

All our healthcare and Life Enhancement Services come under the direct control of our Medical Standards and Compliance Committee.

卓健所有的醫療保健及優質生活服務均由醫療標準監察委員會監控。



OPERATIONAL REVIEW

Quality HealthCare Medical Services (“QHMS”)

Consolidation

Following the successful reorganization in 2002, QHMS continued to restructure and consolidate its business in 2003, leveraging on the increased efficiency of its network and infrastructure. Divisional profit of QHMS in 2003 was HK\$50.0 million, showing a growth of 20% compared to HK\$41.7 million in 2002. Revenue for 2003 showed a slight increase of 1% to HK\$586.7 million, compared to HK\$579.8 million in 2002. This is directly resulting from the reduction in service fees due to economic circumstances and SARS despite an increase in the number of contracts achieved in 2003. Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) for 2003 was HK\$59.7 million (2002 : HK\$50.1 million).

Dedicated Infrastructure

The current network of 35 core medical centres together with an extensive affiliated doctor network provides a sound base for QHMS in Hong Kong, enabling our clients to enjoy healthcare services that are efficient and professional. To support the network, QHMS has devoted significant resources to building dedicated teams of experts to maintain practice standards and quality assurance, transaction platforms, medical

業務回顧

卓健醫療服務

鞏固業務

二零零二年完成重組後，卓健醫療服務於二零零三年在提升診所網絡效率及增強醫療基建的基礎上，繼續重整及鞏固業務。二零零三年卓健醫療服務錄得分部溢利50,000,000港元，比二零零二年的41,700,000港元增長20%。收入由二零零二年的579,800,000港元微升1%至586,700,000港元。雖然二零零三年簽訂的合約數目增加，但因經濟環境及非典型肺炎令服務費減少，直接影響收入的升幅。二零零三年未計利息、稅項、折舊及攤銷前盈利（「EBITDA」）為59,700,000港元（二零零二年：50,100,000港元）。

醫療基建投資

卓健醫療服務在香港已建立穩固基礎，現有35間核心診所，連同廣泛的聯屬醫生網絡，讓客戶得以享用具效率而專業的保健服務。為支援這個網絡，卓健醫療服務投入大量資源，網羅不同方面的專家以保持醫療水準及質素、交易平台、醫療事務及客戶服務。這些基建令卓健醫療服務能滿足客戶不同的需要，從而獲取大宗合約。我們亦



affairs, and customer servicing. This infrastructure has enabled QHMS to service sizeable contracts with widely differing requirements. It has also provided corporate clients with the option of outsourcing medical scheme management utilizing our experience and medical knowledge, and thereby reducing internal manpower costs.

Competence

QHMS has accepted the challenge of an extremely competitive market and is devoting additional resources to maintain its ability to deliver services of international standard and to satisfy the needs of our corporate clients and the community of Hong Kong. Initiatives to enhance service delivery include clinic and practice audits, service training, appraisals for paramedical staff, and ongoing renovation projects for medical centres to upgrade our facilities. These initiatives are planned to distinguish QHMS from its competitors and assist it in further development of specialist care.

Platform for Growth

QHMS is planning diversification of its range of life enhancement services including establishment of a reproductive medicine centre and the provision of chronic disease management programs.

QHMS will maintain its focus on delivering services to corporate clients, but will also look to extend its reach into the consumer market, in an effort to capture opportunities offered by medical tourism and retail services.

Medical Scheme Management

The QHMS medical affairs team, comprising physicians, pharmacists, nurses, and other healthcare professionals is

為企業客戶提供選擇，使用外判醫療計劃管理服務，充份利用我們的經驗及醫療知識，從而節省內部人力成本。

優勢所在

在香港，私營醫療市場競爭非常激烈，卓健醫療服務無懼市場的挑戰，投入更多資源，以確保有能力提供國際水準的服務，滿足企業客戶以至香港社會整體的需要。在增強服務方面，包括診所及醫務稽核、服務培訓、評核輔助醫療人員及不斷改善診所設施。這些努力令卓健醫療服務從眾多競爭對手中脫穎而出，協助其進一步發展專科醫護服務。

增長平台

卓健醫療服務計劃擴展其「提昇優質生活服務」的類別，包括設立生育醫療中心及開辦慢性疾病管理計劃。

卓健醫療服務除致力為企業客戶提供服務外，也致力開拓消費者市場，把握醫療旅遊和零售服務發展所帶來的契機。

醫療計劃管理

卓健醫療服務的醫療事務隊伍由醫生、藥劑師、護士及其他保健專業人員組成，正在進一步發展

further developing its specialization in scheme management. The knowledge and experience accumulated by this team will assist QHMS to participate in the Government's public private partnership and service any outsourcing program in the future.

Proactive Care

Throughout the year and particularly during the SARS period, QHMS has supported Government programs as a private sector healthcare provider and has also provided our clients with updated and timely information, services, and community programs in a flexible manner. Preventive healthcare services and programs such as comprehensive physical checkups, vaccination programs, and public education, will continue as top priorities for QHMS in the coming year.



預防性護理

在年內特別是非典型肺炎爆發期間，卓健醫療服務作為私營保健服務提供者，大力支持政府的措施，同時在需要時為客戶提供最新資訊、服務及社區防護計劃。推行預防性保健服務，例如全面身體檢查、防疫注射及公共衛生教育等，將繼續是卓健醫療服務在未來一年的首要任務。

Contributions to The Community

QHMS is aware of its social responsibility to contribute to the community in which it operates. In 2003, QHMS actively participated in the Operation Santa Claus program, and through support from staff, clients, and associates, has raised substantial funding for the beneficiaries of Children's Heart Foundation.

回饋社會

卓健醫療服務明白到其肩負的社會責任，為所服務的社會作出貢獻。於二零零三年，卓健醫療服務積極參與「聖誕老人愛心大行動」，並透過員工、客戶及業界友好的熱心支持，為兒童心臟基金會籌得大量善款。

Quality HealthCare Chinese Medicine ("QHCM")

Care of Choice

QHCM now maintains a network of seven core centres and is seeking growth opportunities. It is working closely with QHMS to achieve greater appreciation of integrated holistic care and continues to benchmark against the academic bodies for quality assurance and accreditation. In 2003, QHCM has actively participated in various public exhibitions and health seminars with significant positive response.



醫護首選

卓健中醫藥服務網絡設有七間核心診所，並積極尋求增長的商機。卓健中醫藥服務現正與卓健醫療服務緊密合作，推廣綜合全人護理服務，並繼續夥同學術機構，提供質量保證及認證的參考基準。於二零零三年，卓健中醫藥服務參與多項公開展覽及保健研討會，獲得熱烈回響。

Corporate Care

QHCM has worked closely with QHMS to incorporate traditional Chinese Medicine into corporate health plans and insurance plans to meet the growing demands of corporate clients. In 2003, QHCM signed its first prepaid contract with an insurance company.

企業醫療計劃

卓健中醫藥服務與卓健醫療服務緊密合作，把傳統中醫藥納入企業保健計劃及保險計劃，以滿足企業客戶不斷增加的需求。於二零零三年，卓健中醫藥服務更與一家保險公司簽訂其首份預付合約。

Quality HealthCare Services ("QHS")

Dental, Physiotherapy and Nursing continued to deliver growth and achieved an increase in revenue of 4% in 2003. Divisional profit increased by 108% over the prior year, as a result of the successful re-engineering of manpower and contract management. EBITDA for 2003 was HK\$5.6 million (2002 : HK\$3.7 million).

Quality HealthCare Nursing ("QHN")

The demand for private nursing services for patients in the hospitals decreased due to SARS. However the revenue for our Nursing division was supported by the growth of other existing and new lines of business. In 2003, QHN successfully launched its paramedical services for insurance companies. It also won tenders from non government organizations for the provision of nursing services. QHN also worked in conjunction with a number of public hospitals to provide relief nurses to cover staff shortages and voluntary leave. Cost effective home help and home care programs have been offered to corporate clients and insurance companies to suit the changing market needs.

Quality HealthCare Dental ("QHD")

QHD has remained profitable in 2003 despite the impact of SARS. The Division experienced growing demand in the New Territories. Second consultation rooms for two clinics were opened in 2003 and both have shown steady growth in utilization.

The range of cosmetic dentistry services provided by QHD was well received by clients, with the number of consultations increasing almost threefold in 2003. The annual client satisfaction survey for 2003 demonstrated that over 2,000 patients rated the services 97% excellent to good in all categories. Meanwhile, QHD has also established a committee of Standards & Compliance led by 5 senior dentists.

卓健綜合保健服務

牙科、物理治療及護理服務收入於二零零三年增長4%。透過成功重整人力資源及合約管理工作，分部溢利增加108%。二零零三年的EBITDA為5,600,000港元(二零零二年：3,700,000港元)。

卓健護理

受非典型肺炎所影響，住院病人對私人護理服務的需求下降，但卓健護理在其他現有及新開辦業務增長的支持下，收入維持穩定。於二零零三年，卓健護理推出為保險公司而設的輔助服務，又成功投得非政府機構護理服務合約。卓健護理並與多家公立醫院合作，提供暫代護士服務，以紓緩人手短缺及自願離職計劃的影響。為配合市場需要的轉變，卓健護理亦為企業客戶及保險公司提供符合成本效益的家居照顧及家居護理計劃。



卓健牙科

在非典型肺炎衝擊下，卓健牙科於二零零三年仍錄得溢利。鑑於新界地區的需求增加，卓健牙科於二零零三年在其中兩間診所增設診症室，兩間診所的使用率亦穩步上升。

卓健牙科提供的牙科美容服務廣受客戶歡迎，二零零三年診症量增加接近三倍。二零零三年的客戶滿意程度調查中，逾2,000名病人中共有97%於所有問題組別給予其服務良好至極佳的評分。另外，卓健牙科亦已成立標準及監察委員會，由五位資深牙科醫生擔任成員。

Quality HealthCare Physiotherapy (“QHP”)



Utilization continued to improve for QHP in 2003 with an 11% growth in the number of visits. In addition to its core program for corporate clients, QHP has developed a number of consumer oriented products such as spinal and

ergonomics evaluation, and exercise programs in order to provide holistic care for clients. Our physiotherapists have also been providing regular screening and consultative services for various organizations in the community to maximize the mobility and well being of their elderly members, with a view to minimising excessive hospitalization and premature health deterioration.

卓健物理治療

於二零零三年，卓健物理治療的使用率持續上升，服務人次增加11%。除了為企業客戶提供的核心計劃外，卓健物理治療亦開發了多種迎合一般消費者的產品，如脊椎檢查及哥爾夫球運動評估、即場人體效力學評估，以及為客戶提供全人護理而設的運動課程。我們的物理治療師亦為社區各種機構提供定期檢查及諮詢服務、盡量照顧到長者的活動能力和健康狀況，減低他們的住院需要及避免身體機能過早衰退。



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Quality HealthCare Elderly Services (“QHES”)

SARS has unfortunately resulted in a longer term adverse impact on the elderly care industry, with average occupancy falling for many homes. The triple impact of economic circumstances, reduction in Comprehensive Social Security Assistance and the fear of institutional risk for SARS, has adversely affected the QHES occupancy rate.

An unfortunate result of the lower occupancy rate has been that the revenue of QHES decreased by 4% in 2003 and its divisional loss increased by 85%. EBITDA for 2003 was HK\$7.1 million (2002 : HK\$8.6 million).

卓健護老服務

非典型肺炎對護老行業的打擊比較深遠，不少護老院的平均入住率下降。在經濟環境、削減綜合社會保障援助金及市民擔心非典型肺炎可能重臨這三重打擊，亦影響卓健護老服務的平均入住率。

護老院入住率下降，令卓健護老服務在二零零三年的收入下降4%，而分部虧損則增加85%。二零零三年的EBITDA為7,100,000港元（二零零二年：8,600,000港元）。



Throughout the SARS period, stringent infection control was enforced at all our elderly homes, successfully protecting all our staff and residents. In recognition of the contribution from private elderly homes during the SARS period, five outstanding homes were selected and representatives were invited by Social Welfare Department to join a post-SARS celebration attended by China's Premier Wen Jiabao. QHES's Man Kee home was one of the homes selected.

In compliance with the Social Welfare Department's guidelines, an infection control officer has now been appointed at each home and in 2004, an isolation room will be added to each home.

Initiatives to rebuild the division's performance are in progress, including intensive and focused marketing, liaison with landlords on rental reduction, and continuation of the delivery of quality and specialized nursing care for the residents of the homes.

於非典型肺炎期間，集團旗下所有護老院均採取嚴格的預防感染措施，因此能夠有效地保護所有院友和員工。為表揚私營護老院在非典型肺炎期間作出的貢獻，社會福利署挑選了五家在這方面表現出色的院舍，邀請其代表參加一項戰勝非典型肺炎的慶祝活動，承蒙溫家寶總理撥冗出席。集團旗下的萬基護老院是其中獲選的護老院之一。

為符合社會福利署的指引，集團旗下每間護老院均已委任一名防疫主任，並於二零零四年，每間護老院也將增闢一個隔離房間。

我們已為重振護老服務的業績採取多項措施，包括展開頻密而集中的推廣活動，與業主磋商減租，以及繼續為院友提供優質的專門護理服務。

FINANCIAL REVIEW

1. Capital Structure and Treasury Policy

(a) Equity and debt structure

The Company issued 2,790,000 shares during the year as a result of the exercise of employee share options. Apart from the aforesaid, the Company has not issued any shares or made any share repurchase during the year.

A capital reorganization of the Company was implemented and became effective on 30 December 2003 which involved, among others, the following:

- (i) a reduction of the nominal value of each issued ordinary share of the Company from HK\$0.10 to HK\$0.01 each by the cancellation of HK\$0.09 of the paid-up capital for each issued share and the credit arising from such reduction of approximately HK\$194,960,000 was applied as a set off against the accumulated losses of the Company.
- (ii) a share consolidation of every ten reduced shares of HK\$0.01 each as set out in (i) above into one consolidated share of HK\$0.10 each.

財務回顧

1. 股本架構及財資政策

(a) 股東資金及債務架構

年內，本公司因僱員購股權獲行使而發行2,790,000股股份。除上述股份外，本公司於年內並無發行任何股份或購回任何股份。

本公司實行資本重組並於二零零三年十二月三十日生效，其涉及(其中包括)下列事項：

- (i) 藉註銷每股發行股份實繳股本0.09港元將本公司每股已發行普通股之面值由0.10港元削減至0.01港元，而該項削減所產生之進賬約194,960,000港元已用作抵銷本公司之累計虧損。
- (ii) 進行股份合併，將上文(i)所述之每股面值0.01港元的已拆細股份每十股合併為一股每股面值0.10港元之合併股份。

(iii) The cancellation of the entire amount standing to the credit of the share premium account of the Company as at 30 June 2003 and the credit arising therefrom of approximately HK\$293,094,000 was applied as a set off against the accumulated losses of the Company.

On 12 January 2004, a bonus issue of warrants was made in the proportion of one warrant for every five ordinary shares (after the share consolidation) held by members on the register of members on 29 December 2003. Each warrant entitles the holder to subscribe for one ordinary share of the Company at a subscription price of HK\$2.50 per share (subject to adjustment), in cash, from 14 January 2004 to 13 January 2007.

The Group's shareholders' funds increased from HK\$93.8 million to HK\$107.8 million mainly as a result of the profit retained for the year.

The Group's financial position was strengthened in 2003. The Group's bank borrowings reduced from approximately HK\$67.1 million as at 31 December 2002 to HK\$8.0 million as at 31 December 2003 because of the scheduled and early repayments of bank loans. By repaying old bank loans, the Group was able to negotiate with various bankers for new facilities on more favourable terms.

(iii) 註銷於二零零三年六月三十日計入本公司股份溢價賬之整筆款項，而所產生之進賬約293,094,000港元已用作抵銷本公司累計虧損。

二零零四年一月十二日，按於二零零三年十二月二十九日名列股東名冊之股東每持有五股普通股（合併股份後）可獲發一份認股權證之比例派送紅利認股權證。持有人每持有一份認股權證可按認股價每股2.50港元（可予調整）於二零零四年一月十四日至二零零七年一月十三日期間以現金認購本公司一股普通股。

本集團之股東資金由93,800,000港元增至107,800,000港元，主要是年內保留溢利所致。

本集團於二零零三年的財政狀況更為穩健。由於本集團如期及提早償還銀行貸款，故此銀行貸款由二零零二年十二月三十一日之約67,100,000港元減至二零零三年十二月三十一日之8,000,000港元。由於已償還所有舊銀行貸款，本集團得以與多家銀行按更優惠之條款商議新貸款。

(b) Debt maturity profile

(b) 債務到期日分佈

	31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元	31 December 2002 二零零二年 十二月三十一日 HK\$'000 千港元
Repayable:		
Within one year and on demand	8,000	52,347
In the second year	—	14,754
	8,000	67,101

Repayable: 於下列時間償還：
Within one year and on demand 一年內或應要求償還
In the second year 第二年

(c) Net cash position

(c) 淨現金

		31 December 2003 二零零三年 十二月三十一日 HK\$'000 千港元	31 December 2002 二零零二年 十二月三十一日 HK\$'000 千港元
Shareholders' funds	股東資金	107,830	93,790
Net Cash:	淨現金：		
Cash and bank balances	現金及銀行結存	58,991	89,821
Bank borrowings	銀行貸款	(8,000)	(67,101)
		50,991	22,720

The Group was in a net cash position at 31 December 2003. Gearing ratio comparing net debt (bank borrowings net of cash and bank balances available) to equity was not applicable at 31 December 2003 and 2002.

於二零零三年十二月三十一日，本集團錄得淨現金。比較負債淨額（銀行貸款扣除可動用現金及銀行結存）與股東資金之資本負債比率不適用於二零零三年及二零零二年十二月三十一日。

(d) Currency and financial risk management

The Group's main operating subsidiaries are located in Hong Kong and over 90% of the Group's sales and purchases during the year were denominated in Hong Kong dollars.

All bank borrowings are denominated in Hong Kong dollars. During the year, interest was charged on a floating rate basis with reference to Hong Kong Best Lending Rate and HIBOR.

Most cash and bank balances are denominated in Hong Kong dollars. Any surplus cash was placed in savings and short-term bank deposits to earn interest income.

The Group's foreign currency assets are immaterial. The Group's exposure to foreign exchange risk is minimal and as such the Group did not have any requirement to use financial instruments for hedging purposes.

(d) 貨幣及財務風險管理

本集團之主要經營附屬公司均位於香港，年內，本集團超過90%之買賣均以港元定值。

所有銀行貸款均以港元定值。年內，利息乃按浮息基準，經參考香港最優惠借貸利率及香港銀行同業拆息計算後支出。

現金及銀行結存主要以港元定值。任何盈餘現金存放於儲蓄戶口及作短期銀行存款以賺取利息收入。

本集團並無重大外幣資產。本集團所承受之外匯風險極小，因此本集團無須運用任何金融工具作對沖之用。

2. Pledge of Assets

The Group's designated receivables and rights under certain medical services contracts at 31 December 2002 were pledged to banks for certain loans and overdrafts under banking facilities granted to the Group. During the year, the relevant loans under the banking facilities were repaid and the pledge of the designated receivables and rights under certain medical services was no longer required.

3. Contingent Liabilities

At 31 December 2003, the Company had given guarantees in connection with the tenancy agreements entered into by its subsidiaries of approximately HK\$55.3 million and guarantees given to a bank in connection with banking facilities granted to its subsidiaries of HK\$100 million. The banking facilities, subject to guarantees given to the bank by the Company were utilized to the extent of approximately HK\$2,645,000 at 31 December 2003.

The Group and the Company had a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$7,113,000 (2002 : HK\$8,882,000) and HK\$164,000 (2002 : HK\$521,000), respectively, as at 31 December 2003, as further explained under the heading "Employee benefits" in note 3 to the financial statements. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group and the Company in order to be eligible for long service payments under the Hong Kong Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognized in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group and the Company.

2. 資產抵押

於二零零二年十二月三十一日，本集團已將若干醫療服務合約項下之指定應收款項及權利抵押予銀行，以獲得本集團銀行信貸下之若干貸款及透支。年內，銀行信貸下之有關貸款已經償還，因此已無須再將若干醫療服務合約項下之指定應收款項及權利抵押。

3. 或然負債

於二零零三年十二月三十一日，本公司已就其附屬公司所訂立之租務協議提供約55,300,000港元之擔保，並就授予其附屬公司之100,000,000港元銀行信貸提供擔保。於二零零三年十二月三十一日，由本公司提供擔保的銀行信貸已被動用約2,645,000港元。

本集團及本公司於二零零三年十二月三十一日就香港僱傭條例規定可能須支付僱員未來長期服務金而承擔或然負債，最高的或然負債分別為7,113,000港元（二零零二年：8,882,000港元）及164,000港元（二零零二年：521,000港元），詳情載於財務報告附註3「僱員福利」。由於在結算日本集團及本公司多名僱員已達到香港僱傭條例所規定服務年資，符合於若干情況下終止受聘時領取長期服務金的資格，故此產生或然負債。本公司認為此情況不可能導致本集團及本公司日後流出大量資源，故並未就該等可能支付之款項確認撥備。

4. Material Acquisition and Disposal of Subsidiaries and Associated Companies

During the year, there has been no material acquisition or disposal of subsidiaries and associated companies by the Group.

5. Management and Staff

At 31 December 2003, the total number of employees was 950 (2002 : 960). Total staff costs amounted to approximately HK\$260.0 million (2002 : HK\$287.6 million). The staffing structure is under constant review as the shape of the Group develops. Remuneration packages are calculated at market rates, with share options offered at the discretion of the board of directors. All executive directors' remuneration and option packages must first be recommended by the Company's Remuneration Committee which is composed of all the independent non-executive directors, namely, Messrs. Moses Cheng Mo Chi and Ian Robert Strachan.

4. 附屬及聯營公司的重大收購及出售

年內，本集團並無任何附屬及聯營公司的重大收購及出售。

5. 管理層及職員

於二零零三年十二月三十一日，本集團共有員工950名（二零零二年：960名）。總員工成本約260,000,000港元（二零零二年：287,600,000港元）。人手編制乃按本集團發展情況不斷作出檢討。酬津總額乃按市場水平計算，董事會亦酌情提供購股權。所有執行董事享有之酬金及購股權必須先經由本公司薪酬委員會推薦。本公司薪酬委員會成員為各獨立非執行董事，即鄭慕智先生及Ian Robert Strachan先生。