tax payable | | 14,427,577 | 2,056,083 |
| | | 98,631,476 | 83,190,368 |

Consolidated Balance Sheet

綜合資產負債表

At 31st March, 2007
於二零零七年三月三十一日

| | | Notes 附註 | 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|---|------------------|-------------|-----------------------------|-----------------------------|
| Net current assets | 流動資產淨值 | | 297,878,622 | 159,484,569 |
| Total assets less current liabilities | 總資產減流動負債 | | 479,314,701 | 314,317,042 |
| Non-current liabilities | 非流動負債 | | | |
| Deferred tax liabilities | 遞延稅項負債 | 41 | 3,761,826 | 3,998,342 |
| Bank and other borrowings | 銀行及其他借貸 | | | |
| – due after one year | – 一年後到期 | 39 | 23,288,039 | 25,120,982 |
| Obligations under finance | 融資租約承擔 | | | |
| leases – due after one year | – 於一年後到期 | 40 | 78,407 | – |
| Convertible bonds | 可換股債券 | 42 | – | 36,692,212 |
| | | | 27,128,272 | 65,811,536 |
| | | | 452,186,429 | 248,505,506 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 43 | 50,719,819 | 49,965,935 |
| Reserves | 儲備 | | 385,867,406 | 199,189,296 |
| Equity attributable to equity holders of the Company | 本公司股權持有人 應佔權益 | | 436,587,225 | 249,155,231 |
| Minority interests | 少數股東權益 | | 15,599,204 | (649,725) |
| Total equity | 權益總額 | | 452,186,429 | 248,505,506 |

The financial statements on pages 34 to 127 were approved and authorised for issue by the Board of Directors on 27th June, 2007 and are signed on its behalf by:

第34至127頁之財務報表經由董事會於二零零七年六月二十七日批准及授權刊發並由下列人士代表董事會簽署：

Choi Ka Yee, Crystal
Director

Cho Kwai Chee
Director

蔡加怡
董事

曹貴子
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

| | | Attributable to equity holders of the Company 本公司股權持有人應佔權益 | | | | | | | | | | |
|--|-------------------------|---|---------------|---------------------------|-------------------|-----------------------|--------------------------------|---------------------|------------------------------|--------------|--------------------|--------------|
| | | Share capital | Share premium | Convertible bonds reserve | Capital reserve | Distributable reserve | Investment revaluation reserve | Translation reserve | Accumulated (losses) profits | Total | Minority interests | Total |
| | | 股本 | 股份溢價 | 可換股債券股本儲備 | 資本儲備 | 可分派儲備 | 投資重估儲備 | 匯兌儲備 | 累計(虧損)盈利 | 總計 | 少數股東權益 | 總計 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 |
| | | | | | (note i) (附註i) | (note ii) (附註ii) | | | | | | |
| At 1st April, 2005 | 於二零零五年四月一日 | 17,467,966 | 148,121,569 | - | 10,032,822 | 72,670,245 | - | - | (124,878,393) | 123,414,209 | 11,969,021 | 135,383,230 |
| Exchange difference arising on translation of foreign operations recognised directly in equity | 換算海外業務時所產生並直接於權益確認之匯兌差額 | - | - | - | - | - | - | 220,364 | - | 220,364 | 172,231 | 392,595 |
| Profit for the year | 年度溢利 | - | - | - | - | - | - | - | 20,030,499 | 20,030,499 | 1,417,960 | 21,448,459 |
| Total recognised income and expense for the year | 年內已確認之收入及開支總額 | - | - | - | - | - | - | 220,364 | 20,030,499 | 20,250,863 | 1,590,191 | 21,841,054 |
| Issue of new shares | 發行新股 | 23,849,320 | 64,393,166 | - | - | - | - | - | - | 88,242,486 | - | 88,242,486 |
| Share issue expenses | 股份發行開支 | - | (4,968,824) | - | - | - | - | - | - | (4,968,824) | - | (4,968,824) |
| Capital contributed by minority shareholders | 少數股東出資 | - | - | - | - | - | - | - | - | - | 227,707 | 227,707 |
| Acquisition of subsidiaries (note iii) | 收購附屬公司(附註 iii) | - | - | - | - | - | - | - | - | - | (12,454,791) | (12,454,791) |
| Recognition of equity component of convertible bonds | 確認可換股債券之股本部分 | - | - | 3,202,959 | - | - | - | - | - | 3,202,959 | - | 3,202,959 |
| Issue of shares upon conversion of convertible bonds | 轉換可換股債券時發行股份 | 8,648,649 | 21,301,043 | (942,966) | - | - | - | - | - | 29,006,726 | - | 29,006,726 |
| Dividend paid to minority shareholders | 支付予少數股東之股息 | - | - | - | - | - | - | - | - | - | (1,981,853) | (1,981,853) |
| Dividend paid | 已付股息 | - | - | - | - | (9,993,188) | - | - | - | (9,993,188) | - | (9,993,188) |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 49,965,935 | 228,846,954 | 2,259,993 | 10,032,822 | 62,677,057 | - | 220,364 | (104,847,894) | 249,155,231 | (649,725) | 248,505,506 |
| Exchange difference arising on translation of foreign operations recognised directly in equity | 換算海外業務時所產生並直接於權益確認之匯兌差額 | - | - | - | - | - | - | 286,432 | - | 286,432 | 223,870 | 510,302 |
| Fair value changes in available-for-sale investments | 可出售投資之公平值變動 | - | - | - | - | - | 2,543,927 | - | - | 2,543,927 | - | 2,543,927 |
| Profit for the year | 年度溢利 | - | - | - | - | - | - | - | 214,850,183 | 214,850,183 | (8,066,128) | 206,784,055 |
| Total recognised income and expense for the year | 年內已確認之收入及開支總額 | - | - | - | - | - | 2,543,927 | 286,432 | 214,850,183 | 217,680,542 | (7,842,258) | 209,838,284 |
| Capital contributed by minority shareholders | 少數股東出資 | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition of subsidiaries | 收購附屬公司 | - | - | - | - | - | - | - | - | - | 8,952,421 | 8,952,421 |
| Deemed disposal of a subsidiary (note 46) | 視作出售附屬公司(附註 46) | - | - | - | - | - | - | - | - | - | 68,935 | 68,935 |
| Issue of shares upon conversion of convertible bonds | 轉換可換股債券時發行股份 | 3,809,524 | 35,396,812 | (2,259,993) | - | - | - | - | - | 36,946,343 | - | 36,946,343 |
| Shares repurchased | 回購股份 | (3,055,640) | (64,139,251) | - | - | - | - | - | - | (67,194,891) | - | (67,194,891) |
| Dividend paid to minority shareholders | 支付予少數股東之股息 | - | - | - | - | - | - | - | - | - | (930,739) | (930,739) |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 50,719,819 | 200,104,515 | - | 10,032,822 | 62,677,057 | 2,543,927 | 506,796 | 110,002,289 | 436,587,225 | 15,599,204 | 452,186,429 |

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

Notes:

- (i) Capital reserve of the Group represents the difference between the nominal value of HK\$350,000 of the ordinary shares issued by the Company and the nominal value of the share capital of approximately HK\$10,382,822 of Town Health (BVI) Limited, a subsidiary acquired through an exchange of shares pursuant to the group reorganisation in April 2000.
- (ii) The distributable reserve of the Group represents the amount arising from the reduction of share capital net of dividend paid.
- (iii) The amount represents the net liabilities of Hong Kong Health Check and Laboratory Holdings Company Limited (formerly known as Town Health Medical Technology Holdings Company Limited) ("Hong Kong Health Check") at the date from which the Group included the results of Hong Kong Health Check into its consolidated financial statements in accordance with Hong Kong Accounting Standard 27 "Consolidated and Separate Financial Statements" issued by the Hong Kong Institute of Certified Public Accountants, details of which are set out in note 2 to the consolidated financial statements.

附註:

- (i) 本集團之股本儲備乃指本公司所發行普通股之面值350,000港元與Town Health (BVI) Limited (根據於二零零零年四月進行之集團重組透過互換股份收購之附屬公司)之股本面值約10,382,822港元之差額。
- (ii) 本集團之可供分派儲備乃指股本削減所產生款項(已扣除已付股息)。
- (iii) 該金額包括本集團根據香港會計師公會頒佈之香港會計準則第27號「綜合及個別獨立財務報表」將香港體檢及醫學診斷控股有限公司(前稱「康健醫療科技控股有限公司」)(「香港體檢」)之業績綜合計入其綜合財務報表之日香港體檢之負債淨額,詳情載於綜合財務報表附註2。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March, 2007
截至二零零七年三月三十一日止年度

| | | 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|---|-----------------------|-----------------------------|-----------------------------|
| OPERATING ACTIVITIES | 經營業務 | | |
| Profit before taxation | 除稅前溢利 | 221,470,279 | 27,739,622 |
| Adjustments for: | 就以下項目作出調整： | | |
| Interest income | 利息收入 | (4,331,936) | (2,281,435) |
| Dividend income from listed investments | 來自上市投資項目之股息收入 | (187,486) | (2,700,265) |
| Gain on conversion options embedded in convertible bonds | 可換股票據所附換股權之收益 | (166,343,042) | - |
| Impairment loss in respect of: | 下列各項之減值虧損： | | |
| - goodwill arising on acquisition of associates | - 收購聯營公司所得商譽 | 588,008 | 3,327,080 |
| - amounts due from investees | - 應收被投資公司款項 | - | 538,355 |
| - goodwill arising on acquisition of subsidiaries, and medical and dental practices | - 收購附屬公司、西醫及牙醫診所所得商譽 | 19,747,205 | - |
| - amounts due from associates | - 應收聯營公司款項 | 956,258 | - |
| Depreciation and amortisation of property, plant and equipment | 物業、廠房及設備之折舊及攤銷 | 7,677,972 | 6,134,030 |
| Increase in fair value on held for trading investment | 持作買賣投資公平值增加 | (54,283,180) | (536,651) |
| Impairment loss on slow moving inventories, net of write back | 滯銷存貨減值虧損減撥回金額 | (451,267) | 457,178 |
| Impairment loss on trade and other receivables, net of write back | 應收賬款及其他應收款項之減值虧損減撥回金額 | 4,344,334 | 138,654 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 395,686 | 73,639 |
| Loss on early redemption features embedded in convertible bonds | 可換股債券所附提早贖回機制之虧損 | 912,839 | - |
| Gain on disposal of listed securities | 出售上市證券之收益 | - | (92,575) |
| Release of prepaid lease payments | 解除預付租賃款項 | 241,634 | 169,616 |
| Increase in fair value of investment properties | 投資物業公平值增加 | (2,300,000) | (3,781,630) |
| Share of results of associates | 應佔聯營公司業績 | (2,739,050) | 475,284 |
| Finance costs | 融資成本 | 3,491,133 | 2,399,910 |
| Gain on disposal of associates | 出售聯營公司之收益 | (1,915,423) | - |
| Operating cash inflow before working capital changes | 營運資金變動前之經營現金流入 | 27,273,964 | 32,060,812 |

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

| | | Notes 附註 | 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|---|-----------------------|-------------|-----------------------------|-----------------------------|
| Decrease (increase) in inventories | 存貨減少(增加) | | 570,389 | (5,098,710) |
| Increase in trade and other receivables | 應收賬款及其他應收款項增加 | | (54,234,192) | (21,893,068) |
| Increase in trade and other payables | 應付賬款及其他應付款項增加 | | 4,303,900 | 781,121 |
| Decrease (increase) in held for trading investments | 持作買賣投資減少(增加) | | 39,826,342 | (6,130,274) |
| Cash inflow (outflow) from operating activities | 經營業務之現金流入(流出) | | 17,740,403 | (280,119) |
| Hong Kong Profits Tax paid | 已繳香港利得稅 | | (1,731,924) | (1,831,187) |
| NET CASH FROM (USED IN) OPERATING ACTIVITIES | 經營業務產生(耗用)現金淨額 | | 16,008,479 | (2,111,306) |
| INVESTING ACTIVITIES | 投資活動 | | | |
| Purchase of available-for-sale investments | 購入可出售投資 | | (1,000) | – |
| Deemed disposal of a subsidiary | 視作出售一間附屬公司 | 46 | (34,812,882) | – |
| Increase in amounts due from associates | 應收聯營公司款項增加 | | (14,944,381) | (9,781,212) |
| Purchase of property, plant and equipment | 收購物業、廠房及設備 | | (7,491,224) | (7,166,414) |
| Acquisition of medical and dental practices | 收購西醫及牙醫診所 | 47 | (4,069,000) | (11,380,000) |
| Purchase of interests in associates | 收購聯營公司權益 | | (2,771,379) | (6,344,917) |
| Acquisition of subsidiaries | 收購附屬公司 | 45 | (794,155) | 9,185,152 |
| Deposits paid on acquisition of property, plant and equipment | 收購物業、廠房及設備所付按金 | | (10,097,585) | (17,206,909) |
| Proceeds from disposal of associates | 出售聯營公司所得款項 | | 5,023,761 | – |
| Interest received | 已收利息 | | 2,488,461 | 2,281,435 |
| Dividend received from associates | 已收聯營公司股息 | | 1,009,700 | 1,046,350 |
| Decrease in amounts due from related parties | 應收有關聯公司款項減少 | | 1,648,923 | 2,848,040 |
| Decrease (increase) in amount due from a director | 應收董事款項減少(增加) | | 950,000 | (950,000) |
| Decrease (increase) in amount due from an investee | 應收被投資公司款項減少(增加) | | 829,699 | (356,003) |
| Dividend received from listed investments | 已收上市投資項目股息 | | 187,486 | 2,700,265 |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | | – | 785,873 |
| Acquisition of investment properties | 收購投資物業 | 19 | – | (25,814,100) |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動耗用之現金淨額 | | (62,843,576) | (60,152,440) |

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

| | | 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|---|-----------------------------|-----------------------------|-----------------------------|
| FINANCING ACTIVITIES | 融資活動 | | |
| New borrowings raised | 新造借貸 | 68,333,490 | 21,450,000 |
| Capital contributed by minority shareholders of subsidiaries | 附屬公司少數股東 貢獻之資本 | 8,952,421 | 227,707 |
| Advance from (repayment by) minority shareholders of subsidiaries | 附屬公司少數股東墊付 (償還)之款項 | 6,693,277 | (1,553,626) |
| Increase in amounts due to related companies | 應付有關聯公司款項增加 | 914,859 | - |
| Payment on share repurchase | 購回股份之付款 | (67,194,891) | - |
| Repayment of borrowings | 償還借貸 | (7,936,524) | (4,606,110) |
| Interest paid | 支付利息 | (3,237,002) | (622,843) |
| Dividend paid to minority shareholders of subsidiaries | 向附屬公司少數股東 支付股息 | (930,739) | (1,981,853) |
| Repayment of obligations under finance leases | 償還融資租賃承擔 | (82,842) | - |
| Proceeds from issue of shares | 發行股份所得款項 | - | 88,242,486 |
| Proceeds from issue of convertible bonds | 發行可換股債券所得款項 | - | 72,000,000 |
| Dividend paid to shareholders | 向股東支付之股息 | - | (9,993,188) |
| Expenses paid in connection with issue of shares | 就發行股份已付之開支 | - | (4,968,824) |
| Expenses paid in connection with issue of convertible bonds | 就發行可換股債券 已付之開支 | - | (4,875,170) |
| NET CASH FROM FINANCING ACTIVITIES | 融資活動產生 之現金淨額 | 5,512,049 | 153,318,579 |
| (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等值項目 (減少)增加 | (41,323,048) | 91,054,833 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 匯率變動之影響 | 510,302 | 392,595 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 年初之現金及現金 等值項目 | 115,613,244 | 24,165,816 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年終之現金及現金 等同項目 | 74,800,498 | 115,613,244 |
| ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等值項目 結餘之分析 | | |
| Bank balances and cash | 銀行結餘及現金 | 75,624,316 | 116,406,424 |
| Bank overdrafts | 銀行透支 | (823,818) | (793,180) |
| | | 74,800,498 | 115,613,244 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

1. GENERAL

The Company is incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Growth Enterprise Market (“GEM Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate holding company is Broad Idea International Limited (“Broad Idea”) which is incorporated in the British Virgin Islands. Subsequent to the balance sheet date, Broad Idea ceased to be the ultimate holding company after the placements of shares.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporation information section of the annual report.

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

The Company is an investment holding company. The principal activities of its subsidiaries and associates are set out in notes 55 and 23 respectively.

2. BASIS OF PREPARATION

Pursuant to a conditional subscription agreement dated 9th December, 2005 entered into between Hong Kong Health Check and Laboratory Holdings Company Limited (formerly known as Town Health Medical Technology Holdings Company Limited) (“Hong Kong Health Check”) and Top Act Group Limited (“Top Act”), a wholly-owned subsidiary of the Company, on 23rd February, 2006, Top Act subscribed convertible bonds (the “Convertible Bonds I”) of an aggregate principal amount of HK\$60,000,000 issued by Hong Kong Health Check.

Upon subscription in February 2006, Convertible Bonds I were immediately convertible into 1,463,414,634 shares of Hong Kong Health Check at a conversion price of HK\$0.041. Upon conversion of the Convertible Bonds I, the Group would be given 55.79% of ownership interest and as a consequence voting rights in Hong Kong Health Check. As at 31st March, 2006, Hong Kong Health Check was consolidated as a subsidiary of the Group because the Group had the ability to exercise control over the financial and operating policies of Hong Kong Health Check as the Convertible Bonds I were currently convertible.

1. 一般事項

本公司在開曼群島註冊成立為受豁免有限公司，而其股份在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。其於二零零七年三月三十一日之最終控股公司為Broad Idea International Limited（「Broad Idea」），為於英屬處女群島註冊成立之公司。於結算日後，Broad Idea於配售本公司股份後不再為最終控股公司。

本公司之註冊辦事處及主要營業地點之地址於年報公司資料一節披露。

綜合財務報表以港元呈列，港元亦是本公司之功能貨幣。

本公司為一家投資控股公司，其主要附屬公司及聯營公司之主要業務分別載於附註55及23。

2. 編製基準

根據香港體檢及醫學診斷控股有限公司（前稱康健醫療科技控股有限公司）（「香港體檢」）與本公司全資附屬公司Top Act Group Limited（「Top Act」）於二零零五年十二月九日訂立之有條件認購協議，於二零零六年二月二十三日，Top Act認購香港體檢所發行本金總額為60,000,000港元之可換股債券（「可換股債券I」）。

於二零零六年二月進行認購後，可換股債券I可即時按換股價0.041港元即時轉換為1,463,414,634股香港體檢股份。待轉換可換股債券I後，本集團將獲授香港體檢55.79%擁有權益及有關投票權。於二零零六年三月三十一日，由於可換股債券I現時可予轉換，本集團可對香港體檢之財務及經營政策行使控制權，因此香港體檢已綜合入賬列作本集團之附屬公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

2. BASIS OF PREPARATION (Continued)

On 3rd October, 2006, Hong Kong Health Check further issued convertible bonds (the “Convertible Bonds II”) of an aggregate principal amount of HK\$40,000,000 at a conversion price of HK\$0.041 to third parties which were also immediately convertible. Upon conversion of both Convertible Bonds I by the Group and Convertible Bonds II by those third parties, the Group’s ownership interest in Hong Kong Health Check will be diluted to 35.75%.

Following the issue of the Convertible Bonds II, the Group did not have the ability to exercise control over the financial and operating policies of Hong Kong Health Check. Accordingly, the results and assets and liabilities of Hong Kong Health Check have to be incorporated in the consolidated financial statements using equity method of accounting.

Since the Group has no present equity interest in Hong Kong Health Check, no results and changes in shareholders’ equity of Hong Kong Health Check were shared by the Group.

Regarding the Convertible Bonds I, the Group had reclassified all the debt element of the Convertible Bonds I as available-for-sale investments and the conversion option element of the Convertible Bonds I as conversion options embedded in the convertible bonds, details of which are set out in notes 24 and 34 respectively.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations (“new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

2. 編製基準 (續)

於二零零六年十月三日，香港體檢按換股價0.041港元向第三方進一步發行本金總額為40,000,000港元之可換股債券（「可換股債券II」），可換股債券II亦可即時轉換。於本集團轉換可換股債券I及該等第三方轉換可換股債券II後，本集團於香港體檢之擁有權益將被攤薄至35.75%。

發行可換股債券II後，本集團無權再對香港體檢之財務及經營政策行使控制權。因此，香港體檢之業績以及資產及負債須以會計權益法計入綜合財務報表。

鑑於本集團於香港體檢並無任何現有股權，本集團並未攤佔香港體檢之任何業績及股東權益變動。

就可換股債券I而言，本集團將可換股債券I之債項部份全部重新分類為可出售投資，可換股債券I之換股權部份則分類為可轉換債券所附換股權，有關詳情分別載列於附註24及34。

3. 應用新訂及修訂香港財務報告準則

於本年度，本集團首次應用由香港會計師公會（「香港會計師公會」）頒佈之多項新準則、修訂和詮釋（「新訂香港財務報告準則」）。新訂香港財務報告準則於二零零五年十二月一日或二零零六年一月一日或以後之會計期間起生效。採納新香港財務報告準則對本會計期間或過往會計期間之業績及財務狀況之編製及呈報方式並無重大影響。因此，毋須作出任何前期調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group has not early applied the following new standards, amendment or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

| | | | |
|--------------------|--|------------------------|---|
| HKAS 1 (Amendment) | Capital Disclosures ¹ | 香港會計準則第1號(修訂本) | 資本披露 ¹ |
| HKAS 23 (Revised) | Borrowing Costs ² | 香港會計準則第23號(經修訂) | 借貸成本 ² |
| HKFRS 7 | Financial Instruments: Disclosures ¹ | 香港財務報告準則第7號 | 金融工具：披露 ¹ |
| HKFRS 8 | Operating Segments ² | 香港財務報告準則第8號 | 營運分部 ² |
| HK(IFRIC) – Int 7 | Applying the Restatement Approach under Hong Kong Accounting Standard 29 Financial Reporting in Hyperinflationary Economies ³ | 香港(國際財務報告詮釋委員會) – 詮釋7 | 採用香港會計準則第29號「在惡性通貨膨脹經濟中之財務匯報」之重列法則 ³ |
| HK(IFRIC) – Int 8 | Scope of HKFRS 2 ⁴ | 香港(國際財務報告詮釋委員會) – 詮釋8 | 香港財務報告準則第2號之範圍 ⁴ |
| HK(IFRIC) – Int 9 | Reassessment of Embedded Derivatives ⁵ | 香港(國際財務報告詮釋委員會) – 詮釋9 | 再評估附帶衍生產品 ⁵ |
| HK(IFRIC) – Int 10 | Interim Financial Reporting and Impairment ⁶ | 香港(國際財務報告詮釋委員會) – 詮釋10 | 中期財務報告及減值 ⁶ |
| HK(IFRIC) – Int 11 | HKFRS 2: Group and Treasury Shares Transactions ⁷ | 香港(國際財務報告詮釋委員會) – 詮釋11 | 香港財務報告準則第2號：集團及庫存股份交易 ⁷ |
| HK(IFRIC) – Int 12 | Service Concession Arrangements ⁸ | 香港(國際財務報告詮釋委員會) – 詮釋12 | 服務特許權安排 ⁸ |

3. 應用新訂及修訂香港財務報告準則(續)

本集團並無提早採納以下已經頒佈但尚未生效之新準則、修訂及詮釋。本公司董事預期，應用該等準則、修訂或詮釋不會對本集團之業績及財務狀況構成重大影響。

| | | | |
|---|--|---|--------------------------|
| 1 | Effective for annual periods beginning on or after 1st January, 2007. | 1 | 於二零零七年一月一日或以後開始之年度期間生效。 |
| 2 | Effective for annual periods beginning on or after 1st January, 2009. | 2 | 於二零零九年一月一日或以後開始之年度期間生效。 |
| 3 | Effective for annual periods beginning on or after 1st March, 2006. | 3 | 於二零零六年三月一日或以後開始之年度期間生效。 |
| 4 | Effective for annual periods beginning on or after 1st May, 2006. | 4 | 於二零零六年五月一日或以後開始之年度期間生效。 |
| 5 | Effective for annual periods beginning on or after 1st June, 2006. | 5 | 於二零零六年六月一日或以後開始之年度期間生效。 |
| 6 | Effective for annual periods beginning on or after 1st November, 2006. | 6 | 於二零零六年十一月一日或以後開始之年度期間生效。 |
| 7 | Effective for annual periods beginning on or after 1st March, 2007. | 7 | 於二零零七年三月一日或以後開始之年度期間生效。 |
| 8 | Effective for annual periods beginning on or after 1st January, 2008. | 8 | 於二零零八年一月一日或以後開始之年度期間生效。 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared under the historical cost basis except for the investment properties and certain financial instruments, which are measured at fair value, as explained in the accounting policies set out below.

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

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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

4. 主要會計政策

除投資物業及若干金融工具按公平值計量(參照下文會計政策之解釋)外,綜合財務報表根據歷史成本法編製。

綜合財務報表根據香港會計師公會頒佈之香港財務報告準則編製。此外,綜合財務報表亦載入聯交所創業板證券上市規則及香港公司條例所規定之適用披露資料。

綜合賬目基準

綜合財務報表包括本公司及其附屬公司之財務報表。當本公司有能力監督一間實體之財務及經營政策以便從其業務中取得利益,則具有控制權。

於年內收購或出售之附屬公司之業績,乃按收購生效日期起計算或計至出售生效日期止(按適用情況而定)計入綜合收益表內。

如有需要,會對附屬公司之財務報表作出調整,以令其會計政策與本集團其他成員公司所用者一致。

集團內公司之間所有交易、結餘、收入及開支已於綜合賬目時抵銷。

綜合附屬公司淨資產內之少數股東所佔權益與本集團所佔之權益分開列賬。少數股東於淨資產之權益包括該等權益於原業務合併日期之數額及少數股東應佔該合併日期以後之股本變動。適用於少數股東之虧損超出於附屬公司股權之少數股東權益之數額將與本集團之權益作出分配,惟少數股東具約束力責任及可以額外投資補足虧損者除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

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

Goodwill

Goodwill arising on acquisitions before 1st January, 2005

Goodwill arising on acquisition of a subsidiary for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of subsidiaries before 1st January, 2005, the Group has discontinued amortisation from 1st April, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash-generating unit to which the goodwill related may be impaired.

4. 主要會計政策 (續)

業務合併

收購附屬公司乃以購入法列賬。收購成本乃按特定資產於交換日期之公平值、本集團就換取被收購公司之控制權而產生或承擔之負債及所發行之股本權益工具三者總和，另加業務合併直接應佔之任何成本而計量。被收購公司符合香港財務報告準則第3號「業務合併」所載確認條件之可辨識資產、負債及或然負債乃按收購日期之公平值確認。

收購所產生之商譽乃確認為資產，並初步按成本（即業務合併成本高於本集團於所確認可辨識資產、負債及或然負債中之淨公平值權益之數額）計量。倘於重新評估後，本集團於被收購公司之可辨識資產、負債及或然負債中之淨公平值權益高於業務合併成本，則高出數額會即時於損益表確認。

少數股東於被收購公司之權益初步按少數股東於所確認資產、負債及或然負債中之淨公平值比例計量。

商譽

於二零零五年一月一日前因收購而產生之商譽

因收購附屬公司所有之商譽（收購之協議日期為二零零五年一月一日或之前），乃指在收購日期收購成本超出本集團於有關附屬公司可識別資產及負債中之權益公平值之差額。

對於二零零五年一月一日前因收購附屬公司產生而原先已資本化之商譽，本集團已從二零零五年四月一日開始停止攤銷，而有關商譽會每年和每當有跡象顯示商譽相關之創現單位可能出現減值時進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007
截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill (Continued)

Goodwill arising on acquisitions on or after 1st January, 2005

Goodwill arising on an acquisition of a subsidiary for which the agreement date is on or after 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition of subsidiary is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

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

Additional interest in subsidiaries are measured at the carrying amounts of identified assets and liabilities of the subsidiary and any excess of the consideration over the book value of net assets acquired are accounted for as goodwill.

4. 主要會計政策 (續)

商譽 (續)

於二零零五年一月一日或之後因收購而產生之商譽

因收購附屬公司所得之商譽(收購之協議日期為二零零五年一月一日或之後)，乃指在收購日期收購成本超出本集團於有關附屬公司之可識別資產、負債及或然負債中之權益公平值之差額。有關商譽乃按成本減累計減值虧損列賬。

收購附屬公司產生之資本化商譽於綜合資產負債表內獨立呈列。

就減值測試而言，因收購附屬公司所得之商譽會分配至預期自收購所產生協同效益之有關創現單位或創現單位組別。商譽所獲分配之創現單位會每年進行減值測試，或於有跡象顯示該單位可能出現減值時進行減值測試。就因某個財政年度因收購所得之商譽而言，商譽所獲分配之創現單位會於該財政年度結束前進行減值測試。倘創現單位之可收回數額少於其賬面值，則減值虧損會先用作減低任何分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽減值虧損乃直接於綜合收益表內確認，惟不會於往後期間撥回。

於往後出售之附屬公司，資本化商譽應佔金額會用作釐定出售損益數額。

於附屬公司之額外權益乃按附屬公司之可識別資產及負債之賬面值計算，而收購代價高於所收購資產淨值賬面值之數額列作商譽。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate, the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Goodwill arising on acquisitions prior to 1st January, 2005

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. From 1st January, 2005 onwards, the Group has discontinued amortisation of goodwill and such goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Goodwill arising on acquisitions on or after 1st January, 2005

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

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

4. 主要會計政策 (續)

於聯營公司之權益

聯營公司指投資者對其行使重大影響力之實體，且其並非為附屬公司或於合營企業之權益。

聯營公司之業績、資產及負債乃按權益會計法納入綜合財務報表內。根據權益法，於聯營公司之投資乃按成本另就本集團攤佔聯營公司之資產淨值於收購後之變動調整，減任何已識別減值虧損列於綜合資產負債表。當本集團攤佔聯營公司之虧損等同或超過其於該聯營公司之權益，本集團不再確認其攤佔之進一步虧損。額外攤佔虧損會提撥準備及確認為負債，惟僅以本集團已招致之法定或推定責任或代表該聯營公司支付之款項為限。

於二零零五年一月一日前因收購而產生之商譽

收購成本高出本集團應佔聯營公司於收購日期確認之可識別資產及負債公平淨值之差額確認為商譽。於二零零五年一月一日起，本集團已停止對商譽進行攤銷，而將有關商譽列入該投資賬面值內，並作為部分投資評估減值情況。

於二零零五年一月一日或之後因收購而產生之商譽

收購成本高出本集團應佔聯營公司於收購日期確認之可識別資產、負債及或然負債公平淨值之差額確認為商譽。有關商譽列入該投資賬面值內，並作為部分投資評估減值情況。

當集團個體與本集團之聯營公司進行交易，損益會互相抵銷，數額以本集團於有關聯營公司之權益為限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

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

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

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

Design, promotion, advertising and public relationship service fee income is recognised when the related services are rendered.

Sales of healthcare, pharmaceutical products and surgical equipment are recognised when goods are delivered and title has passed.

Sales revenue from restaurant operations are recognised when services are rendered to customers.

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 discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

Property, plant and equipment

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

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or, whether shorter, the term of the relevant lease.

4. 主要會計政策 (續)

收益確認

收入按已收及應收代價之公平值計算，乃指於日常業務過程中所提供商品及服務應收之款項，扣除折讓及銷售相關稅項。

西醫及牙醫診金收入在提供有關服務時確認入賬。

與提供醫療保健服務有關之管理及行政服務費在提供該等服務時確認入賬。

設計、推廣、廣告及公關服務收入乃於提供有關服務時確認入賬。

保健、藥劑產品及外科手術儀器銷售於交付貨品及擁有權轉移時確認入賬。

餐廳業務之銷售收入在向顧客提供有關服務時確認入賬。

金融資產之利息收入乃參考尚餘本金額及適用實際利率(即於金融資產預計年期內將估計未來現金收款貼現至該資產之賬面淨值之比率)並以時間基準累計。

來自投資項目之股息收入乃於本集團收取股息之權利確立時確認入賬。

物業、廠房及設備

物業、廠房及設備乃按成本值減累積折舊及累積減值虧損列賬。

物業、機器及設備項目在計及估計剩餘價值後，按估計可使用年期以直線法撇銷其成本作出折舊。

根據融資租約持有之資產乃按與自有資產相同之基準就其預計可使用年期或有關租約年期(以較短者為準)計算折舊。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Prepaid lease payments

Prepaid lease payments which represent up-front payments to acquire leasehold land interests are stated at cost and amortised over the period of the lease on a straight-line basis.

Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property 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 disposals. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

4. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時解除確認。解除確認資產之任何損益(按出售所得款項淨額與該項目之賬面值之間之差額計算)在項目解除確認之年度計入綜合收益表。

預付租賃款項

預付租賃款項指用作購入租賃土地權益之已付款項，乃按成本列示並按租賃年期以直線法攤銷。

投資物業

於初步確認時，投資物業按成本(包括任何直接應佔費用)計量。於初步確認後，投資物業採用公平值模式計量。因投資物業之公平值變動而產生之盈虧於變動產生期間計入盈利或虧損。

投資物業乃於出售後或在投資物業永久不再使用或預期出售物業不會產生未來經濟利益時取消確認。於取消確認該資產時產生之任何損益(以出售所得款項淨額與該資產之賬面值之差額計算)乃計入於該項目取消確認之年度之綜合收益表內。

借貸成本

收購、建造或生產合資格資產直接應佔之借貸成本乃資本化為該等資產之部份成本。當資產其後大致可供用作擬定用途或出售時，該等借貸成本將不再資本化。特定借貸有待用作合資格資產之開支前用作暫時投資所賺得之投資收入會自合資格資本化之借貸成本中扣除。

所有其他借貸成本乃於產生期間之損益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment losses (other than goodwill)

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

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

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 the consolidated income statement on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivables as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

4. 主要會計政策 (續)

減值虧損 (商譽除外)

本集團於各結算日審閱其資產之賬面值，衡量是否有跡象顯示該等資產已出現減值虧損。倘估計資產之可收回數額低於其賬面值，則會將資產賬面值降至其可收回數額。減值虧損隨即確認為開支。

倘其後減值虧損撥回，則資產之賬面值將增至重新估計之可收回數額，惟增加後之賬面值不得超過假設並無於過往年度就資產確認減值虧損而釐定之賬面值。減值虧損之撥回會即時確認為收入。

存貨

存貨乃按成本及可變現淨值兩者之較低者入賬。成本乃按先入先出基準計算。

租賃

凡租約條款訂明有關資產擁有權之絕大部分風險及回報均轉移至承租人，則有關租約列為融資租約，除此之外所有其他租約分類為經營租約。

本集團作為出租人

經營租約項下之租金收入以直線法於相關租期確認記入綜合收益表。磋商及安排經營租約直接產生之初始成本計入出租資產之賬面值，並以直線法在租期確認為開支。

本集團作為承租人

經營租約項下之應付租金以直線法在有關租期內於損益表扣除。作為訂立經營租約獎勵之已收及應收利益以直線法在租期內扣減租金開支確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007
截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Retirement benefit costs

Payments to state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme are charged as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rate of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations in other parts of the People's Republic of China ("PRC") are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, 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 as a separate component of equity (the translation reserve). Such translation differences are recognised in profit or loss in the period in which the PRC operation is disposed of.

4. 主要會計政策 (續)

退休福利成本

國家管理之退休福利計劃及強制性公積金計劃之供款於僱員提供服務而有權享有該供款時列為開支。本集團向國家管理之退休福利計劃所作之供款，倘相關責任與定額供款退休福利計算相同，則列作向定額供款計劃作出供款處理。

外幣

在編製各個別集團個體之財務報表時，以該個體之功能貨幣以外之貨幣(外幣)計價之交易按交易日期之匯率以其功能貨幣(即個體經營業務之主要經濟環境之貨幣)記錄。在每一個結算日，以外幣為單位之貨幣性項目均按結算日之匯率再換算。

於結算貨幣性項目及換算貨幣性項目而產生之匯兌差額，會在其產生期間在損益表中確認。

於呈列綜合財務報表時，本集團於中華人民共和國(「中國」)其他部分之業務之資產及負債，按結算日之匯率換算為本公司之列報貨幣(即港元)，而其收入及支出則按年內之平均匯率換算，除非匯率在期間內大幅波動，在該情況下，則使用交易日期之匯率。所產生之匯兌差額(如有)，分類為權益之獨立組成部分(匯兌儲備)。該等匯兌差額將於有關中國業務出售之期間內確認為損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement 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 balance sheet date.

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

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

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

4. 主要會計政策 (續)

稅項

所得稅項開支是指當期應付稅項及遞延稅項之總額。

當期應付稅項是根據本年度之應課稅溢利計算。應課稅溢利與綜合收益表上呈報之溢利不同，乃由於應課稅溢利不包括其他年度之應課稅收入或可扣稅支出，亦不包括收益表內不需課稅及不可扣稅之項目。本集團當期稅項負債以結算日已制訂或實際採用之稅率計算。

遞延稅項根據綜合財務報表資產及負債之賬面值及其用於計算應課稅溢利之相應稅基之間之差額而確認，並以資產負債表負債法計算。一般情況之下，所有因應課稅臨時差額而確認之遞延稅項負債均予確認，而遞延稅項資產則按將來應課稅溢利可用作抵銷可扣稅之臨時差額之限額內確認。如暫時性差額是由商譽或因初次確認某交易(業務合併除外)之其他資產及負債而產生，又不影響應課稅溢利及會計溢利，則不會確認此等遞延資產及負債。

遞延稅項資產賬面值會於每個結算日審閱，並在應課稅溢利可能不足以收回該項資產之全部或部份時作出調減。

遞延稅項是根據預期負債償還或資產變現期間所適用之稅率計算。遞延稅項自綜合收益表中扣除或計入損益表，惟倘遞延稅項與直接自股本中扣除或計入股本之項目相關，則遞延稅項將於股本中處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

54

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet 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.

Loans and receivables

Trade and other receivables, amounts due from associates/investees/related parties/minority shareholders of subsidiaries, pledged bank deposits and bank balances are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the consolidated income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include the financial assets held for trading on initial recognition.

At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

4. 主要會計政策 (續)

金融工具

當集團個體成為工具合約條款之一方時，會在資產負債表上確認金融資產及金融負債。金融資產和金融負債在初始確認時會以公平值進行計量。直接歸屬於購置或發行金融資產和金融負債(按公平值計入損益表之金融資產及金融負債除外)之交易費用在初始確認時計入或扣自各金融資產或金融負債(視何者適用而定)之公平值。直接歸屬於購置按公平值計入損益表之金融資產或金融負債之交易費用立即在損益表中確認。

貸款和應收款項

應收賬款及其他應收款項、應收聯營公司／被投資公司／關連人士／附屬公司少數股東款項、已抵押銀行存款及銀行結餘，均初步按公平值確認，其後則採用實際利息法以經攤銷成本計算。當有客觀證據顯示有關資產有所減值時，則會在綜合收益表中確認對估計不可收回金額作出之適當撥備。所確認之撥備為資產賬面值與估計未來現金流量按實際利率(根據初步確認計算)貼現之現值之間之差額。

按公平值計入損益表之金融資產

按公平值計入損益表之金融資產包括於初始確認時持作買賣之金融資產。

初始確認後在每個結算日，以公平值計量按公平值計入損益表之金融資產，公平值變動在產生期間直接在損益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse to profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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 each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

4. 主要會計政策 (續)

金融工具 (續)

可出售金融資產

可出售金融資產為指定為或並非分類為按公平值計入損益表之金融資產、貸款及應收款項或持至到期投資之非衍生產品。於初步確認後之各結算日，可出售金融資產按公平值計量。公平值變動於股本內確認，直至出售金融資產或釐定為減值為止，則屆時以往於股本內確認之累計收益或虧損從股本剔除，並於損益表內確認。可出售金融資產之任何減值虧損於損益表確認。可出售股本投資之減值虧損將不會於以後期間撥回至損益表。就可出售債項投資而言，倘該投資之公平值之增加可客觀地與確認減值虧損後之事件有關，則減值虧損將獲撥回。

至於並無於活躍市場有掛牌市價且公平值未能可靠地計量之可出售股本投資，則於初步確認後之各結算日按成本減去任何已認定之減值虧損計量。當有客觀憑證顯示資產出現減值時，減值虧損會於損益表確認。減值虧損數額乃計量作資產賬面值與按類似金融資產之現行市場回報率貼現之估計未來現金流量之現值兩者間之差額。該等減值虧損將不會於其後期間撥回。

金融負債及股本權益

本集團發行之金融負債和股本權益工具根據所訂立之合約安排之實質內容以及金融負債和股本權益工具之定義而歸類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified as other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Trade and other payables, amounts due to minority shareholders of subsidiaries, bank and other borrowings and obligation under finance lease are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds equity reserve).

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

4. 主要會計政策 (續)

金融工具 (續)

金融負債及股本權益 (續)

股本權益工具乃證明本集團資產經扣除其所有負債後之餘額權益之任何合約。本集團之金融負債一般歸類為其他金融負債。就金融負債和股本權益工具採納之會計政策載於下文。

其他金融負債

應付賬款及其他應付款項、應付附屬公司少數股東款項、銀行及其他借貸以及融資租賃承擔其後運用實際利率法以經攤銷成本計量。

可換股債券

本集團所發行包括負債及換股權部分之可換股債券於初步確認時列作獨立項目。將以定額現金或其他金融資產以換作有關固定數目之本公司自有股本權益工具之方式結算之換股權列作股本權益工具。

初步確認時，負債部份之公平值按類似之不可換股債務當時之市場利息釐定。發行可換股債券之收益與劃定為負債部份之公平值之間之差額，即持有人可轉換貸款票據為股權之換購權，乃計入權益表(可換股債券股本儲備)。

於往後期間，可換股債券之負債部份乃採用實際利率法攤銷成本列賬。股權部份(即可將負債部份轉換為本公司普通股之期權)將仍然記入可換股債券權益儲備，直至所附期權獲行使為止(屆時在可換股債券權益儲備內所列結餘將解除並轉入股份溢價)。倘於到期日期權仍未行使，可換股債券權益儲備之結餘則會撥至保留溢利。期權兌換或到期時將不會於損益表中確認任何盈虧。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Financial instruments (Continued)

Convertible bonds (Continued)

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

Equity instruments

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts are separated from the relevant hosts and deemed as held-for-trading when the economic characteristic and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value though profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in 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 or payable is recognised in profit or loss.

4. 主要會計政策 (續)

金融工具 (續)

可換股債券 (續)

與發行可換股債券相關之交易成本(如有)乃按所得款項之劃分比例分配至負債及股權部份。與股權部份相關之交易成本乃直接計入股權內。與負債部份相關之交易成本乃計入負債部份之賬面值，並按可換股債券之期限採用實際利率法攤銷。

股本權益工具

本公司發行之股本權益工具乃按實得款項(扣除直接發行成本)入賬。

內含衍生產品

倘內含衍生產品與主合約之經濟特徵及風險並非密切相關，非衍生主合約內含之衍生產品與有關主合約分開列賬及被視作持作買賣項目，且合併合約不會按公平值計入損益表內。

解除確認

當從資產收取現金流之權利屆滿時，或金融資產已轉讓而本集團實質上已將與金融資產有關之所有權幾乎全部風險和報酬轉移，即會解除確認該項金融資產。一旦解除確認金融資產，資產之賬面值與收到之代價與已直接在權益中確認之累積損益之總和兩者之差額會在損益表中確認。

金融負債乃於有關合約中規定之義務解除、取消或到期時解除確認。解除確認之金融負債之賬面值與已付或應付之代價之間之差額會在損益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management makes various estimates based on past experiences, expectations of the future and other information. The key sources of estimation uncertainty that may significantly affect the amounts recognised in the consolidated financial statements are disclosed below:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at 31st March, 2007 and the details of the recoverable amount calculation are disclosed in note 22.

Impairment loss on receivables

The policy for allowance for bad and doubtful debts of the Group is based on the evaluation of collectibility of accounts and on management's estimate. In determining whether impairment is required, the Group takes into consideration the likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and the carrying value.

Allowance for obsolete inventories

The management of the Group reviews the aged analysis at each balance sheet date and identifies the slow-moving inventory items that are no longer suitable for use in production or sale. The management estimates the net realisable value for finished goods based primarily on the latest invoice prices and current market conditions. In addition, the Group carries out an inventory review on a product-by-product basis at balance sheet date and makes the necessary allowance for obsolete items.

Estimated fair value of embedded derivatives

Determining the fair of embedded derivative requires estimation on the assumptions used in Binomial model. The Binomial model requires the Group to estimate volatilities of the share price and a suitable discount rate in order to calculate the fair value. As at 31st March, 2007, the fair values of conversion options and early redemption options embedded in convertible bonds are HK\$182,405,395 and HK\$912,839 respectively. Details of the calculation are disclosed in note 24.

5. 估計涉及不確定性之主要來源

於應用本集團會計政策時，管理層根據過往經驗、對未來之期望及其他資料作出各種估計。而可能嚴重影響綜合財務報表所確認數額之估計涉及不確定因素主要來源披露如下：

商譽減值

釐定商譽是否出現減值時，需要估計商譽獲分配之創現單位之使用中價值。使用中價值計算需要本集團估計創現單位預期產生之未來現金流量，及合適貼現率，以計算現值。於二零零七年三月三十一日之商譽賬面值及可收回金額計算之詳情披露於附註22。

應收賬款減值虧損

本集團呆壞賬撥備政策以可收回性評估及管理層估計為基礎。於釐定是否須作出減值處理時，本集團會考慮收回有關賬款之可能性。本集團僅會就不太可能收回之應收款項作出特定撥備，並就預期可收回而按原實際利率貼現之估計未來現金流量與賬面值之差額確認。

陳舊存貨撥備

本集團管理層於每個結算日檢討賬齡分析，並確認不再適合作為生產及銷售商品用途之滯銷存貨。管理層估計此等製成品之可變現淨值主要根據最近期之發票價格及目前市況而釐定。此外，本集團會於每個結算日按逐個產品基準檢討存貨情況，並為陳舊存貨作出必要撥備。

內含衍生工具之估計公平值

釐定內含衍生工具之公平值要求對二項式模式所用之假定進行估計。為計算公平值，二項式模式要求本集團估計股價之變動及適當之貼現率。於二零零七年三月三十一日，可換股債券所附之換股權及提早贖回權之公平值分別為182,405,395港元及912,839港元。計算詳情披露於附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

6. FINANCIAL INSTRUMENTS

6a. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances, trade and other payables and borrowings. 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

Cash flow interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its bank balances and bank and other borrowings. Bank balances and bank loans at variable rates expose the Group to cash flow interest-rate risk. Details of the Group's bank balances and bank and other borrowings have been disclosed in notes 36 and 39 respectively.

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.

Currency risk

Certain trade and other receivables of the Group are denominated in foreign currencies. 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.

6. 金融工具

6a. 金融風險管理目標及政策

本集團主要金融工具包括應收賬款及其他應收款項、銀行結餘、應付賬款及其他應付款項及借貸。此等金融工具之詳情於有關附註披露。與此等金融工具有關之風險及減低相關風險之政策載於下文。管理層管理及監控該等風險，確保及時採取有效適當措施。

市場風險

現金流量利率風險

本集團承受之利率變動風險主要來自其銀行結餘及銀行與其他借貸。以浮動利率計息之銀行結餘及銀行貸款令本集團面對現金流量利率風險。本集團之銀行結餘及銀行與其他借貸之詳細資料分別載於附註36及39。

本集團現在並無利率對沖政策。然而，管理層一直留意利率風險，如有需要，會考慮對沖其所面對之重大利率風險。

貨幣風險

本集團若干應收賬款及其他應收款項以外幣列值。本集團目前並無外匯對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外匯風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6a. Financial risk management objectives and policies (Continued)

Credit risk

As at 31st March, 2007, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Price risk

The Group's held for trading investments are measured at fair value at each balance sheet date. Therefore, the Group is exposed to equity security price risk. The management manages this exposure by implementing a policy to maintain a portfolio of investments with different risk profiles.

6. 金融工具 (續)

6a. 金融風險管理目標及政策 (續)

信貸風險

於二零零七年三月三十一日，因交易方未能履行責任而對本集團造成財務損失之最大信貸風險為綜合資產負債表內所列各項已確認金融資產之賬面值。

為減低信貸風險，本集團管理層已委派隊伍負責釐定信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債項。此外，本集團於各結算日檢討各個別貿易債項之可收回數額，以確保就未能收回數額確認足夠減值虧損。就此而言，本公司董事認為本集團信貸風險已大幅減少。

由於交易方均為高信用評級之銀行，故流動資金之信貸風險十分有限。

本集團並無重大集中信貸風險，所承受之信貸風險均分散於若干交易方及客戶。

價格風險

本集團之持作買賣投資於各結算日按公平值計量。因此，本集團面對股本證券價格風險。管理層透過執行維持具有不同風險特點之投資組合之政策，以管理此項風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

6b. Fair value

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

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions; and
- the fair value of derivative instruments at on the basis of valuations carried out by Greater China Appraisal Limited (“GCAL”), an independent firm of professional valuers not connected with the Group. GCAL possesses appropriate qualifications and recent experiences in the valuation of similar derivative instruments with reference to market values.

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

6. 金融工具 (續)

6b. 公平值

金融資產及金融負債之公平值釐定如下：

- 受標準條款及條件規管及於活躍流動市場交易之金融資產之公平值乃參考市場報價釐定；
- 其他金融資產及金融負債(不包括衍生工具)之公平值乃按公認定價模型以可知當前市場交易價格進行貼現現金流量分析釐定；及
- 衍生工具之公平值由漢華評值有限公司(「漢華」，與本集團無關連之獨立專業估值師)按估值基準評估。漢華在參考市值評估類似衍生產品方面擁有適合之資格及近期經驗。

董事認為，於財務報表內按攤銷成本列賬之金融資產及負債之賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

7. REVENUE

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

| | |
|--|--------------------|
| Provision of healthcare and dental services | 提供醫療保健及牙科服務 |
| Sales of healthcare and pharmaceutical products | 銷售保健產品及藥品 |
| Sales of cardiology and peripheral vascular related surgical equipment | 銷售心臟科及周邊血管相關外科手術儀器 |
| Others | 其他 |

7. 收入

收入乃指本年度自第三方已收及應收款項淨額之總額。本年度本集團之收入分析如下：

| 2007 二零零七年 HK\$ 港元 | 2006 二零零六年 HK\$ 港元 |
|-----------------------------|-----------------------------|
| 187,200,428 | 137,037,105 |
| 21,392,280 | 16,701,566 |
| 39,074,037 | 56,545,860 |
| 27,960,823 | 20,894,831 |
| 275,627,568 | 231,179,362 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four major operating divisions – (1) provision of healthcare and dental services, (2) sales of healthcare and pharmaceutical products, (3) sales of cardiology and peripheral vascular related surgical equipment and (4) others. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Provision of healthcare and dental services – Operations of the Group's medical and dental practices.
- Sales of healthcare and pharmaceutical products – Sales of healthcare and pharmaceutical products including radioactive isotopes for medical uses.
- Sales of cardiology and peripheral vascular related surgical equipment – Sales of cardiology and peripheral vascular related surgical equipment to hospitals, medical institutions and medical practitioners.
- Others – Catering services and provision of design, promotion, advertising and public relationship services.

8. 業務及地區分類

業務分類

為方便管理，本集團現將業務分為四大經營分部，分別為：(1)提供醫療保健及牙科服務，(2)銷售保健產品及藥品，(3)銷售心臟科及周邊血管相關外科手術儀器，及(4)其他。此等分部為本集團呈報其主要分類資料之基礎。

主要業務如下：

- 提供醫療保健及牙科服務 – 經營本集團之西醫及牙醫診所。
- 銷售保健產品及藥品 – 銷售保健產品及藥品，包括醫療用放射性同位素。
- 銷售心臟科及周邊血管相關外科手術儀器 – 向醫院、醫療機構及醫生銷售心臟科及周邊血管相關外科手術儀器。
- 其他 – 膳食服務及提供設計、宣傳、廣告及公關服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

64

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

For the year ended 31st March, 2007

8. 業務及地區分類 (續)

業務分類 (續)

截至二零零七年三月三十一日止年度

| | | Provision of healthcare and dental services 提供醫療保健 及牙科服務 HK\$ 港元 | Sales of healthcare and pharma- ceutical products 銷售保健 產品及藥品 HK\$ 港元 | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及 周邊血管相關 外科手術儀器 HK\$ 港元 | Others 其他 HK\$ 港元 | Total 總計 HK\$ 港元 |
|---|---------------------------|---|--|--|----------------------------|---------------------------|
| TURNOVER | 營業額 | 187,200,428 | 21,392,280 | 39,074,037 | 27,960,823 | 275,627,568 |
| RESULTS | 業績 | | | | | |
| Segment results | 分類業績 | 23,998,835 | 9,618,092 | (22,351,314) | (1,310,917) | 9,954,696 |
| Other income | 其他收入 | | | | | 62,868,647 |
| Unallocated corporate expense | 未分配集團開支 | | | | | (19,658,599) |
| Finance costs | 融資成本 | | | | | (3,491,133) |
| Gain on disposal of associates | 出售聯營公司之收益 | 1,915,423 | - | - | - | 1,915,423 |
| Share of results of associates | 應佔聯營公司業績 | 2,739,050 | - | - | - | 2,739,050 |
| Gain on conversion options embedded in convertible bonds | 可換股債券內含 兌換選擇權收益 | | | | | 166,343,042 |
| Impairment loss recognised in respect of goodwill arising on acquisitions of associates | 確認收購聯營 公司所得商譽 之減值虧損 | (588,008) | - | - | - | (588,008) |
| Loss on early redemption features embedded in convertible bonds | 可換股債券所附提早 贖回機制之虧損 | | | | | (912,839) |
| Increase in fair value of investment properties | 投資物業公平值 增加 | | | | | 2,300,000 |
| Profit before taxation | 除稅前溢利 | | | | | 221,470,279 |
| Taxation | 稅項 | | | | | (14,686,224) |
| Profit for the year | 年度溢利 | | | | | 206,784,055 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

For the year ended 31st March, 2007 (Continued)

| | | Provision of healthcare and dental services 提供醫療保健 及牙科服務 HK\$ 港元 | Sales of healthcare and pharma- ceutical products 銷售保健 產品及藥品 HK\$ 港元 | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及 周邊血管相關 外科手術儀器 HK\$ 港元 | Others 其他 HK\$ 港元 | Total 總計 HK\$ 港元 |
|---|----------------------------------|---|--|--|----------------------------|---------------------------|
| ASSETS | 資產 | | | | | |
| Segment assets | 分類資產 | 144,839,428 | 44,062,804 | 23,970,770 | 10,991,483 | 223,864,485 |
| Interests in associates | 於聯營公司之權益 | 17,490,868 | - | - | - | 17,490,868 |
| Unallocated assets | 未分配資產 | | | | | 336,590,824 |
| Total assets | 總資產 | | | | | 577,946,177 |
| LIABILITIES | 負債 | | | | | |
| Segment liabilities | 分類負債 | 17,578,529 | 721,048 | 17,720,693 | 5,033,943 | 41,054,213 |
| Unallocated liabilities | 未分配負債 | | | | | 84,705,535 |
| Total liabilities | 總負債 | | | | | 125,759,748 |
| OTHER INFORMATION | 其他資料 | | | | | |
| Capital expenditure | 資本支出 | 8,524,827 | 1,648,326 | 435,475 | 2,750,449 | 13,359,077 |
| Depreciation of property, plant and equipment | 物業、廠房及 設備之折舊 | 4,573,554 | 1,876,336 | 373,204 | 854,878 | 7,677,972 |
| Impairment loss recognised in respect of: | 就以下項目確認 之減值虧損： | | | | | |
| - goodwill arising on acquisition of subsidiaries, and healthcare and dental practices | - 收購附屬公司、 西醫及牙醫 診所所得 商譽 | 6,262,269 | - | 13,484,936 | - | 19,747,205 |
| - amounts due from associates | - 應收聯營公司款項 | 956,258 | - | - | - | 956,258 |
| - trade and other receivables | - 應收賬款及 其他應收款項 | - | - | 4,976,649 | - | 4,976,649 |
| - inventories | - 存貨 | - | - | 1,650,500 | - | 1,650,500 |
| Release of prepaid lease payments | 發還預付租賃款項 | 241,634 | - | - | - | 241,634 |

8. 業務及地區分類 (續)

業務分類 (續)

截至二零零七年三月三十一日
止年度 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

66

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

For the year ended 31st March, 2006

8. 業務及地區分類 (續)

業務分類 (續)

截至二零零六年三月三十一日止年度

| | | Provision of healthcare and dental services 提供醫療保健 及牙科服務 HK\$ 港元 | Sales of healthcare and pharma- ceutical products 銷售保健 產品及藥品 HK\$ 港元 | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及 周邊血管相關 外科手術儀器 HK\$ 港元 | Others 其他 HK\$ 港元 | Total 總計 HK\$ 港元 |
|--|---------------------------|---|--|--|----------------------------|---------------------------|
| TURNOVER | 營業額 | 137,037,105 | 16,701,566 | 56,545,860 | 20,894,831 | 231,179,362 |
| RESULTS | 業績 | | | | | |
| Segment results | 分類業績 | 23,216,924 | 6,212,066 | 2,638,175 | (2,036,188) | 30,030,977 |
| Other income | 其他收入 | | | | | 7,565,347 |
| Unallocated corporate expenses | 未分配集團開支 | | | | | (7,436,058) |
| Finance costs | 融資成本 | | | | | (2,399,910) |
| Share of results of associates | 應佔聯營公司業績 | (475,284) | - | - | - | (475,284) |
| Impairment loss recognised in respect of goodwill arising on acquisition of associates | 確認收購聯營公司 所得商譽之 減值虧損 | (3,327,080) | - | - | - | (3,327,080) |
| Increase in fair value of investment properties | 投資物業公平值 增加 | | | | | 3,781,630 |
| Profit before taxation | 除稅前溢利 | | | | | 27,739,622 |
| Taxation | 稅項 | | | | | (6,291,163) |
| Profit for the year | 年度溢利 | | | | | 21,448,459 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

For the year ended 31st March, 2006 (Continued)

| | | Provision of healthcare and dental services 提供醫療保健 及牙科服務 HK\$ 港元 | Sales of healthcare and pharma- ceutical products 銷售保健 產品及藥品 HK\$ 港元 | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及 周邊血管相關 外科手術儀器 HK\$ 港元 | Others 其他 HK\$ 港元 | Total 總計 HK\$ 港元 |
|--|-------------------|---|--|--|----------------------------|---------------------------|
| ASSETS | 資產 | | | | | |
| Segment assets | 分類資產 | 115,523,765 | 24,867,142 | 53,451,410 | 90,293,765 | 284,136,082 |
| Interests in associates | 於聯營公司之權益 | 21,205,522 | - | - | - | 21,205,522 |
| Unallocated assets | 未分配資產 | | | | | 92,165,806 |
| Total assets | 總資產 | | | | | 397,507,410 |
| LIABILITIES | 負債 | | | | | |
| Segment liabilities | 分類負債 | 11,096,755 | 471,569 | 20,734,655 | 6,606,374 | 38,909,353 |
| Unallocated liabilities | 未分配負債 | | | | | 110,092,551 |
| Total liabilities | 總負債 | | | | | 149,001,904 |
| OTHER INFORMATION | 其他資料 | | | | | |
| Capital expenditure | 資本支出 | 46,322,975 | 289,715 | 204,979 | 2,157,655 | 48,975,324 |
| Depreciation of property, plant and equipment | 物業、廠房及 設備之折舊 | 3,489,932 | 1,677,533 | 624,051 | 342,514 | 6,134,030 |
| Impairment loss recognised in respect of: | 就以下項目確認 之減值虧損： | | | | | |
| - trade and other receivables | - 應收賬款及其他 應收款項 | | | 2,537,632 | - | 2,537,632 |
| - inventories | - 存貨 | | | 1,725,890 | - | 1,725,890 |
| - goodwill arising on acquisition of associates | - 收購聯營公司 所得商譽 | 3,327,080 | | | | 3,327,080 |
| - amounts due from investees | - 應收被投資公司 之款項 | 538,355 | | | | 538,355 |
| Release of prepaid lease payments | 發還預付租賃款項 | 169,616 | | | | 169,616 |

8. 業務及地區分類 (續)

業務分類 (續)

截至二零零六年三月三十一日
止年度 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

68

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

8. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Geographical segments

The Group's operations are located in Hong Kong and the PRC. Provision of healthcare and dental services and sales of healthcare and pharmaceutical products are carried out in Hong Kong. Sales of cardiology and peripheral vascular related surgical equipment are carried out in the PRC and Hong Kong.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods/services:

| | |
|-----------|----|
| Hong Kong | 香港 |
| PRC | 中國 |

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment, analysed by geographical area in which the assets are located:

| | | Carrying amount of segment assets At 31st March, 分類資產之賬面值 於三月三十一日 | | Capital expenditure For the year ended 31st March, 資本開支 截至三月三十一日止年度 | |
|-----------|----|---|--------------------|---|--------------------|
| | | 2007 HK\$ 港元 | 2006 HK\$ 港元 | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
| Hong Kong | 香港 | 212,836,429 | 257,163,762 | 13,175,478 | 48,875,074 |
| PRC | 中國 | 11,028,056 | 26,972,320 | 183,599 | 100,250 |
| | | <u>223,864,485</u> | <u>284,136,082</u> | <u>13,359,077</u> | <u>48,975,324</u> |

8. 業務及地區分類 (續)

地區分類

本集團之業務位於香港及中國。提供醫療保健及牙科服務及銷售保健產品及藥品之業務乃於香港進行。銷售心臟科及周邊血管相關外科手術儀器之業務則於中國及香港進行。

下表列出本集團按地區市場分別之營業額分析(不論貨品/服務來源地)：

Sales revenue by geographical market 按地區市場劃分之銷售收入

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 246,678,319 | 183,710,985 |
| 28,949,249 | 47,468,377 |
| <u>275,627,568</u> | <u>231,179,362</u> |

以下為按資產所在地區分析之分類資產之賬面值以及物業、廠房及設備之添置：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

9. OTHER INCOME

| | |
|--|-----------------|
| Interest income on bank deposits | 銀行存款之利息收入 |
| Interest income on debt securities | 債務證券之利息收入 |
| Dividend income from listed investments | 來自上市投資之股息收入 |
| Gain on fair value changes on held for trading investments | 持作買賣投資之公平值變動之收益 |
| Rental income | 租金收入 |
| Sundry income | 雜項收入 |

9. 其他收入

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 2,147,216 | 2,281,435 |
| 2,184,720 | — |
| 187,486 | 2,700,265 |
| 54,283,180 | 536,651 |
| 2,093,800 | 664,548 |
| 4,119,461 | 3,663,883 |
| 65,015,863 | 9,846,782 |

10. OTHER EXPENSES

| | |
|---|----------------------|
| Impairment loss recognised in respect of: | 就以下項目確認之減值虧損： |
| – goodwill arising on acquisition of associates | – 收購聯營公司所得商譽 |
| – goodwill arising on acquisition of subsidiaries, and medical and dental practices | – 收購附屬公司、西醫及牙醫診所所得商譽 |
| – amounts due from associates | – 應收聯營公司款項 |
| – amounts due from investees | – 應收被投資公司款項 |

10. 其他開支

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 588,008 | 3,327,080 |
| 19,747,205 | — |
| 956,258 | — |
| — | 538,355 |
| 21,291,471 | 3,865,435 |

11. FINANCE COSTS

| | |
|--|------------------|
| Interest on: | 以下項目之利息： |
| – Bank borrowings wholly repayable within five years | – 須於五年內全數償還之銀行借貸 |
| – Bank overdrafts | – 銀行透支 |
| – Convertible bonds | – 可換股債券 |
| – Obligations under finance leases | – 融資租約承擔 |

11. 融資成本

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 2,185,995 | 377,320 |
| 231,478 | 196,620 |
| 1,070,296 | 1,825,970 |
| 3,364 | — |
| 3,491,133 | 2,399,910 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

12. GAIN ON DISPOSAL OF ASSOCIATES

The amount for the year ended 31st March, 2007 represents the gain on disposal of the Group's 11.27% interest in Core Healthcare Investment Holdings Limited (formerly known as Plasmagene Biosciences Limited) ("Core Healthcare"), a company listed on the GEM Board of the Stock Exchange.

After completion of the disposal, the Group holds approximately 8% interest in Core Healthcare. The investment in Core Healthcare was reclassified from interests in associates to available-for-sale investments.

13. DIRECTORS' EMOLUMENTS

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

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

For the year ended 31st March, 2007

| | | Salaries and other benefits | Performance bonus | Retirement benefits scheme contributions | Total emoluments |
|--------------------------------|----------------|-----------------------------|-------------------|--|------------------|
| | Fees | 薪金及其他福利 | 表現花紅 | 退休福利計劃供款 | 酬金總額 |
| | 袍金 | 其他福利 | 表 | 退 | 酬 |
| | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | 港元 | 港元 | 港元 | 港元 | 港元 |
| Executive directors | | | | | |
| Ms. Choi Ka Yee, Crystal | | | | | |
| Dr. Cho Kwai Chee | | 1,440,000 | | 12,000 | 1,452,000 |
| Dr. Fung Yiu Tong, Bennet | | 217,238 | | 12,000 | 229,238 |
| Mr. Cho Kwai Yee, Kevin | 611,511 | | | | 611,511 |
| | 611,511 | 1,657,238 | | 24,000 | 2,292,749 |
| Non-executive directors | | | | | |
| Mr. Chan Kam Chiu | 50,000 | | | | 50,000 |
| Mr. Wai Kwok Hung, JP | 50,000 | | | | 50,000 |
| Mr. Ho Kwok Wah, George | 35,000 | | | | 35,000 |
| Dr. Frances Choi Chee Ming, JP | | | | | |
| | 135,000 | | | | 135,000 |
| Total | 746,511 | 1,657,238 | - | 24,000 | 2,427,749 |

12. 出售聯營公司收益

截至二零零七年三月三十一日止年度之款額指出售本集團於確思醫藥投資控股有限公司(前稱普施基因生物科技有限公司)(「確思醫藥」,一間於聯交所創業板上市之公司)11.27%權益之收益。

出售完成後,本集團持有確思醫藥約8%之權益。於確思醫藥之投資乃由於聯營公司之權益重新分類為可供出售投資。

13. 董事酬金

年內,本集團並無向董事支付酬金,作為加入或於加入本集團時之獎金或離職之補償。並無董事於年內放棄任何酬金。

個別執行及非執行董事及獨立非執行董事之薪酬詳情載列如下:

截至二零零七年三月三十一日止年度

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

13. DIRECTORS' EMOLUMENTS (Continued)

For the year ended 31st March, 2006

| | | Salaries and other benefits | Performance bonus | Retirement benefits scheme contributions | Total emoluments |
|--------------------------------|--------------|-----------------------------------|----------------------|---|---------------------|
| | Fees | 薪金及 其他福利 | 表現花紅 | 退休福利 計劃供款 | 酬金總額 |
| | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| Executive directors | 執行董事 | | | | |
| Dr. Cho Kwai Chee | 曹貴子醫生 | 1,440,000 | 3,350,000 | 12,000 | 4,802,000 |
| Dr. Fung Yiu Tong, Bennet | 馮耀棠醫生 | 1,347,408 | 328,314 | 12,000 | 1,687,722 |
| Mr. Cho Kwai Yee, Kevin | 曹貴宜先生 | 1,031,970 | - | - | 1,031,970 |
| | | <u>1,031,970</u> | <u>3,678,314</u> | <u>24,000</u> | <u>7,521,692</u> |
| Non-executive directors | 非執行董事 | | | | |
| Mr. Chan Kam Chiu | 陳金劍先生 | 50,000 | - | - | 50,000 |
| Mr. Wai Kwok Hung, JP | 韋國洪太平紳士 | 50,000 | - | - | 50,000 |
| Mr. Ho Kwok Wah, George | 何國華先生 | 25,000 | - | - | 25,000 |
| Dr. Frances Choi Chee Ming, JP | 蔡志明博士太平紳士 | - | - | - | - |
| | | <u>125,000</u> | <u>-</u> | <u>-</u> | <u>125,000</u> |
| Total | 總計 | <u>1,156,970</u> | <u>3,678,314</u> | <u>24,000</u> | <u>7,646,692</u> |

14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, no executive director(s) of the Company whose emoluments are included in note 13 above (2006: two). The emoluments of the five (2006: three) individuals were as follows:

| | |
|--|----------|
| Salaries and other allowances | 薪金及其他津貼 |
| Performance bonus (note) | 表現花紅(附註) |
| Retirement benefits scheme contributions | 退休福利計劃供款 |

13. 董事酬金(續)

截至二零零六年三月三十一日止年度

14. 僱員酬金

本集團五名最高薪酬人士中，概無本公司執行董事之酬金已載於上文附註13(二零零六年：兩名)。五名(二零零六年：三名)最高薪酬人士之酬金如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------------|--------------------|
| 9,336,000 | 3,419,500 |
| 3,405,320 | 1,532,021 |
| 60,000 | 36,000 |
| <u>12,801,320</u> | <u>4,987,521</u> |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

72

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

14. EMPLOYEES' EMOLUMENTS (Continued)

Their emoluments were within the following bands:

| | |
|--------------------------------|-------------------------|
| HK\$1,500,001 to HK\$2,000,000 | 1,500,001港元至2,000,000港元 |
| HK\$2,000,001 to HK\$2,500,000 | 2,000,001港元至2,500,000港元 |
| HK\$2,500,001 to HK\$3,000,000 | 2,500,001港元至3,000,000港元 |
| HK\$3,000,001 to HK\$3,500,000 | 3,000,001港元至3,500,000港元 |

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

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

15. INCOME TAX EXPENSE

| |
|---|
| The charge comprises: |
| – Hong Kong Profits Tax attributable to the Group |
| – Underprovision in prior years |
| Deferred taxation (Note 41) |

| |
|--------------|
| 支出包括： |
| – 本集團應佔香港利得稅 |
| – 往年撥備不足 |
| 遞延稅項(附註41) |

14. 僱員酬金(續)

彼等之酬金介乎以下範圍：

| 2007 Number of employees 僱員人數 | 2006 Number of employees 僱員人數 |
|--|--|
| 1 | 3 |
| 1 | – |
| 2 | – |
| 1 | – |
| 5 | 3 |

年內，本集團並無向五名最高薪酬人士支付酬金，作為加入或於加入本集團時之獎金或離職之補償。

附註：根據各西醫／牙醫與本集團訂立之服務協議，醫生可獲得固定薪金及現金表現花紅，數額為醫生從提供服務之西醫或牙科診所所賺取之每月純利(或視情況而定，每月營業額)的若干百分比。該百分比乃參考醫生的資格和經驗，以及醫生執業之醫療中心之溢利水平而釐定。

15. 所得稅支出

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 14,908,183 | 1,765,527 |
| 14,557 | 2,042,042 |
| (236,516) | 2,483,594 |
| 14,686,224 | 6,291,163 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

15. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year.

No PRC income tax has been provided in respect of the Group's PRC subsidiary since it incurred tax losses for the year.

Details of deferred taxation are set out in note 41.

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

| | |
|--|-----------------------------------|
| Profit before taxation | 除稅前溢利 |
| Tax at the domestic income tax rate of 17.5% (2006: 17.5%) | 按本地所利得稅率17.5% (二零零六年：17.5%) 計算之稅項 |
| Tax effect of expenses that are not deductible in determining taxable profit | 釐定應課稅溢利時不可扣稅開支的稅務影響 |
| Tax effect of income that are not taxable in determining taxable profit | 釐定應課稅溢利時毋須課稅收入的稅務影響 |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅務影響 |
| Tax effect of share of results of associates | 應佔聯營公司業績之稅務影響 |
| Tax effect of deductible temporary differences not recognised | 未確認可扣稅臨時差異之稅務影響 |
| Utilisation of tax losses not previously recognised | 運用先前未確認之稅項虧損 |
| Underprovision in prior years | 往年撥備不足 |
| Income tax expense for the year | 本年度所得稅支出 |

15. 所得稅支出 (續)

香港利得稅乃以年度之估計應課稅溢利按17.5% (二零零六年：17.5%) 計算。

由於年內本集團之中國附屬公司產生稅項虧損，故並無提撥中國所得稅。

遞延稅項之詳情載於附註41。

年內稅項開支可與綜合收益表所列溢利對賬如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---------------------|--------------------|
| 221,470,279 | 27,739,622 |
| 38,757,299 | 4,854,434 |
| 5,089,496 | 2,911,825 |
| (30,296,430) | (1,843,993) |
| 1,507,469 | 754,441 |
| 479,334 | (83,175) |
| 610,996 | 687,832 |
| (1,476,497) | (3,032,243) |
| 14,557 | 2,042,042 |
| 14,686,224 | 6,291,163 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

16. PROFIT FOR THE YEAR

16. 本年度溢利

| | | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--|----------------------------|--------------------|--------------------|
| Profit for the year has been arrived at after charging: | 年度溢利 已扣除下列項目： | | |
| Staff costs | 員工成本 | | |
| – Directors' remuneration (note 13) | – 董事薪酬(附註13) | 2,427,749 | 7,646,692 |
| – Other staff costs | – 其他員工成本 | 111,780,644 | 78,188,021 |
| – Other staff's retirement benefits scheme contributions | – 其他員工退休福利計劃供款 | 2,558,085 | 1,804,220 |
| | | 116,766,478 | 87,638,933 |
| Auditor's remuneration | 核數師酬金 | 2,334,000 | 2,065,420 |
| Cost of inventories recognised as expenses | 已確認支出之存貨成本 | 58,940,589 | 55,412,957 |
| Depreciation and amortisation of property, plant and equipment | 物業、廠房及設備之折舊及攤銷 | 7,677,972 | 6,134,030 |
| Impairment loss on slow moving inventories (included in cost of sales) | 滯銷存貨減值虧損(計入銷售成本中) | 1,650,500 | 1,725,890 |
| Impairment loss on trade and other receivables (included in administrative expenses) | 應收賬款及其他應收款項之減值虧損(計入行政開支中) | 4,976,649 | 2,537,632 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 395,686 | 73,639 |
| Net loss on foreign exchange | 匯兌虧淨額 | 309,749 | – |
| Release of prepaid lease payments | 發還預付租賃付款 | 241,634 | 169,616 |
| Share of taxation of associates (included in share of results of associates) | 應佔聯營公司稅項(計入應佔聯營公司業績) | 765,581 | 934,097 |
| and after crediting: | 及計入下列項目： | | |
| Gross rental income from investment properties | 來自投資物業之總租金收入 | 2,093,800 | 737,795 |
| Less: Direct operating expenses that generated rental income | 減：產生租金收入之直接經營開支 | (58,996) | (73,247) |
| Net rental income from investment properties | 來自投資物業之淨租金收入 | 2,034,804 | 664,548 |
| Write back of impairment loss on trade and other receivables (included in administrative expenses) | 撥回應收賬款及其他應收款項減值虧損(計入行政開支中) | 632,315 | 2,398,978 |
| Write back of impairment loss on slow moving inventories (included in cost of sales) | 撥回滯銷存貨之減值虧損(計入銷售成本中) | 2,101,767 | 1,268,712 |
| Net gain on foreign exchange | 匯兌收益淨額 | – | 152,450 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007
截至二零零七年三月三十一日止年度

17. DIVIDENDS

| | |
|---|---|
| Dividends recognised as distribution during the year Interim – HKnil cents (2006: HK0.2 cent) per share | 本年度確認為作分派之股息 中期 – 每股零港仙 (二零零六年：0.2港仙) |
|---|---|

An interim dividend of HK\$0.2 cent per share was paid for the year ended 31st March, 2006. No payment for final dividend was proposed for years ended 31st March, 2007 and 2006.

A bonus issue of shares on the basis of two shares for every share held was proposed by the directors and is subject to the approval by the shareholders in general meeting.

18. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

Earnings

| | |
|--|------------------|
| Earnings for the purpose of basic earnings per share | 就計算每股基本 盈利之盈利 |
|--|------------------|

Number of shares

股份數目

| | |
|---|----------------------------|
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 就計算每股基本 盈利之普通股 加權平均數 |
|---|----------------------------|

17. 股息

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| – | 9,993,188 |

已就截至二零零六年三月三十一日止年度支付每股股份0.2港仙中期股息。並無建議就截至二零零七年及二零零六年三月三十一日止年度支付末期股息。

董事建議發行紅股，基準為每持有一股股份獲派兩股紅股，須待股東在股東大會上批准。

18. 每股盈利

本公司普通股本持有人應佔每股基本盈利乃按以下基準計算：

盈利

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 214,850,183 | 20,030,499 |

| 2007 | 2006 |
|---------------|---------------|
| 5,143,531,458 | 4,527,985,666 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

18. EARNINGS PER SHARE (Continued)

The computation of diluted earnings per share for both years does not assume the conversion of the Company's outstanding convertible bonds since their exercise would result in an increase in profit per share.

18. 每股盈利 (續)

由於行使轉換權將會導致每股盈利增加，計算兩個年度之每股攤薄盈利時並無假設本公司尚未行使之可換股債券被轉換。

19. INVESTMENT PROPERTIES

19. 投資物業

| | | HK\$ 港元 |
|---|---------------------|-------------------|
| FAIR VALUE | 公平值 | |
| At 1st April, 2005 | 於二零零五年四月一日 | — |
| Addition | 添置 | 25,814,100 |
| Acquired on an acquisition of a subsidiary | 收購附屬公司時所收購 | 4,000,000 |
| Increase in fair value recognised in the consolidated income statement | 於收益表確認公平值增加 | 3,781,630 |
| Transfer from property, plant and equipment | 由物業、廠房及設備轉撥 | 402,581 |
| Transfer from prepaid lease payments | 由預付租賃付款轉撥 | 1,826,689 |
| | | <hr/> |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 35,825,000 |
| Increase in fair value recognised in the consolidated income statement | 於收益表確認公平值增加 | 2,300,000 |
| | | <hr/> |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 38,125,000 |

The fair value of the Group's investment properties at the balance sheet date was arrived at on the basis of a valuation carried out on that day by Larry H.C. Tam & Associates Ltd., independent professional valuers. Larry H.C. Tam & Associates Ltd. is a member of the Hong Kong Institute of Surveyors ("HKIS"). The valuation, which conforms to HKIS Valuation Standards on Properties published by the HKIS, was arrived at by reference to market evidence of transaction prices for similar properties.

於結算日，本集團之投資物業之公平值乃以獨立專業估值師譚希仲產業測計師有限公司於當日進行之估值為基準計算。譚希仲產業測計師有限公司為香港測量師學會（「香港測量師學會」）之會員。該估值符合香港測量師學會頒佈之香港測量師學會物業估值準則，並已參考類似物業之市場證據交易價。

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

投資物業乃按中期租約持有，且位於香港。所有本集團於根據經營租約持有以賺取租金之土地中之物業權益均用公平值模式計量及歸類及入賬列作投資物業。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

20. PROPERTY, PLANT AND EQUIPMENT

20. 物業、廠房及設備

| | | Building in Hong Kong under medium- term leases 中期租約 持有之樓宇 HK\$ 港元 | Leasehold improve- ments 租賃 物業裝修 HK\$ 港元 | Furniture and fixtures 傢俬及 裝置 HK\$ 港元 | Motor vehicle 汽車 HK\$ 港元 | Tools and equipment 工具及 設備 HK\$ 港元 | Total 合計 HK\$ 港元 |
|---|--------------|---|--|---|--------------------------------------|---|---------------------------|
| COST | 成本 | | | | | | |
| At 1st April, 2005 | 於二零零五年四月一日 | 2,560,482 | 24,258,869 | 418,743 | 246,592 | 21,107,924 | 48,592,610 |
| Additions | 添置 | - | 3,259,372 | 649,219 | 1,447,719 | 2,417,876 | 7,774,186 |
| Acquisition of subsidiaries | 收購附屬公司 | 284,000 | 279,588 | 8,413 | 30,508 | 76,070 | 678,579 |
| Disposals | 出售 | - | (162,662) | (25,216) | (36,067) | (939,000) | (1,162,945) |
| Transfer to investment properties | 轉撥至投資物業 | (407,168) | - | - | - | - | (407,168) |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 2,437,314 | 27,635,167 | 1,051,159 | 1,688,752 | 22,662,870 | 55,475,262 |
| Additions | 添置 | - | 3,479,769 | 633,204 | 48,000 | 4,147,638 | 8,308,611 |
| Acquisition of subsidiaries | 收購附屬公司 | - | - | 318,458 | 147,606 | - | 466,064 |
| Disposals | 出售 | - | (521,904) | (267,950) | (54,100) | (296,851) | (1,140,805) |
| Deemed disposal of subsidiaries | 視作出售附屬公司 | - | (546,377) | (254,114) | - | (339,466) | (1,139,957) |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 2,437,314 | 30,046,655 | 1,480,757 | 1,830,258 | 26,174,191 | 61,969,175 |
| DEPRECIATION AND AMORTISATION | 折舊及攤銷 | | | | | | |
| At 1st April, 2005 | 於二零零五年四月一日 | 209,678 | 23,376,765 | 64,115 | 134,525 | 9,640,919 | 33,426,002 |
| Charge for the year | 年內支出 | 194,316 | 1,172,657 | 248,468 | 221,143 | 4,297,446 | 6,134,030 |
| Eliminated on disposals | 出售時撇銷 | - | (21,818) | (6,211) | (32,632) | (242,772) | (303,433) |
| Transfer to investment properties | 轉撥至投資物業 | (4,587) | - | - | - | - | (4,587) |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 399,407 | 24,527,604 | 306,372 | 323,036 | 13,695,593 | 39,252,012 |
| Charge for the year | 年內支出 | 126,512 | 2,348,014 | 473,735 | 437,542 | 4,292,169 | 7,677,972 |
| Eliminated on disposals | 出售時撇銷 | - | (311,126) | (222,669) | (28,853) | (182,471) | (745,119) |
| Eliminated on deemed disposal of subsidiaries | 視作出售附屬公司時撇銷 | - | (5,706) | (3,507) | - | (4,378) | (13,591) |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 525,919 | 26,558,786 | 553,931 | 731,725 | 17,800,913 | 46,171,274 |
| CARRYING VALUES | 賬面值 | | | | | | |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 1,911,395 | 3,487,869 | 926,826 | 1,098,533 | 8,373,278 | 15,797,901 |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 2,037,907 | 3,107,563 | 744,787 | 1,365,716 | 8,967,277 | 16,223,250 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

20. PROPERTY, PLANT AND EQUIPMENT

(Continued)

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

| | |
|------------------------|---|
| Buildings | 5% |
| Leasehold improvements | 3 years or over the term of the lease, if shorter |
| Furniture and fixtures | 20% |
| Motor vehicles | 20% |
| Tools and equipment | 10 – 33 ¹ / ₃ % |

The carrying value of furniture and fixtures of HK\$926,826 includes an amount of HK\$228,000 (2006: HK\$Nil) in respect of assets held under finance leases.

21. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments comprise leasehold interest in land in Hong Kong under medium-term lease

Analysed for reporting purposes as: 就申報而作出之分析：

| | |
|-------------------|-------|
| Current asset | 流動資產 |
| Non-current asset | 非流動資產 |

20. 物業、廠房及設備 (續)

上述物業、廠房及設備項目以直線法按下列年率折舊：

| | |
|--------|---------------------------------------|
| 樓宇 | 5% |
| 租賃物業裝修 | 三年或按租賃年期(倘較短) |
| 傢俬及裝置 | 20% |
| 汽車 | 20% |
| 工具及設備 | 10 – 33 ¹ / ₃ % |

傢俬及裝置之賬面值為926,826港元包括按融資租約持有之資產228,000港元(二零零六年：零港元)。

21. 預付租賃付款

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 9,751,328 | 9,992,962 |
| 242,180 | 242,727 |
| 9,509,148 | 9,750,235 |
| 9,751,328 | 9,992,962 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

22. GOODWILL

COST

| | 成本 | | | |
|--|---------------------|-------------------|-------------------|-------------------|
| At 1st April, 2005 | 於二零零五年四月一日 | 54,533,386 | 11,951,251 | 66,484,637 |
| Acquisitions | 收購 | 261,585 | 10,446,874 | 10,708,459 |
| Adjustments to measurements for acquisitions in prior periods (note) | 過往期間收購計量之調整(附註) | (3,929,100) | – | (3,929,100) |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 50,865,871 | 22,398,125 | 73,263,996 |
| Acquisitions | 收購 | 680,210 | 3,904,192 | 4,584,402 |
| Transfer | 轉讓 | 2,494,155 | – | 2,494,155 |
| Adjustments to measurements for acquisitions in prior periods (note) | 過往期間收購計量之調整(附註) | (1,122,600) | – | (1,122,600) |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 52,917,636 | 26,302,317 | 79,219,953 |

IMPAIRMENT

| | 減值 | | | |
|---|-------------------------|-------------------|-------------------|-------------------|
| At 1st April, 2005 and 31st March, 2006 | 於二零零五年四月一日及於二零零六年三月三十一日 | 14,897,071 | 7,403,320 | 22,300,391 |
| Impairment loss recognised | 已確認減值虧損 | 15,208,641 | 4,538,564 | 19,747,205 |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 30,105,712 | 11,941,884 | 42,047,596 |

CARRYING VALUES

| | 賬面值 | | | |
|---------------------|--------------|------------|------------|------------|
| At 31st March, 2007 | 於二零零七年三月三十一日 | 22,811,924 | 14,360,433 | 37,172,357 |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 35,968,800 | 14,994,805 | 50,963,605 |

Note: The amounts represented the adjustments to the contingent consideration for acquisitions in prior periods due to the compensation from profit guarantee granted by the vendors.

附註：該等款項指由於賣方授予之溢利擔保之補償而導致於過往期間對收購之或然代價作出之調整。

22. 商譽

| | Medical and dental practices | Total |
|--|------------------------------|-------------------|
| Subsidiaries | 西醫及牙科診所 | 合計 |
| 附屬公司 | | |
| HK\$ | HK\$ | HK\$ |
| 港元 | 港元 | 港元 |
| At 1st April, 2005 | 11,951,251 | 66,484,637 |
| Acquisitions | 10,446,874 | 10,708,459 |
| Adjustments to measurements for acquisitions in prior periods (note) | – | (3,929,100) |
| At 31st March, 2006 | 22,398,125 | 73,263,996 |
| Acquisitions | 3,904,192 | 4,584,402 |
| Transfer | – | 2,494,155 |
| Adjustments to measurements for acquisitions in prior periods (note) | – | (1,122,600) |
| At 31st March, 2007 | 26,302,317 | 79,219,953 |
| At 1st April, 2005 and 31st March, 2006 | 7,403,320 | 22,300,391 |
| Impairment loss recognised | 4,538,564 | 19,747,205 |
| At 31st March, 2007 | 11,941,884 | 42,047,596 |
| At 31st March, 2007 | 14,360,433 | 37,172,357 |
| At 31st March, 2006 | 14,994,805 | 50,963,605 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

22. GOODWILL (Continued)

As explained in Note 8, the Group uses business segments as its primary segment for reporting segment information. For the purposes of impairment testing, goodwill have been allocated to four individual cash-generating units (CGUs), namely, healthcare and dental services, trading of cardiology and peripheral vascular related surgical equipment, trading of healthcare and pharmaceutical products and, provision of design, promotion, administrative and public relationship services. The carrying amounts of goodwill (net of accumulated impairment losses) as at 31st March, 2007 allocated to these units are as follows:

| | |
|--|---|
| Healthcare and dental services ("Unit A"): | 醫療保健及 牙科服務 ("A單位"): |
| Bright Dignity Limited | 威杰有限公司 |
| Dermatonic Skincare & Laser Treatment Centre Limited | Dermatonic Skincare & Laser Treatment Centre Limited |
| Town Health Dental Limited | 康健牙科有限公司 |
| Town Health Medical & Dental Services Limited | 康健醫療及牙科服務 有限公司 |
| Pherson Limited | Pherson Limited |
| Silver Ascot Limited | 銀靈有限公司 |
| Trading of cardiology and peripheral vascular related surgical equipment ("Unit B"): | 買賣心臟科及周邊血管 相關外科手術儀器 ("B單位"): |
| Pacific Medical (Holdings) Company Limited and its subsidiaries: | 帕斯醫療控股有限公司 及其附屬公司: |
| - Pacific Medical (Hong Kong) Company Limited | - Pacific Medical (Hong Kong) Company Limited |
| - Pacific Medical (China) Company Limited | - Pacific Medical (China) Company Limited |
| - Pacific Medical (China) Group Company Limited | - Pacific Medical (China) Group Company Limited |
| - 上海帕斯醫療器材有限公司 | - 上海帕斯醫療器材有限公司 |

22. 商譽 (續)

誠如附註8所述，本集團以業務分類為其申報分類資料之主要分類申報模式。就減值測試而言，商譽將分配至四個現金產生單位(現金產生單位)，即醫療保健及牙科服務、買賣心臟科及周邊血管相關外科手術儀器、買賣保健產品及藥品，以及提供設計、推廣、廣告及公共關係服務。於二零零七年三月三十一日，分配至該等單位之商譽之賬面值(扣除累計減值虧損)如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 3,506,779 | 4,505,953 |
| 2,865,648 | 2,865,648 |
| 1,589,700 | 5,252,612 |
| 12,770,734 | 9,742,193 |
| - | 157,033 |
| - | 104,552 |
| 20,732,861 | 22,627,991 |
| 1,882,398 | 16,489,934 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007
截至二零零七年三月三十一日止年度

22. GOODWILL (Continued)

| | |
|--|---|
| Trading of healthcare and pharmaceutical products ("Unit C"): | 買賣保健及藥品 (「C單位」): |
| First Oriental Medical Technology Group Limited and its subsidiaries: | 名華醫療科技集團有限公司及其附屬公司: |
| – First Oriental Medical Technology Limited | – First Oriental Medical Technology Limited |
| – First Oriental Cyclotron Limited | – 名華醫療科技有限公司 |
| Audio Health Hearing Care (Shatin) Limited | 康聆聽覺護理 (沙田)有限公司 |
| Provision of design, promotion, advertising and public relationship services ("Unit D"): | 提供設計、宣傳、廣告及公關服務 (「D單位」): |
| Next Dimension Advertising (H.K.) Company Limited | 點•線•面廣告(香港)有限公司 |

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

Unit A

The recoverable amounts of CGU of medical and dental practices have been determined based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by management covering a period of 5 years, and discount rate of 11.3%. Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the CGU's past performance and management's expectations for the market development.

During the year, the Group recognised an impairment loss of HK\$5,799,322 in relation to goodwill to CGU of healthcare and dental services due to the poor performance of certain medical and dental practices.

22. 商譽 (續)

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 8,366,944 | 8,366,944 |
| 3,015,789 | 3,478,736 |
| 11,382,733 | 11,845,680 |
| 3,174,365 | – |
| 37,172,357 | 50,963,605 |

上述現金產生單位之可收回數額之基準及主要相關假設概述如下:

A單位

西醫及牙醫診所之現金產生單位之可收回數額乃基於使用價值計算釐定。此計算方式乃以管理層已批准之五年期財政預算之現金流量計算及每年11.3%之貼現率計算。計算使用價值之另一個重要假設為預算毛利，預算毛利乃根據現金產生單位之過往表現及管理層對市場發展之預期而釐訂。

年內，由於若干西醫及牙醫診所業績不佳，本集團就醫療保健及牙科服務之現金產生單位商譽確認減值虧損5,799,322港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

22. GOODWILL (Continued)

Unit B and Unit C

The recoverable amounts of the CGUs of trading of cardiology and peripheral vascular related surgical equipment and trading in healthcare and pharmaceutical products are based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period from the acquisition date to 31st March, 2007. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and CGUs' past performances. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The cash flow forecasts for the CGU of trading in healthcare and pharmaceutical products is derived from the most recent financial budgets for the next 5 years approved by management using a discount rate of 10.8%.

Cash flow projections of the CGU of trading of cardiology and peripheral vascular related surgical equipment is based on financial budgets approved by management covering a period of 5 years, and cash flows from 5th to 10th year period are extrapolated by assuming no growth rate and discount rate of 12.6%. Cash flow projections during the budget period for the CGU are also based on the expected gross margins during the budget period and the same raw materials price inflation during the budget period. Budgeted gross margins and raw material price inflation have been determined based on past performance and management's expectations for the market development.

During the year, the Group recognised an impairment loss of HK\$14,607,536 and HK\$462,947 in relation to goodwill to CGU of trading of cardiology and peripheral vascular related surgical equipment, and trading of healthcare and pharmaceutical products due to adverse market change in the industries.

22. 商譽 (續)

B單位及C單位

買賣心臟科及周邊血管相關外科手術儀器及買賣保健產品及藥品之現金產生單位之可收回數額乃按使用價值計算。使用價值計算之主要假設為有關貼現率、增長率及由收購日期至二零零七年三月三十一日期間售價及之直接成本之預期變化之假設。管理層會使用能反映目前市場對貨幣時間值之評估，以及現金產生單位特有風險之除稅前比率估計貼現率。增長率乃根據業內增長預測及現金產生單位之過往表現釐訂。售價及直接成本之變化乃以市場過往慣例及對市場未來變化之預期為基準。

買賣保健產品及藥品之現金產生單位之現金流預測乃根據經管理層批准之未來五年財務預算，按折現率10.8%計算。

買賣心臟科及周邊血管相關手術儀器的現金產生單位之現金流量預測建基於經管理層批准之五年期間的財務預算，而五至十年期間以上的現金流量則假設並無增長率及用折現率12.6%推斷。現金產生單位於預算期間的現金流量預測亦建基於預算期間之預期毛利及預算期間之相同原料價格通脹。預算毛利及原料價格通脹已按過往表現及管理層對市場發展之預期而釐定。

年內，由於相關行業市場發生不利變化，本集團就買賣心臟科及周邊血管相關手術儀器以及買賣保健產品及藥品之現金產生單位之商譽分別確認14,607,536港元及462,947港元之減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

22. GOODWILL (Continued)

Unit D

The recoverable amounts of CGU of provision of design, promotion, advertising and public relationship services are based on value in use calculations. Those calculations use cash flow projections based on financial budgets approved by management covering a period of 5 years, and discount rate of 10.7%. Another key assumption for the value in use calculations is the budgeted gross margin, which is determined based on the CGU's past performance and management's expectations for the market development.

23. INTERESTS IN ASSOCIATES

| | |
|---|-------------|
| Cost of investments in associates: | 於聯營公司之投資成本 |
| – Listed | – 上市 |
| – Unlisted | – 非上市 |
| Share of post-acquisition profits | 應佔收購後溢利 |
| Market value of listed shares at the balance sheet date | 上市股份於結算日之市值 |

22. 商譽 (續)

D單位

提供設計、宣傳、廣告及公關服務之現金產生單位之可收回數額乃基於使用價值計算釐定。此計算方式乃以管理層已批准之五年期財政預算之現金流量計算及每年10.7%之貼現率計算。計算使用價值之另一個重要假設為預算毛利，預算毛利乃根據現金產生單位之過往表現及管理層對市場發展之預期而釐訂。

23. 於聯營公司之權益

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| – | 2,893,060 |
| 13,610,893 | 15,337,126 |
| 3,879,975 | 2,975,336 |
| 17,490,868 | 21,205,522 |
| – | 5,249,687 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

84

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

23. INTERESTS IN ASSOCIATES (Continued)

Included in the cost of investments in associates is goodwill of HK\$7,777,785 (2006: HK\$8,899,245) arising on acquisition of associates. The movement of goodwill is set out below.

| COST | 成本 |
|----------------------------|------------|
| At 1st April | 於四月一日 |
| Arising on acquisitions | 收購所得 |
| Transfer (note) | 轉讓(附註) |
| Eliminated on disposal | 出售時撇銷 |
| | |
| At 31st March | 於三月三十一日 |
| | |
| IMPAIRMENT | 減值 |
| At 1st April | 於四月一日 |
| Impairment loss recognised | 已確認減值虧損 |
| Released upon disposal | 出售後撥回 |
| | |
| At 31st March | 於三月三十一日 |
| | |
| CARRYING AMOUNT | 帳面值 |
| At 31st March | 於三月三十一日 |

During the year ended 31st March, 2007, the directors of the Company reviewed the carrying value of the Group's associates in view of the poor performance of certain associates. The recoverable amounts of these associates are determined with reference to the estimated future cash flows using a discount rate of 11.3%. Accordingly, impairment loss of HK\$588,008 (2006: HK\$3,327,080) was identified and charged to the consolidated income statement.

Note: On 29th September, 2009, the Group increased its interest in Next Dimension Advertising (H.K.) Limited ("Next Dimension") from 40% to 65% and accordingly, it becomes a subsidiary of the Group and the corresponding goodwill is transferred to goodwill arising on acquisition of subsidiaries in note 22.

23. 於聯營公司之權益(續)

收購聯營公司產生之商譽為7,777,785港元(二零零六年: 8,899,245港元)計入於聯營公司投資之成本中。商譽之變動載列如下:

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|-----------------------------|-----------------------------|
| 36,292,815 | 31,487,703 |
| 1,960,703 | 4,805,112 |
| (2,494,155) | — |
| (15,514,103) | — |
| 20,245,260 | 36,292,815 |
| | |
| 27,393,570 | 24,066,490 |
| 588,008 | 3,327,080 |
| (15,514,103) | — |
| 12,467,475 | 27,393,570 |
| | |
| 7,777,785 | 8,899,245 |

於截至二零零七年三月三十一日止年度，鑑於若干聯營公司表現不佳，本公司董事已審閱本集團聯營公司之賬面值。此等聯營公司之可收回款額乃採用11.3%之貼現率計算估計日後現金流量而釐定。因此，已確認為數588,008港元(二零零六年: 3,327,080港元)之減值虧損，並已於綜合收益表內扣除。

附註: 於二零零九年九月二十九日，本公司增加其於點·線·面廣告(香港)有限公司(「點·線·面」)之權益由40%增至60%，因此，該公司成為本集團之附屬公司及相應商譽轉撥至收購附註22所述之附屬公司產生之商譽。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

23. INTERESTS IN ASSOCIATES (Continued)

Group's associates is set out below:

| | |
|---|----------------|
| Total assets | 資產總值 |
| Total liabilities | 負債總值 |
| Net assets | 資產淨值 |
| Group's share of net assets of associates | 本集團應佔聯營公司之資產淨值 |
| Revenue | 收益 |
| Profit (loss) for the year | 年度溢利(虧損) |
| Group's share of results of associates for the year | 本集團應佔聯營公司之年度業績 |

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

| | |
|---|-----------------|
| Unrecognised share of losses of associates for the year | 本年度未確認應佔聯營公司之虧損 |
| Accumulated unrecognised share of losses of associates | 累計未確認應佔聯營公司之虧損 |

23. 於聯營公司之權益(續)

本集團聯營公司之財務資料概要載列如下：

| | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---|---------------------|--------------------|
| Total assets | 83,289,808 | 69,559,997 |
| Total liabilities | (68,216,892) | (28,447,445) |
| Net assets | 15,072,916 | 41,112,552 |
| Group's share of net assets of associates | 9,713,083 | 12,306,277 |
| Revenue | 109,466,163 | 42,952,614 |
| Profit (loss) for the year | 1,063,212 | (781,208) |
| Group's share of results of associates for the year | 2,739,050 | (475,284) |

本集團已終止確認其應佔若干聯營公司之虧損。摘錄自聯營公司之有關經審核財務報表或管理賬目之未確認應佔該等聯營公司之款項(本年度及累計)載列如下：

| | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---|--------------------|--------------------|
| Unrecognised share of losses of associates for the year | (1,923,910) | (850,873) |
| Accumulated unrecognised share of losses of associates | (4,246,068) | (2,322,158) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

23. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's principal associates at 31st March, 2007 are as follows:

| Name of company 公司名稱 | Form of business structure 業務結構形式 | Place of incorporation 註冊成立地點 | Attributable proportion of nominal value of issued capital indirectly held by the Group 本公司間接持有之 已發行股本面值 之應佔比例 | Principal activities 主要業務 |
|---|---|-------------------------------------|--|--|
| Advance Bond Limited 綽峰有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 49% | Operation of medical clinics in Hong Kong 在香港經營西醫診所 |
| Bess Dental Services Limited 貝斯牙科保健有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 49% | Provision of dental services to dental card holders 向牙齒保健咭持有人 提供牙齒保健服務 |
| Goldwell Investment Holdings Limited 金豐投資集團有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 49% | Operation of medical clinics in Hong Kong 在香港經營西醫診所 |
| Hong Kong Health Check (note) 香港體檢(附註) | Incorporated 註冊成立 | Bermuda 百慕達 | – | Provision of healthcare and medical checks services 提供醫療保健及體檢服務 |
| JFA Town Health Limited 霍建中一康健醫療 集團有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 50% | Tendering for corporate medical services 競投公司醫療服務 |
| Long Faith International Limited 朗信國際有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 40% | Operation of a medical clinic in Hong Kong 在港經營西醫診所 |
| NSA Far East Limited 安傑遠東有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 39.2% | Distribution of healthcare products 分銷保健產品 |
| NSA Life Sciences Limited 安潔生命科技有限公司 | Incorporated 註冊成立 | Hong Kong 香港 | 49% | Investment holding 投資控股 |

23. 於聯營公司之權益(續)

本集團之主要聯營公司於二零零七年三月三十一日之詳細資料如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

23. INTERESTS IN ASSOCIATES (Continued)

| Name of company 公司名稱 | Form of business structure 業務結構形式 | Place of incorporation 註冊成立地點 |
|--|---|-------------------------------------|
| Pak On Medical Company Limited 栢安醫療有限公司 | Incorporated 註冊成立 | Hong Kong 香港 |
| Smart Vision (Asia) Limited 新形像(亞洲)有限公司 | Incorporated 註冊成立 | Hong Kong 香港 |
| Star Shine Limited 盛信有限公司 | Incorporated 註冊成立 | Hong Kong 香港 |
| Union Crown International Limited 盛冠國際有限公司 | Incorporated 註冊成立 | Hong Kong 香港 |

Note: On 23rd February, 2006, the Group subscribed convertible bonds amounting to HK\$60,000,000 issued by Hong Kong Health Check. The convertible bonds, if converted, will give the Group 35.75% voting power over Hong Kong Health Check. Based on the management's assessment, the currently exercisable convertible bonds of HK\$60,000,000 provides the Group the potential voting rights in Hong Kong Health Check which in turn provide the Group the ability to exercise significant influence on Hong Kong Health Check. In preparing the consolidated financial statements of the Group, financial statements of Hong Kong Health Check were equity accounted for in accordance with Hong Kong Accounting Standards 28 "Investments in Associates". Since the Group has no present equity interest in Hong Kong Health Check, no results and assets and liabilities of Hong Kong Health Check were shared by the Group.

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

23. 於聯營公司之權益 (續)

Attributable
proportion of
nominal value
of issued capital
indirectly held
by the Group
本公司間接持有之
已發行股本面值
之應佔比例

Principal activities
主要業務

| | |
|-----|--|
| 49% | Operation of medical clinics in Hong Kong 在香港經營西醫診所 |
| 49% | Provision of photographic design and related services for new-born babies 為初生嬰兒提供 攝影設計及相關服務 |
| 49% | Trading in teeth whitening products 買賣牙齒美白產品 |
| 25% | Provision of medical diagnostic services 提供醫療診斷服務 |

附註：於二零零六年二月二十三日，本集團認購香港體檢發行之可換股債券達60,000,000港元。倘換股，該等可換股債券將賦予本集團超過香港體檢35.75%之投票權。根據管理層之評估，現時可行使之可換股債券為60,000,000港元為本集團提供於香港體檢之潛在投票權，而香港體檢為本集團提供對香港體檢行使重大影響之能力。於編製本集團之綜合財務報表時，香港體檢之財務報表根據香港會計準則第28號「於聯營公司之投資」以權益法入賬。因本集團現時並無於香港體檢擁有股本權益，故本集團並未分佔香港體檢之業績及資產以及負債。

董事認為，上述聯營公司對本集團業績或資產有重大影響。董事認為，詳列其他聯營公司之資料將導致資料過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

24. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprises:

| | |
|----------------------------------|-------------|
| Listed securities: | 上市證券： |
| – Equity securities | – 權益證券 |
| Unlisted securities: | 非上市證券： |
| – Equity securities (note a) | – 權益證券(附註a) |
| – Debt securities (note b) | – 債務證券(附註b) |
| Less: Impairment loss recognised | 減：已確認減值虧損 |

Notes:

- (a) The above unlisted investments represent investments in unlisted equity securities. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

24. 可出售投資

可出售投資包括：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 2,428,750 | – |
| 2,225,103 | 4,413,142 |
| 48,589,367 | – |
| – | (755,190) |
| 53,243,220 | 3,657,952 |

附註：

- (a) 上述非上市投資代表於非上市股本證券之投資。該投資乃於各結算日按成本減減值計量，此乃由於合理公平值估計之範圍極大，本公司董事認為公平值不能可靠地計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

24. AVAILABLE-FOR-SALE INVESTMENTS

(Continued)

Notes: (continued)

- (b) On 23rd February, 2006, the Group subscribed the Convertible Bonds I with an aggregate amount of HK\$60,000,000 from Hong Kong Health Check, convertible bonds at interest of 1% per annum payable semi-annually with maturity on 22nd February, 2010. The Group can exercise the conversion option at any time until the maturity date. The conversion price is HK\$0.041 per share. The Convertible Bonds I can be redeemed at 100% of the respective outstanding principal amount, together with their unpaid interest on maturity date. Hong Kong Health Check is a public limited company with its shares listed on the Stock Exchange. Hong Kong Health Check is entitled at its sole discretion by giving not less than 30 days notice to the Group to redeem all Convertible Bonds I at the principal amount at any time after the date of issue of Convertible Bonds I together with interest accrued to the date fixed for redemption.

On 3rd October, 2006, Hong Kong Health Check further issued the Convertible Bonds II of an aggregate principal amount of HK\$40,000,000 at a conversion price of HK\$0.041 to third parties which were also immediately convertible. Upon conversion of both Convertible Bonds I by the Group and Convertible Bonds II by those third parties, the Group's ownership interest in Hong Kong Health Check will be diluted to 35.75%.

As explained in Note 3, Hong Kong Health Check ceased to be a subsidiary of the Group following the issuance of the Convertible Bond II. As the economic characteristics and risks of the embedded conversion option and the issuer's early redemption option are not closely related to those of the host contract, they are separately accounted for as derivatives and measured at fair value. The Group has classified all the debt element of the convertible bonds as available-for-sale investment. The fair values of the debt element and the derivatives are determined by the directors of the Company with reference to the valuation performed by GCAL.

24. 可出售投資 (續)

附註：(續)

- (b) 於二零零六年二月二十三日，本集團向香港體檢認購總金額為60,000,000港元之可換股債券I，該債券於二零一零年二月二十二日到期，年利率為1%，每半年支付一次利息。本集團可於到期日前任何時間行使該換股權。換股價為每股0.041港元。可換股債券I可以於到期日以各自未償還本金額之100%連同尚未支付之利息贖回。香港體檢為一間公眾有限公司，其股份於聯交所上市。香港體檢有權自行決定向本集團發出不少於三十日之通知而於可換股債券I發行日期後任何時間按本金額贖回全部可換股債券I，並支付計至經釐定贖回日期之應計利息。

於二零零六年十月三日，香港體檢進一步向第三方發行本金總額為40,000,000港元之可換股債券II，換股價為每股0.041港元，可換股債券II可即刻轉換。本集團完成可換股債券I及第三方完成可換股債券II之轉換後，本集團於香港體檢之所有者權益將攤薄為35.75%。

如附註3所釋，香港體檢於可換股債券I發行之後終止為本集團附屬公司。由於內含換股權之經濟特質及風險以及發行人提早贖回購股權與主合約並非緊密關連，兩者分別作為衍生工具核算並以公平值計量。本集團已將可換股債券之全部債務部份分類為可出售投資。債務部份及衍生工具之公平值乃由本公司董事參考漢華進行之估值而釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

24. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (continued)

(b) (continued)

The gain upon subscription of Convertible Bonds I in respect of the derivative elements prior to 3rd October, 2006, was not taken up as Hong Kong Health Check was consolidated as a subsidiary of the Group.

On 3rd October, 2006, Hong Kong Health Check further issued the Convertible Bonds II of an aggregate principal amount of HK\$40,000,000 at a conversion price of HK\$0.041 to third parties which were also immediately convertible. Upon conversion of both Convertible Bonds I by the Group and Convertible Bonds II by those third parties, the Group's ownership interest in Hong Kong Health Check will be diluted to 35.75%.

The movement of the fair values of the components of Convertible Bonds I since 3rd October, 2006 is set out below:

| | | Debt element | Conversion option element | Early redemption element | Total |
|---------------------------|-------------|-----------------|---------------------------------|--------------------------------|-------------|
| | | 負債部份 | 換股權部份 | 提早贖回部份 | 合計 |
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 |
| As at 3rd October, 2006 | 二零零六年十月三日 | 46,752,430 | 36,174,685 | (35,812) | 82,891,303 |
| Effective interest income | 實際利息收入 | 1,843,475 | - | - | 1,843,475 |
| Increase in fair value | 公平值增加 | (6,538) | 146,230,710 | (877,027) | 145,347,145 |
| As at 31st March, 2007 | 二零零七年三月三十一日 | 48,589,367 | 182,405,395 | (912,839) | 230,081,923 |

The gain on the conversion option recognised during the year amounting to HK\$166,343,042 represents the difference between the carrying value as at 3rd October, 2006 of the equity component of the Convertible Bonds I recognised by Hong Kong Health Check in its convertible bonds reserve of HK\$16,062,353 (see also Note 46) and the fair value of the conversion option at 31st March, 2007 of HK\$182,405,395.

24. 可出售投資 (續)

附註：(續)

(b) (續)

由於香港體檢已綜合入賬列作本集團之附屬公司，故於二零零六年十月三日前就衍生部份認購可換股債券I所得之收益並無獲接納。

於二零零六年十月三日，香港體檢按換股價0.041港元向第三方進一步發行總本金額40,000,000港元之可換股債券II，有關可換股債券亦可即時轉換。於本集團轉換可換股債券I及該等第三方轉換可換股債券II後，本集團於香港體檢之擁有權益將被攤薄至35.75%。

二零零六年十月三日以來可換股債券I部份公平值之變動情況載列如下：

年內確認之為數166,343,042港元之換股權收益乃香港體檢於二零零六年十月三日之可換股債券I股本部份之賬面值16,062,353港元（見附註46）與二零零七年三月三十一日轉換可換股債券I之公平值182,405,395港元間之差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

24. AVAILABLE-FOR-SALE INVESTMENTS

(Continued)

Notes: (continued)

(b) (continued)

The methods and assumptions applied for the valuation of the convertible bonds are as follows:

(1) Valuation of debt component

The fair value of debt element was calculated based on the present value contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the credit rating of the convertible bonds issuer and remaining time to maturity. The effective interest rate of the debt component at 3rd October, 2006 and 31st March, 2007 are 8.65% and 8.29% respectively.

(2) Valuation of conversion option element

Binomial model is used for valuation of conversion option element. The inputs into the model were as follows:

| | |
|------------------|-------|
| Stock price | 股價 |
| Conversion price | 換股價 |
| Volatility | 波幅 |
| Dividend yield | 股息收入 |
| Option life | 購股權期限 |
| Risk free rate | 無風險利率 |

Volatility of the stock price was estimated by the average annualised standard deviations of the continuously compounded rates of return on several comparable companies of Hong Kong Health Check's stock price.

(3) Valuation of early redemption element

The fair value of the early redemption element is the difference in the values of conversion option with the early redemption and without the early redemption.

24. 可出售投資 (續)

附註：(續)

(b) (續)

可換股債券估值所運用之方法及假設如下：

(1) 債務部份之估值

債務部份之公平值基於合約釐定之未來現金流量按規定收益率折現之現值計算，未來現金流量乃經參考可換股債券發行人信用評級及餘下至屆滿之時間而釐定。於二零零六年十月三日及二零零七年三月三十一日債務部份之實際利率分別為8.65%及8.29%。

(2) 換股權部份之估值

二項式模式用於換股權部份之估值。計入該模式之數據如下：

| | 3rd October 2006 於二零零六年 十月三日 | 31st March, 2007 於二零零七年 三月三十一日 |
|------------------|---------------------------------------|---|
| Stock price | HK\$0.108 0.108港元 | HK\$0.226 0.226港元 |
| Conversion price | HK\$0.04 0.04港元 | HK\$0.04 0.04港元 |
| Volatility | 33.12% | 41.75% |
| Dividend yield | — | — |
| Option life | 3.4 years 3.4年 | 3 years 3年 |
| Risk free rate | 3.80% | 3.90% |

股價波幅乃按數間香港體檢可資比較公司之股價之持續回報複合率之平均年度偏差所預計。

(3) 提早贖回權部份之估值

提早贖回權部份之公平值為有提早贖回權與無提早贖回權換股權兩者價值之差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

25. DEPOSITS PAID ON ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At 31st March, 2007, the deposits are paid by the Group in connection with the acquisition of certain advanced medical equipment for future expansion. The related capital commitments are set out in note 49.

26. INVENTORIES

| | |
|---|------------------|
| Pharmaceutical supplies | 藥物 |
| Health food | 保健食品 |
| Healthcare equipment | 醫療設備 |
| Dental materials and supplies | 牙科用品 |
| Isotope for medical uses | 醫療用同位素 |
| Cardiology and peripheral vascular related surgical equipment | 心臟科及周邊血管相關外科手術儀器 |

27. TRADE AND OTHER RECEIVABLES

| | |
|------------------------------|--------|
| Trade receivables | 應收賬款 |
| Less: accumulated impairment | 減：累計虧損 |
| Deposits | 按金 |
| Other receivables | 其他應收款項 |
| Prepayments | 預付款項 |

25. 就收購物業、廠房及設備支付之按金

於二零零七年三月三十一日，本集團就收購若干先進醫療設備以配合未來擴展而支付按金。相關資本承擔載於附註49。

26. 存貨

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 3,762,491 | 3,162,642 |
| 4,012,418 | — |
| 877,433 | 540,243 |
| 412,111 | 165,812 |
| 381,196 | 262,140 |
| 4,332,348 | 9,651,952 |
| 13,777,997 | 13,782,789 |

27. 應收賬款及其他應收款項

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 35,783,456 | 23,478,374 |
| (6,640,533) | (2,296,199) |
| 29,142,923 | 21,182,175 |
| 11,996,779 | 11,413,337 |
| 8,458,222 | 10,591,536 |
| 2,045,077 | 6,373,095 |
| 51,643,001 | 49,560,143 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

27. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

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

The following is an aged analysis of trade receivables at the balance sheet date:

| | |
|----------------|-------------|
| 0 – 60 days | 0日 – 60日 |
| 61 – 120 days | 61日 – 120日 |
| 121 – 180 days | 121日 – 180日 |
| 181 – 240 days | 181日 – 240日 |
| 241 – 360 days | 241日 – 360日 |
| Over 360 days | 360日以上 |

- b. The Group's trade and other receivables included HK\$6,085,060 (2006: HK\$8,632,906) that is denominated in Renminbi ("RMB").

28. AMOUNTS DUE FROM ASSOCIATES

The amounts at 31st March, 2007 and 2006 are unsecured, interest-free and repayable on demand.

At 31st March, 2007, the balance includes accumulated allowances for amounts due from associates of HK\$6,254,916 (2006: HK\$5,298,658).

27. 應收賬款及其他應收款項 (續)

附註：

- a. 醫療及牙醫服務之大部份病人以現金支付。使用醫療卡支付之病人一般於180至240日內結算。本集團就其他業務之貿易客戶提供60至240日之平均信貸期。

應收貿易賬款於結算日之賬齡分析如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 15,621,024 | 11,249,713 |
| 8,278,161 | 3,964,888 |
| 4,297,058 | 2,998,540 |
| 1,500,406 | 3,546,680 |
| 2,866,369 | 888,366 |
| 3,220,438 | 830,187 |
| 35,783,456 | 23,478,374 |

- b. 本集團應收賬款及其他應收款項包括6,085,060港元(二零零六年：8,632,906港元)以人民幣定值之款項。

28. 應收聯營公司款項

於二零零七年及二零零六年三月三十一日之款項為無抵押、免息及須按要求償還。

於二零零七年三月三十一日，結餘包括應收聯營公司款項之累計撥備6,254,916港元(二零零六年：5,298,658港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

29. AMOUNTS DUE FROM INVESTEEES

| | |
|--|-------------------|
| Amounts due from investees | 應收被投資公司之款項 |
| Less: Impairment loss for amounts due from investees | 減：應收被投資公司之款項之減值虧損 |

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

30. AMOUNTS DUE FROM RELATED PARTIES

| | |
|--|---|
| Dr. Cho, Chan, Fung & Associates (note a) | Dr. Cho, Chan, Fung & Associates (附註a) |
| True Destination Limited (note b) | True Destination Limited (附註b) |
| First Oriental Nuclear Medicine Limited (note c) | First Oriental Nuclear Medicine Limited (附註c) |

Notes:

- (a) The partners of Dr. Cho, Chan, Fung & Associates are employee-doctors of the Group. Dr. Cho Kwai Chee and Dr. Fung Yip Tong, Bennet, directors of the Company, are also partners of that partnership.
- (b) The ultimate holding company of an associate of the Group, Health Matrix International Limited.
- (c) A company in which Dr. Yeung Wah Hin, Alex ("Dr. Yeung") is a director and shareholder. Dr. Yeung is also a director of First Oriental Cyclotron Limited, a non-wholly owned subsidiary of the Company. The maximum balance during the year was HK\$437,100 (2006: HK\$437,100).

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

29. 應收被投資公司之款項

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 1,287,500 | 1,221,705 |
| – | (538,355) |
| 1,287,500 | 683,350 |

應收被投資公司之款項為無抵押、免息及須按要求償還。

30. 應收有關聯公司款項

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 2,425,962 | 4,058,265 |
| 10,530 | – |
| 409,950 | 437,100 |
| 2,846,442 | 4,495,365 |

附註：

- (a) Dr. Cho, Chan, Fung & Associates之合夥人為本集團之僱員醫生，本公司董事曹貴子醫生及馮耀棠醫生亦為該合夥企業之合夥人。
- (b) Health Matrix International Limited為本集團之聯營公司之最終控股公司。
- (c) 楊華顯醫生（「楊醫生」）為公司之董事及股東。楊醫生亦為 First Oriental Cyclotron Limited（公司之非全資附屬公司）之董事。於年內，結餘之最高額為437,100港元（二零零六年：437,100港元）。

結餘為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

31. AMOUNTS DUE FROM/TO MINORITY SHAREHOLDERS OF SUBSIDIARIES

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

32. AMOUNTS DUE FROM A DIRECTOR

Directors' current accounts/loans to officers disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

| Director/officer 董事／高級職員 | Terms of loan 貸款條件 | Balance at 31.3.2007 於二零零七年 三月三十一日 之結餘 HK\$ 港元 | Balance at 1.4.2006 於二零零六年 四月一日 之結餘 HK\$ 港元 | Maximum amount outstanding during the year 年內最高 未償還金額 HK\$ 港元 |
|--|--|--|---|---|
| Dr. Fung Yiu Tong, Bennet (Director) 馮耀棠醫生 (董事) | Unsecured and non-interest bearing, repayable on demand 無抵押及免息， 須按要求償還 | — | 950,000 | 950,000 |

The amount was fully settled during the year.

31. 應收／應付附屬公司少數股東之款項

該等款項為無抵押、免息及須按要求償還。

32. 應收一名董事款項

根據香港公司條例第161B披露之董事流動賬目／貸款予高級職員載列如下：

33. HELD FOR TRADING INVESTMENTS

| FAIR VALUE Listed equity securities in Hong Kong | 公平值 香港上市之股本證券 |
|--|------------------|
|--|------------------|

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

33. 持作買賣投資

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 21,021,288 | 22,929,500 |

持作買賣股本證券之公平值乃根據可於聯交所獲得之所報價格釐訂。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

96

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

34. CONVERSION OPTIONS EMBEDDED IN CONVERTIBLE BONDS/EARLY REDEMPTION OPTION EMBEDDED IN CONVERTIBLE BONDS

| | |
|--|------------------|
| Unlisted conversion options embedded in convertible bonds | 非上市可換股債券所附之換股權 |
| Unlisted early redemption option embedded in convertible bonds | 非上市可換股債券所附之提早贖回權 |

As at 31st March, 2007, conversion options and early redemption option embedded in convertible bonds represent the conversion option element and early redemption feature of the Convertible Bonds I subscribed by the Group respectively. The fair values of the unlisted convertible bonds are determined by the directors of the Company with reference to the valuation performed by GCAL (see Note 24).

35. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to lenders to secure facilities granted to the Group. The deposits have been pledged to secure short-term other borrowings and are therefore classified as current assets.

The deposits carry interest rate which ranges from 3.4% to 4.10% (2006: 1.5% to 4.1%) per annum. The pledged bank deposits will be released upon the settlement of relevant borrowings.

34. 可換股債券所附換股權／可換股債券所附提早贖回權

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 182,405,395 | — |
| (912,839) | — |

於二零零七年三月三十一日，可換股債券所附換股權及提早贖回權分別指本集團認購之可換股債券I之換股權部分及提早贖回機制。非上市可換股債券之公平值乃由本公司董事參照漢華進行之估值釐定（詳見附註24）。

35. 已抵押銀行存款

該款項代表就取得授予本集團之融資抵押予借方之存款。該存款已就取得短期其他借款作出抵押，因此歸類為流動資產。

該存款按介乎3.4厘至4.1厘（二零零六年：1.5厘至4.1厘）之年利率計息。已抵押銀行存款將於結算有關借貸後釋出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

36. BANK BALANCES AND CASH

Bank balances and cash comprises cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 1.5% to 5% (2006: 0.5% to 4.1%) per annum and have original maturity of three months or less.

37. TRADE AND OTHER PAYABLES

| | |
|-----------------------|----------|
| Trade payables (note) | 應付賬款(附註) |
| Other payables | 其他應付款項 |
| Accruals | 應計費用 |

Note:

The following is an aged analysis of trade payables at the balance sheet date:

| | |
|----------------|-------------|
| 0 – 60 days | 0日 – 60日 |
| 61 – 120 days | 61日 – 120日 |
| 121 – 240 days | 121日 – 240日 |
| Over 240 days | 240日以上 |

36. 銀行結餘及現金

銀行結餘及現金包括本集團持有之現金，以及原到期日為三個月以內並按1.5厘至5厘(二零零六年：0.5厘至4.1厘)之現行市場年利率計息之銀行結餘。

37. 應付賬款及其他應付款項

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 17,400,076 | 18,127,828 |
| 8,722,426 | 5,507,406 |
| 14,931,711 | 15,274,119 |
| 41,054,213 | 38,909,353 |

附註：

於結算日之應付賬款賬齡分析如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 9,115,326 | 6,607,492 |
| 5,895,877 | 10,475,403 |
| – | – |
| 2,388,873 | 1,044,933 |
| 17,400,076 | 18,127,828 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

38. AMOUNTS DUE TO RELATED PARTIES

| | |
|---|------------------|
| Weissford Development Limited (note a) | 威福發展有限公司 (附註a) |
| Kowloon Hearing Services Limited (note b) | 九龍聽覺服務有限公司 (附註b) |

Notes:

- (a) A company in which Dr. Cho Kwai Chee and Mr. Cho Kwai Yee, Kevin are directors and have beneficial interests.
- (b) A company in which Mr. Lai Kwok Fai is a director and shareholder. Mr. Lai Kwok Fai is also a director of a subsidiary of the Company, Audio Health Hearing Care (Shatin) Limited.

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

39. BANK AND OTHER BORROWINGS

| | |
|--------------------|--------|
| Bank overdrafts | 銀行透支 |
| Trust receipt loan | 信託收據貸款 |
| Bank loans | 銀行貸款 |

| | |
|--------------|------|
| Analysed as: | 分析為： |
| Secured | 有抵押 |
| Unsecured | 無抵押 |

38. 應付有關聯公司之款項

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 607,599 | — |
| 307,260 | — |
| 914,859 | — |

附註：

- (a) 曹貴子醫生及曹貴宜先生出任董事並於當中擁有實益權益之公司。
- (b) 賴國輝先生出任董事及為股東之公司，賴國輝先生亦為本公司附屬公司康聆聽覺護理(沙田)有限公司之董事。

有關款項為無抵押、免息及須按要求償還。

39. 銀行及其他借貸

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 823,818 | 793,180 |
| 249,600 | 240,000 |
| 51,949,035 | 61,575,444 |
| 53,022,453 | 62,608,624 |
| 27,772,853 | 26,822,559 |
| 25,249,600 | 35,786,065 |
| 53,022,453 | 62,608,624 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

39. BANK AND OTHER BORROWINGS (Continued)

Carrying amount repayable: 須於下列年期償還之面值：

| | |
|------------------------------|---------|
| Within one year or on demand | 一年內或按要求 |
| In the second year | 第二年 |
| In the third year | 第三年 |
| In the fourth year | 第四年 |
| In the fifth year | 第五年 |
| Over five years | 超過五年 |

Less: Amount due within one year included under current liabilities 減：包括於流動負債內於一年內到期之金額

Amount due after one year 於一年後到期之金額

The Group has variable-rate borrowings on bank loans which carry interest at prime rate less 2.8% to 1.5% per annum (2006: prime rate less 2.5% to 3.5%). Interest is repriced every year.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

Effective interest rate: 實際利率：
Variable-rate borrowings 浮息借貸

As at 31st March, 2006, the Group's bank and other borrowings included HK\$33,760,439 (2007: nil) that is denominated in RMB.

During the year, the Group obtained loans from banks in the amount of HK\$68,333,490. The proceeds were for general working capital purpose of the Group.

39. 銀行及其他借貸 (續)

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---------------------|--------------------|
| 29,734,414 | 37,487,642 |
| 1,929,287 | 1,801,359 |
| 2,039,724 | 1,909,915 |
| 2,156,487 | 2,024,378 |
| 2,212,899 | 2,145,596 |
| 14,949,642 | 17,239,734 |
| 53,022,453 | 62,608,624 |
| (29,734,414) | (37,487,642) |
| 23,288,039 | 25,120,982 |

本集團擁有浮息銀行貸款借貸，利息按最優惠利率減2.8厘至1.5厘(二零零六年：按最優惠利率減2.5厘至3.5厘)之年利率計算。利息每年重新定價一次。

本集團借貸之實際利率(亦等同合約利率)範圍如下：

| 2007 | 2006 |
|---------------------|--------------|
| 5.2% to 6.3% | 2.7% to 5.7% |
| 5.2厘至6.3厘 | 2.7厘至5.7厘 |

於二零零六年三月三十一日，本集團之銀行及其他貸款其中包括33,760,439港元(二零零七年：無)為以人民幣定值。

年內，本集團從銀行取得新貸款68,333,490港元。所得款項已用於本集團之一般營運資金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

40. OBLIGATIONS UNDER FINANCE LEASES

It is the Group's policy to lease certain of its furniture and fixtures under finance leases. The average lease term is 3 years. Interest rates underlying all obligations under finance leases are fixed at respective contract dates at 1.242% per annum. No arrangements have been entered into for contingent rental payments.

40. 融資租約承擔

根據本集團之政策，本集團之若干傢俬及裝置乃根據融資租約租賃，平均租期為三年。融資租約下之所有責任之相關利率均於各合約日期按每年1.242厘確定。並無就或然租賃款項訂立任何安排。

| | | Minimum lease payments | | Present value of minimum lease payments | |
|--|--------------------------|------------------------|------|---|------|
| | | 最低租約付款 | | 最低租約付款之現值 | |
| | | 2007 | 2006 | 2007 | 2006 |
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 |
| Amounts payable under finance leases | 融資租約下之應付金額： | | | | |
| Within one year | 一年內 | 45,600 | - | 45,600 | - |
| In more than one year but not more than two years | 超過一年但不逾兩年 | 45,600 | - | 45,041 | - |
| In more than two years but not more than three years | 超過兩年但不逾三年 | 34,200 | - | 33,366 | - |
| | | 125,400 | - | 124,007 | - |
| Less: future finance charges | 減：未來融資費用 | (1,393) | - | N/A | N/A |
| | | 124,007 | - | 124,007 | - |
| Present value of lease obligations | 租約承擔之現值 | | | | |
| Less: Amount due for settlement within twelve months (shown under current liabilities) | 減：十二個月內到期應付之款項 (列於流動負債下) | | | (45,600) | - |
| Amount due for settlement after twelve months | 十二個月後到期應付之款項 | | | 78,407 | - |

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

本集團之融資租約責任由出租人以租賃資產之押記作抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

41. DEFERRED TAX LIABILITIES

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

| | | Accelerated tax depreciation and revaluation of investment properties 加速稅項 折舊及重估 投資物業 | Tax losses 稅項虧損 | Others 其他 | Total 合計 |
|--|--------------|--|-----------------------|------------------|------------------|
| | | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 |
| At 1st April, 2005 | 於二零零五年四月一日 | 915,353 | (56,233) | - | 859,120 |
| Acquisition of subsidiaries | 收購附屬公司 | 655,628 | - | - | 655,628 |
| Charge (credit) to income for the year | 扣自(計入)年度收入 | 3,724,100 | (1,100,936) | (139,570) | 2,483,594 |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 5,295,081 | (1,157,169) | (139,570) | 3,998,342 |
| Charge (credit) to income for the year | 扣自(計入)年度收入 | (1,273,157) | 1,124,061 | (87,420) | (236,516) |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 4,021,924 | (33,108) | (226,990) | 3,761,826 |

At 31st March, 2007, the Group has unused tax losses of HK\$25,410,918 (2006: HK\$31,657,141) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses of HK\$189,188 (2006: HK\$6,612,394).

No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$25,221,730 (2006: HK\$25,044,747) due to the unpredictability of future profit streams and may be carried forward indefinitely.

At 31st March, 2007, the Group has deductible temporary differences associated with specific provision on trade receivables and inventories of HK\$9,125,366 (2006: HK\$5,633,960). No deferred tax asset has been recognised in relation to HK\$7,828,280 (2006: HK\$4,836,417) of such deductible temporary difference as it is uncertain that taxable profit will be available against which the deductible temporary differences can be utilised.

41. 遞延稅項負債

於年內及往年所確認之主要遞延稅項負債(資產)及其變動如下:

於二零零七年三月三十一日，本集團有約25,410,918港元(二零零六年：31,657,141港元)未動用稅項虧損可用作抵銷日後溢利。已就為數189,188港元(二零零六年：6,612,394港元)之虧損確認遞延稅項資產。

由於無法預測日後之溢利來源，並無就餘下稅項虧損25,221,730港元(二零零六年：25,044,747港元)確認遞延稅項資產，並可無限期結轉。

於二零零七年三月三十一日，本集團與應收賬款及存貨特定撥備相關之可扣減暫時差額為9,125,366港元(二零零六年：5,633,960港元)。由於無法確定將有應課稅溢利可用作抵銷可扣減暫時差額，故並無就該等為數7,828,280港元(二零零六年：4,836,417港元)之可扣減暫時差額確認遞延稅項資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

42. CONVERTIBLE BONDS

On 2nd February, 2005, the Company entered into a placing agreement with an independent placing agent in relation to the placing of up to HK\$32,000,000 2.5% convertible bonds due 2007, to independent third parties. On 11th April, 2005, an aggregate principal amount of HK\$32,000,000 convertible bonds were issued. The convertible bonds can be converted into ordinary shares in the Company at a conversion price of HK\$0.037 per share, subject to adjustment, at the option of the bondholders, at any time between the date of issue of the convertible bonds and 90 days prior to the maturity date on 10th April, 2007. If the bonds have not been converted, they will be redeemed on 10th April, 2007 at par. Interest of 2.5% will be paid half yearly in arrears on 31st March, and 30th September in each year. The effective interest rate is 7.77%.

The HK\$32,000,000 2.5% convertible bonds were fully converted from 22nd April, 2005 to 23rd May, 2005 by 11 bondholders. A total of 864,864,864 shares were allotted and issued for the year ended 31st March, 2006.

On 30th August, 2005, the Company entered into a placing agreement with an independent placing agent for the purpose of arranging subscribers for the issue of 2.5% convertible bonds due 2007/2008, on a best effort basis, up to an aggregate principal amount of HK\$80,000,000 in two tranches. As at 31st March, 2006, "Tranche 1 Bonds", representing 2.5% convertible bonds due 2007 up to an aggregate principal amount of HK\$40,000,000 had been issued in full. Up to 28th February, 2006, no subscribers have been procured to subscribe on the "Tranche 2 Bonds", representing 2.5% convertible bonds due 2008 up to an aggregate principal amount of HK\$40,000,000. According to the placing agreement, the placing for the Tranche 2 Bonds was ceased and terminated and thus the whole Tranche 2 Bonds were not issued.

42. 可換股債券

於二零零五年二月二日，本公司與一名獨立配售代理訂立配售協議，向獨立第三方配售最多達32,000,000港元之2.5厘可換股債券，可換股債券於二零零七年到期。於二零零五年四月十一日，已發行本金總額32,000,000港元之可換股債券。可換股債券可按換股價每股0.037港元(可予調整)轉換為本公司普通股，債券持有人可選擇於可換股債券發行日期至到期日(二零零七年四月十日)前90日內任何時間內轉換。倘債券未獲轉換，則將於二零零七年四月十日按面值贖回。利息2.5厘將於每年之三月三十一日及九月三十日每半年如期支付。實際利率為7.77厘。

32,000,000港元之2.5厘可換股債券已於二零零五年四月二十二日至二零零五年五月二十三日獲11名債券持有人悉數轉換。截至二零零六年三月三十一日止年度配發及發行合共864,864,864股股份。

於二零零五年八月三十日，本公司與一名獨立配售代理訂立一份配售協議，旨在以盡力基準為發行於二零零七年／二零零八年到期之2.5厘可換股債券安排認購人，本金總額最多達80,000,000港元(分為兩批)。於二零零六年三月三十一日，於二零零七年到期之本金總額為40,000,000港元之2.5厘可換股債券(「第一批債券」)已悉數發行。截至二零零六年二月二十八日為止，並無促使認購人認購於二零零八年到期本金總額最多達40,000,000港元之2.5厘可換股債券(「第二批債券」)。根據配售協議，第二批債券之配售已終止及撤銷，因此，整批第二批債券均並無發行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

42. CONVERTIBLE BONDS (Continued)

The Tranche 1 Bonds can be converted into ordinary shares in the Company at a conversion price of HK\$0.105 per share, subject to adjustment, at the option of the bondholders, at any time between the date of issue of the convertible bonds and 90 days prior to the maturity date on 28th September, 2007. If the bonds have not been converted, they will be redeemed on 28th September, 2007 at par. Interest of 2.5% will be paid half yearly in arrears on 30th June and 31st December in each year. The effective interest rate is 9.40%.

The Tranche 1 Bonds were fully converted on 8th June, 2006 and 8th November, 2006. A Total of 380,952,380 ordinary shares of HK\$0.01 each were allotted and issued for the year ended 31st March, 2007.

The movement of the liability component of the convertible bonds for the year is set out below:

| | |
|--|------------|
| Liability component at the beginning of the year | 年初之負債部分 |
| Issue of convertible bonds | 發行可換股債券 |
| Less: Transaction costs | 減：交易成本 |
| Interest charge (note 11) | 利息開支(附註11) |
| Interest paid | 已付利息 |
| Conversion of convertible bonds | 轉換可換股債券 |
| Liability component at the end of the year | 年終之負債部分 |

The convertible bonds were fully converted during the year at a conversion price of HK\$0.105 per share. A total of 380,952,380 shares were allocated and issued during the year.

42. 可換股債券(續)

第一批債券可按換股價每股0.105港元(可予調整)轉換為本公司普通股，債券持有人可選擇於可換股債券發行日期至到期日(二零零七年九月二十八日)前90日內任何時間內轉換。倘債券未獲轉換，則將於二零零七年九月二十八日按面值贖回。利息2.5厘將於每年之六月三十日及十二月三十一日每半年如期支付。實際利率為9.40厘。

第一批債券已於二零零六年六月八日及二零零六年十一月八日悉數轉換。合共380,952,380股每股面值0.01港元普通股已於截至二零零七年三月三十一日止年度內獲配發及發行。

本年度可換股債券負債部分之變動情況載列如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---------------------|---------------------|
| 36,692,212 | — |
| — | 68,564,000 |
| — | (4,642,129) |
| 1,070,296 | 1,825,970 |
| (816,165) | (48,903) |
| (36,946,343) | (29,006,726) |
| — | 36,692,212 |

可換股債券於年內按每股0.105港元之換股價獲悉數轉換。合共380,952,380股股份於年內獲配發及發行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

104

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

43. SHARE CAPITAL

43. 股本

| | | Number of shares 股份數目 | Amount 價值 HK\$ 港元 |
|--|--|-----------------------------|----------------------------|
| Authorised: | 法定股本： | | |
| Ordinary shares of HK\$0.01 each at 1st April, 2005, 31st March, 2006 and 2007 | 於二零零五年四月 一日、二零零六年及 二零零七年三月 三十一日每股面值 0.01港元之普通股 | 20,000,000,000 | 200,000,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares of HK\$0.01 each at 1st April, 2005 | 於二零零五年四月 一日每股面值 0.01港元之普通股 | 1,746,796,604 | 17,467,966 |
| Exercise of convertible bonds (note a) | 行使可換 股債券(附註a) | 864,864,864 | 8,648,649 |
| Issue of new shares (note b) | 發行新股(附註b) | 2,384,932,060 | 23,849,320 |
| Ordinary shares of HK\$0.01 each at 31st March, 2006 | 於二零零六年三月 三十一日每股面值 0.01港元之普通股 | 4,996,593,528 | 49,965,935 |
| Exercise of convertible bonds (note c) | 行使可換股 債券(附註c) | 380,952,380 | 3,809,524 |
| Share repurchased and cancelled (note d) | 已購回及註銷之 股份(附註d) | (305,564,000) | (3,055,640) |
| Ordinary shares of HK\$0.01 each at 31st March, 2007 | 於二零零七年三月 三十一日每股面值 0.01港元之普通股 | 5,071,981,908 | 50,719,819 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

43. SHARE CAPITAL (Continued)

Notes:

The movements of the ordinary share capital for the year ended 31st March, 2006 were as follows:

- (a) On 22nd April, 2005, HK\$32,000,000 of the convertible bonds was converted into the ordinary shares of the Company.
- (b) On 31st May, 2005, arrangement was made for a private placement to independent private investors of 2,384,932,060 shares of HK\$0.01 each in the Company held by Broad Idea International Limited, a substantial shareholder of the Company, in cash at a price of HK\$0.037 per share representing a discount of approximately 69% to the closing price of HK\$0.12 per share as quoted on the Stock Exchange on 31st May, 2005.

Pursuant to a subscription agreement dated 20th April, 2005, Broad Idea International Limited subscribed for 2,384,932,060 new shares of HK\$0.01 each in the Company at a price of HK\$0.037 per share. The proceeds were used to provide additional working capital for the Company. These new shares were issued under the general mandate granted to the directors at the extraordinary general meeting of the Company held on 30th May, 2005 and rank pari passu with other shares in issue in all respects.

43. 股本 (續)

附註：

截至二零零六年三月三十一日止年度之普通股本變動如下：

- (a) 於二零零五年四月二十二日，32,000,000港元之可換股債券獲轉換為本公司普通股。
- (b) 於二零零五年五月三十一日，已就私人配售由本公司主要股東 Broad Idea International Limited 持有之本公司每股面值 0.01 港元之 2,384,932,060 股股份予獨立私人投資者作出安排，每股作價現金 0.037 港元，較本公司股份於二零零五年五月三十一日在聯交所報收市價每股 0.12 港元折讓約 69%。

根據日期為二零零五年四月二十日之認購協議，Broad Idea International Limited 以每股 0.037 港元之格價認購本公司 2,384,932,060 股每股面值 0.01 港元之新股份。所得款項已用於提供本公司額外營運資金。該等新股份已根據於二零零五年五月三十日舉行之本公司股東特別大會授予董事之一般授權發行，並與其他已發行股份在各方面享有同等地位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

106

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

43. SHARE CAPITAL (Continued)

Notes: (continued)

The movements of the ordinary share capital for the year ended 31st March, 2007 were as follows:

- (c) On 8th June, 2006 and 8th November, 2006, HK\$28,000,000 and HK\$12,000,000 of the convertible bonds was converted into the ordinary shares of the Company.
- (d) During the year, the Company repurchased its own shares through the Stock Exchange as follows:

| Month of repurchase 購回月份 | No. of ordinary shares of HK\$0.01 each 每股面值0.01港元 之普通股股份數目 HK\$ 港元 | Price per share 每股價格 | | Aggregate consideration paid 合計支付代價 HK\$ 港元 |
|--------------------------------|---|-----------------------------|----------------------------|---|
| | | Highest 最高 HK\$ 港元 | Lowest 最低 HK\$ 港元 | |
| August 2006 二零零六年八月 | 19,554,000 | 0.228 | 0.224 | 4,474,286 |
| September 2006 二零零六年九月 | 21,262,000 | 0.230 | 0.229 | 4,931,919 |
| October 2006 二零零六年十月 | 133,828,000 | 0.233 | 0.227 | 31,144,320 |
| January 2007 二零零七年一月 | 130,920,000 | 0.202 | 0.198 | 26,644,366 |
| | 305,564,000 | | | 67,194,891 |

The above shares were cancelled upon repurchase.

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

43. 股本 (續)

附註：(續)

截至二零零七年三月三十一日止年度之普通股本變動如下：

- (c) 於二零零六年六月八日及二零零六年十一月八日，28,000,000港元及12,000,000港元之可換股債券獲轉換為本公司普通股。
- (d) 年內本公司透過聯交所購回本身股份如下：

上述股份於購回時已被註銷。

年內所有發行之股份於各方面均與當時現有普通股份享有同等地位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

44. SHARE OPTION SCHEME

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

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

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

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

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

No share options were granted under the 2002 Scheme during the two years ended 31st March, 2007.

44. 購股權計劃

本公司於二零零二年四月二十四日採納購股權計劃（「二零零二年計劃」），主要旨在向董事及合資格僱員提供獎勵。

根據股東特別大會上通過之決議案，本公司採納二零零二年計劃（將於二零一一年四月二十三日屆滿），本公司可向二零零二年計劃指定類別之合資格人士（包括本公司或其附屬公司之董事、僱員及顧問等）授出可認購本公司股份之購股權，而授出每批購股權之代價為1港元。

所授出之購股權須於提呈日期起計21日內接納。所授出之購股權可於授出日期起至授出日期後十年屆滿當日期間內予以行使。所授出之購股權涉及之股份數目最多不得超過本公司當時之已發行股本之10%，惟不包括根據二零零二年計劃所授出購股權行使時發行之任何股份。

每股行使價乃由本公司董事會釐定，並最少須為本公司股份於提呈當日之收市價、緊接提呈日期前五個營業日股份之平均收市價或本公司股份面值之較高者。

根據二零零二年計劃可向合資格僱員授出購股權所涉及之股份總數，不得超過根據二零零二年計劃當時已發行及可發行股份總數之1%。

截至二零零七年三月三十一日止兩年內，並無根據二零零二年計劃授出購股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

45. ACQUISITION OF SUBSIDIARIES

On 1st April, 2005, the Group increased its interest in Silver Ascot Limited (“Silver Ascot”) from 33.33% to 66.66%, at a consideration of HK\$200,000. Silver Ascot is engaged in the operation of a medical clinic in Hong Kong and was previously treated as an associate of the Group.

On 31st March, 2006, the Group increased its interest in Pherson Limited (“Pherson”) from 33% to 69%, at a consideration of HK\$990,000. Pherson is engaged in the property investment and was previously treated as an associate of the Group.

On 23rd February, 2006, the Group subscribed a convertible bonds amounting to HK\$60,000,000 issued by Hong Kong Health Check. The convertible bonds, if converted, will give the Group 55.79% voting power over Hong Kong Health Check.

Based on the management’s assessment, the current exercisable convertible bonds of HK\$60,000,000 provide the Group the potential voting rights in Hong Kong Health Check which in turn provide the Group the ability to control Hong Kong Health Check. In preparing the consolidated financial statements of the Group for the year ended 31st March, 2006, financial statements of Hong Kong Health Check were consolidated in accordance to HKAS 27. All intra-group transactions, balances, income and expenses were eliminated on consolidation, including the convertible bonds. Since the Group has no present equity interest in Hong Kong Health Check, the results for that year and the net liabilities of Hong Kong Health Check as at 31st March, 2006 was allocated to the minority interests.

On 29th September, 2006, the Group increased its interest in Next Dimension from 40% to 65%, at a consideration of HK\$700,000. Next Dimension is engaged in the provision of design, promotion, advertising and public relationship services and was previously treated as an associate of the Group.

45. 收購附屬公司

於二零零五年四月一日，本集團於銀靈有限公司（「銀靈」）之權益由33.33%增加至66.66%，代價為200,000港元。銀靈於香港從事經營一間醫療診所，過往被當作為本集團之聯營公司。

於二零零六年三月三十一日，本集團於Pherson Limited（「Pherson」）之權益由33%增加至69%，代價為990,000港元。Pherson從事物業投資，過往被當作為本集團之聯營公司。

於二零零六年二月二十三日，本集團認購香港體檢發行之60,000,000港元可換股債券。倘轉換可換股債券，將令本集團於香港體檢擁有55.79%投票權。

根據管理層估計，目前可予行使之60,000,000港元可換股債券為本集團提供於香港體檢之潛在投票權，從而令本集團可控制香港體檢。於編製本集團截至二零零六年三月三十一日止年度之綜合財務報表時，香港體檢之財務報表已根據香港會計準則第27號綜合。所有集團內公司間交易、結餘、收入及開支於綜合時對銷，包括可換股債券。由於本集團現時並無於香港體檢擁有股本權益，香港體檢該年度之業績及於二零零六年三月三十一日之負債淨額乃分配至少數股東權益。

於二零零六年九月二十九日，本集團以代價700,000港元將其於點•線•面之權益由40%增加至65%。點•線•面主要從事提供設計、推廣、廣告及公共關係服務，過往被當作為本集團之聯營公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

45. ACQUISITION OF SUBSIDIARIES (Continued)

45. 收購附屬公司 (續)

| | | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---|-------------------------------|--------------------|---------------------|
| Net assets acquired: | 所收購之資產淨值： | | |
| Investment properties | 投資物業 | – | 4,000,000 |
| Property, plant and equipment | 物業、廠房及設備 | 466,064 | 678,579 |
| Prepaid lease payments | 預付租賃款項 | – | 1,316,000 |
| Inventories | 存貨 | – | 31,912 |
| Trade and other receivables | 應收賬款及其他應收款項 | 2,357,068 | 702,329 |
| Tax recoverable | 可收回稅項 | 142,908 | – |
| Banks balances and cash | 銀行結餘及現金 | 54,054 | 10,377,136 |
| Held for trading investments | 持作買賣投資 | – | 16,170,000 |
| Trade and other payables | 應付賬款及其他應付款項 | (2,471,804) | (4,856,529) |
| Bank overdraft | 銀行透支 | (144,484) | – |
| Bank and other borrowings | 銀行及其他借貸 | – | (37,855,531) |
| Obligations under finance leases | 融資租約承擔 | (206,849) | – |
| Loan from minority shareholders | 少數股東提供之貸款 | – | (200,000) |
| Deferred tax liabilities | 遞延稅項負債 | – | (655,628) |
| | | 196,957 | (10,291,732) |
| Minority interests | 少數股東權益 | (68,935) | 12,454,791 |
| Interest acquired in prior year recognised as interest in an associate | 上年度所收購權益確認為於一間聯營公司之權益 | (104,507) | (1,232,660) |
| Goodwill | 商譽 | 680,210 | 261,585 |
| | | 703,725 | 1,191,984 |
| Satisfied by: | 支付方式： | | |
| Cash consideration paid | 已付現金代價 | 700,000 | 1,191,984 |
| Related expense paid on acquisition | 收購時之相關開支 | 3,725 | – |
| | | 703,725 | 1,191,984 |
| Analysis of net outflow (inflow) of cash and cash equivalents in connection with the acquisition of subsidiaries: | 有關收購附屬公司之現金及現金等值項目流出(流入)淨額分析： | | |
| Cash consideration paid | 已付現金代價 | 703,725 | 1,191,984 |
| Bank balances and cash acquired | 所收購銀行結餘及現金 | (54,054) | (10,377,136) |
| Bank overdraft acquired | 所收購銀行透支 | 144,484 | – |
| Net cash outflow (inflow) in respect of the acquisition of subsidiaries | 有關收購附屬公司之現金流出(流入)淨額 | 794,155 | (9,185,152) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

45. ACQUISITION OF SUBSIDIARIES (Continued)

The goodwill arising on acquisition of Next Dimension is attributable to the anticipated profitability of its business.

The subsidiaries acquired during the year ended 31st March, 2007 contributed HK\$7,584,007 (2006: HK\$731,760) to the Group's turnover and HK\$463,146 (2006: loss of HK\$731,760) to the Group's profit for the year.

Had the acquisitions during the year ended 31st March, 2007 been completed on 1st April, 2006, the Group's turnover and profit for the year from continuing operations would have been HK\$279,718,807 and HK\$128,879,225, respectively. This proforma information is for illustrative purposes only and is not necessarily indicative of the turnover and results of the Group that would actually have been impacted had the acquisitions been completed on 1st April, 2006, nor is it intended to be a projection of future results.

Had the acquisitions during the year ended 31st March, 2006 been completed on 1st April, 2005, the Group's turnover and loss for the year from continuing operations would have been HK\$232,975,762 and HK\$24,603,085 respectively. This proforma information is for illustrative purposes only and is not necessarily indicative of the turnover and results of the Group that would actually have been impacted had the acquisitions been completed on 1st April, 2005, nor is it intended to be a projection of future results.

Note: The carrying amount of assets (liabilities) before combination approximates fair values as at the date of acquisition.

45. 收購附屬公司 (續)

收購點・線・面產生之商譽乃歸因於其業務之預計溢利水平。

截至二零零七年三月三十一日止年度內收購之附屬公司為本集團之營業額及本集團之年度溢利分別帶來7,584,007港元(二零零六年: 731,760港元)貢獻及463,146港元(二零零六年: 虧損731,760港元)之年度虧損。

倘於截至二零零七年三月三十一日止年度之收購已於二零零六年四月一日完成, 本集團年內持續經營業務之營業額及溢利將分別為279,718,807港元及128,879,225港元。此備考資料僅供說明之用, 不一定能反映倘收購已於二零零六年四月一日完成, 本集團將可確實錄得之營業額及業績, 亦不擬作為未來業績之預測。

倘二零零六年三月三十一日止年度之收購已於二零零五年四月一日完成, 本集團年內持續經營業務之營業額及虧損將分別為232,975,762港元及24,603,085港元。此備考資料僅供說明之用, 不一定能反映倘收購已於二零零五年四月一日完成, 本集團將可確實錄得之營業額及業績, 亦不擬作為未來業績之預測。

附註: 合併賬目前之資產(負債)之賬面值與於收購日之公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

46. DEEMED DISPOSAL OF A SUBSIDIARY

As detailed in note 2, the deemed disposal of Hong Kong Health Check was completed on 3rd October, 2006. The net assets of Hong Kong Health Check at the date of disposal were as follows:

Net assets deemed disposed of: 視作出售之淨資產：

| | |
|--|-------------------|
| Property, plant and equipment | 物業、廠房及設備 |
| Deposit paid on acquisition of property, plant and equipment | 於收購物業、廠房及設備時支付之按金 |
| Held for trading investments | 持作買賣投資 |
| Trade and other receivables | 應收賬款及其他應收款項 |
| Bank balances and cash | 銀行結餘及現金 |
| Trade and other payables | 應付賬款及其他應付款項 |
| Bank and other borrowings | 銀行及其他借貸 |
| Convertible bonds | 可換股債券 |

Convertible bonds reserve 可換股債券儲備
Minority interests 少數股東權益

Net cash outflow of cash and cash equivalents in respect of deemed disposal of Hong Kong Health Check: 與視作出售香港體檢有關之現金及現金等值項目之現金流出淨額：
Bank balances and cash deemed disposed of 視作出售之銀行結餘及現金

The subsidiaries deemed disposed of during the year ended 31st March, 2007 contributed HK\$565,857 to the Group's turnover and HK\$Nil to the Group's profit for the year.

46. 視作出售附屬公司

誠如附註2所詳述，視作出售香港體檢已於二零零六年十月三日完成。於出售日期香港體檢之淨資產如下：

| 2007 HK\$ 港元 |
|---------------------|
| 1,126,366 |
| 16,440,000 |
| 18,212,718 |
| 50,164,068 |
| 34,812,882 |
| (4,630,844) |
| (70,013,775) |
| (46,049,632) |
| 61,783 |
| (16,062,353) |
| 16,000,570 |
| - |
| (34,812,882) |

截至二零零七年三月三十一日止年度內視作出售之附屬公司於本年度為本集團之營業額及本集團之溢利分別帶來565,857港元及零港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

47. ACQUISITION OF MEDICAL AND DENTAL PRACTICES

During the year, the Group acquired two medical and dental practices at a cash consideration of HK\$4,069,000 (2006: HK\$11,380,000).

| | |
|-------------------------------|-----------|
| Net assets acquired: | 所收購之資產淨值： |
| Property, plant and equipment | 物業、廠房及設備 |
| Inventories | 存貨 |
| Goodwill | 商譽 |
| Satisfied by: | 支付方式： |
| Cash | 現金 |

For the expansion of the Group's business, the Group acquired two medical and dental practices with experienced doctors and nurses. Goodwill is attributable to the anticipated profitability from these clinics and the skill and experience of the employees.

The medical and dental practices acquired contributed HK\$6,801,384 (2006: HK\$3,563,080) and HK\$866,870 (2006: HK\$532,135) to the Group's turnover and profit for the year, respectively, during the year between the dates of acquisition and the balance sheet date.

Had the acquisitions during the year ended 31st March, 2007 been completed on 1st April, 2006, the Group's turnover and profit for the year from continuing operations would have been HK\$278,634,835 and HK\$129,677,931, respectively. This proforma information is for illustrative purposes only and is not necessarily indicative of the turnover and results of the Group that would actually have been impacted had the acquisitions been completed on 1st April, 2006, nor is it intended to be a projection of future results.

47. 收購西醫及牙醫診所

於本年度，本集團以現金代價4,069,000港元(二零零六年：11,380,000港元)收購2間西醫及牙醫診所。

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 50,478 | 607,772 |
| 114,330 | 325,354 |
| <hr/> | <hr/> |
| 164,808 | 933,126 |
| 3,904,192 | 10,446,874 |
| <hr/> | <hr/> |
| 4,069,000 | 11,380,000 |
| <hr/> | <hr/> |
| 4,069,000 | 11,380,000 |
| <hr/> | <hr/> |

為擴展本集團之業務，本集團收購2間擁有經驗豐富的醫生和護士的西醫及牙醫診所。商譽乃歸因於該等診所之預計溢利水平及僱員之技能及經驗。

於收購日期至結算日止年度內，所收購之西醫及牙醫診所為本集團期內營業額及溢利分別帶來6,801,384港元(二零零六年：3,563,080港元)及866,870港元(二零零六年：532,135港元)貢獻。

倘截至二零零七年三月三十一日止年度之收購已於二零零六年四月一日完成，本集團年內持續經營業務之營業額及溢利將分別為278,634,835港元及129,677,931港元。此備考資料僅供說明之用，不一定能反映倘收購已於二零零六年四月一日完成，本集團將可確實錄得之營業額及業績，亦不擬作為未來業績之預測。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

47. ACQUISITION OF MEDICAL AND DENTAL PRACTICES (Continued)

Had the acquisitions during the year ended 31st March, 2006 been completed on 1st April, 2005, the Group's turnover and profit for the year from continuing operations would have been HK\$236,395,570 and HK\$21,062,592 respectively. This proforma information is for illustrative purposes only and is not necessarily indicative of the turnover and results of the Group that would actually have been impacted had the acquisitions been completed on 1st April, 2005, nor is it intended to be a projection of future results.

48. RETIREMENT BENEFITS SCHEME

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

The employees of the Group's subsidiary in Shanghai, the PRC, are members of a state-managed retirement benefit scheme in the PRC. The subsidiary is required to contribute a specified percentage of its payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions under the scheme. No forfeited contributions are available to reduce the contribution payable in the future years.

The total cost charged to the consolidated income statement of HK\$2,582,085 (2006: HK\$1,828,220) represents contributions payable to the above schemes by the Group during the year.

47. 收購西醫及牙醫診所 (續)

倘截至二零零六年三月三十一日止年度之收購已於二零零五年四月一日完成，本集團年內持續經營業務之營業額及溢利將分別為236,395,570港元及21,062,592港元。此備考資料僅供說明之用，不一定能反映倘收購已於二零零五年四月一日完成，本集團將可確實錄得之營業額及業績，亦不擬作為未來業績之預測。

48. 退休福利計劃

本集團為香港所有合資格僱員推行強制性公積金計劃。計劃之資產與本集團之資產分開持有，並以信託人控制之基金持有。本集團向計劃作出有關薪酬成本5%之供款，最多達每月1,000港元，而僱員則作出等額供款。

本集團於中國上海之附屬公司之僱員乃中國國家管理退休福利計劃成員。該附屬公司須就薪金成本之特定百分比供款至退休福利計劃以撥付福利。本集團就退休福利計劃之唯一責任為根據該計劃作出特定供款。並無已沒收供款可用作減少未來年度應付之供款。

於綜合收益表扣除之成本總額為2,582,085港元(二零零六年：1,828,220港元)，乃指本集團於年內應付上述計劃之供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

114

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

49. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of property, plant and equipment

就購置物業、廠房及設備之已訂約但未於財務報表內撥備之資本開支

49. 資本承擔

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 2,257,491 | 38,600,000 |

50. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases in respect of properties during the year

年內就物業經營租約所付最低租金款項

50. 經營租約

本集團為承租人

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 20,846,192 | 13,062,776 |

At the balance sheet date, the Group had commitments for future minimum leases payments under non-cancellable operating leases which fall due as follows:

於結算日，本集團根據不可撤銷之經營租約承擔須於下列到期日支付之未來最低租金款項如下：

Within one year
In the second to fifth year inclusive

一年內
第二年至第五年
(包括首尾兩年)

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 21,449,806 | 21,005,651 |
| 12,012,521 | 17,905,353 |
| 33,462,327 | 38,911,004 |

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

經營租約款項乃指本集團就其若干診所及辦公室物業應付之租金。租約及所議定之租金按兩至五年期磋商。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

50. OPERATING LEASES (Continued)

The Group as lessor

During the year, the Group had property rental income of HK\$2,093,800 (2006: HK\$737,795).

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of premises which would fall due as follows:

| | |
|---------------------------------------|---------------------|
| Within one year | 一年內 |
| In the second to fifth year inclusive | 第二年至第五年 (包括首尾兩年) |

All of the properties held have committed tenants for the next year.

51. PLEDGE OF ASSETS

As at 31st March, 2007, certain property, plant and equipment and investment properties of the Group with the carrying value of HK\$994,000 (2006: HK\$5,585,000) and HK\$38,125,000 (2006: HK\$35,825,000) respectively and bank deposits of HK\$10,000,000 (2006: HK\$10,000,000) were pledged to secure general bank facilities granted to the Group.

50. 經營租約 (續)

本集團為出租人

年內，本集團有物業租金收入2,093,800港元(二零零六年：737,795港元)。

於結算日，本集團就物業根據不可撤銷之經營租約承擔須於下列到期日支付之未來最低租金款項如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 1,357,800 | 1,328,400 |
| — | 295,050 |
| 1,357,800 | 1,623,450 |

所有物業於下一年均已有作出承諾之租戶。

51. 資產抵押

於二零零七年三月三十一日，本集團以賬面值分別為994,000港元(二零零六年：5,585,000港元)及38,125,000港元(二零零六年：35,825,000港元)之若干本集團物業、廠房及設備以及投資物業，以及10,000,000港元(二零零六年：10,000,000港元)之銀行存款作為本集團獲授之一般銀行融資之抵押。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

116

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

52. RELATED PARTY TRANSACTIONS AND BALANCES

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

| Name of related party 關連人士名稱 | Nature of transactions 交易性質 | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---|---|--------------------|--------------------|
| Kowloon Hearing Services Limited (note b) 九龍聽覺服務有限公司(附註b) | Purchase of healthcare products 購買保健產品 | 2,716,873 | 1,924,282 |
| Specially for you International Development Limited (note c) 特別為您國際發展有限公司(附註c) | Consultancy fee paid 支付顧問費 | 154,000 | 374,000 |
| Long Faith International Limited (note a) 朗信國際有限公司(附註a) | Management services fee income 管理服務費收入 | 853,072 | 888,082 |
| F & T Company Limited (note a) F & T Company Limited(附註a) | Management services fee income 管理服務費收入 | 235,200 | 98,989 |
| Skin Health and Laser Centre Limited (note c) 激光健膚中心有限公司(附註c) | Management services fee income | 536,709 | 560,434 |
| | Consultancy fee paid 支付顧問費 | 502,827 | 12,720 |
| Essential Health Limited (note c) 卓高醫務有限公司(附註c) | Management services fee income 管理服務費收入 | 25,039 | 135,221 |

52. 有關連人士交易及結餘

年內，本集團與有關連人士訂立下列重大交易：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

52. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

| Name of related party 關連人士名稱 | Nature of transactions 交易性質 |
|---|--|
| Hope Rich Limited (note a) 皓發有限公司(附註a) | Management services fee income 管理服務費收入 |
| Mutual Consultants Limited (note a) 創譽顧問有限公司(附註a) | Management services fee income 管理服務費收入 |
| Best Mega Management Limited (note a) Best Mega Management Limited (附註a) | Management services fee income 管理服務費收入 |
| Bright Top Investment Limited (note a) Bright Top Investment Limited (附註a) | Management services fee income 管理服務費收入 |
| Advance Bond Limited (note a) 綽峰有限公司(附註a) | Management services fee income Consultancy fee income 管理服務費收入 顧問費收入 |
| Hong Kong Health Check (note d) 香港體檢(附註d) | Laboratory fee paid 支付實驗室費 |

Notes:

- (a) The Group's former associate/existing associate.
- (b) A company in which Mr. Lai Kwok Fai is director and shareholder. Mr. Lai Kowk Fai is also a director of a subsidiary of the Company, Audio Health Hearing Care (Shatin) Limited.
- (c) A former minority shareholder of a non-wholly owned subsidiary of the Company, Harmonic Beauty and Body Slimming Company Limited.
- (d) The Group's deemed associate. Miss Choi Ka Yee, Crystal, a director of the Company, is also a director of Hong Kong Health Check.

52. 有關連人士交易及結餘 (續)

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 960,080 | 551,275 |
| 905,348 | 18,000 |
| 868,400 | — |
| 628,133 | — |
| 990,561 | 64,548 |
| 401,325 | 320,700 |
| 967,229 | — |

附註：

- (a) 本集團之過往／現有聯營公司。
- (b) 賴國輝先生擔任董事及股東之公司。賴國輝先生同時亦為本公司之附屬公司康聆聽覺護理(沙田)有限公司之董事。
- (c) 本公司之非全資附屬公司悅容居專業美容及纖體有限公司之一名前少數股東。
- (d) 本集團之視作之聯營公司，本公司董事蔡加怡小姐亦為香港體檢之董事。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

52. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

In October 2006, the Group further acquired 25% interest in Next Dimension from the minority shareholder at a consideration of HK\$700,000.

On 31st March, 2006, the Group entered into an agreement with Dr. Cho Kwai Chee, who is an executive director of the Company, to further acquire a 36% interest in Pherson Limited held by Dr. Cho Kwai Chee at a consideration of HK\$990,000.

In addition, Dr. Cho Kwai Chee issued personal guarantees to a bank to secure general banking facilities granted to the Group during the year ended 31st March, 2007 and 2006 at nil consideration.

Details of balance with related parties as at the balance sheet date are set out in the consolidated balance sheet and in notes 28, 29, 30, 31, 32 and 38.

Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

| | |
|--------------------------|------------|
| Short-term benefits | 短期福利 |
| Post-employment benefits | 僱員結束服務後之福利 |

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

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

52. 有關連人士交易及結餘 (續)

於二零零六年十月，本集團以代價700,000港元從少數股東手中增購點•線•面之25%權益。

於二零零六年三月三十一日，本集團與本公司執行董事曹貴子醫生訂立協議，以現金代價990,000港元增購曹貴子醫生所持有於Pherson之36%股本權益。

此外，曹貴子醫生不收代價向一間銀行作出個人擔保，作為本集團於截至二零零七年及二零零六年三月三十一日止年度獲授一般銀行融資之抵押。

於結算日關連人士結餘之詳情載於綜合資產負債表及附註28、29、30、31、32及38。

主要管理人員之薪酬

年內董事及主要管理層其他成員之酬金如下：

| 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|--------------------|--------------------|
| 2,883,749 | 8,160,692 |
| 36,000 | 36,000 |
| 2,919,749 | 8,196,692 |

董事及主要行政人員之酬金乃由薪酬委員會計及個人表現及市場趨勢予以釐定。

除上文披露者外，年內概無其他關連人士重大交易，於年末亦無關連人士重大結餘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

53. POST BALANCE SHEET EVENTS

- (a) On 29th March, 2007, Hong Kong Health Check entered into an option agreement with Top Act Group Limited. Pursuant to the option agreement, Hong Kong Health Check agreed to grant an option to Top Act at a nominal consideration of HK\$1.00. Pursuant to the option agreement, Top Act shall be entitled to require Hong Kong Health Check to issue the Convertible Bonds II in an aggregate principal amount of HK\$500,000,000 during the period of one month commencing from the date of fulfillment of certain conditions, including approval of independent shareholders in an extraordinary meeting, the Stock Exchange and Bermuda Monetary Authority, precedent of the option agreement. The convertible bonds can be converted into ordinary shares of Hong Kong Health Check at a conversion price of HK\$0.25.

Details of these are disclosed in an announcement of the Company dated 11th April, 2007.

- (b) On 2nd May, 2007, the Company entered into a conditional placing agreement with an independent placing agent for the placing of up to 195,000,000 new shares to the subscribers at the placing price of HK\$0.5412 per placing share. The placement was completed on 25th May, 2007.

Details of these are disclosed in announcements of the Company dated 3rd May, 2007 and 25th May, 2007.

53. 結算日後事項

- (a) 於二零零七年三月二十九日，香港體檢與Top Act Group Limited訂立一項購股權協議。根據該購股權協議，香港體檢同意以1.00港元之象徵式代價授予Top Act購股權。根據該購股權協議，Top Act有權要求香港體檢於購股權協議之若干先決條件(包括於股東特別大會獲獨立股東批准、獲聯交所及百慕達金融管理局批准)達成後一個月期間內發行本金金額合計為500,000,000港元之可換股債券II。可換股債券可按0.25港元之轉換價轉換成香港體檢之普通股。

有關詳情披露於本公司於二零零七年四月十一日之公佈。

- (b) 於二零零七年五月二日，本公司與一名獨立配售代理訂立一項有條件配售協議，向認購人以每股配售股份0.5412港元之配售價配售195,000,000股新股。配售已於二零零七年五月二十五日完成。

有關詳情披露於本公司於二零零七年五月三日及二零零七年五月二十五日之公佈。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

53. POST BALANCE SHEET EVENTS (Continued)

- (c) On 8th May, 2007 the Company entered into another conditional placing agreement with an independent placing agent for the placing of up to 320,000,000 new shares to the subscribers at the placing price of HK\$0.61 per placing share. The placement was completed on 25th May, 2007.

Details of these are disclosed in announcements of the Company dated 8th May, 2007 and 25th May, 2007.

- (d) On 15th May, 2007, the Company entered into a non-binding term sheet in relation to the Group's possible acquisition of 51% equity interest in a number of companies which operate eight existing Nu/Hart Hair Clinics located in Atlanta, Chicago, New York, Philadelphia and Pittsburgh in the United States of America and in Dubai, Manila, and Puerto Rico for a cash consideration of US\$3,225,750 (equivalent to approximately HK\$25,161,000), subject to adjustment.

The Nu/Hart Hair Clinics are principally engaged in the provision of hair transplant and laser hair re-growth services.

Details of these are disclosed in an announcement of the Company dated 16th May, 2007.

53. 結算日後事項 (續)

- (c) 於二零零七年五月八日，本公司與一名獨立配售代理訂立另一項有條件配售協議，向認購人以每股配售股份0.61港元之配售價配售320,000,000股新股。配售已於二零零七年五月二十五日完成。

有關詳情披露於本公司於二零零七年五月八日及二零零七年五月二十五日之公佈。

- (d) 於二零零七年五月十五日，本公司訂立一份有關本集團可能以3,225,750美元（約相等於25,161,000港元，可隨時調整）之現金代價收購之數家公司51%股權之無法律約束力之條款書，該等公司現時運營八間位於美國亞特蘭大、芝加哥、紐約、費城及匹茲堡以及迪拜、馬尼拉及波多黎各之Nu/Hart Hair Clinics。

Nu/Hart Hair Clinics主要從事提供植髮及激光頭髮再生服務。

有關詳情披露於本公司於二零零七年五月十六日之公佈。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

54. BALANCE SHEET OF THE COMPANY

54. 本公司之資產負債表

| | | 2007 HK\$ 港元 | 2006 HK\$ 港元 |
|---------------------------------------|------------------|--------------------|--------------------|
| Total assets | 總資產 | | |
| Interests in subsidiaries | 附屬公司權益 | 28,537,379 | 28,537,379 |
| Held for trading investments | 持作買賣投資 | 6,207,820 | 5,189,000 |
| Trade and other receivables | 應收賬款及 其他應收款項 | 3,267,461 | 2,983,295 |
| Amount due from a subsidiary | 應收附屬公司款項 | 241,181,119 | 213,611,484 |
| Amounts due from associates | 應收聯營公司款項 | 2,462,070 | 1,959,012 |
| Amounts due from related companies | 應收關連公司款項 | 36,430 | – |
| Pledged bank deposits | 作抵押銀行存款 | 10,000,000 | 10,000,000 |
| Bank balances | 銀行結餘 | 34,762,001 | 36,208,526 |
| | | 326,454,280 | 298,488,696 |
| Total liabilities | 總負債 | | |
| Trade and other payables | 應付賬款及 其他應付款項 | 3,288,611 | 3,076,461 |
| Amount due to a subsidiary | 應付附屬公司款項 | 77,020,104 | 38,493,082 |
| Amount due to associates | 應付聯營公司款項 | 299,120 | – |
| Bank borrowings | 須於一年內償還 之銀行貸款 | 25,000,000 | – |
| – due within one year | | | |
| Convertible bonds | 可換股債券 | – | 36,692,212 |
| | | 105,607,835 | 78,261,755 |
| | | 220,846,445 | 220,226,941 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 50,719,819 | 49,965,935 |
| Reserves | 儲備 | 170,126,626 | 170,261,006 |
| | | 220,846,445 | 220,226,941 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

54. BALANCE SHEET OF THE COMPANY

(Continued)

Note:

Reserves

| | | Share premium | Contributed surplus | Distributable reserve | Convertible bonds equity reserve | Accumulated losses | Total |
|--|---------------|---------------|---------------------|-----------------------|----------------------------------|--------------------|--------------|
| | | 股份溢價 | 繳入盈餘 | 可供分派儲備 | 可換股債券權益儲備 | 累積虧損 | 總額 |
| | | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| | | 港元 | 港元 | 港元 | 港元 | 港元 | 港元 |
| At 1st April, 2005 | 於二零零五年四月一日 | 148,121,569 | 28,179,599 | 72,670,245 | - | (144,917,002) | 104,054,411 |
| Issue of new shares | 發行新股 | 64,393,166 | - | - | - | - | 64,393,166 |
| Issue of convertible bonds | 發行可換股債券 | - | - | - | 3,202,959 | - | 3,202,959 |
| Share issue expenses | 股份發行費用 | (4,968,824) | - | - | - | - | (4,968,824) |
| Issue of shares upon conversion of convertible bonds | 於可換股債券轉換時發行股份 | 21,301,043 | - | - | (942,966) | - | 20,358,077 |
| Dividend paid | 已付股息 | - | - | (9,993,188) | - | - | (9,993,188) |
| Loss for the year | 年度虧損 | - | - | - | - | (6,785,595) | (6,785,595) |
| At 31st March, 2006 | 於二零零六年三月三十一日 | 228,846,954 | 28,179,599 | 62,677,057 | 2,259,993 | (151,702,597) | 170,261,006 |
| Issue of shares upon conversion of convertible bonds | 於可換股債券轉換時發行股份 | 35,396,812 | - | - | (2,259,993) | - | 33,136,819 |
| Share repurchased | 購回股份 | (64,139,251) | - | - | - | - | (64,139,251) |
| Profit for the year | 年度溢利 | - | - | - | - | 30,868,052 | 30,868,052 |
| At 31st March, 2007 | 於二零零七年三月三十一日 | 200,104,515 | 28,179,599 | 62,677,057 | - | (120,834,545) | 170,126,626 |

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

The distributable reserve of the Company represents the amount arising from the reduction of share capital net of dividend paid.

54. 本公司之資產負債表 (續)

附註：

儲備

| | Convertible bonds equity reserve | Accumulated losses | Total |
|--|----------------------------------|--------------------|-------|
| | 可換股債券權益儲備 | 累積虧損 | 總額 |
| | HK\$ | HK\$ | HK\$ |
| | 港元 | 港元 | 港元 |

本公司之繳入盈餘乃指本公司所發行普通股面值350,000港元與Town Health (BVI) Limited (透過根據二零零零年四月集團重組交換股份收購之附屬公司)之資產淨值約28,530,000港元之差額。

本公司之可供分派儲備乃指源自扣除已支付股息後之股本削減所產生之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

55. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31st March, 2007 are as follows:

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|---|---|---|--|------------------|---|
| | | | Directly 直接 | Indirectly 間接 | |
| Audio Health Hearing Care (Shatin) Limited 康聆聽覺護理(沙田)有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$1,000 1,000港元 | - | 70% | Provision of audio diagnostic tests and sale of hearing-aid devices 提供聽力診斷測試及銷售助聽器設備 |
| Billion Advance Limited 得兆有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | - | 70% | Property investment services 物業投資服務 |
| Dermatonic Skincare & Laser Treatment Centre Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | - | 100% | Provision of skincare and laser treatment services 提供皮膚護理及激光治療服務 |
| First Oriental Cyclotron Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$1,000,000 1,000,000港元 | - | 94% | Production of isotopes for medical uses 生產醫療用同位素 |
| First Oriental Medical Technology Group Limited 名華醫療科技集團有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1,100 1,100美元 | - | 51% | Investment holding 投資控股 |
| First Oriental Medical Technology Limited 名華醫療科技有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$1,000,000 1,000,000港元 | - | 51% | Investment holding 投資控股 |

55. 主要附屬公司

於二零零七年三月三十一日之本公司主要附屬公司詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

124

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

55. PRINCIPAL SUBSIDIARIES (Continued)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|--|---|---|--|------------------|---|
| | | | Directly 直接 | Indirectly 間接 | |
| Fine Concept Group Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | HK\$1 1港元 | – | 100% | Investment holding 投資控股 |
| Morning Ray Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 100% | Provision of medical services 提供醫療服務 |
| Next Dimension 點•線•面 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$10,000 10,000港元 | – | 65% | Provision of design, promotion, advertising and public relationship services 提供設計、推廣、廣告及公共關係服務 |
| Nu/Hart Hair Solutions Limited 顯赫治髮中心有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100,000 100,000港元 | – | 51% | Operating of a hair transplant centre 經營植髮中心 |
| Oriental Elite Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 100% | Property investments 物業投資 |
| Pacific Medical (China) Company Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |

55. 主要附屬公司 (續)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|--|---|---|--|------------------|---|
| | | | Directly 直接 | Indirectly 間接 | |
| Fine Concept Group Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | HK\$1 1港元 | – | 100% | Investment holding 投資控股 |
| Morning Ray Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 100% | Provision of medical services 提供醫療服務 |
| Next Dimension 點•線•面 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$10,000 10,000港元 | – | 65% | Provision of design, promotion, advertising and public relationship services 提供設計、推廣、廣告及公共關係服務 |
| Nu/Hart Hair Solutions Limited 顯赫治髮中心有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100,000 100,000港元 | – | 51% | Operating of a hair transplant centre 經營植髮中心 |
| Oriental Elite Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 100% | Property investments 物業投資 |
| Pacific Medical (China) Company Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

55. PRINCIPAL SUBSIDIARIES (Continued)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之 已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|--|---|--|--|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Pacific Medical (China) Group Company Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$2 2美元 | – | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |
| Pacific Medical (Holdings) Company Limited 帕斯醫療控股有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$800 800美元 | – | 56.13% | Investment holding 投資控股 |
| Pacific Medical (Hong Kong) Company Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |
| Pherson Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$500,000 500,000港元 | – | 69% | Property investments 物業投資 |
| Silver Ascot Limited 銀靈有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$3 3港元 | – | 66% | Provision of medical and dental consultation services 提供醫療及牙科診症服務 |
| Spring Biotech Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1 1美元 | – | 100% | Investment holding 投資控股 |

55. 主要附屬公司 (續)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及 繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之 已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|--|---|--|--|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Pacific Medical (China) Group Company Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$2 2美元 | – | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |
| Pacific Medical (Holdings) Company Limited 帕斯醫療控股有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$800 800美元 | – | 56.13% | Investment holding 投資控股 |
| Pacific Medical (Hong Kong) Company Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$100 100港元 | – | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |
| Pherson Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$500,000 500,000港元 | – | 69% | Property investments 物業投資 |
| Silver Ascot Limited 銀靈有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$3 3港元 | – | 66% | Provision of medical and dental consultation services 提供醫療及牙科診症服務 |
| Spring Biotech Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1 1美元 | – | 100% | Investment holding 投資控股 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

126

TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED 康健國際控股有限公司

55. PRINCIPAL SUBSIDIARIES (Continued)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|---|---|---|--|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Town Health (Asia) Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Trading of listed securities 上市證券買賣 |
| Town Health Bio-Medical Technology Limited 康健醫藥生物科技有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1,000 1,000美元 | 100% | – | Investment holding 投資控股 |
| Town Health (BVI) Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1,331,131 1,331,131美元 | 100% | – | Investment holding 投資控股 |
| Town Health Children's Land Limited 康健兒童樂趣坊有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$500,000 500,000港元 | – | 65% | Operation of an education centre 經營教育中心 |
| Town Health Dental Limited 康健牙科有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Provision of dental consultation services 膳食供應業務 |
| Town Health Food and Beverage Culture Company Limited 康健飲食文化有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Catering business 提供管理及行政服務 |
| Town Health Management and Services Limited 康健管理及服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Provision of management and administrative services 提供管理及行政服務 投資控股 |

55. 主要附屬公司 (續)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本 面值比例 | | Principal activities 主要業務 |
|---|---|---|--|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Town Health (Asia) Limited | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Trading of listed securities 上市證券買賣 |
| Town Health Bio-Medical Technology Limited 康健醫藥生物科技有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1,000 1,000美元 | 100% | – | Investment holding 投資控股 |
| Town Health (BVI) Limited | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1,331,131 1,331,131美元 | 100% | – | Investment holding 投資控股 |
| Town Health Children's Land Limited 康健兒童樂趣坊有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$500,000 500,000港元 | – | 65% | Operation of an education centre 經營教育中心 |
| Town Health Dental Limited 康健牙科有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Provision of dental consultation services 膳食供應業務 |
| Town Health Food and Beverage Culture Company Limited 康健飲食文化有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Catering business 提供管理及行政服務 |
| Town Health Management and Services Limited 康健管理及服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | – | 100% | Provision of management and administrative services 提供管理及行政服務 投資控股 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31st March, 2007

截至二零零七年三月三十一日止年度

55. PRINCIPAL SUBSIDIARIES (Continued)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本面值比例 | | Principal activities 主要業務 |
|---|---|---|--|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Town Health Medical & Dental Services Limited 康健醫療及牙科服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | - | 100% | Provision of medical services 提供醫療服務 |
| Town Health Para-medical Services Limited 康健輔助醫療服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | - | 100% | Investment holding 投資控股 |
| Town Health Preventive Healthcare Services Limited 康健醫療保健服務有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1 1美元 | - | 100% | Investment holding 投資控股 |
| Town Health Traditional Chinese Medicine Services Limited 康健中醫服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | - | 100% | Trading of listed securities 上市證券買賣 |
| 上海帕斯醫療器材有限公司 | PRC/ wholly owned foreign enterprise 中國/外商 獨資企業 | US\$200,000 200,000美元 | - | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |

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

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

55. 主要附屬公司 (續)

| Name of company 公司名稱 | Place of incorporation/ form of legal entity 註冊成立地點/ 法律實體類別 | Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊股本 | Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有之已發行股本/ 註冊股本面值比例 | | Principal activities 主要業務 |
|---|---|---|--|------------------|--|
| | | | Directly 直接 | Indirectly 間接 | |
| Town Health Medical & Dental Services Limited 康健醫療及牙科服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | - | 100% | Provision of medical services 提供醫療服務 |
| Town Health Para-medical Services Limited 康健輔助醫療服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | - | 100% | Investment holding 投資控股 |
| Town Health Preventive Healthcare Services Limited 康健醫療保健服務有限公司 | British Virgin Islands/ limited liability company 英屬處女群島/ 有限責任公司 | US\$1 1美元 | - | 100% | Investment holding 投資控股 |
| Town Health Traditional Chinese Medicine Services Limited 康健中醫服務有限公司 | Hong Kong/ limited liability company 香港/ 有限責任公司 | HK\$2 2港元 | - | 100% | Trading of listed securities 上市證券買賣 |
| 上海帕斯醫療器材有限公司 | PRC/ wholly owned foreign enterprise 中國/外商 獨資企業 | US\$200,000 200,000美元 | - | 56.13% | Sales of cardiology and peripheral vascular related surgical equipment 銷售心臟科及周邊血管相關外科手術儀器 |

上表列出董事認為對本集團業績或資產有重大影響之本集團附屬公司。董事認為，列出其他附屬公司之詳細資料將導致資料過於冗長。

各附屬公司概無於年末有任何已發行債務證券。

Financial Summary

財務摘要

RESULTS

業績

Year ended 31st March,
於截至三月三十一日止年度

| | | 2007 HK\$ 港元 | 2006 HK\$ 港元 | 2005 HK\$ 港元 | 2004 HK\$ 港元 | 2003 HK\$ 港元 |
|----------------------------------|--------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Turnover | 營業額 | 275,628 | 231,179 | 179,536 | 109,717 | 123,878 |
| Profit (loss) for the year | 年度溢利(虧損) | 206,784 | 21,448 | (78,381) | (87,269) | 4,884 |
| Attributable to: | 應佔： | | | | | |
| Equity holders of the Company | 本公司股權 持有人 | 214,850 | 20,030 | (84,331) | (87,669) | 4,741 |
| Minority interests | 少數股東權益 | (8,066) | 1,418 | 5,950 | 400 | 143 |
| | | 206,784 | 21,448 | (78,381) | (87,269) | 4,884 |

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31st March,
於三月三十一日

| | | 2007 HK\$ 港元 | 2006 HK\$ 港元 | 2005 HK\$ 港元 | 2004 HK\$ 港元 | 2003 HK\$ 港元 |
|--|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total assets | 總資產 | 577,946 | 397,507 | 177,288 | 219,727 | 323,391 |
| Total liabilities | 總負債 | (125,760) | (149,002) | (41,905) | (25,956) | (68,441) |
| | | 452,186 | 248,505 | 135,383 | 193,771 | 254,950 |
| Assets attributable to equity holders of the Company | 本公司股權持有人 應佔資產 | 436,587 | 249,155 | 123,414 | 189,842 | 254,881 |
| Minority interests | 少數股東權益 | 15,599 | (650) | 11,969 | 3,929 | 69 |
| | | 452,186 | 248,505 | 135,383 | 193,771 | 254,950 |

Note: The above financial summary prior to 31st March, 2004 has not been adjusted to take into account the effect on the adoption of new Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1st January, 2005, as the directors considered that it is not practicable to do so.

附註：由於董事認為無實質需要，故此上述財務摘要中二零零四年三月三十一日之賬目並無作出調整，以反映採納由香港會計師公會頒布於二零零五年一月一日或之後開始之會計期間生效之新香港財務報告準則之影響。



Town Health International Holdings Company Limited

Shop 37, Level 3, Hilton Plaza Commercial Centre,
3-9 Shatin Centre Street, Shatin, New Territories, Hong Kong

康健國際控股有限公司

香港新界沙田沙田正街3-9號希爾頓中心3樓37號舖

www.townhealth.com