

Notes to Financial Statements 財務報告附註

31 December 2003
二零零三年十二月三十一日

1. CORPORATE INFORMATION

During the year, the Group was involved in the following principal activities:

- provision of medical services
- provision of nursing, physiotherapy and dental services
- provision of elderly care services

In the prior year, the Group discontinued the provision of healthcare transaction processing and related services and the distribution of medical equipment (collectively, the "Healthcare transaction operations"). The discontinuance was completed on 28 October 2002, as further detailed in note 6 to the financial statements.

2. IMPACT OF A REVISED HONG KONG STATEMENT OF STANDARD ACCOUNTING PRACTICE ("SSAP")

The revised SSAP 12 "Income taxes" is effective for the first time for the preparation of the current year's financial statements.

This SSAP prescribes new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting the revised SSAP 12 are summarised as follows:

SSAP 12 prescribes the accounting for income taxes payable or recoverable, arising from the taxable profit or loss for the current period (current tax); and income taxes payable or recoverable in future periods, principally arising from taxable and deductible temporary differences and the carryforward of unused tax losses (deferred tax).

This SSAP has had no significant impact for these financial statements on the amounts recorded for income taxes. However, the related note disclosures are now more extensive than previously required. These disclosures are presented in notes 13 and 27 to the financial statements and include a reconciliation between the accounting profit and the tax expense for the year.

1. 集團資料

年內，本集團從事下列主要業務：

- 提供醫療服務
- 提供護理、物理治療及牙科服務
- 提供護老服務

上年度，本集團終止提供保健交易處理及相關服務及分銷醫療設備之業務（統稱「保健交易業務」）。誠如財務報告附註6所述，已於二零零二年十月二十八日終止經營以上業務。

2. 一項經修訂香港會計實務準則（「會計實務準則」）之影響

編製本年度財務報表時首次採用經修訂之會計實務準則第12號「所得稅」。

上述會計實務準則訂明了新的會計衡量及披露守則。採用該項經修訂會計實務準則第12號，對本集團會計政策及財務報告中所披露數額之主要影響概括如下：

會計實務準則第12號訂明本期應課稅溢利或虧損所產生之應付或可收回所得稅（本期稅項）之會計法；及主要由應課稅及可扣減暫時差額及未動用稅項虧損結轉所產生之未來期間應課稅或可收回所得稅（遞延稅項）之會計法。

此會計實務準則對此等財務報表所記錄之所得稅款額並無重大影響。然而，有關附註披露現較先前所規定更廣泛。該等披露於財務報告附註13及27呈列，並包括本年度會計溢利與稅項支出之調節。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Statements of Standard Accounting Practice, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2003. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders in the results and net assets of the Company's subsidiaries.

Subsidiaries

A subsidiary is a company whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

3. 主要會計政策概要

編製基準

該等財務報告乃根據香港會計實務準則、香港普遍接納之會計原則及香港公司條例之披露規定而編製。該等財務報告乃根據歷史成本慣例編製。

綜合基準

綜合財務報告將本公司及旗下所有附屬公司於截至二零零三年十二月三十一日止年度之財務報告均包括在內。年內收購或出售之附屬公司之業績由其被收購之生效日起或至其出售之生效日止綜合計算。集團內各公司間之重大交易及結餘已於綜合賬目時對銷。

少數股東權益指外間股東於本公司附屬公司業績及資產淨值之權益。

附屬公司

附屬公司為本公司直接或間接控制其財務及經營政策，藉此從其業務中取得利益之公司。

附屬公司之業績已計入本公司損益賬，惟以已收及應收股息為限。本公司於附屬公司之權益乃按成本減任何減值虧損列賬。

合營公司

合營公司指本集團與其他人士透過合營安排進行經濟活動。合營公司以獨立實體之形式經營，本集團與其他人士於當中擁有權益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies (continued)

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;
- (c) an associate, if the Company does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (d) a long term investment, if the Company holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

A jointly-controlled entity is a joint venture company which is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly-controlled entity.

3. 主要會計政策概要(續)

合營公司(續)

合營夥伴間訂立之合營企業協議內訂明合營公司各方之出資額、合營企業之期限，以及於解散時變現資產之基準。合營公司業務之損益及任何剩餘資產分派乃根據合營夥伴各自之出資比例或根據合營企業協議之條款攤分。

一家合營企業公司被視為：

- (a) 附屬公司，如本公司對該合營企業公司直接或間接地擁有單獨控制權；
- (b) 共同控制企業，如本公司並無擁有單獨控制權，惟對該合營企業公司直接或間接地擁有共同控制權；
- (c) 聯營公司，如本公司並無擁有單獨或共同控制權，惟一般直接或間接地持有該合營企業公司不少於20%註冊資本，且可對該合營企業公司發揮重要影響力)；或
- (d) 長線投資，如本公司直接或間接地持有該合資企業公司少於20%註冊資本，而並無擁有共同控制權，對該合營公司亦不具重要影響力。

共同控制企業一間受共同控制之合營公司，使任何一個參與方不會對共同控制企業之經濟活動有單一控制權。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Jointly-controlled entities (continued)

The Group's share of the post-acquisition results and reserves of jointly-controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in jointly-controlled entities are stated in the consolidated balance sheet at the Group's share of net assets/liabilities under the equity method of accounting, less any impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the acquisition over the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated balance sheet as an asset and amortised on the straight-line basis over its estimated useful life of 20 years.

Prior to the adoption of SSAP 30 "Business combinations" in 2001, goodwill arising on acquisitions was eliminated against consolidated reserves in the year of acquisition. On the adoption of SSAP 30, the Group applied the transitional provision of the SSAP that permitted such goodwill to remain eliminated against consolidated reserves. Goodwill on acquisitions subsequent to the adoption of the SSAP is treated according to the SSAP 30 goodwill accounting policy above.

On disposal of subsidiaries, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill which remains unamortised and any relevant reserves, as appropriate. Any attributable goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

3. 主要會計政策概要 (續)

共同控制企業 (續)

本集團應佔共同控制企業之收購後業績及儲備分別計入綜合損益賬及綜合儲備內。本集團於共同控制企業之權益，按本集團應佔資產／負債淨值任何減值虧損並按會計權益法計入綜合資產負債表。

商譽

收購附屬公司而產生之商譽乃是於收購日，收購成本較本集團佔可識別之已收購資產及負債之公平值超出之數額。

收購產生之商譽乃於綜合資產負債表內確認為資產，並按其估計可使用年期20年以直線基準攤銷。

於二零零一年採納會計實務準則第30號「業務合併」之前，收購產生之商譽乃於收購年度內在綜合儲備中扣除。於採納會計實務準則第30號「業務合併」後本集團已採納會計實務準則第30號之過渡規定，容許收購所產生之商譽仍然在綜合儲備中扣除。於採納該項會計實務準則後所進行收購產生之商譽乃按上述新會計政策處理。

於出售附屬公司時，出售損益之計算乃參照於出售日之資產淨值，其中包括仍未攤銷之商譽應佔金額及任何有關儲備(如適用)。先前在購入時在綜合儲備中扣除之任何應佔商譽乃撥回及列入出售時損益之計算。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

Impairment of assets

An assessment is made at each balance sheet date of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the profit and loss account in the period in which it arises.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is credited to the profit and loss account in the period in which it arises.

3. 主要會計政策概要(續)

商譽(續)

商譽(包括仍然在綜合儲備扣除之商譽)之賬面值每年檢討，並在認為有需要時就減值作出撇銷。先前就商譽已確認之減值虧損不作撥回，除非減值虧損是由特殊性質而預期不會再發生之特別外部事件引致，而其後之外部事件已發生並已還原該事件之影響。

資產減值

於各結算日進行評估，以決定是否有任何顯示任何資產出現減值，或有任何顯示往年度已確認之減值虧損不再存在或已減少。倘有任何該等顯示存在，該資產之可收回值須予以評估。資產之可收回值定為資產之使用價值與其銷售淨值之較高者。

減值虧損僅於資產面值超出其可收回值時予以確認。減值虧損於其產生之期間在損益賬內扣除。

僅於資產之估計可收回值出現變動時，過往已確認之減值虧損方予以撥回，然而，倘往年度該資產並無已確認之減值虧損，則撥回金額不得超過資產扣除任何折舊／攤銷之賬面值。撥回之減值虧損於其產生之期間計入損益賬內。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after fixed assets have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the fixed asset, the expenditure is capitalised as an additional cost of that asset.

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	15% to 33 $\frac{1}{3}$ % or over the lease terms, whichever is higher
Furniture, fixtures and office equipment	15% to 33 $\frac{1}{3}$ %
Medical equipment	12 $\frac{1}{2}$ % to 20%
Computer equipment and software	20% to 33 $\frac{1}{3}$ %
Motor vehicles	20% to 33 $\frac{1}{3}$ %

The gain or loss on disposal or retirement of a fixed asset recognised in the profit and loss account is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

3. 主要會計政策概要 (續)

固定資產及折舊

固定資產概按成本值減累計折舊入賬。資產之成本值乃將資產之購買價加上將該資產運往所擬作用途之工作環境及地點之任何直接應佔成本。於有形固定資產運作後所引致之維修及保養費用等開支一般均自費用產生期間之損益賬中扣除。倘若可明確顯示該等開支可導致日後使用固定資產而獲得之經濟利益有所增加，則該等開支將資本化為有關固定資產之額外成本。

折舊乃按其估計可使用年期以直線法撇銷其成本值。所採用之主要折舊年率如下：

租賃物業裝修	15% – 33 $\frac{1}{3}$ %或按租約期(以較高者為準)
傢俬、裝置及辦公室設備	15% – 33 $\frac{1}{3}$ %
醫療設備	12 $\frac{1}{2}$ % – 20%
電腦設備及軟件	20% – 33 $\frac{1}{3}$ %
車輛	20% – 33 $\frac{1}{3}$ %

損益賬內所列出售或廢棄固定資產所得之利潤或虧損相當於出售相關資產所得與其賬面值之差額。

經營租賃

所有資產之收益及風險實際上仍歸於出租人之租約均視為經營租約。倘本集團為出租人，本集團根據經營租約租賃之資產乃計入非流動資產，而根據經營租約應收之租金則按直線法在租約期內於損益賬中記入。倘本集團為承租人，有關該等經營租約之租金乃按直線法在租約期內於損益賬中扣除。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long term investments

Long term investments in unlisted equity and debt securities, intended to be held for a continuing strategic or long term purpose, are stated at cost less any impairment losses, on an individual investment basis.

When a decline in the fair value of a security below its carrying amount has occurred, unless there is evidence that the decline is temporary, the carrying amount of the security is reduced to its fair value, as estimated by the directors. The amount of the impairment is charged to the profit and loss account for the period in which it arises. When the circumstances and events which led to the impairment in value cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged is credited to the profit and loss account to the extent of the amount previously charged.

Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for any obsolete or slow-moving items. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred in the process of disposal.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

3. 主要會計政策概要(續)

長期投資

於非上市股本以及債務證券之擬作持續策略性或長線持有之長期投資乃按成本減去個別投資基準之任何減值虧損後列賬。

倘證券之公平價值降至賬面值以下，除非有證據顯示減值只屬暫時性質，否則此證券之賬面值將減至董事所估計之公平價值。減值將在其產生期間之損益賬中扣除。倘任何情況或事件引致減值不再存在，而有明確證據顯示該新情況或事件將於可見將來時間內持續，先前已扣除之減值數額乃按先前已扣除之數額為限計入損益賬。

存貨

存貨乃經對任何陳舊或滯銷項目作出適當撥備後按成本值及可變現淨值兩者中較低者入賬。成本值以成本值加權平均數計算。可變現淨值乃按估計售價扣除任何預期因出售過程中而引致之其他成本計算。

現金及等同現金資產

就綜合現金流動報表而言，現金及等同現金資產指可隨時轉換為已知數額現金，並承受價值變動風險甚微之手頭現金及活期存款短期高流通性投資，一般於購入時三個月內到期，減除須應要求償還之銀行透支及組成本集團現金管理整體一部份。

就資產負債表而言，現金及銀行結存包括手頭現金及銀行現金(包括定期存款)，其用途並無限制。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenue

Deferred revenue represents services fees received in advance. Revenue is recognised and deferred revenue is released to the profit and loss account when the corresponding services are rendered.

Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interest in a joint venture, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilised:

3. 主要會計政策概要 (續)

遞延收入

遞延收入指預先收取之服務費。收入及遞延收入乃於提供相關服務時分別於損益賬確認及除解。

所得稅

所得稅包括即期及遞延稅項。倘所得稅關乎同一或不同期間直接於股本確認之項目，則於損益表或股本確認。

遞延稅項乃採用負債法，對於結算日資產及負債之計稅基準及該等項目之賬面值之一切暫時性差額就財務申報而作出撥備。

遞延稅項負債就一切暫時差額予以確認：

- 惟商譽或於一宗交易中首次確認之資產或負債（並非業務合併且於交易時並不影響會計溢利或應課稅溢利或虧損）所產生之遞延稅項負債除外；及
- 就與於附屬公司之投資及於合營企業之權益有關之應課稅暫時差額而言，除非撥回暫時差額之時間可以控制及暫時差額可能不會在可見將來撥回。

所有可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷，以動用該等可予扣減暫時差額、未動用稅項資產結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產：

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

- except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and interest in a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- from the provision of services, including medical services, nursing, physiotherapy and dental services, elderly care services and healthcare transaction processing and related services, on the provision of the relevant services;

3. 主要會計政策概要(續)

所得稅(續)

- 惟關乎於一宗交易中首次確認之資產或負債(並非業務合併且於交易時並不影響會計溢利或應課稅溢利或虧損)所產生之可予扣減暫時差額之遞延稅項資產除外；及
- 就與於附屬公司之投資及於合營企業之權益有關之可予扣減暫時差額，僅於暫時差額可能會在可見將來撥回及將有應課稅溢利作為抵銷，以動用暫時差額之情況下，才確認遞延稅項資產。

遞延稅項資產之賬面值乃於各結算日進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部份遞延稅項資產為止。相反，先前未確認之遞延稅項資產乃於可能獲得足夠應課稅溢利以動用全部或部份遞延稅項資產之情況下予以確認。

遞延稅項資產及負債乃根據於結算日已實施或已大致實施之稅率(及稅務法例)，按變現資產或清償負債之期間預期適用之稅率予以估量。

收入確認

收入乃於本集團可能獲得經濟利益而該等收入又可以用可靠之方法計算時按下列基準入賬：

- 提供服務(包括醫療、護理、物理治療、牙醫服務、護老服務及保健交易處理及相關服務)之費用收入：在提供有關服務時；

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Hong Kong Employment Ordinance long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance (the "Employment Ordinance") in the event of the termination of their employment. The Group is liable to make such payments in the event that such a termination of employment meets the circumstances specified in the Employment Ordinance.

3. 主要會計政策概要 (續)

收入確認 (續)

- (b) 貨物之銷售：於擁有權之重大風險及回報均轉讓予買家時；惟在本集團已不能就其擁有權作出相關之行政參與；及對售出之貨物之銷售亦無有效之控制權；
- (c) 租金收入：按租賃期以時間比例基準計算；
- (d) 利息收入：按時間比例以尚未償還之本金及按適用之實際利率計算；及
- (e) 股息收入：當股東收取之權利已確立時。

僱員福利

有薪假期結轉

本集團根據僱員合約按曆年基準給予其僱員有薪年假。在若干情況下，於結算日未支取之年假容許結轉，留待有關僱員於來年享用。於結算日，將會就年內僱員享有之有關有薪假期之預期未來成本作出累算並予結轉。

香港僱傭條例長期服務金

本集團若干僱員在本集團已工作滿所需服務年期，根據香港僱傭條例（「僱傭條例」）合資格於終止受聘時獲取長期服務金。倘若終止聘用符合僱傭條例所規定之若干情況，本集團有責任支付有關服務金。

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Hong Kong Employment Ordinances long service payments (continued)

A contingent liability is disclosed in respect of possible future long service payments to employees, as a number of current employees have achieved the required number of years of service to the Group, to the balance sheet date, in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated in the circumstances specified. A provision has not been recognised 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.

Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

3. 主要會計政策概要(續)

僱員福利(續)

香港僱傭條例長期服務金(續)

由於若干僱員已於結算日為本集團服務滿僱傭條例項下合資格於終止僱用時獲取長期服務金之所需年資，有關可能於未來支付予僱員之長期服務金之或然負債已作披露。由於該情況不大可能導致本集團未來有重大資源流出，因此並無就有關可能服務金確認撥備。

退休福利計劃

本集團據香港強制性公積金計劃條例設立一項界定供款強制性公積金退休福利計劃(「強積金計劃」)，供合資格僱員參加。供款額為僱員基本薪金的若干個百分比，並於根據強積金計劃之規則成為應付時在損益賬中扣除。強積金計劃的資產由獨立於本集團資產之一個獨立行政基金持有。本集團之僱主供款在注入強積金計劃後，便全數歸於僱員；本集團之僱主自願供款則除外；根據強積金計劃之規則，倘僱員在可獲全數供款前離職，則該筆僱主自願供款便退還本集團。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share option scheme and share incentive plan

The Company operates a share option scheme and a share incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The financial impact of share options granted under the share option scheme/ share incentive plan is not recorded in the Company's or the Group's balance sheet until such time as the options are exercised, and no charge is recorded in the profit and loss account or balance sheet for their cost. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which are cancelled prior to their exercise date, or which lapse, are deleted from the register of outstanding options.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits or contributed surplus within the capital and reserves section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. 主要會計政策概要 (續)

僱員福利 (續)

購股權及股份獎勵計劃

本公司設立購股權計劃及股份獎勵計劃旨在鼓勵及獎賞對本集團業務有所貢獻之合資格參與者。已按購股權計劃/股份獎勵計劃授出購股權之財務影響不會於本公司或本集團之資產負債表內記錄，直至購股權獲行使為止，而購股權之成本亦不會於損益賬或資產負債表內記錄為開支。於行使購股權後，所導致發行之股份乃按股份面值記錄為本公司之額外股本，而每股行使價超逾股份面值之部份則會計入本公司之股份溢價賬。於行使日期前被註銷或失效之購股權將自尚未行使購股權登記冊內刪除。

股息

董事建議派付之末期股息於資產負債表之資本及儲備項下另獨立列作保留溢利或繳入盈餘之分配，直至股東於股東周年大會批准派付該等股息。倘該等股息獲股東批准，並予以宣派，則確認為負債入賬。

中期股息由本公司同時建議及宣派，因本公司之公司細則及章程授權董事宣派中期股息之權利。故此，中期股息於建議派付及宣派時隨即確認為負債。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

Foreign currency transactions are recorded at the applicable exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the applicable exchange rates ruling at that date. Exchange differences are dealt with in the profit and loss account.

On consolidation, the financial statements of overseas subsidiaries are translated to Hong Kong dollars using the net investment method. The profit and loss accounts of overseas subsidiaries are translated to Hong Kong dollars at the weighted average exchange rates for the year, and their balance sheets are translated to Hong Kong dollars at the exchange rates ruling at the balance sheet date. The resulting translation differences are included in the exchange fluctuation reserve.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. 主要會計政策概要(續)

外幣

外幣交易乃按個別交易日之適用匯率計算。於結算日以外幣為單位之貨幣資產及負債均按該日之適用匯率換算。匯兌差額均列入損益賬中處理。

於綜合賬目時，海外附屬公司之財務報告乃按淨投資法折算為港元，而海外附屬公司之損益賬則按照該年度之加權平均匯率折算為港元。海外附屬公司之資產負債表乃按結算日之匯率折算為港元。所產生之匯兌差額已計入匯兌波動儲備內。

就綜合現金流量報表而言，海外附屬公司之現金流量乃按照現金流量產生日期之匯率折算為港元。海外公司於整年內經常出現之現金流量乃按該年度之加權平均匯率折算為港元。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

4. SEGMENT INFORMATION

Segment information is presented by way of the Group's primary segment reporting basis, by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Hong Kong, and over 90% of the Group's assets are located in Hong Kong.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

Continuing operations

- (a) the medical services segment engages in the provision of medical services;
- (b) the nursing, physiotherapy and dental services ("nursing, physio & dental services") segment engages in the provision of nursing, physiotherapy and dental services;
- (c) the elderly care services segment engages in the provision of elderly care services;

3. 主要會計政策概要 (續)

有關連人士

倘有能力直接或間接控制其他人士，或在作出財務及經營決策時對其他人士發揮重大影響力之人士乃屬有關連人士。倘須受共同控制或共同重大影響力者亦屬有關連人士。有關連人士可為個別人士或公司實體。

4. 分類資料

分類資料以本集團按業務分類作主要呈列方式。於釐定本集團地區分類資料時，收入乃按客戶所處地區分類，而資產則按資產所處位置歸入各分類。由於本集團逾90%之收入乃源自香港客戶及逾90%之資產乃位於香港，故此並無進一步呈列地區分類資料。

本集團之經營業務乃根據業務性質及所提供之產品及服務而劃分架構及獨立管理。本集團每個業務分類均代表一個提供產品及服務之策略性業務單元，所承受之風險及所獲得之回報可與其他業務分類有所不同。業務分類之概要如下：

持續經營業務

- (a) 醫療服務類，從事提供醫療服務；
- (b) 護理、物理治療及牙科服務類（「護理、物理治療及牙科服務」），從事提供護理、物理治療及牙科服務；
- (c) 護老服務類，從事提供護老服務；

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4. SEGMENT INFORMATION (continued)

Continuing operations (continued)

- (d) the corporate and other segment comprises the Group's intra-group management service businesses, which principally provides management and other services to group companies, together with other corporate income and expense items; and

Discontinued operations

- (e) the healthcare transaction operations segment engaged in the provision of healthcare transaction processing and related services and medical equipment distribution, which was discontinued during the prior year.

Further details of the discontinuance of the operations under the healthcare transaction operations segment are set out in note 6 to the financial statements.

Intersegment sales and transfers are transacted at mutually agreed terms.

4. 分類資料(續)

持續經營業務(續)

- (d) 企業及其他類別，包括本集團之集團間管理服務業務，主要向集團公司提供管理及其他服務，以及其他企業收入及開支項目；及

已終止經營業務

- (e) 保健交易業務類，提供保健交易處理及相關服務及醫療設備經銷(已於往年終止經營)。

保健交易業務類項下已終止經營業務之進一步詳情載於財務報告附註6。

分類間之銷售及轉讓乃根據相互協定之條款進行交易。

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4. SEGMENT INFORMATION (continued)

Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments.

Group 集團

4. 分類資料(續)

業務分類

下表呈列本集團業務分類之收入、溢利／(虧損)以及若干資產、負債及開支資料。

	Continuing operations 持續經營業務						Discontinued operations 已終止經營業務							
	Medical services 醫療服務		Nursing, physio & dental services 護理、物理治療 及牙科服務		Elderly care services 護理服務		Corporate and other 企業及其他		Healthcare transaction operations 保健交易業務		Eliminations 對銷		Consolidated 綜合	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Segment revenue: 分類收入:														
Sales to external customers 銷售予外來客戶	578,487	571,362	57,772	53,574	107,263	112,198	-	-	-	16,016	-	-	743,522	753,150
Intersegment revenue 分類間收入	3,332	2,944	8,114	9,631	183	100	-	2,449	-	12,657	(11,629)	(27,781)	-	-
Other revenue and gains 其他收入及收益	4,834	5,496	612	831	494	436	881	138	-	2,634	-	-	6,821	9,535
Total 總計	586,653	579,802	66,498	64,036	107,940	112,734	881	2,587	-	31,307	(11,629)	(27,781)	750,343	762,685
Segment results 分類業績	50,033	41,663	3,838	1,848	(2,960)	(1,604)	(8,781)	(13,009)	-	(2,637)	-	(12,449)	42,130	13,812
Unallocated interest income 未分配利息收入													770	98
Unallocated expenses 未分配開支													(9,559)	(491)
Gain on disposal/deemed disposal of discontinued operations 出售/視作出售已終止經營業務之收益													-	37,142
Profit from operating activities 經營活動溢利													33,341	50,561
Finance costs 融資費用													(1,440)	(5,338)
Share of results of a jointly-controlled entity 應佔一間共同控制企業業績	1,471	(613)	-	-	-	-	-	-	-	-	-	-	1,471	(613)
Profit before tax 除稅前溢利													33,372	44,610
Tax 稅項													(8,933)	(5,600)
Profit before minority interests 除少數股東權益前溢利													24,439	39,010
Minority interests 少數股東權益													-	15,134
Net profit from ordinary activities attributable to shareholders 股東應佔日常業務純利													24,439	54,144

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4. SEGMENT INFORMATION (continued)

4. 分類資料 (續)

Business segments (continued)

業務分類 (續)

Group 集團

	Continuing operations 持續經營業務						Discontinued operations 已終止經營業務							
	Medical services 醫療服務		Nursing, physio & dental services 護理、物理治療 及牙科服務		Elderly care services 護老服務		Corporate and other 企業及其他		Healthcare transaction operations 保健交易業務		Eliminations 對銷		Consolidated 綜合	
	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Segment assets 分類資產	149,282	162,480	13,639	13,264	43,057	46,798	6,837	9,117	-	-	-	-	212,815	231,659
Unallocated assets 未分配資產													9,744	48,060
Total assets 總資產													222,559	279,719
Segment liabilities 分類負債	61,280	70,543	5,245	4,795	11,099	11,460	7,919	16,953	-	-	-	-	85,543	103,751
Unallocated liabilities 未分配負債													29,186	82,178
Total liabilities 總負債													114,729	185,929
Other segment information: 其他分類資料:														
Depreciation and amortisation 折舊及攤銷	9,641	8,438	1,795	1,878	10,075	10,171	128	246	-	1,278	-	-	21,639	22,011
Unallocated amortisation 未分配攤銷	-	-	-	-	-	-	-	-	-	-	-	-	-	491
Impairment losses recognised in the profit and loss account 於損益賬確認之減值虧損	-	-	-	-	-	-	-	-	-	3,143	-	-	-	3,143
Provision for bad and doubtful debts 呆壞賬撥備	-	1,073	-	36	1,393	48	-	-	-	-	-	-	1,393	1,157
Loss/(gain) on disposal/write off of fixed assets 出售/撇銷固定資產之虧損/(收益)	302	625	8	145	60	462	(25)	1	-	25	-	-	345	1,258
Provision for properties for sale 待出售物業撥備	-	-	-	-	-	-	-	-	-	499	-	-	-	499
Waiver of an amount due from a jointly-controlled entity 免除一間共同控制企業之欠款	1,107	-	-	-	-	-	-	-	-	-	-	-	1,107	-
Capital expenditure 資本開支	7,240	9,108	1,270	1,349	328	893	17	73	-	141	-	-	8,855	11,564

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5. TURNOVER AND REVENUE

Turnover from continuing operations represents fees earned for the provision of medical services, nursing, physiotherapy and dental services and elderly care services.

Turnover from discontinued operations included revenue from healthcare transaction operations, which represented fees earned for the provision of healthcare transaction processing and related services and the net invoiced value of goods sold, after allowances for returns and trade discounts.

Revenue from the following activities has been included in turnover:

5. 營業額及收入

來自持續經營業務之營業額指提供醫療服務、護理、物理治療及牙醫服務及護老服務。

已終止經營業務營業額包括保健交易業務及有關業務之收入，指提供保健交易處理所賺取之費用，以及售貨之發票淨值（經撇除退回及營業折扣）。

來自下列各項業務之收入已計入營業額內：

Continuing operations: 持續經營業務：

Medical services 醫療服務
Nursing, physiotherapy and dental
services 護理、物理治療及牙科服務
Elderly care services 護老服務

Discontinued operations: 已終止經營業務：

Healthcare transaction operations 保健交易業務

Group 集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
578,487	571,362
57,772	53,574
107,263	112,198
743,522	737,134
—	16,016
743,522	753,150

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6. DISCONTINUED OPERATIONS

In view of the Group's strategy to concentrate on its core/profitable activities, in 2002, the Group discontinued its healthcare transaction operations as detailed below:

- (i) On 11 February 2002, Wanji Pharmaceutical Holdings Limited (formerly ehealthcareasia Limited ("EHA")), a then subsidiary of the Company, entered into a disposal agreement with an independent third party for the disposal of the Group's entire equity interest in a subsidiary, Top Quality Global Inc. ("Top Quality"), and the assignment to the purchaser all the rights to the repayment of an aggregate outstanding loan owed by Top Quality to the Group of approximately HK\$14.5 million, for an aggregate cash consideration (net of related costs) of approximately HK\$7.4 million. The principal activities of Top Quality and its subsidiaries comprised the telemarketing operations of the Group, which were reported under the healthcare transaction operations segment of the Group. Further details of the disposal are also set out in a circular of the Company dated 8 March 2002.

The disposal was completed on 12 February 2002 and the discontinuance of the telemarketing operations of the Group was then completed. HK\$6.9 million of the disposal consideration (net of related costs) was received in February 2002 and the balance of HK\$0.5 million was received in October 2002. The carrying amount of the net assets disposed of amounted to approximately HK\$7.5 million. The loss on disposal of such operations amounted to approximately HK\$0.5 million (after the release of a debit exchange fluctuation reserve of HK\$0.4 million). There was no tax arising from the disposal.

- (ii) On 8 August 2002, EHA entered into a conditional shares subscription agreement (the "Shares Subscription Agreement") with Wealth Generator Limited ("Wealth Generator"), an independent third party, in relation to the subscription of 5,000,000,000 new EHA shares by Wealth Generator at a subscription price of HK\$0.01 per EHA share in respect of 4,999,998,000 EHA shares and at a subscription price of HK\$0.08 per EHA share in respect of 2,000 EHA shares. The Shares Subscription Agreement was approved by the Company's independent shareholders on 2 October 2002.

6. 已終止經營業務

鑑於本集團專注核心／有盈利之業務之策略性，本集團於二零零二年終止保健交易業務，詳情如下：

- (i) 於二零零二年二月十一日，本公司當時的附屬公司Wanji Pharmaceutical Holdings Limited (前稱ehealthcareasia Limited ("EHA")) 與一名獨立第三方訂立出售協議，據此出售本集團於附屬公司Top Quality Global Inc. ("Top Quality") 之全部股本權益，並轉讓償還Top Quality 尚欠本集團之貸款總額約14,500,000港元之所有權利予買方，合共作價現金(已扣除有關成本)約為7,400,000港元。Top Quality 及其附屬公司之主要業務包括本集團之電話傳銷業務，而該項業務乃歸入本集團之保健交易業務分類中申報。出售事項之進一步詳情亦載於本公司於二零零二年三月八日刊發之通函內。

出售事項已於二零零二年二月十二日完成，而本集團之電話傳銷業務已告終止。本集團已於二零零二年二月收取出售事項之代價(已扣除有關開支)6,900,000港元，而餘額500,000港元亦已於二零零二年十月收取。已出售淨資產之賬面值約為7,500,000港元。出售該項業務之虧損約為500,000港元(計及解除一項負滙兌波動儲備約400,000港元後)。出售事項並無產生稅項。

- (ii) 於二零零二年八月八日，EHA與獨立第三方Wealth Generator Limited ("Wealth Generator") 訂立一項有條件股份認購協議("股份認購協議")，內容為關於Wealth Generator認購5,000,000,000股EHA新股份，當中4,999,998,000股EHA股份為以每股0.01港元之認購價認購，而2,000股EHA股份則以每股0.08港元之認購價認購。股份認購協議已於二零零二年十月二日獲本公司獨立股東批准。

6. DISCONTINUED OPERATIONS (continued)

The total consideration for the shares subscription (before deducting any incidental costs) amounted to approximately HK\$50 million, which was settled in cash by Wealth Generator upon completion. The Shares Subscription Agreement was completed on 4 October 2002. Upon the completion of the Shares Subscription Agreement, the Group's equity interest in EHA was diluted from 53.75% to 4.37% and EHA ceased to be a subsidiary of the Group (the "Deemed Disposal"). Further details of the Deemed Disposal are also set out in a circular of the Company dated 11 September 2002.

On 28 October 2002, the Company disposed of its remaining 4.37% equity interest in EHA (the "Disposal"), being 237,745,963 EHA shares by accepting a cash offer by Wealth Generator at HK\$0.08 per EHA share. The cash consideration for the Disposal pursuant to the cash offer of approximately HK\$19 million was received in November 2002. The incidental costs related to the Disposal/Deemed Disposal were approximately HK\$6.1 million. The gain on the Disposal and the Deemed Disposal (after the release of a debit exchange fluctuation reserve of HK\$67,000) and the consolidated net liabilities of EHA disposed of were approximately HK\$37.6 million and HK\$24.8 million, respectively. There was no tax arising from the Disposal/Deemed Disposal.

Upon the completion of the Disposal, the Group no longer had any interest in EHA, except for its holding of a convertible note with a face value of HK\$7 million, carrying the right to convert into new EHA shares at HK\$0.05 per EHA share (subject to adjustment), as further detailed in note 19 to the financial statements. The Disposal effectively completed the discontinuance of the remaining healthcare transaction operations of the Group, which were reported under the healthcare transaction operations segment of the Group. Further details of the Disposal are also set out in a circular of the Company dated 11 September 2002 and an announcement of the Company dated 28 October 2002.

6. 已終止經營業務 (續)

股份認購之總代價(未扣除任何預計附帶成本前)約為50,000,000港元，經由Wealth Generator於完成時以現金支付。股份認購協議已於二零零二年十月四日完成。於股份認購協議完成後，本集團於EHA之股權由53.75%攤薄至4.37%，而EHA終止為本集團之附屬公司(「視作出售事項」)。視作出售事項之進一步詳情亦載於本公司於二零零二年九月十一日刊發之通函內。

於二零零二年十月二十八日，本公司藉接納Wealth Generator之每股EHA股份0.08港元之現金收購建議，出售其於EHA餘下之4.37%股本權益(即237,745,963股EHA股份)(「出售事項」)。根據現金收購建議有關出售事項之現金代價約為19,000,000港元已於二零零二年十一月收取。出售事項／視作出售事項相關成本約6,100,000港元。出售事項／視作出售事項之收益(已計及解除一項負匯兌波動儲備67,000港元)及已出售EHA負資產之綜合負債淨額分別約為37,600,000港元及24,800,000港元。出售事項／視作出售事項並無產生稅項。

於出售事項完成後，本集團除持有面值7,000,000港元，附帶權利可按每股EHA股份0.05港元(可予調整)轉換為EHA新股份之可換股票據(詳情見財務報告附註19)外，再無持有EHA任何權益。出售事項已實際上終止本集團餘下之保健交易業務(已作為本集團保健交易業務類別呈報)。有關出售之進一步詳情，亦載於本公司於二零零二年九月十一日刊發之通函，以及於二零零二年十月二十八日刊發之本公司公佈內。

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6. DISCONTINUED OPERATIONS (continued)

The turnover, other revenue and gains, expenses, profit from ordinary activities attributable to the discontinued operations for the year ended 31 December 2002 are as follows:

	HK\$'000 千港元
Turnover 營業額	16,016
Other revenue and gains 其他收入及收益	2,817
Purchases and changes in inventories of finished goods 製成品存貨之採購及變動	(9,024)
Staff costs 員工成本	(11,259)
Depreciation and amortisation 折舊及攤銷	(1,278)
Impairment losses 減值虧損	(3,143)
Other operating expenses 其他經營開支	(6,766)
Gain on disposal/deemed disposal of discontinued operations 出售／視作出售已終止經營業務之收益	37,142
Profit from operating activities 經營活動溢利	24,505
Finance costs 融資費用	(338)
Profit from ordinary activities 日常業務溢利	24,167

The net cash flows attributable to the discontinued operations for the year ended 31 December 2002 are as follows:

	HK\$'000 千港元
Net cash outflow from operating activities 經營活動現金流出淨額	(18,833)
Net cash inflow from investing activities 投資活動現金流入淨額	4,743
Net cash inflow from financing activities 融資活動現金流入淨額	19,797
Net cash inflow 現金流入淨額	5,707

6. 已終止經營業務(續)

於截至二零零二年十二月三十一日止年度，已終止經營業務所應佔營業額、其他收入及收益、開支、日常業務溢利如下：

截至二零零二年十二月三十一日止年度，已終止經營業務應佔之現金流量淨額如下：

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7. PROFESSIONAL FEES IN CONNECTION WITH A TAKEOVER

The professional fees were incurred in connection with a conditional offer (the "Offer") by Anglo Chinese Corporate Finance, Limited on behalf of Caduceus Medica Limited, a company beneficiary owned by a then director of the Company, for shares in the Company other than those held by Caduceus Medica Limited as further detailed in a response document of the Company dated 1 April 2003, and other related activities. The Offer (as revised) lapsed on 7 May 2003.

7. 有關一項收購之專業服務費

該等專業服務費乃因英高財務顧問有限公司代表Caduceus Medica Limited (本公司當時一位董事實益擁有之公司) 提出有關收購本公司股份(Caduceus Medica Limited持有之股份除外) 之有條件收購建議 (「收購建議」) (詳見本公司於二零零三年四月一日刊發之回應文件) 及其他相關活動產生。該項收購建議 (經修訂) 於二零零三年五月七日失效。

8. CORPORATE RESTRUCTURING EXPENSES

The expenses were incurred in connection with a restructuring of the corporate head office of the Group during the year, which included compensation for the termination of the service agreements of certain senior executives (including a director of the Company) of the Group.

8. 公司重組開支

該等開支因年內重組本集團總辦事處而產生，包括終止本集團若干高級行政人員 (包括本公司一位董事) 之服務協議所支付之補償。

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9. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging:

9. 經營活動溢利

本集團之經營活動溢利經扣除下列各項：

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Cost of inventories sold/dispensary supplies consumed and services provided 已出售之存貨／已耗用之藥物供應之成本及已提供之服務	604,990	637,137
Depreciation 折舊	21,148	21,737
Software licence rights: 軟件許可權：		
Amortisation for the year* 年內攤銷*	—	274
Impairment arising during the year** 年內出現之減值**	—	3,143
	—	3,417
Amortisation of goodwill* 商譽攤銷*	491	491
Provision against properties for sale 待出售物業撥備	—	499
Provision for bad and doubtful debts 呆壞賬撥備	1,393	1,157
Waiver of an amount due from a jointly-controlled entity 免除一間共同控制企業之欠款	1,107	—
Minimum lease payments under operating leases in respect of land and buildings 根據有關土地及樓宇之經營租約之最低租金付款	70,230	73,861
Staff costs (excluding directors' remuneration (note 11)): 員工成本(不包括董事酬金(附註11))：		
Salaries, wages, allowances and bonuses 薪金、工資、津貼及紅利	248,529	273,203
Retirement benefits scheme contributions (defined contribution scheme)# 退休福利計劃供款(既定供款計劃)#	6,324	6,457
	254,853	279,660
Auditors' remuneration 核數師酬金	860	1,050
Foreign exchange losses, net 滙兌虧損淨額	37	60
Loss on disposal/write off of fixed assets 出售／撇銷固定資產之虧損	345	1,258
and after crediting: 並經計入：		
Interest income 利息收入	770	401
Net rental income 租金收入淨額	115	714
Dividend income from an unlisted investment 來自一項非上市投資之股息收入	133	228

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9. PROFIT FROM OPERATING ACTIVITIES (continued)

- * The amortisation of software licence rights and goodwill are included in "Depreciation and amortisation" on the face of the consolidated profit and loss account.
- ** The impairment of software licence rights is included in "Impairment losses" on the face of the consolidated profit and loss account.
- # At 31 December 2003, the Group had no forfeited contributions available to reduce contributions to its retirement benefits scheme in future years (2002: Nil).

9. 經營活動溢利(續)

- * 軟件許可權及商譽攤銷已計入綜合損益賬中「折舊及攤銷」一項。
- ** 軟件許可權減值已計入綜合損益賬中「減值虧損」一項。
- # 於二零零三年十二月三十一日，並無沒收供款可供本集團用以減少其於未來年度向退休金計劃供款(二零零二年：無)。

10. FINANCE COSTS

10. 融資費用

Interest on: 付利息予：

Bank loans and overdrafts wholly repayable within five years

須於五年內悉數償還之銀行貸款及透支

Other loans wholly repayable within five

years 須於五年內償還之其他貸款

Finance leases and hire purchase contracts 融資租賃及租購合約

Group 集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
1,440	5,218
—	113
—	7
1,440	5,338

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11. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Section 161 of the Hong Kong Companies Ordinance is as follows:

Fees 袍金

Other emoluments: 其他酬金：

Salaries, allowances and benefits in kind 薪金、津貼及實物福利

Compensation for loss of office* 離職補償*

Retirement benefits scheme contributions 退休金計劃供款

11. 董事酬金

根據香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例第161條須予披露之本年度董事酬金詳情如下：

Group 集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Fees 袍金	
902	706
Other emoluments: 其他酬金：	
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	4,663
Compensation for loss of office* 離職補償*	7,225
Retirement benefits scheme contributions 退休金計劃供款	—
21	36
9,332	7,261
10,234	7,967

Fees include HK\$902,000 (2002: HK\$706,000) paid to the independent non-executive directors of the Company. There were no other emoluments paid or payable to the independent non-executive directors during the year (2002: Nil).

The number of directors whose remuneration fell within the following bands is as follows:

袍金包括已付本公司獨立非執行董事之902,000港元（二零零二年：706,000港元）。於年內，並無其他已付或應付予獨立非執行董事之酬金（二零零二年：無）。

酬金介乎下列範圍之董事人數：

		Number of directors 董事人數	
		2003 二零零三年	2002 二零零二年
Nil – HK\$1,000,000	無 – 1,000,000港元	10	8
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1	—
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	1	1
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	—	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	—	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元	—	1
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元	1	—
HK\$4,000,001 – HK\$4,648,000	4,000,001港元 – 4,648,000港元	—	—
HK\$4,648,001 – HK\$5,000,000	4,648,001港元 – 5,000,000港元	—	—
HK\$5,000,001 – HK\$6,000,000	5,000,001港元 – 6,000,000港元*	1	—
* This included compensation for loss of office of HK\$4,648,000 (2002: Nil) paid to the director during the year.			
* 這包括年內付予此董事作為離職補償之款項4,648,000港元（二零零二年：無）。			
		13	11

* The compensation for the termination of the service agreement of a director of approximately HK\$4.6 million (2002: Nil) is included in "Corporate restructuring expenses" on the face of the consolidated profit and loss account.

* 終止一名董事之服務協議之補償約4,600,000港元（二零零二年：無）已計入綜合損益賬「公司重組開支」一項。

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11. DIRECTORS' REMUNERATION (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2002: Nil).

During the year, no share option (2002: 5,500,000 share options) was granted to the directors in respect of their services to the Group. No value in respect of the share options granted during the prior year was charged to the profit and loss account, or was otherwise included in the above directors' remuneration disclosures.

11. 董事酬金 (續)

年內並無作出董事放棄或同意放棄收取任何酬金之安排 (二零零二年：無)。

年內，並無就董事向本集團提供服務而向彼等授出購股權 (二零零二年：5,500,000份購股權)。往年度所授出購股權之價值概無自損益賬扣除或計入上述董事之酬金披露。

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2002: one) director, details of whose remuneration are set out in note 11 above. Details of the remuneration of the remaining four (2002: four) non-director, highest paid employees for the year are as follows:

12. 五位最高薪僱員

年內五位最高薪僱員包括一位 (二零零二年：一位) 董事，其酬金詳情載於上文附註 11。其他四位 (二零零二年：四位) 最高薪僱員 (非董事) 本年度之酬金如下：

Salaries, allowances and benefits in kind
薪金、津貼及實物福利
Retirement benefits scheme contributions
退休金計劃供款

Group 集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
19,987	19,066
48	48
20,035	19,114

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

年內屬非董事之最高薪僱員之酬金介乎：

HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元
HK\$4,500,001 – HK\$5,000,000	4,500,001港元 – 5,000,000港元
HK\$5,000,001 – HK\$6,000,000	5,000,001港元 – 6,000,000港元
HK\$6,000,001 – HK\$7,000,000	6,000,001港元 – 7,000,000港元
HK\$7,000,001 – HK\$8,000,000	7,000,001港元 – 8,000,000港元

Number of employees 職員人數	
2003 二零零三年	2002 二零零二年
1	1
2	–
–	2
–	1
1	–
4	4

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12. FIVE HIGHEST PAID EMPLOYEES (continued)

During the year, no share option was granted to the non-director, highest paid employees. During the prior year, 1,500,000 share options were granted to the four non-director, highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. No value in respect of the share options granted during the prior year was charged to the profit and loss account, or was otherwise included in the above non-director, highest paid employees' remuneration disclosures.

13. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2002: 16.0%) on the estimated assessable profits arising in Hong Kong during the year. The increased Hong Kong profits tax rate became effective from the year of assessment 2003/2004, and so is applicable to the assessable profits arising in Hong Kong for the whole of the year ended 31 December 2003.

Group: 本集團：

Current – Hong Kong 本期－香港

Charge for the year 本年度稅項支出

Underprovision in prior years 往年撥備不足

Deferred (note 27) 遞延稅項 (附註27)

Total tax charge for the year 本年度稅項支出總額

12. 五位最高薪僱員 (續)

年內並無就非董事最高薪僱員授出購股權。上年度，就四名非董事最高薪僱員向本集團提供之服務向彼等授出1,500,000份購股權，進一步詳情載於財務報告附註29。上年度所授出購股權之價值概無自損益賬扣除或計入上述非董事最高薪僱員之酬金披露。

13. 稅項

香港利得稅已按年內源自香港的估計應課稅溢利以17.5% (二零零二年：16.0%) 的稅率撥備。增加之香港利得稅率自二零零三／二零零四課稅年度起生效，故此適用於截至二零零三年十二月三十一日止年度全年源自香港之應課稅溢利。

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2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
3,403	3,300
6,298	—
(768)	2,300
8,933	5,600

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13. TAX (continued)

A reconciliation of the tax expense applicable to profit before tax using the Hong Kong statutory tax rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

13. 稅項 (續)

適用於按香港法定稅率計算之除稅前溢利之稅項支出與按有效稅率計算之稅項支出之調節及適用稅率(即法定稅率)與有效稅率之調節如下：

	Group 集團			
	2003 二零零三年		2002 二零零二年	
	HK\$'000 千港元	%	HK\$'000 千港元	%
Profit before tax 除稅前溢利	33,372		44,610	
Tax at the statutory tax rate 按法定稅率計算之稅項	5,840	17.5	7,138	16.0
Effect on opening deferred tax of increase in statutory tax rate 法定稅率增加對期初遞延稅項之影響	234	0.7	—	—
Adjustments in respect of current tax of prior years 就往年度當期稅項作出之調整	6,298	18.9	—	—
Income not subject to tax 不須繳稅之收入	(60)	(0.2)	(6,043)	(13.5)
Expenses not deductible for tax 不可扣減稅項之支出	1,940	5.8	3,258	7.3
Effect of unused tax losses for the year not recognised 未確認之本年度未動用稅項虧損之影響	867	2.6	1,598	3.6
Tax losses utilised from previous periods 以往期間動用之稅項虧損	(6,186)	(18.5)	(351)	(0.8)
Tax charge at the Group's effective rate 按本集團有效稅率計算之稅項支出	8,933	26.8	5,600	12.6

At the balance sheet date, the Hong Kong Inland Revenue Department (the "IRD") had tax disputes with certain medical practices in which the Group has business interest related to prior years and issued notices of additional assessments to the medical practices. The Group is in the process of finalising this matter with the IRD. Based on the current estimation in respect of the additional tax demanded by the IRD, a provision of HK\$6,298,000 (2002: Nil) is included in the current tax charge for the year. The directors consider that there is no material unprovided profits tax in this regard.

於結算日，香港稅務局(「稅務局」)與本集團有業務利益關係之若干醫療機構有稅務糾紛，並向該等醫療機構發出補加評稅通知。本集團現正與稅務局解決此事。根據就稅務局要求繳納之補加稅項作出之本期稅項估計，為數6,298,000港元(二零零二年：無)之撥備已計入本年度之本期稅項支出。就此董事認為並無重大未撥備之利得稅。

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14. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2003 dealt with in the financial statements of the Company, was a net loss of HK\$31,820,000 (2002: HK\$7,980,000).

14. 股東應佔日常業務純利

截至二零零三年十二月三十一日止年度撥入本公司之財務報告內計算之股東應佔日常業務純利為淨虧損31,820,000港元(二零零二年：7,980,000港元)。

15. DIVIDEND

Proposed final –

HK2.25 cents (2002: HK5.0 cents as restated*) per ordinary share

建議末期股息－每股普通股2.25港仙(二零零二年：5.0港仙(重列*))

* As adjusted to reflect the consolidation of shares during the year (note 28(ii)(b)).

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

15. 股息

2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
4,874	10,817

* 經調整以反映年內之股份合併(附註28(ii)(b))。

本年度建議末期股息須待本公司股東於應屆股東週年大會上批准方可作實。

16. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$24,439,000 (2002: HK\$54,144,000), and the weighted average of 216,375,934 (2002: 216,367,901 as restated) ordinary shares in issue during the year, as adjusted to reflect the consolidation of shares during the year (note 28(ii)(b)).

The calculation of diluted earnings per share for the year is based on the net profit attributable to shareholders for the year of HK\$24,439,000 (2002: HK\$54,144,000). The weighted average number of ordinary shares used in the calculation is the 216,375,934 (2002: 216,367,901 as restated) ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average of 346,403 (2002: 110,464 as restated) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options during the year, as adjusted to reflect the consolidation of shares during the year (note 28(ii)(b)).

16. 每股盈利

每股基本盈利乃根據年內股東應佔純利24,439,000港元(二零零二年：54,144,000港元)，以及年內已發行普通股加權平均數216,375,934股(二零零二年：216,367,901股(重列))計算，經調整以反映年內之股份合併(附註28(ii)(b))。

本年度每股攤薄盈利乃根據本年度股東應佔純利24,439,000港元(二零零二年：54,144,000港元)計算。於計算時所採用之普通股加權平均數乃指計算每股基本盈利所採用之年內已發行普通股216,375,934股(二零零二年：216,367,901股(重列))，以及假設行使年內所有尚未行使購股權時已按零代價發行之普通股加權平均數346,403股(二零零二年：110,464股(重列))，經調整以反映年內之股份合併(附註28(ii)(b))。

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17. FIXED ASSETS

17. 固定資產

Group 集團

	Leasehold improvements	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室 設備	Medical equipment 醫療設備	Computer equipment and software 電腦設備 及軟件	Motor vehicles 車輛	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost: 成本值:						
At beginning of year 年初	69,156	18,328	17,805	11,270	495	117,054
Additions 添置	6,138	1,443	566	708	–	8,855
Disposals/write off 出售／撇銷	(3,207)	(532)	(214)	(256)	(453)	(4,662)
At 31 December 2003 二零零三年十二月三十一日	72,087	19,239	18,157	11,722	42	121,247
Accumulated depreciation: 累計折舊						
At beginning of year 年初	38,570	10,370	8,033	6,604	430	64,007
Provided during the year 於年內已作出撥備	12,166	3,318	3,400	2,233	31	21,148
Disposals/write off 出售／撇銷	(2,818)	(450)	(203)	(233)	(453)	(4,157)
At 31 December 2003 二零零三年十二月三十一日	47,918	13,238	11,230	8,604	8	80,998
Net book value: 賬面淨值:						
At 31 December 2003 二零零三年十二月三十一日	24,169	6,001	6,927	3,118	34	40,249
At 31 December 2002 二零零二年十二月三十一日	30,586	7,958	9,772	4,666	65	53,047

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18. LONG TERM INVESTMENTS

18. 長期投資

	Group 集團	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted equity investments, at cost 非上市證券投資、按成本值	78	78
Loan to an investee company 貸予所投資公司款項	342	522
	420	600

The loan to an investee company is unsecured, interest-free and has no fixed terms of repayment.

貸予所投資公司款項乃無抵押、免息及無固定還款期。

19. CONVERTIBLE NOTE

On 8 August 2002, Quality HealthCare Investment Limited ("QHI"), a wholly-owned subsidiary of the Company, entered into a conditional note subscription agreement (the "Note Subscription Agreement") with EHA, pursuant to which, QHI agreed to subscribe for a convertible note (the "Convertible Note") with a face value of HK\$7 million carrying the right of conversion into new shares of EHA at HK\$0.05 per share (subject to adjustment). The Note Subscription Agreement was completed on 4 October 2002.

The Convertible Note is non-transferable, unsecured, bears interest at the Hong Kong dollar prime lending rate plus 3% per annum and will mature on the second anniversary from its date of issue. The Convertible Note is convertible wholly or partially into new EHA shares on any business day following 12 months after the date of issue and the maturity date.

19. 可換股票據

二零零二年八月八日，本公司之全資附屬公司Quality HealthCare Investment Limited (「QHI」)與EHA訂立一項有條件票據認購協議(「票據認購協議」)，據此，QHI同意認購面值7,000,000港元，附帶權利可按每股0.05港元之價格(可予調整)轉換為EHA新股份之可換股票據(「可換股票據」)。該項票據認購協議於二零零二年十月四日完成。

可換股票據屬不可轉讓、無抵押、按港元最優惠利率加3厘年息計算，並將會於發行日期起計第二週年到期。可換股票據可於發行日期12個月後內之任何營業日或到期日全部或部分轉換為EHA新股份。

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20. GOODWILL

20. 商譽

The amount of goodwill capitalised as an asset in the consolidated balance sheet, arising from the acquisition of an elderly care home, is as follows:

於收購一間護老院時所產生並撥入綜合資產負債表內作為一項資產之商譽如下：

Group 本集團

	Goodwill 商譽 HK\$'000 千港元
Cost: 成本：	
At beginning of year and at 31 December 2003 年初及於二零零三年十二月三十一日	10,192
Accumulated amortisation: 累計攤銷：	
At beginning of year 年初	1,307
Amortisation provided during the year 於年內撥備之攤銷	491
At 31 December 2003 於二零零三年十二月三十一日	1,798
Net book value: 賬面淨值：	
At 31 December 2003 於二零零三年十二月三十一日	8,394
At 31 December 2002 於二零零二年十二月三十一日	8,885

As detailed in note 3 to the financial statements, on the adoption of SSAP 30 in 2001, the Group applied the transitional provision of SSAP 30 that permitted goodwill in respect of acquisitions which occurred prior to the adoption of the SSAP, to remain eliminated against consolidated reserves. Accordingly, the goodwill arising from acquisitions, which occurred prior to 1 January 2001 and which have been debited to a goodwill reserve is not restated in the financial statements.

誠如財務報告附註3所述，於二零零一年採納會計實務準則第30號時，本集團已採納會計實務準則第30號之過渡規定，該條文允許於採納該會計實務準則前所進行之收購有關之商譽維持於綜合儲備對銷。因此，於二零零一年一月一日前發生及已於財務報告記入商譽儲備之收購商譽並未於財務報表重新呈列。

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20. GOODWILL (continued)

The amount of goodwill reserve as at 31 December 2003, arising from the acquisition of subsidiaries, businesses and elderly care homes, prior to the adoption of SSAP 30 in 2001, is as follows:

Group 本集團

	Goodwill reserve 商譽儲備 HK\$'000 千港元
Cost: 成本:	
At beginning of year and at 31 December 2003 年初及於二零零三年十二月三十一日	547,191
Accumulated impairment: 累計減值:	
At beginning of year and at 31 December 2003 年初及於二零零三年十二月三十一日	547,191
Net amount: 淨額:	
At 31 December 2003 於二零零三年十二月三十一日	—
At 31 December 2002 於二零零二年十二月三十一日	—

21. INTERESTS IN SUBSIDIARIES

21. 於附屬公司之權益

	Company 公司	
	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Unlisted shares, at cost 非上市股份，按成本值	35,443	35,443
Due from subsidiaries 應收附屬公司款項	1,196,576	1,157,608
Due to subsidiaries 應付附屬公司款項	(230,252)	(207,667)
	1,001,767	985,384
Provision for impairment 減值撥備	(409,342)	(349,342)
	592,425	636,042

The balances with the subsidiaries are unsecured, interest-free, except for an amount due from a subsidiary of HK\$7,000,000 (2002: HK\$7,000,000), which bears interest at the Hong Kong dollar prime lending rate plus 3% per annum, and have no fixed terms of repayment.

除應收一間附屬公司7,000,000港元(二零零二年: 7,000,000港元)須按港元最優惠貸款利率加3厘年息計息外，附屬公司之結欠均為無抵押、免息及無固定還款期。

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21. INTERESTS IN SUBSIDIARIES (continued)

21. 於附屬公司之權益 (續)

Particulars of the principal subsidiaries are as follows:

主要附屬公司之詳情如下：

Name 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Nominal value of issued ordinary share capital 已發行 普通股 股本面值	2003 二零零三年	Percentage of equity attributable to the Company 本公司 應佔股本 權益百分比 2002 二零零二年	Principal activities 主要業務
Medical Services 醫療服務					
Berkshire Group Limited	British Virgin Islands/ Hong Kong 英屬處女羣島/香港	US\$1 1美元	100	100	Provision of professional services to medical practices 向醫務所提供 專業服務
Marvellous Way Limited	Hong Kong 香港	HK\$10 10港元	100	100	Operation of Chinese Medicine clinics 經營中醫藥診所
Quality HealthCare Medical Centre Limited 卓健醫療體檢中心有限公司	Hong Kong 香港	HK\$1,300 1,300港元	100	100	Medical facilities and services provider 醫療設施及 服務供應商
Quality HealthCare Medical Services Limited 卓健醫療服務有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Provision of contract healthcare services 提供合約保健服務
Quality HealthCare Professional Services Limited	Hong Kong 香港	HK\$2 2港元	100	100	Provision of professional services 提供專業服務
Allied Medical Practices Guild Limited 雅聯醫務協會有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Provision of contract healthcare services 提供合約保健服務

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21. INTERESTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows
(continued):

21. 於附屬公司之權益(續)

主要附屬公司之詳情如下(續)：

Name 公司名稱	Place of incorporation/ operations 註冊成立/ 經營地點	Nominal value of issued ordinary share capital 已發行 普通股 股本面值	Percentage of equity attributable to the Company 本公司 應佔股本 權益百分比	Principal activities 主要業務
			2003 二零零三年	2002 二零零二年
Nursing, Physiotherapy and Dental Services 護理、物理治療及牙科服務				
Quality HealthCare Dental Services Limited 卓健牙科服務有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	100
				Provision of dental services 提供牙科服務
Quality HealthCare Nursing Services Limited 卓健護理服務有限公司	Hong Kong 香港	HK\$10,000 10,000港元	100	100
				Provision of nursing services 提供護理服務
Quality HealthCare Physiotherapy Services Limited 卓健物理治療服務有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	100
				Provision of physiotherapy services 提供物理治療服務

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21. INTERESTS IN SUBSIDIARIES (continued)

21. 於附屬公司之權益 (續)

Particulars of the principal subsidiaries are as follows
(continued):

主要附屬公司之詳情如下(續)：

Name 公司名稱	Place of incorporation/ operations 註冊成立／ 經營地點	Nominal value of issued ordinary share capital 已發行 普通股 股本面值	Percentage of equity attributable to the Company 本公司 應佔股本 權益百分比	Principal activities 主要業務	
			2003 二零零三年	2002 二零零二年	
Elderly Care Services 護老服務					
Conifer Elderly Services Limited 青松園護老有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	100	Provision of elderly care services 提供長者護理服務
QHES Limited	British Virgin Islands/ Hong Kong 英屬處女羣島／ 香港	US\$1 1美元	100	100	Provision of elderly care services 提供長者護理服務
Quality HealthCare Man Kee Elderly Limited 卓健耆安萬基有限公司	Hong Kong 香港	HK\$1,000 1,000港元	100	100	Provision of elderly care services 提供長者護理服務
Corporate and Other 企業及其他					
Quality HealthCare Investment Limited	British Virgin Islands 英屬處女羣島	US\$1 1美元	100	100	Investment holding 投資控股
Sino Success (HK) Limited	Hong Kong 香港	HK\$2 2港元	100	100	Provision of corporate services 提供企業服務

Except for Quality HealthCare Man Kee Elderly Limited, all the above subsidiaries are indirectly held by the Company.

除卓健耆安萬基有限公司外，所有上述附屬公司均由本公司間接持有。

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

上表所列之本公司附屬公司，按董事之意見，乃主要影響本年度之業績或構成本集團淨資產之重大部份。董事認為列載其他附屬公司之詳情會導致篇幅過於冗長。

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22. INTEREST IN A JOINTLY-CONTROLLED ENTITY

22. 於一間共同控制企業之權益

	Group 集團
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Share of net liabilities 應佔淨負債	— (1,471)
Due from a jointly-controlled entity 一間共同控制企業之欠款	— 1,471
	— —

The amount due from the jointly-controlled entity was unsecured, interest-free and was waived by the Group during the year.

一間共同控制企業之欠款為無抵押、不計利息，並於年內獲本集團免除。

Particulars of the jointly-controlled entity are as follows:

共同控制企業之詳情如下：

Name 名稱	Business structure 業務架構	Place of incorporation	Ownership	Percentage of 百分比		Principal activity 主要業務
		and operations 註冊成立及經營地點	interest 所有者權益	Voting power 投票權	Profit sharing 溢利攤分	
Women’s Health Centres International Limited	Corporate 公司	Hong Kong 香港	50	50	50	Inactive 不活躍經營

The above jointly-controlled entity is indirectly held by the Company.

上述共同控制企業由本公司間接持有。

23. INVENTORIES

23. 存貨

	Group 集團
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Dispensary supplies 配藥供應品	6,971 7,035
Consumables 消耗品	442 583
	7,413 7,618

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24. ACCOUNTS RECEIVABLE

The Group allows an average general credit period of 30 to 90 days to its business-related customers, except for certain well established or major customers, where the terms are extended beyond 90 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management.

An aged analysis of the Group's accounts receivable as at the balance sheet date, based on the invoice date and net of provisions, is as follows:

Current – 90 days 即期至90日
91 – 180 days 91日至180日

24. 應收賬項

本集團向與業務有關之客戶提供之信貸期平均為30日至90日；若干長久或主要客戶之信貸期為90日以上。本集團致力嚴格控制未收之應收賬項，而高級管理層則定期檢討過期賬款。

本集團於結算日之應收賬項之結餘(按發票日期計算，並已扣除撥備)賬齡分析如下：

Group 集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
71,721	77,291
–	74
71,721	77,365

25. INTEREST-BEARING BANK BORROWINGS

Bank loans and overdrafts: 銀行貸款及透支：
Unsecured 無抵押
Secured 有抵押

Portion repayable within one year or on demand
classified as current liabilities 一年內償還或應要求
償還之部份列作流動負債

Non-current portion 非流動部份

25. 計息銀行貸款

Group 集團		Company 公司	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
8,000	–	8,000	–
–	67,101	–	34,686
8,000	67,101	8,000	34,686
(8,000)	(52,347)	(8,000)	(34,686)
–	14,754	–	–

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25. INTEREST-BEARING BANK BORROWINGS (continued)

The maturity terms of the above amounts are as follows:

25. 計息銀行貸款 (續)

上述數額之屆滿期如下：

Group 集團		Company 公司	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Repayable: 於下列期間償還：			
Within one year or on demand 一年內或應要求	8,000	8,000	34,686
In the second year 第二年	—	—	—
8,000	67,101	8,000	34,686

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.

本集團於二零零二年十二月三十一日於若干醫療服務合約項下之指定應收款項及權利已抵押予銀行，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。

26. ACCOUNTS PAYABLE, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

An aged analysis of the accounts payable included in accounts payable, other payables, accruals and deposits received as at the balance sheet date, based on invoice date, is as follows:

26. 應付賬項、其他應付款項、應計款項及已收按金

計入根據發票日期計算於結算日應付賬項、其他應付款項、應計款項及已收按金之應付賬項，其賬齡分析如下：

Group 集團	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Accounts payable: 應付賬項：	
Current – 90 days 即期—90日	20,342
91 – 180 days 91—180日	67
181 – 360 days 181—360日	821
Over 360 days 360日以上	107
21,337	18,570
Other payables, accruals and deposits received 其他應付款項、應計款項及已收按金	
54,760	71,334
76,097	89,904

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27. DEFERRED TAX

27. 遞延稅項

The movement in deferred tax liabilities during the year is as follows:

年內之遞延稅項負債變動如下：

Group

集團

	Accelerated tax depreciation 加速稅項折舊
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
At 1 January 於一月一日	2,496
Deferred tax charged/(credited) to the profit and loss account during the year, including a charge of HK\$234,000 (2002: Nil) due to the effect of an increase in Hong Kong profits tax rate (note 13) 年內於損益賬扣除／(記入)之遞延稅項，包括因香港利得稅率增加之影響所導致之234,000港元(二零零二年：無)稅項支出(附註13)	(768)
At 31 December 於十二月三十一日	1,728

The Group has tax losses arising in Hong Kong of HK\$80,734,000 (2002: HK\$113,326,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

本集團於香港產生之稅務虧損為80,734,000港元(二零零二年：113,326,000港元)，可無限期用以抵銷產生該等虧損之公司之未來應課稅溢利。由於該等虧損乃於虧本已有一段時間之附屬公司產生，故此並未就其確認遞延稅項資產。

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

本公司向股東派付之股息並無附帶任何所得稅後果。

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28. SHARE CAPITAL

28. 股本

Shares

股份

	2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Authorised: 法定 :		
3,000,000,000 (2002: 3,000,000,000) ordinary shares of HK\$0.10 each 3,000,000,000股 (二零零二年 : 3,000,000,000股) 每股面值0.10港元之普通股	300,000	300,000
Issued and fully paid: 已發行及繳足 :		
216,621,884 (2002: 2,163,428,848) ordinary shares of HK\$0.10 each 216,621,884股 (二零零二年 : 2,163,428,848股) 每股面值0.10港元之普通股	21,662	216,343

During the year, the movements in share capital were as follows:

年內，股本變動如下：

- | | |
|--|--|
| <p>(i) The subscription rights attaching to 2,790,000 share options were exercised at the subscription price of HK\$0.15 per share (note 29), resulting in the issue of 2,790,000 ordinary shares of the Company of HK\$0.10 each for a total cash consideration, before expenses, of approximately HK\$418,000.</p> <p>(ii) Pursuant to certain special resolutions passed at a special general meeting of the Company held on 29 December 2003 and board resolutions passed on the same date, a capital reorganisation (the "Capital Reorganisation") was implemented on 30 December 2003 involving, inter alia, the following:</p> <p>(a) 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 (the "Capital Reduction"), and a transfer of the credit arising from the Capital Reduction of approximately HK\$194,960,000 to set off against the accumulated losses of the Company;</p> | <p>(i) 附帶於2,790,000股購股權之認購權已按照每股0.15港元之認購價行使(附註29)，導致發行本公司2,790,000股每股面值0.10港元之普通股，並獲得總現金代價(扣除開支前)約418,000港元。</p> <p>(ii) 根據於二零零三年十二月二十九日舉行之本公司股東特別大會通過之若干特別決議案及於同日通過之董事會決議案，於二零零三年十二月三十日實行一項股本重組，其涉及(其中包括)下列事項：</p> <p>(a) 藉註銷每股已發行股份之已繳股本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(「股本削減」)，並將股本削減所產生之進賬約194,960,000港元撥作抵銷本公司之累計虧損；</p> |
|--|--|

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28. SHARE CAPITAL (continued)

Shares (continued)

- (b) a share consolidation of every ten reduced shares of HK\$0.01 each as set out in (a) above into one consolidated share of HK\$0.10 each (the "Share Consolidation"); and
- (c) the cancellation of the entire amount standing to the credit of the share premium account of the Company as at 30 June 2003 and a transfer of the credit arising therefrom to set off against the accumulated losses of the Company of HK\$293,094,000 (the "Share Premium Reduction").

Further details of the Capital Reorganisation are also set out in a circular of the Company dated 5 December 2003.

- (iii) During the year ended 31 December 2002, in January 2002, the Company repurchased 5,090,000 of its own shares through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with purchase price per share ranged from HK\$0.230 to HK\$0.198. The repurchased shares were duly cancelled and the issued share capital of the Company was reduced by the par value thereof. The premium paid for the repurchase of the shares, including expenses, of HK\$654,000 was charged against the share premium account.

28. 股本 (續)

股份 (續)

- (b) 進行股份合併，將上文(a)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(「股份合併」)；及
- (c) 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，並將所產生之進賬約293,094,000港元撥作抵銷本公司累計虧損(「股份溢價削減」)。

有關股本重組之進一步詳情亦載於本公司於二零零三年十二月五日刊發之通函。

- (iii) 於截至二零零二年十二月三十一日止年度內，本公司於二零零二年一月透過香港聯合交易所有限公司(「聯交所」)購回本公司之股份5,090,000股，每股購回價格介乎0.230港元至0.198港元。購回之股份已正式註銷，而本公司之已發行股本已減除該等股份之面值。購回股份之已付溢價(包括支出)為654,000港元，已於股份溢價賬扣除。

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28. SHARE CAPITAL (continued)

Shares (continued)

A summary of the transactions during the year with reference to the above movements in the Company's issued share capital is as follows:

		Number of	Issued	Share	
Ordinary shares	Notes	shares in issue	capital	premium	
普通股	附註	已發行 股份數目	已發行 股本	股份溢 價賬	Total 合計
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2002 於二零零二年一月一日		2,168,518,848	216,852	293,748	510,600
Repurchase of shares 購回股份	(iii)	(5,090,000)	(509)	(635)	(1,144)
Share repurchase expenses 股份購回支出	(iii)	—	—	(19)	(19)
At 31 December 2002 and 於二零零二年十二月三十一日及 1 January 2003 二零零三年一月一日		2,163,428,848	216,343	293,094	509,437
Share options exercised 已行使購股權	(i)	2,790,000	279	139	418
Capital Reduction 股本削減	(ii)(a)	—	(194,960)	—	(194,960)
Share Consolidation 股份合併	(ii)(b)	(1,949,596,964)	—	—	—
Share Premium Reduction 股份溢價削減	(ii)(c)	—	—	(293,094)	(293,094)
At 31 December 2003 於二零零三年十二月三十一日		216,621,884	21,662	139	21,801

Share options

Details of the Company's share option scheme and share incentive plan and the share options issued under the scheme/plan are included in note 29 to the financial statements.

28. 股本 (續)

股份 (續)

本公司於年內已發行股本變動有關之交易概述如下：

Number of res in issue	Issued capital	Share premium account	
已發行 股份數目	已發行 股本	股份溢 價賬	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
68,518,848 (5,090,000)	216,852 (509)	293,748 (635)	510,600 (1,144)
—	—	(19)	(19)
63,428,848 2,790,000	216,343 279	293,094 139	509,437 418
—	(194,960)	—	(194,960)
49,596,964)	—	—	—
—	—	(293,094)	(293,094)
16,621,884	21,662	139	21,801

購股權

本公司之購股權計劃及股份獎勵計劃，以及根據有關計劃發行之購股權詳見財務報告附註29。

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28. SHARE CAPITAL (continued)

Warrants

Pursuant to an ordinary resolution passed on 29 December 2003, 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, resulting in 43,324,376 warrants being issued on 12 January 2004. Each warrant entitles the holder thereof to subscribe for one ordinary share of the Company of HK\$0.10 at a subscription price of HK\$2.50 per share, payable in cash and subject to adjustment, from 14 January 2004 to 13 January 2007.

29. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Old Scheme") and a share incentive plan (the "Plan"), which entitle the holders of share options granted under the Old Scheme and the Plan to subscribe for ordinary shares of the Company at any time during their exercisable periods. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

(a) The Old Scheme

The Company operates the Old Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Old Scheme include full-time employees and executive directors of the Group. The Old Scheme was approved by the Company on 5 July 1993 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Old Scheme became effective upon the listing of the Company's shares on the Stock Exchange on 27 July 1993.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and in any event such period of time may not exceed a period of three years commencing on the expiry of six months after the date of the acceptance of the share options and expiring on the last day of the three-year period or 5 July 2003, whichever is earlier.

28. 股本 (續)

認股權證

根據於二零零三年十二月二十九日通過之普通決議案，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)可獲發一份紅利認股權證，導致於二零零四年一月十二日發行43,324,376份認股權證。持有人每持有一份認股權證可按認股價每股2.50港元(須以現金支付及可予調整)於二零零四年一月十四日至二零零七年一月十三日期間認購本公司一股面值0.10港元之普通股。

29. 購股權計劃

本公司設有一項購股權計劃(「舊計劃」)及股份獎勵計劃(「獎勵計劃」)，賦予持有根據舊計劃及獎勵計劃所授予購股權之人士權利，於購股權之行使期間內隨時認購本公司股份。購股權並無賦予持有人享有股息或於股東大會上投票之權利。

(a) 舊計劃

本公司設立之舊計劃，目的為對本集團業務成功作出貢獻之合資格參與者提供鼓勵及獎賞。舊計劃之合資格參與者包括本集團之全職僱員及執行董事。舊計劃已於一九九三年七月五日獲批准，而除非被撤銷或修訂，舊計劃將自該日期起計十年內生效。舊計劃已於一九九三年七月二十七日當本公司股份在聯交所上市後生效。

要約授予之購股權可由獲要約日期起計28天內接納，而承授人須於接納該等購股權時支付合共1港元之象徵式代價。所授出的購股權之行使期可由董事釐定，惟於任何情況下不得超過接納該購股權日期後六個月起計三年或二零零三年七月五日(以較早者為準)。

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29. SHARE OPTION SCHEME (continued)

(a) The Old Scheme (continued)

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) 80% of the average Stock Exchange closing price of the Company's ordinary shares for the five trading days immediately preceding the date of the offer of the share options; and (ii) the nominal value of the Company's ordinary shares.

On 5 July 2003, the Old Scheme expired and all of the outstanding unexercised options ceased to be exercisable and were lapsed.

The movements of the share options under the Old Scheme during the year are as follows:

29. 購股權計劃(續)

(a) 舊計劃(續)

購股權之行使價可由董事釐定，惟不得低於下列兩項之較高者(i)緊接要約日期前五個交易日普通股於聯交所之平均收市價之80%；及(ii)本公司普通股之面值。

於二零零三年七月五日，舊計劃期限屆滿，所有已發行但尚未行使之購股權已不可再行使並告失效。

年內，舊計劃之購股權變動如下：

Name or category of participant 姓名或參與者類別	Number of share options 購股權數目			Date of grant of share options* 授出購股權 日期*	Exercise period of share options (both dates inclusive) 購股權行使期 (包括首尾兩日)	Exercise price of share options HK\$ 購股權 行使價格 港元
	At 1 January 2003 於二零零三年 一月一日	Cancelled/ lapsed during the year 於年內 註銷/屆滿	At 31 December 2003 於二零零三年 十二月三十一日			
Directors 董事						
Brian Damian O'Connor	8,000,000	(8,000,000)	–	08-11-99	15-05-00 to 14-05-03	0.640
Wong Tai Chun, Mark 王大鈞	750,000	(750,000)	–	21-02-00	24-02-01 to 04-07-03	1.450
	750,000	(750,000)	–	21-02-00	24-02-02 to 04-07-03	1.450
	1,500,000	(1,500,000)	–	10-06-00	14-06-01 to 04-07-03	1.150
	1,500,000	(1,500,000)	–	10-06-00	14-06-02 to 04-07-03	1.150
	4,500,000	(4,500,000)	–			
Wong Chi Kit, Nelson# 黃自傑#	6,000,000	(6,000,000)	–	03-08-00	07-02-01 to 04-07-03	1.025
	18,500,000	(18,500,000)	–			
Other employees 其他僱員						
In aggregate 合計	2,440,000	(2,440,000)	–	01-11-99	02-05-00 to 10-05-03	0.595
	9,048,000	(9,048,000)	–	16-02-00	16-02-01 to 04-07-03	1.450
	1,200,000	(1,200,000)	–	21-02-00	24-02-01 to 04-07-03	1.450
	800,000	(800,000)	–	22-07-00	18-02-01 to 04-07-03	0.990
	2,250,000	(2,250,000)	–	25-08-00	25-08-01 to 04-07-03	1.160
	15,738,000	(15,738,000)	–			
	34,238,000	(34,238,000)	–			

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29. SHARE OPTION SCHEME (continued)

(a) The Old Scheme (continued)

- * The vesting period of the share options is from the date of the acceptance until the commencement of the exercise period.
- # Dr. Wong Chi Kit, Nelson resigned as a director of the Company on 22 April 2003 and his share options under the Old Scheme were lapsed on 5 July 2003 upon the expiry of the Old Scheme.

The information presented above does not reflect the effect of the Share Consolidation, as all the share options under the Old Scheme were cancelled/lapsed prior to the effective date of the Share Consolidation.

(b) The Plan

From 1 September 2001, the Stock Exchange has amended Chapter 17 "Share Option Schemes" of the Listing Rules. In response to the amendments, the Company terminated the Old Scheme and then adopted a new share incentive plan on 7 June 2002.

The Company adopted the Plan to replace the Old Scheme for the purpose of providing incentives to attract and retain employees of the Group, as well as other eligible persons, who have or can make contributions to the business development of the Group. Eligible participants of the Plan include employees, executive and non-executive directors (including independent non-executive directors), officers, advisers, consultants or such other persons from time to time as determined by the board of directors. The Plan was approved and adopted on 7 June 2002 (the "Adoption Date") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

29. 購股權計劃 (續)

(a) 舊計劃 (續)

- * 購股權之歸屬期為由接納日期至行使期開始為止。
- # 黃自傑醫生於二零零三年四月二十二日辭任本公司董事，其在舊計劃下之購股權已於二零零三年七月五日舊計劃期限屆滿時失效。

由於舊計劃下之所有購股權已於股份合併生效日期之前註銷／失效，故此上文呈列之資料並無反映股份合併之影響。

(b) 獎勵計劃

由二零零一年九月一日起，聯交所修訂上市規則第17章「購股權計劃」。因應有關修訂，本公司終止舊計劃並於二零零二年六月七日採納一項新股份獎勵計劃。

本公司已採納獎勵計劃以取代舊計劃。獎勵計劃旨在為本集團招徠及挽留僱員或其他已對或可對本集團業務發展作出貢獻之合資格人士。獎勵計劃之合資格參與者包括僱員、執行董事及非執行董事(包括獨立非執行董事)、高級人員、顧問、專家顧問或董事會不時決定之其他人士。獎勵計劃於二零零二年六月七日(「採納日」)獲予批准及採納，及除非另行註銷或修訂，否則將自該日起十年內有效。

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29. SHARE OPTION SCHEME (continued)

(b) The Plan (continued)

The total number of shares in respect of which options may be granted under the Plan (excluding options lapsed) is not permitted to exceed 10% of the shares of the Company in issue as at the Adoption Date, without a prior approval from the Company's shareholders. The maximum entitlement of each eligible participant under the Plan of the Group in any 12-month period up to the date of grant must not exceed 1% of the shares of the Company in issue at the date of grant, unless shareholders' approval has been obtained in a general meeting.

The offer of a grant of share options may be accepted within 14 business days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, but in any event such period may not go beyond 10 years from the Adoption Date.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the nominal value of the Company's ordinary shares; (ii) the average Stock Exchange closing price of the Company's ordinary shares on the five consecutive trading days immediately preceding the date of the offer of the share option; and (iii) the closing price of the Company's ordinary shares on the Stock Exchange on the date of the offer of the share option (which must be a business day). Further details of the Plan are also set out in a circular of the Company dated 22 May 2002.

There were no share option granted under the Plan during the year.

29. 購股權計劃 (續)

(b) 獎勵計劃 (續)

未經本公司股東事先批准，根據獎勵計劃授出之購股權 (不包括已失效購股權) 所涉及之股份總數，不得超過本公司於採納日已發行股份之10%。除非於股東大會獲得股東批准，否則於授出日前任何十二個月期間，各合資格參與者因行使根據獎勵計劃授予之購股權涉及之股份總數，不得超過本公司於授出日已發行股份之1%。

承授人可於要約日起計十四個營業日內，支付合共1港元之象徵代價後，即可接納授出購股權要約。所授出購股權之行使期由董事釐定，惟於任何情況下不得超過採納日起計十年。

購股權之行使價由董事釐定，惟不得低於下列三者中最高者：(i)本公司普通股之面值；(ii)緊接要約前連續五個營業日聯交所報本公司普通股之平均收市價；及(iii)在要約日 (必須為營業日) 聯交所報本公司普通股之收市價。獎勵計劃詳見本公司於二零零二年五月二十二日刊發之通函。

年內並無根據獎勵計劃授出購股權。

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29. SHARE OPTION SCHEME (continued)

29. 購股權計劃(續)

(b) The Plan (continued)

The following share options were outstanding under the Plan during the year:

(b) 獎勵計劃(續)

年內根據獎勵計劃尚未行使之購股權如下：

Name or category of participant 姓名或參與者類別	At 1 January 2003 於二零零三年 一月一日	Number of share options 購股權數目		Adjustment due to the Share Consolidation* 因應股份合併 而作調整*	At 31 December 2003 於二零零三年 十二月三十一日	Date of grant of share options** 購股權日期**	Exercise period of share options (both dates inclusive) 購股權 行使期間 (包括首尾兩日)	Exercise price of share options* 購股權 行使價*	Price of Company's shares at exercise date of options*** HK\$ 於行使購股權 當日本公司之 股份價格***
		Exercised during the year 於年內 獲行使	Cancelled/ lapsed during the year 註銷/失效						
Directors 董事									
Brian Damian O'Connor	2,000,000	-	-	(1,800,000)	200,000	16-10-02	16-10-03 to 15-10-07	1.50	N/A 不適用
Wong Tai Chun, Mark 王大鈞	1,500,000	-	-	(1,350,000)	150,000	16-10-02	16-10-03 to 15-10-07	1.50	N/A 不適用
Wong Chi Kit, Nelson# 黃自傑#	2,000,000	-	(2,000,000)	-	-	16-10-02	16-10-03 to 15-10-07	1.50	N/A 不適用
	5,500,000	-	(2,000,000)	(3,150,000)	350,000				
Consultant 顧問	200,000	-	(200,000)	-	-	16-10-02	16-10-03 to 15-10-07	1.50	N/A 不適用
Other employees 其他僱員									
In aggregate 合計	19,745,000	(2,790,000)	(1,990,000)	(13,468,500)	1,496,500	16-10-02	16-10-03 to 15-10-07	1.50	2.10
	25,445,000	(2,790,000)	(4,190,000)	(16,618,500)	1,846,500				

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29. SHARE OPTION SCHEME (continued)

(b) The Plan (continued)

- * Pursuant to the terms of the Plan, the Capital Reorganisation has resulted in adjustments to the number and exercise price of the outstanding share options of the Plan of the Company, which are as follows:

Exercise price of share options prior to Capital Reorganisation 股本重組前之 購股權 行使價	Adjusted exercise price of share options after Capital Reorganisation 股本重組後 經調整之 購股權行使價
HK\$0.15 0.15港元	HK\$1.50 1.50港元

Further details of the adjustments to the number and exercise price of the outstanding share options of the Company are also set out in a circular of the Company dated 5 December 2003.

- ** The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- *** The price of the Company's shares disclosed as at the date of the exercise of the share options is the weighted average of the Stock Exchange closing prices over all of the exercises of options within the disclosure line.
- # Dr. Wong Chi Kit, Nelson resigned as a director of the Company on 22 April 2003 and his share options under the Plan lapsed after 3 months following the date of his cessation as an employee of the Group in accordance with the terms of the Plan.

The share options granted are exercisable in accordance with the terms and restrictions contained in the respective offer letters.

At 31 December 2003, the Company had 1,846,500 share options under the Plan, which represented approximately 0.85% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 1,846,500 additional ordinary shares of the Company of HK\$0.10 each and additional share capital of approximately HK\$184,650 and share premium of approximately HK\$2,585,100 (before issue expenses).

29. 購股權計劃 (續)

(b) 獎勵計劃 (續)

- * 根據獎勵計劃之條款，股本重組導致對本公司獎勵計劃之尚未行使購股權之數目及行使價作出調整，詳情如下：

Number of outstanding share options prior to Capital Reorganisation 股本重組前之 尚未行使 購股權數目	Adjusted number of outstanding share options after Capital Reorganisation 股本重組後 經調整之尚未行使 購股權數目
18,465,000 18,465,000	1,846,500 1,846,500

有關本公司尚未行使購股權之數目及行使價之調整詳情亦載於本公司於二零零三年十二月五日刊發之通函。

- ** 購股權之歸屬期為由授出日期至行使期開始為止。
- *** 於購股權獲行使日期所披露之本公司股份價格，乃以聯交所收市價之加權平均數除以所有在披露範圍之購股權之行使計算得出。
- # 黃自傑醫生於二零零三年四月二十二日辭任本公司董事，根據獎勵計劃之條款，彼在獎勵計劃下之購股權於其不再為本集團僱員之日後三個月失效。

獲授出之購股權可根據各邀請函件所載之條款及限制行使。

於二零零三年十二月三十一日，本公司在獎勵計劃下有1,846,500份購股權，約相當於本公司當日之已發行股份0.85%。全數行使尚未行使之購股權會導致本公司額外發行1,846,500股每股面值0.10港元之普通股及獲得(扣除發行開支前)額外股本約184,650港元及股份溢價約2,585,100港元。

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30. RESERVES

30. 儲備

Group

集團

		Share premium account	Contributed surplus	Exchange fluctuation reserve	Retained profits/ (accumulated losses)	Total
	Notes	股份溢價賬	繳入盈餘	滙兌波動儲備	保留溢利／(累計虧損)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2002 於二零零二年一月一日		293,748	534,880	(495)	(1,004,671)	(176,538)
Repurchase of shares 購回股份	28	(635)	—	—	—	(635)
Share repurchase expenses 購回股份開支	28	(19)	—	—	—	(19)
Released upon disposal of subsidiaries 於出售附屬公司時解除		—	—	495	—	495
Net profit for the year 本年度純利		—	—	—	54,144	54,144
Proposed final dividend 建議末期股息	15	—	(10,817)	—	—	(10,817)
At 31 December 2002 and 於二零零二年十二月三十一日及 1 January 2003 二零零三年一月一日		293,094	524,063	—	(950,527)	(133,370)
Share options exercised 已行使購股權	28(i)	139	—	—	—	139
Capital Reduction 股本削減	28(ii)(a)	—	—	—	194,960	194,960
Share Premium Reduction 股份溢價削減	28(ii)(c)	(293,094)	—	—	293,094	—
Transfer of reserve* 轉撥儲備*		—	(524,063)	—	524,063	—
Net profit for the year 本年度純利		—	—	—	24,439	24,439
Proposed final dividend 建議末期股息	15	—	—	—	(4,874)	(4,874)
At 31 December 2003 於二零零三年十二月三十一日		139	—	—	81,155	81,294
Reserves retained by: 由下列機構保留儲備：						
Company and subsidiaries 本公司及附屬公司		139	—	—	81,155	81,294
Jointly-controlled entity 共同控制企業		—	—	—	—	—
At 31 December 2003 於二零零三年十二月三十一日		139	—	—	81,155	81,294
Reserves retained by/(accumulated in):						
由下列機構保留／(累計)儲備：						
Company and subsidiaries 本公司及附屬公司		293,094	524,063	—	(949,056)	(131,899)
Jointly-controlled entity 共同控制企業		—	—	—	(1,471)	(1,471)
At 31 December 2002 於二零零二年十二月三十一日		293,094	524,063	—	(950,527)	(133,370)

The contributed surplus of the Group originally represented the amount transferred from the share premium account.

本集團之繳入盈餘原指由股份溢價賬轉撥之數額。

* During the year, the Group applied the entire balance of its consolidated contributed surplus of HK\$524,063,000 towards setting off against the accumulated losses.

* 年內，本集團全數動用其綜合繳入盈餘 524,063,000 港元以抵銷累計虧損。

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30. RESERVES (continued)

30. 儲備 (續)

Company		Share premium account	Contributed surplus	Retained profits/ (accumulated losses)	Total
	Notes	股份溢價賬	繳入盈餘	保留溢利/ (累計虧損)	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2002 於二零零二年一月一日		293,748	514,335	(388,620)	419,463
Repurchase of shares 購回股份	28	(635)	—	—	(635)
Share repurchase expenses 購回股份開支	28	(19)	—	—	(19)
Net loss for the year 本年度淨虧損		—	—	(7,980)	(7,980)
Proposed final dividend 建議末期股息	15	—	(10,817)	—	(10,817)
At 31 December 2002 and 於二零零二年十二月三十一日					
1 January 2003 及二零零三年一月一日		293,094	503,518	(396,600)	400,012
Share options exercised 已行使購股權	28(i)	139	—	—	139
Capital Reduction 股本削減	28(ii)(a)	—	—	194,960	194,960
Share Premium Reduction 股份溢價削減	28(ii)(c)	(293,094)	—	293,094	—
Transfer of reserve* 轉撥儲備*		—	(503,518)	503,518	—
Net loss for the year 本年度淨虧損		—	—	(31,820)	(31,820)
Proposed final dividend 建議末期股息	15	—	—	(4,874)	(4,874)
At 31 December 2003 二零零三年十二月三十一日		139	—	558,278	558,417

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The contributed surplus of the Company originally represented the difference between the par value of the Company's shares issued in exchange for the issued share capital and the net asset value of subsidiaries acquired pursuant to a Group reorganisation effected before the listing of the Company's shares on the Stock Exchange in 1993.

本公司之繳入盈餘原指根據本公司於一九九三年在聯交所上市前進行之集團重組，就交換附屬公司已發行股本而發行之本公司股份之面值與所收購附屬公司資產淨值兩者間之差額。

Under the Bermuda Companies Act 1981, the contributed surplus is distributable to shareholders under certain circumstances.

根據一九八一年百慕達公司法之規定，繳入盈餘可在若干情況下分派予股東。

* Pursuant to a board resolution passed on 29 December 2003, the Company applied the entire balance of its contributed surplus of HK\$503,518,000 towards setting off against the accumulated losses.

* 根據於二零零三年十二月二十九日通過之董事會決議案，本公司全數動用其繳入盈餘503,518,000港元以抵銷累計虧損。

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31. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

31. 綜合現金流動報表附註

(a) Disposal of subsidiaries

(a) 出售附屬公司

	Group 集團
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
Net assets disposed of: 已出售資產淨值：	
Fixed assets 固定資產	11,107
Loan receivable 應收貸款	493
Properties for sale 待出售物業	8,573
Inventories 存貨	4,764
Accounts receivable 應收賬款	6,397
Prepayments, deposits and other receivables 預付款項、按金及其他應收款項	4,798
Cash and bank balances 現金及銀行結存	12,280
Interest-bearing bank and other borrowings 計息之銀行及其他貸款	(3,762)
Loan from the Company 本公司借款	(46,999)
Accounts and bills payable, other payables, accruals and deposits received 應付賬項及應付票據、其他應付款項、應計款項及 已收按金	(14,603)
Finance lease and hire purchase contract payables 融資租賃及租購合約應付賬款	(10)
Tax payable 應付稅項	(378)
	(17,340)
Exchange fluctuation reserve released on disposal 於出售時解除之匯兌波動儲備	495
Gain on disposal of subsidiaries* 出售附屬公司之收益*	37,142
Consideration 代價	20,297
Satisfied by: 以下列方式償付：	
Cash 現金	20,297

In the prior year, the consideration received was net of incidental costs of disposal totalling approximately HK\$6,688,000, comprised primarily of legal and professional fees, which were satisfied by cash.

上年度，所收取代價已扣除出售附屬公司之額外開支合共約6,688,000港元，主要包括法律及專業費用，並均以現金償付。

* This included the gain on Disposal and Deemed Disposal.

* 這包括出售事項及視作出售事項之收益。

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32. CONTINGENT LIABILITIES

- (a) At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

Guarantees given in connection with tenancy agreements entered into by subsidiaries
就附屬公司所訂立之租賃協議作出之擔保
Guarantees given to banks in connection with banking facilities granted to subsidiaries
就附屬公司所獲的銀行融資向銀行作出之擔保

As at 31 December 2003, the banking facilities granted to the subsidiaries subject to guarantees given to the banks by the Company were utilised to the extent of approximately HK\$2,645,000 (2002: HK\$33,978,000).

- (b) The Group and the Company had a contingent liability in respect of possible future long service payments to employees under the 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 Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised 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.

32. 或然負債

- (a) 於結算日，未於財務報告內作出撥備之或然負債如下：

Company 公司	
2003 二零零三年 HK\$'000 千港元	2002 二零零二年 HK\$'000 千港元
55,326	47,808
100,000	118,557
155,326	166,365

於二零零三年十二月三十一日，由本公司向銀行提供擔保而授予附屬公司之銀行信貸已被動用約2,645,000港元(二零零二年：33,978,000港元)。

- (b) 本集團及本公司於二零零三年十二月三十一日就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)，詳情見財務報告附註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。

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33. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its medical centres, office premises and elderly care homes under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to six years.

At 31 December 2003, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year 一年內
In the second to fifth years, inclusive
第二至五年(包括首尾兩年)
After five years 五年後

33. 經營租約安排

作為承租人

本集團根據經營租約安排租用其若干醫療中心、辦公室物業及護老院。經協商之物業租賃租期介乎一年至六年。

於二零零三年十二月三十一日，根據不可撤銷之經營租約，本集團及本公司須按以下年期支付之未來最低租金總額如下：

Group 集團		Company 公司	
2003 二零零三年	2002 二零零二年	2003 二零零三年	2002 二零零二年
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
52,700	65,940	165	670
80,523	64,757	—	715
2,127	329	—	—
135,350	131,026	165	1,385

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34. CAPITAL COMMITMENTS

At the balance sheet date, neither the Group, nor the Company had any significant capital commitments (2002: Nil).

34. 資本承擔

於結算日，本集團及本公司並無任何重大資本承擔(二零零二年：無)。

35. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

- (a) The Group paid insurance premium of approximately HK\$1,519,000 (2002: Nil) to Sun Hung Kai Insurance Consultants Limited, a subsidiary of Sun Hung Kai & Co. Limited, a substantial beneficial shareholder of the Company, based on mutually agreed terms.
- (b) The Group waived an amount due from Women's Health Centres International Limited, a jointly-controlled entity, of HK\$1,107,000 (2002: Nil) during the year, as mutually agreed with the other joint venture partner of the jointly-controlled entity.

35. 有關連人士之交易

本集團於年內有下列並未於財務報告其他部份作出披露之重大關連人士交易：

- (a) 本集團按互相協議之條款向本公司主要實益股東新鴻基有限公司之附屬公司新鴻基保險顧問有限公司繳付保費約1,519,000港元(二零零二年：無)。
- (b) 本集團於年內與共同控制企業Women's Health Centres International Limited之共同合夥人互相協定免除該共同控制企業欠負之一筆款項，為數1,107,000港元(二零零二年：無)。

36. COMPARATIVE AMOUNTS

Due to the Share Consolidation as further detailed in note 28 to the financial statements, certain comparative amounts have been restated accordingly. In addition, certain comparative amounts have been reclassified to conform with the current year's presentation.

36. 比較數字

由於進行股份合併(詳見財務報告附註28)，若干比較數字已重列。此外，若干比較數字亦已重新分類，以符合本年度之呈列方式。

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 March 2004.

37. 通過財務報告

財務報告於二零零四年三月二十二日獲董事會通過及授權刊發。