中國保綠資產投資有限公司

China Gogreen Assets Investment Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 397)

2010 Annual Report

for the financial year ended 31 December 2010

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Mr. Bai Liang *(Chairman)*
Mr. Cho Kwai Yee, Kevin
Mr. Lawrence Tang
Mr. Xue Feng
Mr. Liu Wenmao

Independent Non-executive Directors
Mr. Chan Chi Yuen
Mr. Lo Chun Nga
Mr. Chik Chi Man

AUDIT COMMITTEE

Mr. Chan Chi Yuen *(Chairman)*
Mr. Lo Chun Nga
Mr. Chik Chi Man

REMUNERATION COMMITTEE

Mr. Lo Chun Nga *(Chairman)*
Mr. Chan Chi Yuen
Mr. Chik Chi Man

COMPANY SECRETARY

Mr. Lam Chun Kei

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop no.16, 9th Floor
Corporation Park
No.11 On Lai Street
Shatin, New Territories
Hong Kong

PRINCIPAL BANKERS

Dah Sing Bank Limited
Bank of China (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.chinagogreen.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of China Gogreen Assets Investment Limited ("China Gogreen" or the "Company" or together with its subsidiaries, the "Group"), it gives me great pleasure to present to you the annual report for the year ended 31 December 2010. China Gogreen achieved steady results in the past year and I would like to take this opportunity to express my sincere gratitude to all the employees for their unremitting effort during the year.

For the year ended 31 December 2010, the Group recorded a turnover of approximately HK$2,314,000 from continuing operations. In November 2010, the Group completed the deemed disposal of Luck Key Investment Limited ("Luck Key") and its subsidiaries. Luck Key together with its subsidiaries are principally engaged in the provision of health check and health care related services, and the production of radioactive isotopes used for medical diagnostic purposes. Profit attributable to owners of the Company was approximately HK$56,233,000. Shareholders should refer to the consolidated financial statements set out in pages 36 to 137 of this annual report to obtain more detailed financial information.

BUSINESS REVIEW

Step by Step, Concentrate on Development of Renewable Energy Business

Last year was a year of transformation and development for the Group's renewable energy business. The Group, led by an experienced management team, enjoyed a prestigious reputation in the industry backed by government support and solid business relationships. With our notable cost advantage, competitive selling price, ideal project location, advanced technology and proven certification in the industry, the Group successfully entered into the solar energy market.

The Group also focused on allocating its capital resources effectively by investing in both listed and unlisted securities as well as quality properties in Hong Kong. Such investments brought in steady revenue for the Group.

Grasp Opportunities, Build Up a Leading Renewable Energy Corporation in the PRC

Environmental industry in the PRC maintained an annual growth rate of around 15% to 20% in recent years, and it is expected that the growth rate will continue for a comparatively long period of time in the future. It is further expected that the PRC will become one of the largest markets in the world for environmental industry. The central government's "12th Five-Year Plan" pursues integration of economic development with environmental protection. As a core idea of the "12th Five-Year Plan" on environmental planning, ideology and requirements on environmental protection will be incorporated into the whole process of economic development. Furthermore, the central government will strengthen its environmental protection's bootstrap and regulatory function in respect of economic development, promote and accelerate the economic transformation, in order to integrate economic development with environmental protection comprehensively so as to achieve a "win-win" situation between the two. Without doubt, such actions developed growth momentum and stimulated vigorous performance in the development of renewable energy industry last year.

In October last year, construction of phase one of our project in Zhengzhou, Henan Province of annual 100MW production lines for the silicon based thin-film solar photovoltaic ("PV") modules was completed and production has commenced. In December, the Group entered into an investment agreement to construct and operate 20MW solar PV power stations at the rooftops of various buildings and structures in the Zhengzhou High and New Technology

Industries Development Zone. Being one of the largest rooftop solar PV power stations projects in the country, the project received substantial support and subsidy from the government putting the Group onto a fast track of development.

The nuclear disaster caused by Japan's "311" massive 9.0 magnitude earthquake forces all countries to reflect on nuclear power. The PRC government has even immediately sanctioned the approval of nuclear power projects, thus solar PV, hydropower and other clean energy will have greater market demand.

In March this year, the Group entered into a sale and purchase agreement to acquire the entire registered capital of 麗江五郎河水電開發有限公司 (unofficial English translation being Lijiang Wulanghe Hydropower Development Company Limited) ("Lijiang Wulanghe"). Lijiang Wulanghe is operating a hydropower station with an aggregate installed capacity of 32MW. Upon completion of the acquisition, the Group will successfully expand its business to the hydropower industry in the PRC.

China Gogreen also introduced China Aerospace International Holdings Limited (stock code: 31) as a strategic investor, enhancing the driving force for future development. By continuously developing and strengthening in upstream and downstream business segments, the Group will fully develop the business of green energy and actively create leadership in renewable energy enterprise.

Look to the Future, China Gogreen Bears the Mission of Green Energy

2011 will be an important year for the PRC's economic development and it is also the introductory year of the "12th Five-Year Plan". In light of transforming towards a high value-added economy, the country will invest substantially in the seven strategic industries. With green energy industry being included in the list of strategic industries, it demonstrates that promoting and stimulating the green energy industry growth remains a central focal point of the government's plan. It is estimated that in the next five years, the central government will invest approximately US$300 billion annually into the seven strategic industries, reaching a grand total of US$1.5 trillion.

The Group is confident in the future of renewable energy industry. Following our consistent operational concept of "integration, diversification and growth" and with technological foundation and quality assurance in mind, the Group will continue to focus on reaching its corporate goals in this year and the future, capturing ideal returns for our shareholders and taking the Group to a new height in the green energy industry.

Thank you!

Chairman

Bai Liang

23 March 2011

FINANCIAL REVIEW

For the year ended 31 December 2010, China Gogreen Assets Investment Limited ("China Gogreen" or the "Company" or together with its subsidiaries, the "Group") achieved sound financial performance.

During the year under review, the Group recorded revenue of approximately HK$2,314,000 from continuing operations (for the nine months ended 31 December 2009: Nil). Profit attributable to owners of the Company was approximately HK$56,233,000 (for the nine months ended 31 December 2009: approximately HK$87,074,000).

During the year, the Group's basic earnings per share was HK4.38 cents, increased by 28.45% as compared to the nine months ended 31 December 2009.

In December 2010, the Group raised approximately HK$900 million from its rights issue, among which approximately HK$150 million will be used as operational capital, including operational capital for the solar photovoltaic ("PV") project in Zhengzhou carried on by our subsidiary 河南保綠能源有限公司 (Henan Gogreen Energy Limited), and the remaining amount will be used to support the Group's potential expansion in solar energy business and development of other renewable energy related projects with investment potential.

BUSINESS REVIEW

Solar Energy Business

2010 was an excellent year for the global solar energy industry with newly installed capacity doubled compared to 2009. According to the latest research report from Solarbuzz, newly installed capacity of the global solar energy market in 2010 reached 16.3GW, representing an explosive increase of 120% compared to 7.3GW installed in 2009. Solar Generation 6 research report estimates that the accumulative installed capacity of global solar PV system will increase from the current 36 plus GW to 180GW in 2015. In Europe, such figure will increase from the current 28 plus GW to approximately 100GW in 2015.

The development of solar energy industry in the PRC is very optimistic. The National Development and Reform Commission announced that by 2020, the country would have invested RMB200 billion in the renewable energy market. In August 2010, the PRC opened large-scale tenders for PV stations projects of a total of 280MW, equaling the sum of capacity of all previous solar PV projects in the PRC. The sharp increase in scale of the tenders indicates a promising future for the solar PV application in the PRC.

At the end of 2010, four state departments jointly announced a further increase in the application of solar energy, and to jointly promote scale application in domestic solar PV energy market, striving to achieve a domestic application scale of no less than 1,000MW annually from 2012 onwards. The PRC government will also increase its investments in the application and construction of solar energy demo projects. The Golden Sun Project will subsidize 50% of the solar PV module cost and RMB4 to RMB6 per watt for the rest of the system cost. There are no limitations on the project construction scale.

China Gogreen's Production of Solar PV Modules

Since the commencement of its operations in 2009, the Group's solar energy business has grown step by step. Having completed the early stage of construction, the business has now migrated to the consolidation phase. During this period, the Group emphasized on technology development and quality control, focused on talent contribution and management consolidation, and actively upgraded hardware and software infrastructures with a view to laying a solid foundation for future development.

In October last year, construction of phase one of the Group's joint venture project in the Zhengzhou High and New Technology Industries Development Zone of annual 100MW production lines for silicon based thin-film solar PV modules was completed and production has commenced. It marked the official commencement of the Group's renewable energy business.

Beijing Jun Yang's Solar Power Station

Construct and Operate Solar PV Power Plant

During the year under review, the Group developed its solar energy business on both upstream and downstream sides. 北京君陽投資有限公司 (unofficial English translation being Beijing Jun Yang Investment Company Limited) ("Beijing Jun Yang"), the Group's wholly-owned subsidiary, started its business in the development and operation of solar power stations. At the beginning of 2011, the Company announced the acquisition of 99% of the registered capital of 青海鈞石能源有限公司 (unofficial English translation being GS-Solar (Qinghai) Company Limited) ("GS Solar"). GS Solar has obtained approval from the Development and Reform Commission of the Qinghai Province to construct and operate a 10MW grid-connected silicon based thin-film solar PV power plant in Geermu, Qinghai Province, the PRC. Upon completion of the acquisition, the Group will through GS Solar participate in such project which will further strengthen the Group's business in development, construction and operation of solar PV power stations, thus strengthening the Group's foundation in green energy business.

Completion on the installation of 350KW Rooftop Power Station

Beijing Jun Yang completed the installation of a 350KW rooftop solar power station at the Group's production facility in the Zhengzhou High and New Technology Industries Development Zone. The project involved installation of 7,000 pieces of amorphous silicon ("a-Si") thin-film solar PV modules. The project further demonstrates the enormous potentials of green energy industry.

20MW Rooftop a-Si Thin-Film Solar PV Power Stations Project

In December 2010, Beijing Jun Yang entered into an investment agreement with the Administration Committee of the Zhengzhou High and New Technology Industries Development Zone to invest in a project involving the construction and operation of 20MW a-Si thin-film solar PV power stations at the rooftops of various buildings and structures in the Zhengzhou High and New Technology Industries Development Zone (the "Rooftop Project"). The total investment for the Rooftop Project is estimated to be approximately RMB300 million and the Group will be responsible for the management and operation of the Rooftop Project. Rooftop solar PV power stations are in the early stage of development in the PRC and the Rooftop Project is one of the largest rooftop solar PV projects in the country.

Beijing Jun Yang will actively develop solar power projects as well as provide consultancy and advisory services. Leveraging on our rich experience in power station management and successful operation model, Beijing Jun Yang is well qualified to provide consultancy and advisory services to solar energy related corporations. This shows the Group has completed the establishment of an entire industry chain for the solar energy business with coverage throughout the solar power system segment from engineering, procurement to construction (EPC).

Health Check Business

The Group operated health check and health care businesses through Luck Key Investment Limited ("Luck Key" or together with its subsidiaries, the "Luck Key Group") and its subsidiaries. In October 2010, Luck Key and Dr. Fung Yiu Tong, Bennet ("Dr. Fung") entered into a subscription agreement in relation to the allotment and issue of 650 new shares in Luck Key to Dr. Fung, in order to secure his long-term commitment and contribution to Luck Key Group. As a result, the Group's shareholding interest in Luck Key has been diluted from 51.00% to approximately 47.89%. Accordingly, Luck Key has become an associated company of the Company.

Strategic Investment Business

Owing to the Group's consistent prudent strategy and management's judgement, the Group's investment business maintained a growing trend during the year. Investment focus remained in listed and unlisted securities as well as quality properties in Hong Kong. In November 2010, the Company acquired the zero coupon convertible bonds issued by Apollo Solar Energy Technology Holdings Limited ("Apollo Solar") (stock code: 566) at a consideration of HK$500 million.

PROSPECTS

The Group has started its strategic transformation into a focused and professional renewable energy corporation. Through acquisition, the Group will attempt to expand into other renewable energy related businesses, thus creating a leading renewable energy corporation in the PRC, and progressively expanding its share in both domestic and foreign markets. Below are several key strategies for the Group's future development:

Consolidate the Foundations of Hardware and Software in the Renewable Energy Business

Following the development into the solar energy business, the management is well aware of the importance of a firm foundation for future development. Hence, the Group is adamant on its strategy to develop steadily and solidly. In 2011, the Group will continue its prudent approach towards development. The Group will continue to push forward with capacity expansion, further enhance introduction of industry experts and optimize resource allocation.

Work Closely with Raw Material Suppliers and Turnkey Solution Provider

The Group will work closely with Apollo Solar, a turnkey equipment manufacturer and solution provider of silicon based thin-film solar PV modules, to continuously upgrade and enhance its production efficiency, thus boosting economic synergy. Leveraging on Apollo Solar's leading amorphous silicon-germanium based thin-film technology and strong research and development, the Group will benefit directly from Apollo Solar's technological breakthroughs and development, ensuring high quality in the Group's upstream products.

In order to strengthen cooperation with suppliers and effectively control our purchasing costs, the Group will carefully assess all raw material suppliers, providing a comprehensive, detailed, and objective evaluation. We will also consider the suppliers' overall performance in aspects that may affect supply chain, including sales performance, hardware management, quality control, cost control, technology development, customer satisfaction rate and delivery terms.

By working closely with the Group's turnkey solution provider and raw material suppliers, the Group will establish a firm foundation for its solar PV business.

Explore Business Opportunities in both Domestic and Foreign Markets

Through a period of active development, the Group has become one of the manufacturers in the industry with the lowest production cost. The management is confident that with the support from operational partners and assistance from the government, based on the current market share, the Group will attain sound coverage in the fast growing domestic and foreign solar energy industries. The Group's sales team is actively exploring overseas markets especially in Europe (such as Italy and Germany, etc.), as well as establishing cooperation and partnerships with several solar power station operators, agents and distributors, thus opening up the foreign markets particularly in Europe.

We are positive that with the unremitting effort of our employees, the Group will be able to produce better products and extend into wider markets in the PRC and overseas. The Group will take advantage of the industry's vigorous development, lead in the renewable energy industry and create values for investors.

Focus on Development of Solar PV Power Stations

Assured of the Group's professional team and solid experience, the Group will continue its focus in the development of solar PV power business. The Group will develop large-scale solar PV power station projects as well as domestic rooftop solar PV power station projects, Under the umbrella of local government support and state policy encouragement, the Group is confident that its solar PV power business will register long-term development.

Acquisition of Lijiang Wulanghe Hydropower Station and Enter into Hydropower Segment

On 17 March 2011, the Group's wholly-owned subsidiary entered into a sale and purchase agreement with 北京榮泰能源投資有限公司 (unofficial English translation being Beijing Rongtai Energy Investment Company Limited) to purchase the entire registered capital of 麗江五郎河水電開發有限公司 (unofficial English translation being Lijiang Wulanghe Hydropower Development Company Limited) ("Lijiang Wulanghe"). Lijiang Wulanghe is operating a class 2 rated hydropower station which is a key energy project of the district under the "12th Five-Year Plan". The hydropower station has an aggregate installed capacity of 32MW and has been successfully connected to Lijiang's power grid. A total of 58.9MW installed capacity hydro energy investment and development rights (including the existing hydropower station with installed capacity of 32MW) in the region of Wulang River has been granted to Lijiang Wulanghe by the Yongsheng County People's Government. Since the operation in the end of 2007, the hydropower station has an annual average generating output of 120 million kilowatt hours.

The acquisition of Lijiang Wulanghe is an important step for diversification of the renewable energy business. Upon completion of the acquisition, the Group will be able to develop and consolidate the other green energy business. It is expected that such acquisition will also bring long-term and stable revenue to the Group.

Concentrate on Development and Investment in Green Energy

In addition to solar energy and hydropower energy business, the Group is actively exploring other renewable energy related businesses, targeting to further extend the environmental business. The year 2011 is the introductory year of the "12th Five-Year Plan", energy industry is among the seven industries in the "development plan for strategic emerging industries" that receive key recognitions. According to the development plan, accumulative direct investment in the new energy industry will increase by RMB5 trillion during the years 2010 to 2020 and output value from the industry will increase by RMB1.5 trillion annually. With such a huge potential for development, the Group will actively develop other renewable energy related projects with investments potential and fully devote to expanding its market position in the green energy industry.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group held bank balances and cash of approximately HK$601,497,000 (31 December 2009: approximately HK$335,702,000). Net current assets amounted to approximately HK$1,216,841,000 (31 December 2009: approximately HK$459,428,000). Current ratio (defined as total current assets divided by total current liabilities) was 4.13 times (31 December 2009: 22.36 times).

The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 16.5% (31 December 2009: 4.3%).

As at 31 December 2010, the Group had no outstanding bank borrowings (31 December 2009: approximately HK$5,553,000). As the Group's bank balances and borrowings were denominated in Hong Kong dollars and Renminbi, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

CHARGES ON GROUP ASSETS

As at 31 December 2010, certain land and buildings of the Group with fair value of HK$88,500,000 were pledged to secure general banking facilities granted to the Group.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2010, the Group employed approximately 280 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. 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. 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.

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

The Company has adopted a share option scheme and share options may be granted to eligible staff. Details of the scheme are set out in note 36 to the consolidated financial statements.

Profiles of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Bai Liang, aged 43, has been the Chairman and an executive director (the "Director") of China Gogreen Assets Investment Limited (the "Company") since November 2010. He is also a director of the subsidiaries of the Company. He graduated from Beijing Jiaotong University (formerly known as Northern Jiaotong University) in the People's Republic of China (the "PRC") with a bachelor degree in engineering in 1990. Mr. Bai had worked at the energy and electrical power sectors of the senior authority of electrical power industry in the PRC, and the Chinese Institute of Electrical Engineering of the China Electricity Council for over 8 years and was responsible for the science and technology managerial work in the electrical power industry. Mr. Bai has extensive experience and good understanding in the China electrical power and electrical equipment industry. Besides, Mr. Bai has established and participated in many energy and electrical power related enterprises and has also participated in many energy and resources related investment projects in coal and nonferrous metals, and green energy like wind power and solar energy, and has vast experience in management and coordination. Since 2006, Mr. Bai has been engaging in the solar energy industry and had involved in establishing a leading PRC enterprise principally engaged in the manufacture and sale of silicon based thin-film solar photovoltaic modules.

Mr. Cho Kwai Yee, Kevin, aged 49, is Chief Executive Officer of the Company. He has been an executive Director since March 2006. He is also a director of a number of subsidiaries of the Company. Mr. Cho graduated from Newcastle Upon Tyne University in the United Kingdom with a bachelor degree in 1990. He also holds a Diploma in Management Studies from The Hong Kong Polytechnic University. Mr. Cho has been holding various senior executive positions in a number of corporations. Mr. Cho was an executive director of Town Health International Investments Limited (stock code: 3886) from July 2001 to September 2008.

Mr. Lawrence Tang, aged 35, has been an executive Director since December 2009. He is also a director of a number of subsidiaries of the Company. Mr. Tang graduated from the University of Staffordshire in the United Kingdom with a Bachelor of Arts Degree in Law and Accounting. He has over 11 years' experience in international trade and marketing in Europe, North America, Hong Kong and the PRC out of which 7 years were at top management level. Mr. Tang also possesses extensive knowledge and hands-on experience in the PRC market and industrial management. Prior to joining the Company, Mr. Tang had been working in the manufacturing sector for 6 years and held a chief executive officer position in a manufacturing company for 3 years.

Mr. Xue Feng, aged 42, has been an executive Director since June 2010. He is also a director of a subsidiary of the Company. He graduated from Beijing Jiaotong University (formerly known as Northern Jiaotong University) in the PRC with a bachelor degree in engineering in 1990. He has also passed the national examinations of the PRC and certified with intermediate qualification level of speciality and technology in finance and economics, and accounting in 1996 and 2003 respectively. Mr. Xue has many years of experience in the areas of engineering, corporate management, accounting and asset valuation. Mr. Xue is currently the general manager of Henan Gogreen Energy Limited, the non wholly-owned subsidiary of the Company established in Zhengzhou, Henan Province, the PRC, which is engaged in the development, production and sale of silicon based thin-film solar photovoltaic modules.

Mr. Liu Wenmao, aged 39, has been an executive Director since January 2010. Mr. Liu graduated from North China Electric Power University in the PRC with a bachelor degree in engineering majoring in automation process. He also holds a master degree in engineering and obtained the PhD in engineering from North China Electric Power University. Mr. Liu has over 11 years of experience in the energy and renewable energy industry in the PRC. Since 2007, Mr. Liu has been acting as a vice president (operation) of China Study Public Policy & Management Consulting (Beijing) Co., Ltd. which is a member company of Tsinghua Holdings Co., Ltd. Mr. Liu has been appointed as a senior consultant in new energy of China Electricity Council, and providing assistance in the establishment of an energy policy research centre in North China Electric Power University.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Chi Yuen, aged 44, has been an independent non-executive Director since January 2005. He is also the Chairman of the audit committee and a member of the remuneration committee of the Company. Mr. Chan holds a bachelor degree with honours in Business Administration and a master of science degree in Corporate Governance and Directorship. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and is an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance. Mr. Chan is currently an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), China Gamma Group Limited (stock code: 164), China Grand Forestry Green Resources Group Limited (stock code: 910), Rojam Entertainment Holdings Limited (stock code: 8075) and U-RIGHT International Holdings Limited (stock code: 627). Mr. Chan was an executive director of New Times Energy Corporation Limited (stock code: 166) since 10 May 2006 and was re-designated as a non-executive director from 25 October 2006 onwards. He was also an executive director of Amax Holdings Limited (stock code: 959) from August 2005 to January 2009, China E-Learning Group Limited (stock code: 8055) from July 2007 to September 2008 and Kong Sun Holdings Limited (stock code: 295) from February 2007 to November 2009. He was also an independent non-executive director of Richly Field China Development Limited (stock code: 313) from February 2009 to August 2010, Superb Summit International Timber Company Limited (stock code: 1228) from April 2007 to June 2010 and The Hong Kong Building and Loan Agency Limited (stock code: 145) from October 2009 to February 2011.

Mr. Lo Chun Nga, aged 60, has been an independent non-executive Director since May 2006. He is also the Chairman of the remuneration committee and a member of the audit committee of the Company. Mr. Lo has over 31 years of experience in business management in Hong Kong and the PRC. He is currently a director of Hong Kong Commerce and Industry Associations Limited and also a director of Hong Kong Shatin Industries and Commerce Association Limited.

Mr. Chik Chi Man, aged 56, has been an independent non-executive Director since October 2006. He is also a member of each of the audit committee and the remuneration committee of the Company. Mr. Chik has over 43 years of experience in the building and construction industry in Hong Kong. He is currently the vice chairman of Sha Tin East District Scout Council and also the treasurer of the committee in Sha Tin District of the Friends of the Community Chest. In July 2006, Mr. Chik was awarded the Chief Executive's Commendation for Community Service by The Government of the Hong Kong Special Administrative Region.

SENIOR MANAGEMENT

Mr. Wang Zhiwei, aged 43, currently a director and the Vice President of a subsidiary of the Company. He is mainly responsible for the management of the operation of amorphous silicon thin-film solar photovoltaic power stations. Mr. Wang has over 10 years of experience in the energy and resources-related industry in the PRC out of which he was a senior management for 4 years, and has extensive coordination and management experience. He joined the Group in June 2010.

Mr. Wu Yongli, aged 48, currently the Deputy General Manager of a subsidiary of the Company. He is mainly responsible for construction project management and engineering technology of the subsidiaries of the Company. Mr. Wu has over 28 years of experience in the management, analysis, research and development of energy and new energy businesses in the PRC. He joined the Group in January 2010.

Dr. Wynnie Lam Wai Man, aged 46, graduated from The University of Hong Kong, holds the following medical degrees, including MBBS (HKU), MD (CUHK), FRCR (UK), FHKAM (Radiology) and FHKCR (HK). She has been an academic staff serving the Medical Faculty of The Chinese University of Hong Kong since 1994. During her academic years, she has published more than 230 papers in indexed journals with her main research interest in MRI and CT. Currently, she is in the editorial board of an overseas medical journal, namely European Journal of Radiology. She is also the invited reviewer for many other indexed journals, including Stroke, Journal of Magnetic Resonance Imaging and Clinical Radiology. Besides medical qualifications, she also holds MBA (University of Hull) and LLB (2nd upper Hons, London University). She has held the position of Chief of Radiology Department in the Group's investment in health check business.

Mr. Lam Chun Kei, aged 35, currently the Financial Controller and the Company Secretary of the Company. Mr. Lam holds a bachelor degree in Accountancy from the City University of Hong Kong. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Lam has over 10 years of experience in accounting, auditing and financial management and previously worked in an international accounting firm and a listed group. He joined the Group in August 2007.

Changes in Information of Directors

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

Name of Director	Details of Changes
Mr. Bai Liang	– the amount of monthly emolument has been changed to HK$20,000 with effect from December 2010.
Mr. Cho Kwai Yee, Kevin	– the amount of monthly emolument has been changed to HK$50,000 with effect from November 2010.
Mr. Lawrence Tang	– the amount of monthly emolument has been changed to HK$34,000 with effect from January 2011.
Mr. Liu Wenmao	– the amount of monthly emolument has been changed to HK$15,312 with effect from August 2010.
Mr. Chan Chi Yuen	– appointed as an independent non-executive director of U-RIGHT International Holdings Limited (stock code: 627) with effect from 11 November 2010.
	– resigned as an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145) with effect from 1 February 2011.

Report of the Directors

The directors (the "Directors") of China Gogreen Assets Investment Limited (the "Company") present their report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010 (the "Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 22 to the consolidated financial statements.

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the Year is set out in note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Company and of the Group as at the year end date are set out in the consolidated financial statements on pages 36 to 137 of this annual report.

The Directors do not recommend the payment of a final dividend for the Year.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results of the Group for the last five financial years is set out on page 138 of this annual report.

DONATIONS

Charitable donations made by the Group during the Year amounted to approximately HK$477,000.

SUBSIDIARIES

Details of acquisition/disposal of subsidiaries during the Year are set out in notes 39 and 40 to the consolidated financial statements.

Details of the Company's principal subsidiaries as at 31 December 2010 are set out in note 22 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the Year, the Group acquired property, plant and equipment of approximately HK$651,092,000 for the expansion of its business.

Details of movements in property, plant and equipment of the Group during the Year are set out in note 19 to the consolidated financial statements.

INVESTMENT PROPERTIES

Particulars of investment properties of the Group are set out in note 20 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 35 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 36 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

RESERVES

Details of movements in the reserves of the Group during the Year are set out in page 41 of this annual report.

Details of movements in the reserves of the Company during the Year are set out in note 38 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2010, the Company's reserves available for distribution calculated in accordance with the Companies Act 1981 of Bermuda (as amended) amounted to approximately HK$175,936,000. The contributed surplus may only be distributable in certain circumstances.

MAJOR SUPPLIERS AND CUSTOMERS

For the Year, the percentage of turnover attributable to the Group's five largest customers combined is less than 30% of the Group's aggregate turnover from continuing and discontinued operations. The five largest suppliers combined of the Group and the largest supplier accounted for approximately 47% and 18% respectively of the Group's total purchases from continuing and discontinued operations.

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

BANK BORROWINGS

Details of bank borrowings of the Group are set out in note 33 to the consolidated financial statements.

DIRECTORS

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

Executive Directors

Mr. Bai Liang *(Chairman)*	(appointed on 24 November 2010)
Mr. Cho Kwai Yee, Kevin	
Mr. Lawrence Tang	
Mr. Xue Feng	(appointed on 14 June 2010)
Mr. Liu Wenmao	(appointed on 28 January 2010)
Dr. Fung Yiu Tong, Bennet	(resigned with effect from 14 June 2010)

Independent Non-executive Directors

Mr. Chan Chi Yuen
Mr. Lo Chun Nga
Mr. Chik Chi Man

In accordance with bye-law 99 of the Company's bye-laws and to comply with the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Mr. Lawrence Tang, Mr. Liu Wenmao and Mr. Chik Chi Man will retire by rotation at the forthcoming annual general meeting of the Company (the "AGM"). Mr. Lawrence Tang and Mr. Chik Chi Man, being eligible, offer themselves for re-election at the AGM. Due to other business commitments which require more of his dedications, Mr. Liu Wenmao will not offer himself for re-election at the AGM.

The biographical details of the Directors as at the date of this annual report are set out in "Profiles of Directors and Senior Management" on pages 11 to 14 of this annual report.

EMOLUMENTS OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of emoluments of Directors and the five highest paid individuals of the Group are set out in notes 15 and 16 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

CONNECTED TRANSACTIONS

Connected transactions undertaken by the Group during the Year and up to the date of this annual report are set out below:

1. On 3 August 2010, 北京君陽投資有限公司(unofficial English translation being Beijing Jun Yang Investment Company Limited) ("Beijing Jun Yang"), a wholly foreign owned enterprise established by the Group in the People's Republic of China (the "PRC"), 河南保綠能源有限公司(Henan Gogreen Energy Limited) ("Henan Gogreen"), the Sino-foreign equity joint venture enterprise and a non wholly-owned subsidiary of the Company established by the Group in the PRC, and 鄭州高新技術產業開發區管理委員會(Administration Committee of Zhengzhou High and New Technology Industries Development Zone) (the "Administration Committee") entered into an investment agreement in relation to the construction and operation of 350 kilowatt amorphous silicon thin-film solar photovoltaic power station in the Zhengzhou High and New Technology Industries Development Zone.

   As the Administration Committee is a state-owned enterprise which has established 鄭州高科技創業投資有限公司 (unofficial English translation being Zhengzhou High-Tech Start-up Investment Co., Ltd.) (the "JV Partner") which in turn owns 35% equity interest of Henan Gogreen, it is an associate of the JV Partner. Accordingly, the Administration Committee is a connected person of the Company under the Listing Rules and the entering into of the investment agreement constituted a connected transaction for the Company which is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules. Details of the investment agreement are set out in the announcement of the Company dated 3 August 2010.

2. On 5 October 2010, Luck Key Investment Limited ("Luck Key"), a non wholly-owned subsidiary of the Company before 23 November 2010, and Dr. Fung Yiu Tong, Bennet ("Dr. Fung") entered into a subscription agreement in relation to the allotment and issue of 650 new ordinary shares of US$1.00 each in the issued share capital of Luck Key (the "Subscription Shares") to Dr. Fung at the consideration of HK$8.1 million.

   Upon the allotment and issue of the Subscription Shares to Dr. Fung by Luck Key under the subscription agreement, the Company's interest in Luck Key will be diluted from 51.00% to approximately 47.89%, representing a decrease of approximately 3.11% of the issued share capital of Luck Key as enlarged by the allotment and issue of the Subscription Shares. Such decrease in approximately 3.11% interest in the enlarged issued share capital of Luck Key constituted a deemed disposal by the Company under Rule 14.29 of the Listing Rules.

Dr. Fung is a connected person of the Company under the Listing Rules by virtue of (i) Dr. Fung being a director of Luck Key and other subsidiaries of the Group; and (ii) he was a Director within 12 months preceding the date of such subscription agreement. Therefore, the subscription of the Subscription Shares by Dr. Fung constituted a connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The subscription agreement and the transactions contemplated thereunder were approved at the special general meeting of the Company on 18 November 2010 and completion of the subscription took place on 23 November 2010. Details of the subscription agreement and the subscription are set out in the announcement of the Company dated 5 October 2010 and the circular of the Company dated 29 October 2010.

3. On 9 December 2010, Beijing Jun Yang and the Administration Committee entered into an investment agreement in relation to the construction and operation of 20 megawatt amorphous silicon thin-film solar photovoltaic power stations at the rooftops of various buildings and structures in the Zhengzhou High and New Technology Industries Development Zone (the "Rooftop Project") in Zhengzhou, Henan Province, the PRC. The Group will have 100% interest in the Rooftop Project.

   The total investment of the Rooftop Project will amount to RMB300 million which will be solely financed by the Group. Beijing Jun Yang will be responsible for contributing capital of US$9 million to carry out the Rooftop Project which will be funded by internal resources of the Group.

   The Administration Committee is a connected person of the Company by virtue of being an associate of the JV Partner. Therefore, the entering into of the investment agreement in relation to the Rooftop Project constituted a connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Such investment agreement and the transactions contemplated thereunder were approved at the special general meeting of the Company on 1 February 2011. Details of the investment agreement and the Rooftop Project are set out in the announcement of the Company dated 9 December 2010 and the circular of the Company dated 7 January 2011.

4. On 10 January 2011, Beijing Jun Yang and Mr. Wang Zhiwei entered into a conditional equity transfer agreement in respect of the conditional acquisition of 99% of the registered capital of 青海鈞石能源有限公司 (unofficial English translation being GS-Solar (Qinghai) Company Limited) on terms and conditions set out in the equity transfer agreement at a consideration of RMB5.90 million.

Mr. Wang Zhiwei is a connected person of the Company under the Listing Rules as he is a director of Beijing Jun Yang. Therefore, the acquisition constituted a connected transaction for the Company and was subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The equity transfer agreement and the transactions contemplated thereunder were approved at the special general meeting of the Company on 17 February 2011. Details of the equity transfer agreement and the acquisition are set out in the announcement of the Company dated 10 January 2011 and the circular of the Company dated 28 January 2011.

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions not exempt under Chapter 14A of the Listing Rules

During the Year and up to the date of this annual report, the following tenancy agreements entered into between the Group and subsidiaries of Town Health International Investments Limited ("Town Health") for leasing of office and commercial premises to conduct the Group's business operations were subsisting:

1. the tenancy agreement dated 19 December 2008 entered into between Town Health Food & Beverage Culture Company Limited, an indirect wholly-owned subsidiary of Town Health, as landlord and Polylight Technology Limited, a wholly-owned subsidiary of Luck Key which in turn is a non wholly-owned subsidiary of the Company, as tenant in respect of the leasing of the premises at Ground Floor, Ultragrace Commercial Building, No. 5 Jordan Road, Kowloon, Hong Kong (the "Jordan Tenancy Agreement") for a term of three years commenced from 1 December 2008 and expiring on 30 November 2011 at a rental of HK$81,000 per month; and

2. the tenancy agreement dated 1 December 2009 entered into between Profit Sources Limited, an indirect wholly-owned subsidiary of Town Health, as landlord and Hong Kong Health Check and Medical Diagnostic Centre Limited, a wholly-owned subsidiary of Luck Key which in turn is a non wholly-owned subsidiary of the Company, as tenant in respect of the leasing of the premises at 4th Floor, Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong (the "Shatin Tenancy Agreement") for a term of two years commenced from 1 December 2009 and expiring on 30 November 2011 at a rental of HK$137,500 per month and management fee of HK$27,500 per month with a rent-free period of six months.

The aggregate rentals paid by the Group under the Jordan Tenancy Agreement for the Year is HK$891,000. The aggregate rentals and management fees paid by the Group under the Shatin Tenancy Agreement for the Year is HK$782,000.

As a result of the allotment and issue of the Subscription Shares by Luck Key to Dr. Fung, further details are as set out in the section headed "Connected Transactions" in this report, each company in the Luck Key Group ceased to be a subsidiary of the Company on 23 November 2010. Therefore, Town Health ceased to be a connected person of the Company since 23 November 2010 and transactions contemplated under both the Jordon Tenancy Agreement and the Shatin Tenancy Agreement no longer constituted continuing connected transactions for the Company on the same date.

The independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that the transactions have been entered into by the Group in its ordinary and usual course of business, on normal commercial terms, and in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The independent auditors of the Company has provided a letter to the board of Directors (the "Board") confirming that the aforesaid continuing connected transactions:

(i) have received the approval of the Board;

(ii) are in accordance with the pricing policies of the Group;

(iii) have been conducted on terms in accordance with the terms of the relevant agreements governing the transactions; and

(iv) have not exceeded the expected aggregate rentals and management fees as disclosed in the relevant announcement of the Company.

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

As at 31 December 2010, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in underlying shares in associated corporation

Name of Director	Name of associated corporation	Capacity	Number of underlying shares interested in the associated corporation	Percentage of total issued shares of the associated corporation
Mr. Bai Liang	Jun Yang Solar Power Investment Holdings Limited (Note 1)	Beneficial owner	2,000 ordinary shares (Note 2)	12.5%

Notes:

1. Jun Yang Solar Power Investment Holdings Limited is a direct wholly-owned subsidiary of the Company.

2. These shares represent the new shares of Jun Yang Solar Power Investment Holdings Limited which may be issued to Mr. Bai Liang under an option granted to him.

Save as disclosed above, as at 31 December 2010, none of the Directors or the chief executives of the Company had recorded any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

The Company adopted a share option scheme on 17 November 2003 (the "Scheme"), for the primary purpose of providing incentives to Directors and employees. Under the Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for shares of the Company.

Particulars of the Scheme and details of movements of share options during the Year are set out in note 36 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2010, the following shareholder (other than Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity	Long position/ Short position/ Lending pool	Number of ordinary shares of the Company held	Approximate % of the Company's issued share capital as at 31 December 2010
JPMorgan Chase & Co. (Note)	Beneficial owner and custodian corporation/approved lending agent	Long position Lending pool	595,000,000 260,000,000	8.74% 3.82%

Note: The shares of the Company held by JPMorgan Chase & Co. are held in the capacities of beneficial owner (relating to 335,000,000 shares) and custodian corporation/approved lending agent (relating to 260,000,000 shares).

Save as disclosed above, the Company has not been notified of any interest or short position in the shares and underlying shares of the Company as at 31 December 2010 which has been recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 46 to the consolidated financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules as at the date of this annual report.

CORPORATE GOVERNANCE

Principal corporate governance practices as adopted by the Company are set out in the Corporate Governance Report on pages 28 to 33 of this annual report.

AUDITORS

The consolidated financial statements for the Year have been audited by HLB Hodgson Impey Cheng who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Bai Liang
Chairman
23 March 2011

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

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has complied with all the applicable code provisions in the Code throughout the year ended 31 December 2010 (the "Year"), except that under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election. None of the existing independent non-executive Directors was appointed for a specific term. However, the independent non-executive Directors are subject to retirement by rotation and re-election at annual general meetings of the Company at least once every three years in accordance with the provisions of the bye-laws of the Company (the "Bye-Laws"). As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

At the date of this annual report, the Board comprises eight members, five of which are executive Directors, namely Mr. Bai Liang (the Chairman of the Board), Mr. Cho Kwai Yee, Kevin, Mr. Lawrence Tang, Mr. Xue Feng and Mr. Liu Wenmao. The other three members are independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Lo Chun Nga and Mr. Chik Chi Man. The biographical details of the Directors are set out in "Profiles of Directors and Senior Management" on pages 11 to 14 of this annual report.

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Bai Liang is the Chairman of the Company and Mr. Cho Kwai Yee, Kevin is the Chief Executive Officer of the Company, they have segregated and clearly defined roles. The Chairman provides leadership for the Board. The Chief Executive Officer has responsibility for the Group's business development and daily management generally.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

None of the independent non-executive Directors is appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with the provisions of the Bye-Laws.

REMUNERATION COMMITTEE

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

As at the date of this annual report, the Remuneration Committee comprises three independent non-executive Directors, namely Mr. Lo Chun Nga (the Chairman of the Remuneration Committee), Mr. Chan Chi Yuen and Mr. Chik Chi Man.

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

DIRECTORS' APPOINTMENT AND RE-ELECTION

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

According to the Bye-Laws, any Director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and who shall then be eligible for re-election at such general meeting. In addition, one-third of the Directors are required to retire from office by rotation at each annual general meeting, and each retiring Director is eligible for re-election by shareholders.

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

AUDITORS' REMUNERATION

The remuneration paid or payable to the Company's auditors, HLB Hodgson Impey Cheng, for their audit services and non-audit services for the Year are set out as follows:

	Fees paid/payable HK$'000
Services rendered	
Audit for the Year	590
Non-audit services	
Acting as reporting accountants to report on certain financial information included in the Company's circulars issued during the Year	874
Total	1,464

AUDIT COMMITTEE

The Board has established an audit committee (the "Audit Committee") with specific written terms of reference in accordance with the provisions set out in the Code. The principal duties of the Audit Committee is to consider the appointment and remuneration of the external auditors, to monitor the integrity of the Group's financial statements with focus on the changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern assumptions, and compliance with accounting standards, the Listing Rules and other applicable legal requirements, and to review the Group's financial reporting system and internal control procedures.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen (the Chairman of the Audit Committee), Mr. Lo Chun Nga and Mr. Chik Chi Man.

The Audit Committee held two meetings during the Year. The Audit Committee reviewed the Group's financial statements for the six months ended 30 June 2010 and for the year ended 31 December 2010 respectively, discussed audit scope and findings with the Company's independent auditors and reviewed the Group's financial reporting system and internal control procedures.

The Audit Committee has reviewed the Group's unaudited financial statements for the six months ended 30 June 2010 and the audited financial statements for the year ended 31 December 2010 prior to recommending them to the Board for approval.

DIRECTORS' ATTENDANCE AT MEETINGS

The attendance of the Directors at the meetings of the Board, the Audit Committee and the Remuneration Committee during the Year are set out below:

	Number of meetings attended/held		
Directors	**Board**	**Audit Committee**	**Remuneration Committee**
Executive Directors			
Mr. Bai Liang (appointed on 24 November 2010)	0/0	N/A	N/A
Mr. Cho Kwai Yee, Kevin	4/4	N/A	N/A
Mr. Lawrence Tang	4/4	N/A	N/A
Mr. Xue Feng (appointed on 14 June 2010)	2/2	N/A	N/A
Mr. Liu Wenmao (appointed on 28 January 2010)	0/4	N/A	N/A
Dr. Fung Yiu Tong, Bennet (resigned with effect from 14 June 2010)	2/2	N/A	N/A
Independent non-executive Directors			
Mr. Chan Chi Yuen	4/4	2/2	1/1
Mr. Lo Chun Nga	4/4	2/2	1/1
Mr. Chik Chi Man	4/4	2/2	1/1

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the state of affairs of the Group and of the profit and cash flows for the year ended 31 December 2010. The Directors have prepared the financial statements of the Group on a going concern basis, and have selected appropriate accounting policies and applied them consistently, with applicable disclosures required under the Listing Rules and pursuant to the relevant statutory requirements.

The statement issued by the independent auditors of the Company, HLB Hodgson Impey Cheng, regarding their reporting responsibilities is set out in "Independent Auditors' Report" on pages 34 to 35 of this annual report.

INTERNAL CONTROLS

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

COMMUNICATION WITH SHAREHOLDERS

The Company provides information in relation to the Group to the shareholders in a timely manner through a number of formal channels, including interim and annual reports, announcements and circulars. Such published documents together with the corporate information of the Group are also available on the Company's website.

During the Year, separate resolutions were proposed at the general meetings of the Company for each substantial issue, including the re-election of Directors.

The Chairman explained the procedures for conducting a poll at the beginning of each general meeting of the Company held during the Year. The results of the poll were published on the websites of The Stock Exchange of Hong Kong Limited and the Company respectively.

Independent Auditors' Report

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
CHINA GOGREEN ASSETS INVESTMENT LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Gogreen Assets Investment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 137, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
Hong Kong, 23 March 2011

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Continuing operations			
Gross proceeds from operations	8	**349,095**	223,571
Revenue	8	**2,314**	273
Other income	10	**874**	231
Employee benefits expense		**(4,672)**	(14,828)
Depreciation of property, plant and equipment		**(488)**	(372)
(Loss)/gain arising on change in fair value of held-for-trading investments		**(25,750)**	38,401
Gain on deemed disposal of subsidiaries	40(e)	**–**	11,572
Gain on disposals of subsidiaries	40(b), (c), (d) & (e)	**5,267**	3,993
Gain on disposal of an associate	40(e)	**–**	23,836
Gain on disposal of an associate classified as held for sale	40(e)	**–**	54,229
Gain on conversion of convertible bonds held by the Group		**145,407**	–
Finance costs	11	**(32)**	–
Impairment loss of available-for-sale investments	25	**–**	(5,040)
Impairment loss of goodwill	21	**(509)**	–
Share of results of an associate	23	**(1,743)**	–
Gain arising on change in fair value of investment properties	20	**19,712**	1,000
Write down on inventories		**(10,982)**	–
Other operating expenses		**(17,488)**	(9,116)
Profit before tax		**111,910**	104,179
Income tax expense	12	**(269)**	–
Profit for the year/period from continuing operations	14	**111,641**	104,179
Discontinued operation			
Loss for the year/period from discontinued operation	13	**(74,263)**	(25,265)
Profit for the year/period		**37,378**	78,914

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2010

	Notes	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Other comprehensive income			
Exchange differences on translating foreign operations		**12,105**	–
Total comprehensive income for the year/period		**49,483**	78,914
Profit attributable to:			
Owners of the Company			
Profit for the year/period from continuing operations		**116,949**	104,179
Loss for the year/period from discontinued operation		**(60,716)**	(17,105)
Profit attributable to owners of the Company	17	**56,233**	87,074
Non-controlling interests			
Loss for the year/period from continuing operations		**(5,308)**	–
Loss for the year/period from discontinued operation		**(13,547)**	(8,160)
Loss for the year/period attributable to non-controlling interests		**(18,855)**	(8,160)
		37,378	78,914
Total comprehensive income attributable to:			
Owners of the Company		**64,636**	87,074
Non-controlling interests		**(15,153)**	(8,160)
		49,483	78,914
Earnings per share			
From continuing and discontinued operations			
– Basic (HK cents per share)	18	**4.38**	3.41
– Diluted (HK cents per share)	18	**4.36**	3.41
From continuing operations			
– Basic (HK cents per share)	18	**9.11**	4.08
– Diluted (HK cents per share)	18	**9.06**	4.08

Consolidated Statement of Financial Position

At 31 December 2010

	Notes	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)
Non-current assets			
Property, plant and equipment	19	**637,380**	133,127
Investment properties	20	**88,500**	25,000
Goodwill	21	**–**	65,613
Interest in an associate	23	**15,248**	1,054
		741,128	224,794
Current assets			
Amounts due from non-controlling interests	26	**–**	1,181
Inventories	27	**32,981**	1,478
Trade and other receivables	28	**30,844**	31,051
Value-added tax refundable		**83,549**	–
Deposit paid for acquisition of property, plant and equipment		**1,189**	–
Amount due from an associate	23	**123,548**	–
Tax recoverable		**–**	878
Held-for-trading investments	29	**731,473**	100,650
Pledged bank deposits	30	**–**	10,000
Bank balances and cash	31	**601,497**	335,702
		1,605,081	480,940
Current liabilities			
Amounts due to non-controlling interests	26	**23,600**	1,450
Trade and other payables	32	**46,767**	14,509
Amount payable for acquisition of property, plant and equipment		**317,609**	–
Tax payable		**264**	–
Bank borrowings	33	**–**	5,553
		388,240	21,512
Net current assets		**1,216,841**	459,428
Total assets less current liabilities		**1,957,969**	684,222

Consolidated Statement of Financial Position

At 31 December 2010

	Notes	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)
Non-current liabilities			
Deferred tax liabilities	34	–	8,684
Net assets		**1,957,969**	675,538
Capital and reserves			
Share capital	35	**136,155**	8,095
Reserves		**1,682,508**	622,445
Equity attributable to owners of the Company		**1,818,663**	630,540
Non-controlling interests		**139,306**	44,998
Total equity		**1,957,969**	675,538

The consolidated financial statements were approved and authorized for issue by the board of directors on 23 March 2011 and were signed on its behalf by:

Bai Liang
Director

Cho Kwai Yee, Kevin
Director

Statement of Financial Position

At 31 December 2010

	Notes	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Non-current assets			
Interests in subsidiaries	22	**125**	93,989
Interest in an associate	23	**15,248**	–
		15,373	93,989
Current assets			
Amounts due from subsidiaries	22	**480,041**	458,024
Amount due from an associate	23	**123,548**	–
Other receivables	28	**9,184**	133
Held-for-trading investments	29	**727,262**	93,682
Bank balances and cash		**501,067**	39,939
		1,841,102	591,778
Current liabilities			
Amounts due to subsidiaries	22	**–**	12,581
Other payables	32	**2,920**	2,633
		2,920	15,214
Net current assets		**1,838,182**	576,564
Total assets less current liabilities		**1,853,555**	670,553
Net assets		**1,853,555**	670,553
Capital and reserves			
Share capital	35	**136,155**	8,095
Reserves	38	**1,717,400**	662,458
		1,853,555	670,553

Bai Liang
Director

Cho Kwai Yee, Kevin
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (Note (i))	Translation reserve HK$'000 (Note (ii))	Share-based payments reserve HK$'000 (Note (iii))	Retained earnings/ (accumulated losses) HK$'000	Sub total HK$'000	Attributable to non-controlling interests HK$'000	Total HK$'000
At 1 April 2009	169,571	791,071	861	29,390	270	12,038	(675,260)	327,941	23,555	351,496
Total comprehensive income for the period	–	–	–	–	–	–	87,074	87,074	(8,160)	78,914
Effects of the Capital Reorganization (Note 35(a))	(166,180)	(777,327)	–	282,400	–	–	661,107	–	–	–
Recognition of equity-settled shared-based payments	–	–	–	–	–	11,988	–	11,988	–	11,988
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	3,658	3,658
Deemed disposal of subsidiaries	–	–	–	–	–	–	–	–	17,525	17,525
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(40,632)	(40,632)
Addition through acquisition of Health Walk Limited (Note 39(c))	–	–	–	–	–	–	–	–	49,052	49,052
Issue of new shares by way of placements	4,399	185,001	–	–	–	–	–	189,400	–	189,400
Transaction costs attributable to issue of new shares	–	(5,084)	–	–	–	–	–	(5,084)	–	(5,084)
Issue of shares upon exercise of share options	305	21,811	–	–	–	(2,895)	–	19,221	–	19,221
At 31 December 2009	8,095	215,472	861	311,790	270	21,131	72,921	630,540	44,998	675,538

Consolidated Statement of Changes in Equity

For the year ended 31 December 2010

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000 (Note (i))	Translation reserve HK$'000 (Note (ii))	Share-based payments reserve HK$'000 (Note (iii))	Retained earnings/ (accumulated losses) HK$'000	Sub total HK$'000	Attributable to non-controlling interests HK$'000	Total HK$'000
At 1 January 2010	8,095	215,472	861	311,790	270	21,131	72,921	630,540	44,998	675,538
Total comprehensive income for the year	-	-	-	-	8,403	-	56,233	64,636	(15,153)	49,483
Lapse of share option previously recognized in share-based payments	-	-	-	-	-	(3,217)	3,217	-	-	-
Recognition of equity-settled shared-based payments	-	-	-	-	-	16,571	-	16,571	-	16,571
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	-	140,912	140,912
Deemed disposal of subsidiaries	-	-	-	-	-	-	-	-	(31,451)	(31,451)
Issue of new shares by way of rights issue (Note 35(i))	122,540	796,508	-	-	-	-	-	919,048	-	919,048
Issue of new shares by way of placements	5,520	215,280	-	-	-	-	-	220,800	-	220,800
Transaction costs attributable to issue of new shares	-	(32,932)	-	-	-	-	-	(32,932)	-	(32,932)
At 31 December 2010	**136,155**	**1,194,328**	**861**	**311,790**	**8,673**	**34,485**	**132,371**	**1,818,663**	**139,306**	**1,957,969**

Notes:

(i) The contributed surplus represents reserves arising from (i) the difference between the consolidated shareholders' funds of the subsidiaries at the date on which they were acquired by the Company and the nominal amount of the Company's shares issued for the acquisition at the time of the corporate reorganization prior to the listing of the Company's shares on the Stock Exchange in 1993; and (ii) the Company's capital reorganization exercises in prior financial years. Under the Companies Act of Bermuda, the contributed surplus of the Company is distributable to shareholders under certain circumstances.

(ii) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognized directly in other comprehensive income and accumulated in the translation reserve. Such exchange differences accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

(iii) The share-based payments reserve relates to share options granted to employees and service providers under the Company's share option scheme and other agreement. Further information about share-based payments to employees and service providers is set out in Note 37.

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Operating activities		
Profit for the year/period from continuing operations	**111,641**	104,179
Loss for the year/period from discontinued operation	**(74,263)**	(25,265)
	37,378	78,914
Adjustments for:		
Income tax expense/(credit)	**269**	(146)
Loss/(gain) on deemed disposal of subsidiaries	**48,472**	(11,572)
Gain on disposals of subsidiaries	**(5,267)**	(4,756)
Gain on disposal of an associate	**–**	(23,836)
Gain on disposal of an associate classified as held for sale	**–**	(54,229)
Gain arising on change in fair value of investment properties	**(19,712)**	(1,000)
Loss/(gain) arising on change in fair value of held-for-trading investments	**25,750**	(39,941)
Loss on disposal of property, plant and equipment	**2,355**	10,501
Finance costs	**252**	71
Interest income	**(364)**	(378)
Depreciation of property, plant and equipment	**16,815**	13,953
Total equity-settled share-based payments expenses	**16,571**	11,988
Share of results of an associate	**721**	(525)
Impairment loss on goodwill	**509**	–
Gain on disposal of partial interests of an indirect associate	**(309)**	–
Write down on inventories	**10,982**	–
Gain on conversion of convertible bonds held by the Group	**(145,407)**	–
Impairment loss on available-for-sale investments	**–**	5,040
Operating cash flows before movements in working capital	**(10,985)**	(15,916)
Inventories	**(30,318)**	(153)
Held-for-trading investments	**10,334**	(36,922)
Trade and other receivables	**(37,684)**	(3,831)
Value-added tax refundable	**(83,549)**	–
Trade and other payables	**21,601**	(2,229)
Cash used in operations	**(130,601)**	(59,051)
Hong Kong profits tax paid	**(1,179)**	(3,217)
Net cash used in operating activities	**(131,780)**	(62,268)

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	Notes	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Investing activities			
Interest received		**364**	378
Dividends received from an associate		**1,300**	520
Payments for property, plant and equipment		**(333,483)**	(19,669)
Proceeds from disposal of property, plant and equipment		**812**	674
Payments for deposit paid for acquisition of property, plant and equipment		**(1,189)**	–
Payment for investment property		**–**	(24,000)
Net cash outflow on acquisition of subsidiaries	39	**(1,972)**	(9,417)
Net cash outflow on acquisition of an associate		**–**	(25,600)
Advance to an associate		**(25,370)**	–
Acquisition of available-for-sale investments		**–**	(5,040)
Net cash inflow/(outflow) on disposal of subsidiaries	40	**216**	(24,531)
Net cash outflow on deemed disposal of subsidiaries	40	**(16,088)**	–
Net cash inflow on disposal of an associate	40	**–**	34,985
Net cash inflow on disposal of an associate classified as held for sale	40	**–**	84,825
Payment for convertible bonds		**(521,500)**	–
Net cash (used in)/generated by investing activities		**(896,910)**	13,125
Financing activities			
Interest paid		**(252)**	(71)
Proceeds from issue of shares		**1,139,848**	237,718
Payments for share issue expenses		**(32,932)**	(5,084)
Capital contributions from non-controlling interests		**140,912**	–
Advance from non-controlling interests		**23,641**	–
Advance from borrowings		**23,000**	–
Repayment of borrowings		**(353)**	(190)
Net cash generated by financing activities		**1,293,864**	232,373
Net increase in cash and cash equivalents		**265,174**	183,230
Cash and cash equivalents at the beginning of the financial year/period		**335,702**	152,472
Effect of foreign exchange rate changes		**621**	–
Cash and cash equivalents at the end of the financial year/period		**601,497**	335,702
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		**601,497**	335,702

1. GENERAL

China Gogreen Assets Investment Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda and its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 13 October 1993. The Company's registered office is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda, and its head office and principal place of business in Hong Kong is situated at Workshop no. 16, 9th Floor, Corporation Park, No. 11 On Lai Street, Shatin, New Territories, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, while the functional currencies of certain subsidiaries are presented in Renminbi. The Company has selected Hong Kong dollar as its presentation currency because the management considered it is more beneficial to the user of the consolidated financial statements.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the development, production and sale of silicon based thin-film solar photovoltaic modules; and assets investment.

During the period ended 31 December 2009, the financial year end date of the Company was changed from 31 March to 31 December. Accordingly, the corresponding comparative amounts shown for the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes cover the nine-month period from 1 April 2009 to 31 December 2009 and therefore may not be comparable with the amounts shown for the current year.

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

The following new and revised standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") ("new and revised HKFRSs") have been applied by the Group in the current year and have affected the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements. The impact of the application of the new and revised HKFRSs is discussed below.

HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKAS 24 (Revised)	Related party disclosures in relation to the partial exemption in paragraphs 25 to 27 for government-related entities
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners
HK – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

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

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payment to property, plant and equipment. This resulted in prepaid lease payments with the carrying amounts of approximately HK$26,675,000 at 31 December 2009 being reclassified to property, plant and equipment.

At 1 April 2009 and 31 December 2010, the Group did not have any leasehold land that qualifies for finance lease. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current year and prior period.

The effects of the above changes in accounting policies on the financial positions of the Group at 31 December 2009 are as follows:

	At 31 December 2009 (originally stated) HK$'000	Adjustments HK$'000	At 31 December 2009 (restated) HK$'000
Property, plant and equipment	106,452	26,675	133,127
Prepaid lease payment – non-current	26,051	(26,051)	–
Prepaid lease payment – current (included in trade and other receivables)	624	(624)	–
	133,127	–	133,127

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

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with non-current portion amounting to HK$5,167,000 have been reclassified from non-current liabilities to current liabilities at 31 December 2009. At 1 April 2009 and 31 December 2010, the Group did not have any bank loans. The application of HK Int 5 has had no impact on the reported profit or loss for the current year and prior period.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities that reflects the remaining contractual maturities.

The effects of the above changes in accounting policies on the financial position of the Group at 31 December 2009 are as follows:

	At 31 December 2009 (originally stated) HK$'000	Adjustments HK$'000	At 31 December 2009 (restated) HK$'000
Bank borrowings – current	386	5,167	5,553
Bank borrowings – non-current	5,167	(5,167)	–
	5,553	–	5,553

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

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the amendments to HKFRS 3 (as revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 32 (Amendments)	Classification of Rights Issues[7]
HK (IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.

2 Effective for annual periods beginning on or after 1 July 2010.

3 Effective for annual periods beginning on or after 1 July 2011.

4 Effective for annual periods beginning on or after 1 January 2013.

5 Effective for annual periods beginning on or after 1 January 2012.

6 Effective for annual periods beginning on or after 1 January 2011.

7 Effective for annual periods beginning on or after 1 February 2010.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Certain comparative figures have been reclassified to conform with the current year's presentation. In particular, the rental income from investment properties which was previously included in "Other income" has been reclassified and included in "Revenue" in the consolidated statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

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

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

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

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

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

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries on or after 1 January 2010

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

Changes in the Group's ownership interests in existing subsidiaries on or after 1 January 2010 (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Changes in the Group's ownership interests in existing subsidiaries prior to 1 January 2010

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognized where appropriate. For decreases in interests in subsidiaries, regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss.

Business combinations that took place prior to 1 January 2010

Acquisition of businesses 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 relevant conditions for recognition under HKFRS 3 Business Combinations are generally recognized at their fair values at the acquisition date.

Goodwill arising on acquisition is recognized 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 recognized. 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 recognized immediately in profit or loss.

The non-controlling interests in the acquiree is initially measured at the non-controlling interests' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

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

For the purposes of impairment testing, goodwill arising from an acquisition 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 recognized directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss for goodwill is not reversed in subsequent periods.

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

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognized in the consolidated statement of financial position at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the associates, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are provided only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates (Continued)

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 recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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.

Non-current assets held for sale

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

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' (disposal groups') previous carrying amount and fair value less costs to sell.

Revenue recognition

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

Property rental income is recognized on a straight-line basis over the terms of the relevant leases.

Revenue from the provision of health check and health care related services is recognized when services are provided.

Revenue from the sales of products is recognized on the transfer of risks and rewards of ownership which generally coincide with the time when goods are delivered and title has passed.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition (Continued)

Dividend income from investments excluding financial assets at fair value through profit or loss is recognized when the shareholders' rights to receive payment have been established.

Interest income from a financial asset (other than a financial asset at fair value through profit or loss) is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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 recognized 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 recognized on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing (Continued)

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortized over the lease term on a straight-line basis.

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognized in other comprehensive income in the consolidated financial statements and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies (Continued)

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognized in the foreign currency translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered service entitling them to the contributions.

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

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

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognized in share options reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share options reserve will be transferred to retained earnings.

3. 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 statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Property, plant and equipment

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

Property, plant and equipment other than freehold land and properties under construction are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Impairment of tangible and intangible assets other than goodwill

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of tangible and intangible assets other than goodwill (Continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are determined on a first-in-first-out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognized 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 recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the '(loss)/gain arising on change in fair value of held-for-trading investments' line item in the consolidated statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

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

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

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 and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, deposit paid for acquisition of property, plant and equipment, bank balances and cash, pledged bank deposits, amounts due from non-controlling interests and amount due from an associate) are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets *(Continued)*

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity investments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

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

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

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

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL *(Continued)*

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the consolidated statement of comprehensive income.

Other financial liabilities

Other financial liabilities (including trade and other payables, amounts due to non-controlling interests, amount payable for acquisition of property, plant and equipment and bank borrowings) are subsequently measured at amortized cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

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

Interest expense is recognized on an effective interest basis other than financial liabilities classified as at FVTPL.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at FVTPL is recognized initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. At the end of the reporting period, the Group measures the financial guarantee contact at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with HKAS 37; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with HKAS 18.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments (Continued)

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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 management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Impairment loss on trade and other receivables

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

5. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debt (which includes bank borrowings), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

Net debt-to-equity ratio

The Group reviews the capital structure on a semi-annual basis and considers the cost of capital and the risks associated with each class of capital.

The net debt-to-equity ratio at the end of the reporting period was as follows:

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Debt (Note (i))	**–**	5,553
Cash and cash equivalents	**(601,497)**	(335,702)
Net debt	**(601,497)**	(330,149)
Equity (Note (ii))	**1,957,969**	675,538
Net debt-to-equity ratio	**N/A**	N/A

Notes:

(i) Debt comprised bank borrowings as detailed in Note 33.

(ii) Equity includes all capital and reserves attributable to owners of the Group.

6. CATEGORIES OF FINANCIAL INSTRUMENTS

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Financial assets		
Loans and receivables:		
– Amounts due from non-controlling interests	–	1,181
– Trade and other receivables	29,188	28,584
– Deposit paid for acquisition of property, plant and equipment	1,189	–
– Amount due from an associate	123,548	–
– Pledged bank deposits	–	10,000
– Bank balances and cash	601,497	335,702
Fair value through profit or loss:		
– Held-for-trading investments	731,473	100,650
Financial liabilities		
Amortized cost:		
– Amounts due to non-controlling interests	23,600	1,450
– Trade and other payables	46,767	14,509
– Amount payable for acquisition of property, plant and equipment	317,609	–
– Bank borrowings	–	5,553

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial assets and liabilities include trade and other receivables, deposit paid for acquisition of property, plant and equipment, amounts due from non-controlling interests, amount due from an associate, pledged bank deposits, bank balances and cash, held-for-trading investments, trade and other payables, amounts due to non-controlling interests, amount payable for acquisition of property, plant and equipment and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies about how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it to market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group does not enter into or trade derivative financial instruments for speculative purposes.

(i) Foreign currency risk

The Group operates mainly in Hong Kong and Mainland China and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The directors consider that the currency risk is not significant and 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.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk (Continued)

(ii) Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate bank deposits and borrowings. It is the Group's policy to keep its borrowings at floating interest rate so as to minimize the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of bank deposit interest rate arising from the Group's variable-rate bank deposits and on the fluctuation of lending rate arising from the Group's Hong Kong dollar denominated borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for derivative and non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole period. A 50 basis point (for the period ended 31 December 2009: 50 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (for the period ended 31 December 2009: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2010 would increase/decrease by approximately HK$483,000 (profit for the period ended 31 December 2009: increase/decrease by approximately HK$452,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits (for the period ended 31 December 2009: its variable-rate bank deposits and borrowings).

(iii) Price risk on listed securities under held-for-trading investments

The Group is exposed to equity price risk mainly through its investments in listed equity instruments quoted in the respective stock exchanges. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks and return portfolio.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk (Continued)

(iii) Price risk on listed securities under held-for-trading investments (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk of held-for-trading investments at the end of the reporting period.

If the prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, the post-tax profit for the year ended 31 December 2010 would increase/decrease by approximately HK$30,539,000 (profit for period ended 31 December 2009: increase/decrease by approximately HK$5,033,000) as a result of the changes in fair value of held-for-trading investments.

Credit risk

At 31 December 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position.

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

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% of the total trade receivables at 31 December 2009. The Group has no significant concentration of credit risk by customers, with exposure spread over a number of counterparties and customers.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

At 31 December 2010, the Group did not have any banks borrowings (at 31 December 2009: approximately HK$5,553,000).

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	On demand or less than 1 year HK$'000	1 – 2 years HK$'000	2 – 5 years HK$'000	More than 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
At 31 December 2010						
Non-derivative financial liabilities						
Trade and other payables	**46,767**	**–**	**–**	**–**	**46,767**	**46,767**
Amount payable for acquisition of property, plant and equipment	**317,609**	**–**	**–**	**–**	**317,609**	**317,609**
Amounts due to non-controlling interests	**23,600**	**–**	**–**	**–**	**23,600**	**23,600**
	387,976	**–**	**–**	**–**	**387,976**	**387,976**
At 31 December 2009						
Non-derivative financial liabilities						
Trade and other payables	14,509	–	–	–	14,509	14,509
Bank borrowings – trade rate (Note)	6,465	–	–	–	6,465	5,553
Amounts due to non-controlling interests	1,450	–	–	–	1,450	1,450
	22,424	–	–	–	22,424	21,512

Note:

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 year" time band in the above maturity analysis. At 31 December 2009, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK$5,553,000. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans would be repaid 13 years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$6,465,000.

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at either amortized cost or fair value through profit or loss in the consolidated financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Fair value of financial instruments (Continued)

	At 31 December 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Financial assets				
Held-for-trading				
listed equity securities	**731,473**	**–**	**–**	**731,473**

	At 31 December 2009			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets				
Held-for-trading				
listed equity securities	100,650	–	–	100,650

8. GROSS PROCEEDS FROM OPERATIONS AND REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the year/period.

Gross proceeds from operations include the gross proceeds received and receivable from securities trading and investments under the assets investment segment, in addition to the revenue.

8. GROSS PROCEEDS FROM OPERATIONS AND REVENUE *(Continued)*

An analysis of the Group's gross proceeds from operations for the year/period is as follows:

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Continuing operations		
Revenue – rental income from investment properties	**2,314**	273
Gross proceeds from securities trading and investment	**346,781**	223,298
Gross proceeds from operations	**349,095**	223,571

9. SEGMENT INFORMATION

Information reported to the Board of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group's operating segments under HKFRS 8 are as follows:

- Assets investment segment – Investment in listed and unlisted securities and investment properties; and

- Green energy segment – Production of silicon based thin-film solar photovoltaic modules.

One operation (health check business segment) was discontinued in the current year. The segment information reported on the next pages does not include any amounts for this discontinued operation, which are described in more detail in Note 13.

9. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

REVENUE AND RESULTS	Continuing operations					
	Assets investment segment		Green energy segment		Total	
	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Gross proceeds from operations	349,095	223,571	-	–	349,095	223,571
Revenue						
Segment revenue	2,314	273	-	–	2,314	273
Results						
Segment results	138,160	38,947	(15,052)	–	123,108	38,947
Unallocated income					278	233
Unallocated corporate expenses					(14,968)	(28,631)
Gain on deemed disposal of subsidiaries					-	11,572
Gain on disposals of subsidiaries					5,267	3,993
Gain on disposal of an associate					-	23,836
Gain on disposal of an associate classified as held for sale					-	54,229
Finance costs					(32)	–
Share of results of an associate	(1,743)				(1,743)	–
Profit before tax					111,910	104,179
Income tax expense					(269)	–
Profit for the year/period					111,641	104,179

Revenue reported above represents revenue generated from customers. There were no inter-segment sales for the year ended 31 December 2010 (for the period ended 31 December 2009: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, share of results of an associate, gain recognized on disposal of interest in former associate, investment and other income, other gains or losses, finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

9. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)
Segment Assets		
Assets investment segment	**819,972**	125,796
Green energy segment	**776,676**	–
	1,596,648	125,796
Assets relating to health check business operations (now discontinued)	**–**	265,000
Unallocated assets	**749,561**	314,938
Total assets	**2,346,209**	705,734

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)
Segment liabilities		
Assets investment segment	**555**	212
Green energy segment	**384,500**	–
	385,055	212
Liabilities relating to health check business operations (now discontinued)	**–**	13,149
Unallocated liabilities	**3,185**	16,835
Total liabilities	**388,240**	30,196

9. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities (Continued)

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

- all assets are allocated to reportable segments other than bank balances and cash, pledged bank deposits and interest in an associate; and

- all liabilities are allocated to reportable segments other than bank borrowings, current and deferred tax liabilities.

OTHER SEGMENT INFORMATION	Continuing operations					
	Assets investment segment		Green energy segment		Total	
	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000	**(Twelve months) Year ended 31 December 2010 HK$'000**	(Nine months) Period ended 31 December 2009 HK$'000	**(Twelve months) Year ended 31 December 2010 HK$'000**	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Capital addition (excluding goodwill)	**30,000**	24,000	**640,067**	–	**670,067**	24,000
Gain arising on change in fair value of investment properties	**19,712**	1,000	**-**	–	**19,712**	1,000
(Loss)/gain arising on change in fair value of held-for-trading investments	**(25,750)**	38,401	**-**	–	**(25,750)**	38,401
Impairment loss on goodwill	**509**	–	**-**	–	**509**	–
Depreciation of property, plant and equipment	**341**	372	**14,165**	–	**14,506**	372

9. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group operates in two principal geographical areas – the People's Republic of China (excluding Hong Kong) (the "PRC") and Hong Kong.

The Group's non-current assets by location of assets are detailed below:

	Non-current assets	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
PRC	**637,380**	519
Hong Kong	**88,500**	223,221
	725,880	223,740

Non-current assets excluding interest in an associate.

No further revenue analysis by geographical areas is presented as 100% of the Group's revenue is derived from customers in Hong Kong.

Information about major customers

For the year ended 31 December 2010, there were two customers with revenue of approximately HK$1,320,000 and HK$622,500 respectively which accounted for more than 10% of the total revenue related to assets investment segment.

For the period ended 31 December 2009, there was one customer with revenue of approximately HK$273,000, which accounted for more than 10% of the total revenue related to assets investment segment.

10. OTHER INCOME

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Continuing operations		
Interest income – bank deposits	**277**	231
Sundry income	**597**	–
	874	231

11. FINANCE COSTS

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Continuing operations		
Interest on:		
– Bank borrowings not wholly repayable within five years	**32**	–

12. INCOME TAX EXPENSE

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Continuing operations		
Current tax:		
– Hong Kong profits tax	267	–
– Under provision of current tax in prior period	2	–
Tax charge for the year/period	269	–

Hong Kong Profits Tax is calculated at 16.5% (for the period ended 31 December 2009: 16.5%) of the estimated assessable profit for the year.

No People's Republic of China (the "PRC") income tax has been provided in respect of the Group's PRC subsidiaries since it incurred tax losses for the year (for the period ended 31 December 2009: Nil).

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

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Profit before tax (from continuing operations)	111,910	104,179
Tax at the Hong Kong profits tax rate of 16.5%	18,465	17,189
Tax effect of expenses not deductible for tax purpose	7,730	2,327
Tax effect of income not taxable for tax purpose	(29,500)	(21,020)
Under provision of current tax in prior period	2	–
Tax effect of tax losses not recognized	3,573	1,508
Others	(1)	(4)
Tax charge for the year/period	269	–

13. DISCONTINUED OPERATION

On 5 October 2010, Luck Key Investment Limited ("Luck Key"), a non wholly-owned subsidiary of the Company before 23 November 2010, and Dr. Fung Yiu Tong, Bennet ("Dr. Fung") entered into a subscription agreement in relation to the allotment and issue of 650 new shares in Luck Key to Dr. Fung. Luck Key (together with its subsidiaries, the "Luck Key Group") carried out all of the Group's health check business. The deemed disposal was completed on 23 November 2010. Immediately after completion, the Company's shareholding interest in Luck Key has decreased from 51.00% to approximately 47.89%, and each company in the Luck Key Group ceased to be a subsidiary of the Company. Therefore, the results of the Luck Key Group will no longer be consolidated into the financial statements after completion. Instead, the Group would equity-account for the results of the Luck Key Group in the consolidated financial statements. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on the deemed disposal, are disclosed in Note 40(a).

Analysis of loss for the year/period from discontinued operation

The results of the discontinued operation included in the consolidated statement of comprehensive income and consolidated statement of cash flows are set out below. The comparative loss and cash flows from discontinued operation has been re-presented to include this operation classified as discontinued in the current year.

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000
The loss for the year/period from discontinued operation is analyzed as follows:		
Loss for the year/period from health check business operations	**(25,791)**	(25,265)
Loss on deemed disposal of subsidiaries	**(48,472)**	–
	(74,263)	(25,265)
Loss for the year/period from discontinued operation		
Revenue	**151,564**	105,536
Other income	**5,328**	2,386
Changes in inventories and clinical supplies consumed	**(44,026)**	(26,418)
Other operating expenses	**(139,459)**	(109,672)
Gain on disposal of subsidiaries	**–**	763
Gain arising on change in fair value of held-for-trading investments	**–**	1,540
Share of results of an associate	**1,022**	525
Finance costs	**(220)**	(71)
Loss before tax	**(25,791)**	(25,411)
Income tax credit	**–**	146
Loss for the year/period from discontinued operation	**(25,791)**	(25,265)

13. DISCONTINUED OPERATION *(Continued)*

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000
Loss for the year/period from discontinued operation includes the following:		
Depreciation of property, plant and equipment	**16,327**	13,581
Auditors' remuneration	**509**	454
Loss on disposal of property, plant and equipment	**2,355**	10,501
Operating lease rentals in respect of land and buildings	**10,390**	12,156
Cash flows from discontinued operation		
Net cash inflows/(outflows) from operating activities	**7,181**	(10,408)
Net cash outflows from investing activities	**(15,016)**	(12,739)
Net cash (outflows)/inflows from financing activities	**(70,409)**	95,034
Effect of foreign exchange rate changes	**(5)**	–
Net cash (outflows)/inflows	**(78,249)**	71,887

14. PROFIT FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Profit for the year/period from continuing operations has been arrived at after (crediting)/charging:		
Staff costs:		
– Directors' emoluments (Note 15)	**1,406**	1,536
– Other staff costs	**3,229**	1,260
– Other staff retirement benefits scheme contributions	**37**	44
– Equity-settled share-based payments expenses	**–**	11,988
	4,672	14,828
Dividend income from listed securities	**(1,168)**	–
Depreciation of property, plant and equipment	**488**	372
Auditors' remuneration	**590**	538
Operating lease rentals in respect of land and buildings	**650**	11
Gain on disposal of partial interests in an indirect associate	**(309)**	–

15. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to every director of the Company were as follows:

	Fees HK$'000	Salaries and other benefits HK$'000	Performance bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total emoluments HK$'000
For the year ended 31 December 2010					
Executive directors					
Mr. Bai Liang					
(appointed on 24 November 2010)	–	24	–	–	24
Mr. Cho Kwai Yee, Kevin	–	400	–	12	412
Mr. Lawrence Tang	–	361	30	12	403
Mr. Xue Feng					
(appointed on 14 June 2010)	–	49	–	3	52
Mr. Liu Wenmao					
(appointed on 28 January 2010)	–	77	–	–	77
Dr. Fung Yiu Tong, Bennet					
(resigned with effect from 14 June 2010)	–	220	–	6	226
Independent non-executive directors					
Mr. Chan Chi Yuen	96	–	–	–	96
Mr. Lo Chun Nga	58	–	–	–	58
Mr. Chik Chi Man	58	–	–	–	58
Total	212	1,131	30	33	1,406

15. DIRECTORS' EMOLUMENTS *(Continued)*

	Fees HK$'000	Salaries and other benefits HK$'000	Performance bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total emoluments HK$'000
For the period ended 31 December 2009					
Executive directors					
Dr. Fung Yiu Tong, Bennet	–	388	–	9	397
Mr. Lawrence Tang (appointed on 7 December 2009)	–	30	–	–	30
Mr. Cho Kwai Yee, Kevin	–	300	–	9	309
Dr. Cho Kwai Chee (resigned on 22 October 2009)	–	350	–	–	350
Miss Choi Ka Yee, Crystal (resigned on 22 October 2009)	–	350	–	–	350
Mr. Lee Chik Yuet (resigned on 15 October 2009)	–	875	–	7	882
Mr. Siu Kam Chau (resigned on 28 August 2009)	–	113	–	5	118
Dr. Hui Ka Wah, Ronnie, JP (resigned on 28 August 2009)	–	50	–	–	50
Independent non-executive directors					
Mr. Chan Chi Yuen	54	–	–	–	54
Mr. Lo Chun Nga	26	–	–	–	26
Mr. Chik Chi Man	26	–	–	–	26
Total	106	2,456	–	30	2,592

For the period ended 31 December 2009, the directors' emoluments arising from discontinued operation was approximately HK$1,056,000.

16. EMPLOYEES' EMOLUMENTS

The emoluments of the five individuals with the highest emoluments from continuing and discontinued operations of the Group were as follows:

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000
Salaries and other benefits	13,366	10,363
Performance bonus	3,000	3,500
Contributions to retirement benefits scheme	15	9
	16,381	13,872

Their emoluments fell within the following bands:

	Number of individuals	
	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000
Nil – HK$1,000,000	–	–
HK$1,000,001 – HK$1,500,000	–	–
HK$1,500,001 – HK$2,000,000	–	–
HK$2,000,001 – HK$2,500,000	–	2
HK$2,500,001 – HK$3,000,000	1	1
HK$3,000,001 – HK$3,500,000	2	2
HK$3,500,001 – HK$4,000,000	2	–
	5	5

During the year/period, 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.

17. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company includes a profit of approximately HK$59,515,000 (for the period ended 31 December 2009: HK$113,204,000) which has been dealt with in the financial statements of the Company.

18. EARNINGS PER SHARE

From continuing and discontinued operations

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

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year/period attributable to owners of the Company	**56,233**	87,074
Number of shares	**'000**	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share (as adjusted for the share placing which became effective on 17 March 2010, share consolidation which became effective on 19 November 2010 and rights issue which became effective on 24 December 2010)	**1,283,918**	2,554,150
Effect of dilutive potential ordinary shares: Adjustment in relation to share options issued by the Group	**6,644**	–
	1,290,562	2,554,150
Basic earnings per share (HK cents per share)	**4.38**	3.41
Diluted earnings per share (HK cents per share)	**4.36**	3.41

For the period ended 31 December 2009, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options since the exercise prices of the Company's outstanding share options were higher than the average market price for the period ended 31 December 2009.

18. EARNINGS PER SHARE *(Continued)*

From continuing operations

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

Earnings are calculated as follows:

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000 (restated)
Profit for the year/period attributable to owners of the Company	**56,233**	87,074
Add:		
Loss for the year/period from discontinued operation	**60,716**	17,105
Earnings for the purpose of basic and diluted earnings per share from continuing operations	**116,949**	104,179

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

From discountinued operation

Basic and diluted loss per share for the discontinued operation is HK4.73 cents and HK4.70 cents per share respectively (for the period ended 31 December 2009: HK0.67 cents and HK0.67 cents per share respectively), based on the loss for the year/period from the discontinued operation of approximately HK$60,716,000 (for the period ended 31 December 2009: approximately HK$17,105,000) and the denominators detailed above for both basic and diluted earnings per share.

19. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Plant, machinery and equipment HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
COST							
At 1 April 2009	–	33,414	108,840	6,619	1,332	564	150,769
Acquisition of subsidiaries	15,153	762	4,864	290	47	329	21,445
Additions	14,501	936	3,756	443	33	–	19,669
Disposal of subsidiaries	–	(1,310)	(775)	(385)	–	(135)	(2,605)
Disposals	–	(11,813)	(1,305)	(873)	(668)	–	(14,659)
Exchange realignment	–	–	–	–	–	2	2
At 31 December 2009	29,654	21,989	115,380	6,094	744	760	174,621
Additions	–	14,623	631,116	1,806	1,038	2,509	651,092
Disposals	–	(3,480)	(2,434)	(139)	(7)	(431)	(6,491)
Transfer to investment properties	(14,501)	–	–	–	–	–	(14,501)
Deemed disposal of subsidiaries	(15,153)	(20,859)	(119,815)	(6,672)	(1,115)	(1,045)	(164,659)
Exchange realignment	–	225	11,448	25	12	33	11,743
At 31 December 2010	–	12,498	635,695	1,114	672	1,826	651,805

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

	Leasehold land and buildings HK$'000	Leasehold improvements HK$'000	Plant, machinery and equipment HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
DEPRECIATION AND IMPAIRMENT							
At 1 April 2009	–	5,814	24,321	1,204	214	52	31,605
Provided for the period	541	2,714	9,967	555	102	74	13,953
Eliminated on disposals	–	(2,419)	(504)	(348)	(211)	–	(3,482)
Eliminated on disposal of subsidiaries	–	(262)	(202)	(98)	–	(20)	(582)
At 31 December 2009	541	5,847	33,582	1,313	105	106	41,494
Provided for the year	638	2,668	26,425	715	123	264	30,833
Eliminated on disposals	–	(1,172)	(1,988)	(32)	(2)	(130)	(3,324)
Eliminated on transfer to investment properties	(713)	–	–	–	–	–	(713)
Eliminated on deemed disposal of subsidiaries	(466)	(7,055)	(44,292)	(1,943)	(213)	(155)	(54,124)
Exchange realignment	–	5	252	(1)	–	3	259
At 31 December 2010	–	293	13,979	52	13	88	14,425
CARRYING AMOUNTS							
At 31 December 2010	**–**	**12,205**	**621,716**	**1,062**	**659**	**1,738**	**637,380**
At 31 December 2009	29,113	16,142	81,798	4,781	639	654	133,127

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

Leasehold land and buildings	:	Over the shorter of the terms of the lease, or 40 years
Leasehold improvements	:	10% to 20%
Plant, machinery and equipment	:	10% to 20%
Office equipment	:	10% to 40%
Furniture and fixtures	:	10% to 40%
Motor vehicles	:	20%

At 31 December 2009, leasehold land and buildings with a carrying amount of approximately HK$12,349,000 have been pledged to secure a mortgage loan granted by a bank to the Group amounting to approximately HK$5,553,000.

At 31 December 2010, the depreciation of property, plant and equipment of approximately HK$14,018,000 (31 December 2009: Nil) is included in cost of inventories.

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

Assets pledged as security

At 31 December 2009, plant and machinery with a carrying amount of approximately HK$45,470,000 have been pledged to secure general banking facilities granted to the Group.

20. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 April 2009	–
Additions	24,000
Gain arising on change in fair value	1,000
At 31 December 2009	25,000
Acquisition of subsidiaries	30,000
Transfer from property, plant and equipment	13,788
Gain arising on change in fair value	19,712
At 31 December 2010	**88,500**

The Group's property interest held under operating lease to earn rentals or for capital appreciation purposes are measured using the fair value model and is classified and accounted for as investment properties.

The fair value of the Group's investment properties at 31 December 2010 and 2009 have been arrived at on the basis of a valuation carried out on that date by Messrs. DTZ Debenham Tie Leung Limited ("DTZ"), independent qualified professional valuer not connected to the Group. The independent qualified professional valuer is member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of properties in the relevant locations. The valuation, which conformed to Hong Kong Institute of Surveyors Valuation Standards on Properties, was carried at by reference to market evidence of transaction prices for similar properties.

20. INVESTMENT PROPERTIES *(Continued)*

The carrying amounts of investment properties shown above comprise:

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Land in Hong Kong		
Medium-term lease	**88,500**	25,000

21. GOODWILL

	HK$'000
COST	
At 1 April 2009	553,972
Additions arising from:	
– Acquisition of Group Benefit Development Limited (Note 39 (b))	27,176
– Acquisition of Health Walk Limited (Note 39 (c))	38,437
	65,613
Disposal of Core Healthcare Investment Holdings Limited (Note 40 (e))	(531,851)
At 31 December 2009 and 1 January 2010	87,734
Acquisition of Talent Link Holdings Limited (Note 39 (a))	509
Deemed disposal of Luck Key Investment Limited (Note 40 (a))	(87,734)
At 31 December 2010	509
IMPAIRMENT	
At 1 April 2009	553,972
Eliminated on disposal of Core Healthcare Investment Holdings Limited	(531,851)
At 31 December 2009 and 1 January 2010	22,121
Provided for the year	509
Eliminated on deemed disposal of Luck Key Investment Limited	(22,121)
At 31 December 2010	509
CARRYING AMOUNTS	
At 31 December 2010	–
At 31 December 2009	65,613

21. GOODWILL *(Continued)*

Impairment testing on goodwill

(a) For the purposes of impairment testing at 31 December 2010, goodwill has been allocated to a cash-generating unit ("CGU") representing the operating activities of Talent Link Holdings Limited and its subsidiaries (the "Talent Link Group") which are investment holding and property investment.

The recoverable amount of the CGU was determined based on value-in-use calculation using a cash flow projection based on financial budgets covering a five-year period approved by the management. Cash flows beyond the five-year period is extrapolated using consumer price inflation. The cash flow projection of the Talent Link Group is discounted at pre-tax discount rates of 20.38% per annum which reflects the specific risks relating to these CGU.

The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and managements' expectations for the market development.

(b) For the purposes of impairment testing at 31 December 2009, goodwill has been allocated to two cash-generating units ("CGUs") representing the operating activities of Group Benefit Development Limited and its subsidiaries (the "Group Benefit Group") which are the provision of health check and health care related services, and the operating activities of Health Walk Limited and its subsidiaries (the "Health Walk Group") which are the sales of radioactive isotopes used for medical diagnostic purposes.

The recoverable amounts of the CGUs were determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by the management. Cash flows beyond the five-year period are extrapolated using a zero growth rate. The cash flow projections of the Group Benefit Group and the Health Walk Group are discounted at pre-tax discount rates of 11.53% and 16.02% per annum respectively which reflect the specific risks relating to these CGUs.

The key assumptions for the value-in-use calculations are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and managements' expectations for the market development. No growth rate has been taken into account in the cash flow projections as the management considers that the growth rate cannot be reliably estimated.

The impairment testing was carried out by management based on the value-in-use calculations and with reference to valuations carried out by an independent professional valuer, BMI Appraisals Limited.

22. INTERESTS IN SUBSIDIARIES

Company	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Unlisted shares at cost, net of provision for impairment losses	**125**	93,989

Particulars of the Company's subsidiaries at 31 December 2010 are as follows:

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Attributable equity interest held by the Company Indirectly
Classictime Investments Limited	British Virgin Islands	Ordinary share US$1	Investment holding and securities trading	100%	–
Colour Brave Limited	British Virgin Islands	Ordinary share US$1	Not yet commenced business	–	100%
China Gogreen Energy Investment Holdings Limited	Cayman Islands	Ordinary share US$1	Investment holding	100%	–
Business Hunter Company Limited	British Virgin Islands	Ordinary share US$1	Investment holding	–	100%
Hong Kong Gogreen Management Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company	
				Directly	Indirectly
China Gogreen Energy Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%
河南保綠能源有限公司	PRC	Registered capital RMB350 million (of which RMB350 million had been paid up at 31 December 2010)	Production of silicon based thin-film solar photovoltaic modules	–	65%
Fast Choice Limited	Hong Kong	Ordinary share HK$1	Not yet commenced business	–	100%
Plenty Cash Investment Limited	British Virgin Islands	Ordinary share US$1	Investment holding	100%	–
Funa Assets Limited	British Virgin Islands/ Hong Kong	Ordinary share US$1	Property investment	–	100%
Dragon Oriental Investment Limited	British Virgin Islands/ Hong Kong	Ordinary share US$1	Property investment	–	100%
Talent Link Holdings Limited	British Virgin Islands	Ordinary shares US$100	Investment holding	–	100%

22. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment/ principal place of operations	Issued and fully paid share capital/ registered capital	Principal activities	Attributable equity interest held by the Company Directly	Indirectly
Vanta (Hong Kong) Management Limited	Hong Kong	Ordinary shares HK$10,000	Property investment	–	100%
Jun Yang Solar Power Investment Holdings Limited	Cayman Islands	Ordinary shares US$16,000	Investment holding	100%	–
Wink Sky Company Limited	British Virgin Islands	Ordinary share US$1	Investment holding	–	100%
Jun Yang Solar Power Investment Limited	Hong Kong	Ordinary share HK$1	Investment holding	–	100%
北京君陽投資有限公司	PRC	Registered capital US$30,000,000 (of which US$6,000,000 had been paid up at 31 December 2010)	Investment holding	–	100%
河南君陽電力有限公司	PRC	Registered capital US$1,000,000	Operation of amorphous silicon thin-film solar photovoltaic power station	–	100%

Amounts due to and due from subsidiaries

The amounts due to and due from subsidiaries as shown on the Company's statement of financial position are unsecured, interest-free and repayable on demand.

23. INTEREST IN AN ASSOCIATE

	Group		Company	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
Beginning of the year/period	**1,054**	–	**–**	–
Addition through acquisition of subsidiaries:				
Investment in an unlisted associate	**–**	1,049	**–**	–
Dividend income from an associate	**(1,300)**	(520)	**–**	–
Eliminated on deemed disposal of subsidiaries	**(776)**	–	**–**	–
Addition through deemed disposal of subsidiaries:				
– investment in an unlisted associate	**16,682**	–	**16,682**	–
Share of post acquisition (loss)/profits and other comprehensive income:				
– continuing operations	**(1,743)**	–	**(1,743)**	–
– discontinued operation	**1,022**	525	**–**	–
Gain on disposal of partial interests in an indirect associate	**309**	–	**309**	–
End of the year/period	**15,248**	1,054	**15,248**	–

23. INTEREST IN AN ASSOCIATE *(Continued)*

At 31 December 2010 and 2009, the Group and the Company had interests in the following associates:

Name of entity	Form of entity	Place of incorporation	Particulars of issued share capital	Attributable equity interest held by Group and Company At 31 December 2010	Attributable equity interest held by Group At 31 December 2009	Principal activities
Luck Key Investment Limited	Incorporated	British Virgin Islands	Ordinary shares, US$1	47.89%	–	Investment holding
First Oriental Nuclear Medicine Limited	Incorporated	Hong Kong	Ordinary shares, HK$200	–	26%	Provision of PET scanning services

23. INTEREST IN AN ASSOCIATE *(Continued)*

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

	Group and Company At 31 December 2010 HK$'000	Group At 31 December 2009 HK$'000
Total assets	**182,446**	6,463
Total liabilities	**(150,606)**	(2,409)
Net assets	**31,840**	4,054
Group's share of net assets of an associate	**15,248**	1,054
Revenue	**26,957**	10,184
Profit for the year/period	**290**	2,820
Group's share of (losses)/profits of associates for the year/period	**(721)**	525

Amount due from an associate

The amount due from an associate as shown on the Group's and Company's statements of financial position is unsecured, interest-free and repayable on demand.

24. INTEREST IN A JOINTLY CONTROLLED ENTITY

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Cost of unlisted investment in a jointly controlled entity	**–**	–
Share of post acquisition profits and other comprehensive income	**–**	–
	–	–

At 31 December 2009, the Group had interests in the following jointly controlled entity:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued capital held by the Group	Proportion of voting power held	Principal activity
Precious Success Group Limited	Incorporated	British Virgin Islands	Hong Kong	Ordinary	50%	50%	Investment holding

Note:

(i) During the year ended 31 December 2010, the Group disposed of its entire interests in Precious Success Group Limited upon its deregistration and recorded losses on disposal in aggregate of HK$8. The results of this disposed jointly controlled entity had no significant impact on the Group's consolidated revenue or profit for the year ended 31 December 2010.

24. INTEREST IN A JOINTLY CONTROLLED ENTITY *(Continued)*

The summarized financial information in respect of the Group's jointly controlled entity (which is accounted for using the equity method) is set out below:

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Current assets	**–**	–
Non-current assets	**–**	–
Current liabilities	**–**	–
Non-current liabilities	**–**	–
Net assets	**–**	–
Group's share of net assets of jointly controlled entity	**–**	–
Income	**–**	–
Expenses	**–**	–
Loss for the year/period	**–**	–
Group's share of results of the jointly controlled entity for the year/period	**–**	–

25. AVAILABLE-FOR-SALE INVESTMENTS

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Unlisted equity securities (Notes (a) and (b))	**–**	–

Notes:

(a) At 31 December 2009, the unlisted equity securities represent (i) the Group's investment in approximately 10% equity interest in Kam Hope Limited, a private limited liability company incorporated in Hong Kong which is principally engaged in the provision of PET scanning services, at a cost of HK$1; and (ii) the Group's investment in approximately 19.35% equity interest in Vida Laboratories Limited, a private limited liability company incorporated in Hong Kong which is principally engaged in the provision of manufacturing, trading and packaging of pharmaceutical products at a cost of HK$5,040,000. The above investments are measured at cost less impairment at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. At 31 December 2009, a provision for impairment against the Group's investment in Vida Laboratories Limited of approximately HK$5,040,000 was recognized in profit or loss in view of the net liability position of this investee company.

(b) The available-for-sale investments had been derecognized through the deemed disposal and disposal of subsidiaries.

26. AMOUNTS DUE FROM/(TO) NON-CONTROLLING INTERESTS

The amounts due from non-controlling interests are unsecured, interest-free and repayable on demand.

At 31 December 2010, the amounts due to non-controlling interests are unsecured, with interest charged based on PBOC Base Lending Rate, denominated in RMB and repayable on demand. At 31 December 2009, the amounts due to non-controlling interests were unsecured, interest-free, denominated in Hong Kong dollars and repayable on demand.

27. INVENTORIES

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Raw materials	**5,720**	–
Work in progress	**170**	–
Finished goods	**27,091**	1,478
	32,981	1,478

28. TRADE AND OTHER RECEIVABLES

	Group		Company	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Trade receivables	**–**	14,559	**–**	–
Prepayment, deposits and other receivables	**30,844**	16,492	**9,184**	133
Total trade and other receivables	**30,844**	31,051	**9,184**	133

28. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

(i) During the period ended 31 December 2009, most of the patients of the medical check centers settle in cash. The Group allows an average credit period of 30 to 90 days to its trade customers.

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

	Group		**Company**	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
0-60 days	**–**	11,373	**–**	–
61-90 days	**–**	1,407	**–**	–
Over 90 days	**–**	1,779	**–**	–
	–	14,559	**–**	–

(ii) At 31 December 2009, included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK$1,779,000 which are past due for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 114 days. These receivables relate to a wide range of customers for whom there is no recent history of default.

(iii) At 31 December 2010, the Group's trade and other receivables included an amount of approximately HK$21,576,000 (at 31 December 2009: HK$2,824,000) that is denominated in RMB.

29. HELD-FOR-TRADING INVESTMENTS

	Group		Company	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
FAIR VALUE				
Listed equity securities in Hong Kong	**731,473**	100,650	**727,262**	93,682

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

At 31 December 2010, the carrying amount of interest in the following company exceeds 10% of total assets of the Company and the Group.

Name	Place of incorporation	Principal activities	Particulars of issued shares held	Interest held
Apollo Solar Energy Technology Holdings Limited	Bermuda	Manufacturing of equipment and turnkey production lines for the manufacturing of silicon based thin-film solar photovoltaic modules in the PRC	1,000,000,000 ordinary shares	12.06%

30. PLEDGED BANK DEPOSITS

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

The deposits carry interest rate at 0.30% per annum for the period ended 31 December 2009. The pledged bank deposits will be released upon the settlement of relevant borrowings.

31. 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 0.02% to 1.00% (at 31 December 2009: 0.01% to 1.35%) per annum and have original maturity of three months or less.

Bank balances and cash of the Group include an amount of approximately RMB51,985,000 (equivalent to HK$61,342,000) (at 31 December 2009: RMB1,373,000 (equivalent to HK$1,561,000)) that is denominated in RMB. An aggregate amount of bank balances and cash of approximately HK$96,647,000 (at 31 December 2009: HK$47,194,000) is kept in Mainland China. The conversion of these RMB denominated balances into foreign currencies and the remittance of these funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

32. TRADE AND OTHER PAYABLES

	Group		**Company**	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
Trade payables	**4,381**	3,646	**–**	–
Other payables	**42,386**	10,863	**2,920**	2,633
	46,767	14,509	**2,920**	2,633

32. TRADE AND OTHER PAYABLES *(Continued)*

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

	Group		Company	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
0-60 days	**4,381**	3,394	**–**	–
61-90 days	**–**	15	**–**	–
Over 90 days	**–**	237	**–**	–
	4,381	3,646	**–**	–

33. BANK BORROWINGS

	Group		Company	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
Bank loan, secured	**–**	5,553	**–**	–
Carrying amount repayable:				
On demand or within one year	**–**	5,553	**–**	–

At 31 December 2009, the bank loan is secured by a mortgage over the Group's leasehold land and buildings with a carrying amount of approximately HK$12,349,000 (Note 19) and bears interest at 2.50% below the lender's Hong Kong dollars best lending rate per annum. The weighted average effective interest rate on the bank loan is 2.50% per annum.

34. DEFERRED TAXATION

The followings are the major deferred tax balances recognized and movements thereon during the current year and prior period:

Deferred tax liabilities

Group	Accelerated tax depreciation HK$'000	Total HK$'000
At 1 April 2009	10,568	10,568
Credit to profit or loss	(1,294)	(1,294)
At 31 December 2009	9,274	9,274
Eliminated on deemed disposal of subsidiaries	(9,274)	(9,274)
At 31 December 2010	**–**	**–**

Deferred tax assets

Group	Tax losses HK$'000
At 1 April 2009	1,054
Acquisition of subsidiaries	189
Charge to profit or loss	(653)
At 31 December 2009	590
Eliminated on deemed disposal of subsidiaries	(590)
At 31 December 2010	**–**

34. DEFERRED TAXATION *(Continued)*

For the purpose of statement of financial position presentation, the deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

Group	**At 31 December 2010 HK$'000**	At 31 December 2009 HK$'000
Deferred tax assets	–	590
Deferred tax liabilities	–	(9,274)
	–	(8,684)

At 31 December 2010, the Group has unused tax losses of approximately HK$166,478,000 (at 31 December 2009: HK$198,691,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

At 31 December 2010, the Company has unused tax losses of approximately HK$164,654,000 (at 31 December 2009: HK$144,684,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

35. SHARE CAPITAL

	Number of shares	Total value (HK$'000)
Authorized:		
Ordinary shares of HK$0.01 each at 1 January 2010	30,000,000,000	300,000
Share consolidation	(15,000,000,000)	–
Ordinary shares of HK$0.02 each at 31 December 2010	**15,000,000,000**	**300,000**

	Number of shares	Total value (HK$'000)
Issued and fully paid:		
Ordinary shares of HK$0.01 each at 1 April 2009	16,957,124,326	169,571
Capital Reorganization (Note (a))	(16,617,981,840)	(166,180)
Issue of shares upon exercise of share options (Note (b))	30,510,000	305
Issue of shares by way of placements (Notes (c), (d) and (e))	439,900,000	4,399
Ordinary shares of HK$0.01 each at 31 December 2009	809,552,486	8,095
Issue of shares by way of placements (Notes (f) and (g))	552,000,000	5,520
Share consolidation (Note (h))	(680,776,243)	–
Issue of shares by way of right issue (Note (i))	6,126,986,187	122,540
Ordinary shares of HK$0.02 each at 31 December 2010	**6,807,762,430**	**136,155**

35. SHARE CAPITAL *(Continued)*

Notes:

The movements of the ordinary share capital for the period ended 31 December 2009 were as follows:

(a) Capital reorganization

On 3 March 2009, the Company proposed to put forward for approval by the shareholders of the Company a capital reorganization (the "Capital Reorganization") which involved the following:

(i) consolidation of every 50 existing ordinary shares of HK$0.01 each in the share capital of the Company into 1 consolidated share of HK$0.50 each (the "Consolidated Share");

(ii) reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK$0.49 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share would be reduced from HK$0.50 to HK$0.01;

(iii) cancellation of the entire amount standing to the credit of the share premium account of the Company;

(iv) the credit arising in the books of the Company from (a) the reduction of the paid-up capital as aforesaid and (b) the cancellation of the share premium account of the Company would be credited to the contributed surplus account of the Company, and an amount equivalent to the amount of the accumulated losses standing to the credit of the contributed surplus account would be applied towards the elimination of such accumulated losses; and

(v) sub-division of each of the authorized but unissued Consolidated Shares of HK$0.50 each into 50 adjusted shares of HK$0.01 each.

The special resolution approving the Capital Reorganization was duly passed by the shareholders of the Company at the special general meeting held on 3 April 2009 and the Capital Reorganization became effective on 6 April 2009.

(b) In August 2009, 30,510,000 share options were exercised, resulting in the issue of 30,510,000 ordinary shares of HK$0.01 each in the share capital of the Company at the exercise price of HK$0.63 per share.

(c) In September 2009, the Company placed, through the placing agents, 232,500,000 ordinary shares of HK$0.01 each in the share capital of the Company to independent investors at a price of HK$0.40 per share.

35. SHARE CAPITAL *(Continued)*

Notes: *(Continued)*

(d) In September 2009, the Company placed, through the placing agents, 134,400,000 ordinary shares of HK$0.01 each in the share capital of the Company to independent investors at a price of HK$0.50 per share.

(e) In December 2009, the Company placed, through the placing agent, 73,000,000 ordinary shares of HK$0.01 each in the share capital of the Company to independent investors at a price of HK$0.40 per share.

The movements of the ordinary share capital for the year ended 31 December 2010 were as follows:

(f) In March 2010, the Company placed, through the placing agents, 276,000,000 ordinary shares of HK$0.01 each in the share capital of the Company to independent investors at a price of HK$0.40 per share.

(g) In March 2010, the Company placed, through the placing agents, 276,000,000 ordinary shares of HK$0.01 each in the share capital of the Company to independent investors at a price of HK$0.40 per share.

(h) Share consolidation

In November 2010, the Company consolidated every 2 issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company into 1 consolidated share of HK$0.02 each.

(i) In December 2010, the Company issued nine rights shares for every one consolidated share for the qualifying shareholders at a price of HK$0.15 (the "Rights Issue").

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

36. SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was adopted pursuant to an ordinary resolution passed by the Company's shareholders at the special general meeting of the Company held on 17 November 2003.

The maximum number of shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in this limit being exceeded.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on 17 November 2003 unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit.

The Share Option Scheme will remain in force for a period of 10 years commencing from 17 November 2003. Options complying the provisions of the Listing Rules which are granted during the duration of the Share Option Scheme and remain unexercised immediately prior to the end of the 10-year period shall continue to be exercisable in accordance with their terms of grant within the option period for which such options are granted, notwithstanding the expiry of the Share Option Scheme.

The subscription price for shares under the Share Option Scheme shall be a price determined by the board of directors of the Company (the "Board"), but shall not be lower than the highest of (i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date on which the Board approves the making of the offer for the grant of options (the "Date of Grant"), which must be a trading day; (ii) the average closing price of shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of a share.

36. SHARE OPTION SCHEME *(Continued)*

The following table discloses the details of the Company's share options held by employees of the Company and the movements in such holdings:

For the year ended 31 December 2010

		Number of share options					
Grant date	Exercise Price (After the share consolidation and Rights Issue (Notes 35(h) & (i)) HK$	Outstanding at 1 January 2010	Adjustments due to share consolidation and Rights Issue (Notes 35(h) & (i))	Granted during the year ended 31 December 2010	Exercised during the year ended 31 December 2010	Lapsed during the year ended 31 December 2010	Outstanding at 31 December 2010
Employees							
9 October 2007	7.6672	5,698,000	1,659,308	–	–	–	7,357,308
18 April 2008	4.4532	300,000	87,363	–	–	–	387,363
23 July 2009 (Note)	0.6300	3,390,000	–	–	–	(3,390,000)	–
30 December 2009	0.4957	36,900,000	10,745,604	–	–	–	47,645,604
27 May 2010	0.2138	–	23,558,791	80,900,000	–	–	104,458,791
31 August 2010	0.1612	–	39,604,396	136,000,000	–	–	175,604,396
Total		**46,288,000**	**75,655,462**	**216,900,000**	**–**	**(3,390,000)**	**335,453,462**

Note:

The exercise of the share options is not adjusted for the effects of the share consolidation and rights issue during the year as these share options were lapsed before the completion of the share consolidation and rights issue.

36. SHARE OPTION SCHEME *(Continued)*

For the period ended 31 December 2009

		Number of share options					
Grant date	Exercise Price (After the Capital Reorganization (Note 35(a)) HK$	Outstanding at 1 April 2009	Capital Reorganisation (Note 35(a))	Granted during the period ended 31 December 2009	Exercised during the period ended 31 December 2009	Lapsed during the period ended 31 December 2009	Outstanding at 31 December 2009
Employees							
9 October 2007	9.900	284,900,000	(279,202,000)	–	–	–	5,698,000
18 April 2008	5.750	15,000,000	(14,700,000)	–	–	–	300,000
23 July 2009	0.630	–	–	33,900,000	(30,510,000)	–	3,390,000
30 December 2009	0.640	–	–	36,900,000	–	–	36,900,000
Total		299,900,000	(293,902,000)	70,800,000	(30,510,000)	–	46,288,000

During the period ended 31 December 2009, 30,510,000 share options exercised resulted in the issue of 30,510,000 ordinary shares of the Company and new share capital of HK$305,100 and share premium of approximately HK$21,811,000. The related weighted average share price at the time of exercise was HK$0.62 per share.

At 31 December 2010, the Company had 335,453,462 (at 31 December 2009: 46,288,000) share options outstanding for the share options granted under the Share Option Scheme. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 335,453,462 (at 31 December 2009: 46,288,000) additional shares of HK$0.02 each in the share capital of the Company and additional share capital of HK$6,709,069 (at 31 December 2009: HK$462,880) and share premium of HK$125,684,532 (at 31 December 2009: HK$83,424,000).

37. SHARE-BASED PAYMENTS

Employee share options

Detail of the Share Option Scheme is disclosed in Note 36.

The fair value of 33,900,000 share options granted under the Share Option Scheme on 23 July 2009 was determined by the directors to be approximately HK$3,217,110 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.60, exercise price of HK$0.63 per share, expected volatility of 107.532%, expected option life of 1 year, no expected dividend and estimated risk-free interest rate of 0.110%.

The fair value of 36,900,000 share options granted under the Share Option Scheme on 30 December 2009 was determined by the directors to be approximately HK$8,771,130 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.64, exercise price of HK$0.64 per share, expected volatility of 92.665%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 0.561%. During the year ended 31 December 2010, the share options were expired.

The fair value of 80,900,000 share options granted under the Share Option Scheme on 27 May 2010 was determined by the directors to be approximately HK$8,329,460 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.27, exercise price of HK$0.276 per share, expected volatility of 76.43%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 0.75%.

37. SHARE-BASED PAYMENTS *(Continued)*

Employee share options (Continued)

The fair value of 136,000,000 share options granted under the Share Option Scheme on 31 August 2010 was determined by the directors to be approximately HK$8,241,600 with reference to a valuation performed by an independent firm of professional valuers using a binomial model. The inputs into the model included grant date share price of HK$0.196, exercise price of HK$0.2082 per share, expected volatility of 90.581%, expected option life of 2 years, no expected dividend and estimated risk-free interest rate of 0.434%.

The expected volatilities of the share prices were estimated by the best available average annualized standard deviations of the continuously compounded rates of return on the Company's share prices since the date of business transformation of the Group.

For the year ended 31 December 2010, the Group recognized share-based payments reserve in aggregate of approximately HK$16,571,000 (for the period ended 31 December 2009: HK$11,988,000) in respect of the share options granted under the Share Option Scheme.

38. RESERVES

Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Contributed surplus HK$'000	Share-based payments reserve HK$'000	Retained earnings/ (accumulated losses) HK$'000	Total reserves HK$'000
At 1 April 2009	791,071	861	29,390	12,038	(661,107)	172,253
Effects of the Capital Reorganization (Note 35(a))	(777,327)	–	282,400	–	661,107	166,180
Recognition of equity-settled share-based payments	–	–	–	11,988	–	11,988
Issue of new shares by way of placements	185,001	–	–	–	–	185,001
Transaction costs attributable to issue of new shares	(5,084)	–	–	–	–	(5,084)
Issue of shares upon exercise of share options	21,811	–	–	(2,895)	–	18,916
Profit for the period and total comprehensive income for the period	–	–	–	–	113,204	113,204
At 31 December 2009 and 1 January 2010	215,472	861	311,790	21,131	113,204	662,458
Lapse of share option previously recognized in share-based payments	–	–	–	(3,217)	3,217	–
Recognition of equity-settled share-based payments	–	–	–	16,571	–	16,571
Issue of new shares by way of placements	215,280	–	–	–	–	215,280
Issue of new shares by way of rights issue	796,508	–	–	–	–	796,508
Transaction costs attributable to issue of new shares	(32,932)	–	–	–	–	(32,932)
Profit for the year and total comprehensive income for the year	–	–	–	–	59,515	59,515
At 31 December 2010	**1,194,328**	**861**	**311,790**	**34,485**	**175,936**	**1,717,400**

39. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2010

(a) *Acquisition of Talent Link Holdings Limited*

On 11 January 2010, the Group acquired entire equity interest in Talent Link Holdings Limited and its subsidiary ("Talent Link Group") at a cash consideration of HK$30,500,000.

The net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets acquired:	
Investment property	30,000
Other receivables	22
Bank balances and cash	198
Other payables	(229)
Shareholders' loan	(28,330)
	1,661
Goodwill (Note 21)	509
Cash consideration paid	2,170
Net cash outflow arising on acquisition:	
Cash consideration paid	(2,170)
Bank balances and cash acquired	198
	(1,972)

If the acquisition had been completed on 1 January 2010, total Group's revenue for the year ended 31 December 2010 would have been approximately HK$2,314,000, and profit for the year ended 31 December 2010 would have been approximately HK$37,378,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 January 2010, nor is it intended to be a projection of future results.

39. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the period ended 31 December 2009

(b) Acquisition of Group Benefit Development Limited

In June 2009, the Group acquired additional 49.66% equity interest in Group Benefit Development Limited at a cash consideration of approximately HK$31,105,000.

The net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets acquired:	
Property, plant and equipment	6,281
Prepaid lease payments	12,895
Interest in an associate	1,049
Deferred tax assets	189
Inventories	153
Trade and other receivables	4,762
Amounts due from non-controlling interests	1,181
Tax recoverable	456
Bank balances and cash	13,420
Trade and other payables	(2,409)
Amounts due to non-controlling interests	(1,450)
Tax liabilities	(38)
Bank borrowings	(5,743)
	30,746
Non-controlling interests	(3,032)
	27,714
Goodwill (Note 21)	27,176
	54,890
Transferred from available-for-sale investments	23,785
Cash consideration paid	31,105
	54,890
Net cash outflow arising on acquisition:	
Cash consideration paid	(31,105)
Bank balances and cash acquired	13,420
	(17,685)

39. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the period ended 31 December 2009 (Continued)

(b) Acquisition of Group Benefit Development Limited (Continued)

Group Benefit Development Limited contributed a profit of approximately HK$3,400,000 to the Group's profit for the period between the date of acquisition and 31 December 2009.

If the acquisition had been completed on 1 April 2009, total Group's revenue for the period ended 31 December 2009 would have been approximately HK$112,293,000, and profit for the period ended 31 December 2009 would have been approximately HK$79,775,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, nor is it intended to be a projection of future results.

(c) Acquisition of Health Walk Limited

In December 2009, Luck Key Investment Limited (a wholly-owned subsidiary of the Company before the completion of the acquisition) acquired the entire issued share capital of Health Walk Limited in consideration of the transfer of 49% equity interest in Luck Key Investment Limited to the vendor.

The net assets acquired in the transaction and the goodwill arising were as follows:

	Acquirees' carrying amount before combination and fair value HK$'000
Net assets acquired:	
Property, plant and equipment	2,269
Inventories	281
Trade and other receivables	3,390
Bank balances and cash	8,268
Trade and other payables	(661)
Amounts due to non-controlling interests	(44)
Tax payable	(2,262)
	11,241
Non-controlling interests	(626)
	10,615
Goodwill (Note 21)	38,437
Consideration satisfied by the transfer of 49% equity interest in Luck Key Investment Limited to the vendor	49,052
Net cash inflow arising on acquisition:	
Bank balances and cash acquired	8,268

39. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the period ended 31 December 2009 (Continued)

(c) Acquisition of Health Walk Limited (Continued)

Health Walk Limited contributed a loss of approximately HK$379,000 to the Group's profit for the period between the date of acquisition and 31 December 2009.

If the acquisition had been completed on 1 April 2009, total Group's revenue for the period ended 31 December 2009 would have been approximately HK$122,826,000, and profit for the period ended 31 December 2009 would have been approximately HK$82,960,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, nor is it intended to be a projection of future results.

40. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES/AN ASSOCIATE/AN ASSOCIATE CLASSIFIED AS HELD FOR SALE

(a) *Deemed disposals of Luck Key Investment Limited*

On 5 October 2010, the Group's subsidiary, Luck Key had entered into a subscription agreement in relation to the allotment and issue of the 650 new shares to Dr. Fung at the consideration of HK$8.1 million. After the completion of the transaction, the Group's shareholding interest in Luck Key would decrease from 51.00% to 47.89%, and each company in Luck Key Group was ceased to be a subsidiary of the Group. Therefore, the result of the Luck Key Group would no longer be consolidated into the financial statements after completion. Instead, the Group would equity-account for the results of the Luck Key Group in the consolidated financial statements. The transaction was completed on 23 November 2010.

The consolidated net assets of Luck Key at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	110,535
Goodwill	65,613
Interest in an associate	776
Inventories	1,851
Trade and other receivables	42,958
Amounts due from non-controlling interests	1,181
Bank balances and cash	16,088
Pledged bank deposits	10,000
Tax recoverable	2,052
Amount due to a holding company	(98,178)
Trade and other payables	(17,896)
Short-term bank loan	(23,000)
Bank borrowing	(5,200)
Amounts due to non-controlling interests	(1,491)
Deferred tax liabilities	(8,684)
	96,605
Non-controlling interests	(31,451)
	65,154
Loss on deemed disposal of subsidiaries	(48,472)
Transferred to interest in an associate	(16,682)
	–
Net cash outflow arising on disposal:	
Bank balances and cash disposed of	(16,088)

40. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES/AN ASSOCIATE/AN ASSOCIATE CLASSIFIED AS HELD FOR SALE *(Continued)*

(b) *Disposal of Island Kingdom Company Limited*

On 18 August 2010, the Group disposed of its entire equity interest in Island Kingdom Company Limited at a cash consideration of approximately HK$216,000. The net assets of Island Kingdom Company Limited at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Other receivables	739
Amount due to ultimate holding company	(5,429)
Amount due to a fellow subsidiary	(355)
	(5,045)
Gain on disposal of a subsidiary	5,261
Cash consideration	216
Net cash inflow arising on disposal:	
Cash consideration	216

40. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES/AN ASSOCIATE/AN ASSOCIATE CLASSIFIED AS HELD FOR SALE *(Continued)*

(c) *Disposal of Town Health Medical Technology (China) Company Limited*

On 1 November 2010, the Group disposed of its entire equity interest in Town Health Medical Technology (China) Company Limited upon its deregistration. The net assets of Town Health Medical Technology (China) Company Limited at the date of disposal was as follows:

	HK$'000
Net assets disposed of:	
Amount due from immediate holding company	29,985
Release of amount due from immediate holding company	(29,985)
Gain/(loss) on disposal of a subsidiary	–
Net cash inflow/(outflow) arising on disposal	–

(d) *Disposal of Nicefit Limited*

On 1 May 2010, the Group disposed of its entire equity interest in Nicefit Limited upon its deregistration. The net assets of Nicefit Limited at the date of disposal was as follows:

	HK$'000
Net assets disposed of:	
Other payables	(6)
Amount due to ultimate holding company	(12,581)
Release of amount due to ultimate holding company	12,581
	(6)
Gain on disposal of a subsidiary	6
Net cash inflow/(outflow) arising on disposal	–

40. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES/AN ASSOCIATE/AN ASSOCIATE CLASSIFIED AS HELD FOR SALE *(Continued)*

(e) *Deemed disposal and disposal of Core Healthcare Investment Holdings Limited ("Core Healthcare")*

On 13 May 2009, a former listed subsidiary of the Group, Core Healthcare, placed 1,200,000,000 new ordinary shares of HK$0.001 each in the share capital of Core Healthcare to independent investors at a price of HK$0.025 per share. Upon completion of the placing of the aforesaid new shares, the Group's equity interest in Core Healthcare was diluted from approximately 60.12% to 51.71%, resulting in a gain on deemed disposal of subsidiaries of approximately HK$11,572,000.

Between 14 and 18 May 2009, the Group disposed of a total of 180,000,000 shares of Core Healthcare on the market at aggregate cash consideration of approximately HK$5,760,000. Immediately following such disposal, the Group's equity interest in Core Healthcare was reduced from approximately 51.71% to 49.61%. Accordingly, Core Healthcare ceased to be a subsidiary of the Company at 18 May 2009 and became an associate of the Group thereafter. Core Healthcare did not contribute significantly to the Group's operating results for the period ended 31 December 2009.

The consolidated net assets of Core Healthcare at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Property, plant and equipment	2,023
Trade and other receivables	15,552
Held-for-trading investments	11,650
Bank balances and cash	56,659
Trade and other payables	(1,740)
	84,144
Non-controlling interests	(40,632)
	43,512
Gain on disposal of a subsidiary	3,993
Transferred to interest in an associate	(41,745)
Cash consideration	5,760
Net cash outflow arising on disposal:	
Cash consideration	5,760
Bank balances and cash disposed of	(56,659)
	(50,899)

40. DEEMED DISPOSAL/DISPOSAL OF SUBSIDIARIES/AN ASSOCIATE/AN ASSOCIATE CLASSIFIED AS HELD FOR SALE *(Continued)*

(e) *Deemed disposal and disposal of Core Healthcare Investment Holdings Limited ("Core Healthcare") (Continued)*

Between 19 and 27 May 2009, the Group further disposed of 1,137,780,000 shares of Core Healthcare on the market at aggregate cash consideration of approximately HK$34,985,000. Immediately following such disposal, the Group's equity interest in Core Healthcare was reduced from approximately 49.61% to 36.36% at 27 May 2009, resulting in a gain on disposal of an associate of approximately HK$23,836,000.

At the special general meeting held on 30 June 2009, the resolution approving the proposal to dispose of the Group's entire equity interest in Core Healthcare was passed by the shareholders and accordingly the Group's investment in Core Healthcare was reclassified as an associate classified as held for sale. In June and July 2009, the Group further disposed of its entire remaining equity interest in Core Healthcare, representing 3,119,975,591 shares of Core Healthcare, on the market at aggregate cash consideration of approximately HK$84,825,000, resulting in a gain on disposal of an associate classified as held for sale of approximately HK$54,229,000.

(f) *Disposal of Fair Jade Group Limited*

In June 2009, the Group disposed of its entire equity interest in Fair Jade Group Limited at a cash consideration of approximately HK$26,368,000. The consolidated net assets of Fair Jade Group Limited at the date of disposal were as follows:

	HK$'000
Net assets disposed of:	
Interest in an associate	25,600
Trade and other receivables	5
	25,605
Gain on disposal of a subsidiary	763
Cash consideration	26,368
Net cash inflow arising on disposal:	
Cash consideration	26,368

41. OPERATING LEASE COMMITMENTS

The Group as lessee

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

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Within one year	**871**	9,310
In the second to fifth years inclusive	**1,059**	10,878
	1,930	20,188

Operating lease payments represent rentals payable by the Group for certain of its health check centers and office premises. Leases are negotiated and rentals are fixed for terms ranging from 1 to 3 years.

The Group as lessor

Properties rental income earned during the year ended 31 December 2010 was approximately HK$2,314,000 (for the period ended 31 December 2009: HK$273,000). The Group's investment properties are held for rental purpose. It is expected to generate rental yields of 3.05% (for the period ended 31 December 2009: 3.90%) on an ongoing basis. The properties held have committed tenants for the next two years.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Within one year	**2,062**	486
In the second to fifth years inclusive	**2,400**	112
	4,462	598

42. PLEDGE OF ASSETS

At 31 December 2010, certain land and buildings of the Group with fair value of HK$88,500,000 (at 31 December 2009: property, plant and equipment of the Group with carrying value of approximately HK$45,470,000 and bank deposits of HK$10,000,000) were pledged to secure general bank facilities granted to the Group.

At 31 December 2009, the bank loan is secured by a mortgage over the Group's land and buildings with a carrying amount of approximately HK$12,349,000 (Note 19).

43. CORPORATE GUARANTEES

	Company	
	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000
Corporate guarantees provided by the Company in respect of banking facilities of the Group:		
– indirect associates	**45,000**	–
– subsidiaries	**–**	40,000
	45,000	40,000

At 31 December 2010 and 2009, the indirect associates and subsidiaries had not utilized the corporate guarantees. In the opinion of the directors of the Company, no material liabilities would arise from the above corporate guarantees which arose in the ordinary course of business and the fair values of the corporate guarantees granted by the Company were immaterial.

44. RETIREMENT BENEFITS SCHEMES

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.

During the year ended 31 December 2010, the total amount contributed by the Group to the scheme and charged to the consolidated statement of comprehensive income amounted to approximately HK$70,000 (for the period ended 31 December 2009: HK$74,000). At 31 December 2010, there were no forfeited contributions available for the Group to offset contributions payable in future years (at 31 December 2009: Nil).

45. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these consolidated financial statements, the Group entered into the following significant related party transactions during the current year and prior period:

	(Twelve months) Year ended 31 December 2010 HK$'000	(Nine months) Period ended 31 December 2009 HK$'000
Rental income received from Luck Key Investment Limited	**35**	–
Rental paid to Town Health International Investments Limited and its subsidiaries	**1,673**	–

Notes:

(i) The lease agreement with Luck Key Investment Limited, an associate of the Company, were entered into at terms between the contracting parties.

(ii) The lease agreement with Town Health International Investments Limited and its subsidiaries, a shareholder of the associate, were entered into at terms between the contracting parties.

The directors of the Company consider that they are the only key management personnel of the Group and details of their compensation are set out in Note 15.

46. EVENTS AFTER THE REPORTING PERIOD

(a) Acquisition of 青海鈞石能源有限公司 (transliterated as GS-Solar (Qinghai) Company Limited)

In January 2011, the Group announced the acquisition of 99% of the registered capital of GS-Solar (Qinghai) Company Limited at a consideration of RMB5.9 million (equivalent to HK$6.9 million). The principal activities of GS-Solar (Qinghai) Company Limited has obtained approval from the Development and Reform Commission of the Qinghai Province to construct and operate a 10MW grid-connected silicon based thin-film solar photovoltaic power plant in Geermu, Qinghai Province, the PRC. At the date of approval of these consolidated financial statements, the management of the Group was still in the midst of determining the financial effect of the aforesaid acquisition.

(b) Acquisition of 麗江五郎河水電開發有限公司 (transliterated as Lijiang Wulanghe Hydropower Development Company Limited)

In March 2011, the Group entered into a sale and purchase agreement to purchase the entire registered capital of Lijiang Wulanghe Hydropower Development Company Limited at a consideration of RMB73 million (equivalent to HK$86.6 million). The principal activities of Lijiang Wulanghe Hydropower Development Company Limited are the development and construction of hydropower generation and sales of electricity, installation and technological transformation of hydropower projects, sales of construction materials, and travel services. At the date of approval of these consolidated financial statements, the management of the Group was still in the midst of determining the financial effect of the aforesaid acquisition.

Five-year Financial Summary

RESULTS

	Year ended 31 December 2010 HK$'000	Nine months ended 31 December 2009 HK$'000 (restated)	Year ended 31 March 2009 HK$'000	2008 HK$'000	2007 HK$'000
Revenue	**2,314**	105,536	106,538	70,132	15,813
Profit/(loss) before tax	**111,910**	78,768	(616,660)	41,556	(44,211)
Income tax (expense)/credit	**(269)**	146	2,220	494	(8,967)
Loss from discontinued operation	**(74,263)**	–	–	–	–
	37,378	78,914	(614,440)	42,050	(53,178)
Attributable to:					
Owners of the Company	**56,233**	87,074	(637,879)	43,077	(52,818)
Non-controlling interests	**(18,855)**	(8,160)	23,439	(1,027)	(360)
	37,378	78,914	(614,440)	42,050	(53,178)