



Management

Discussion and Analysis

管理層討論 及分析

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OPERATIONAL REVIEW

Quality HealthCare Medical Services (“QHMS”)

Healthy Future

Divisional profit of QHMS in 2004 was HK\$55.8 million, showing a growth of 11% compared to HK\$50.0 million in 2003. Revenue for 2004 showed an increase of 8% to HK\$633.4 million, compared to HK\$586.7 million in 2003. Earnings Before Interest, Tax, Depreciation and Amortization (“EBITDA”) for 2004 was HK\$63.2 million (2003: HK\$59.7 million).

Listening to our Clients

QHMS has emphasized a policy of actively seeking feedback from clients on their requirements. The information once collected is then analysed, and where appropriate, steps are taken to implement changes to improve any deficiencies. We have, in conjunction with this initiative, completely upgraded our complaint monitoring and reporting system in order to more effectively identify and rectify any service deficiencies and enhance client and patient satisfaction.

Staff Training

We are continuing to enhance our training programs in order to better equip staff to service our clients. Approximately 300 staff have

業務回顧

卓健醫療服務

健康未來

二零零四年卓健醫療服務錄得分部溢利55,800,000港元，較二零零三年的50,000,000港元增長11%。收入由二零零三年的586,700,000港元上升8%至633,400,000港元。二零零四年未計利息、稅項、折舊及攤銷前盈利（「EBITDA」）為63,200,000港元（二零零三年：59,700,000港元）。

聆聽客戶意見

卓健醫療服務非常重視客戶的意見，積極聽取客戶回應，了解他們的要求。收集後的資料將進行分析，並採取適時行動，以改善服務。為配合此項政策，我們全面提升投訴監管及申報系統機制，更有效地尋找及糾正需要改善服務的地方，令客戶及病人更滿意本公司的服務。

員工培訓

我們繼續加強培訓，以裝備員工，為客戶提供更出色的服務。年內約有300名員工參與共58節不同主題的培訓

Dr. Horace Lee
李恩宏醫生

Dr. Dennis Tam
譚志偉博士

Dr. Lincoln Chee
徐旺仁醫生

Shirley Ho
賀秀媚

Rebecca Fowler



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attended a total of 58 training sessions in various areas including service protocols, first aid, occupational health and safety issues and regular continuous professional education. Professional consultants have been utilized and a full time training officer has been appointed. These initiatives will be enhanced in the coming year.

Medical Centre Refurbishments

A number of core medical centres have been refurbished and expanded to provide better patient comfort and service. Additional weekend operating sessions have also been utilized to reduce waiting times.

Preferred Health Partner

QHMS has been active in promoting its services as a preferred health partner for corporations and insurance companies. We have undertaken promotions through public healthcare days and health seminars as well as health information on our website.

In addition we have continued to develop our third party administrative skills and we have a designated team to assist our clients in servicing their requirements for analysis and management of medical data and costings.

Information Technology

QHMS has continued the development of its information technology systems in order to improve the efficiency and reduce the costs of claim processing. Our objective is also to improve our data management and analysis so as to improve our third party administrative capacity. QHMS has commenced a complete review of its information technology requirements and the various options to secure improved operational capacity in the future and enhanced ability to provide cashless and paperless transactions.

Expanded Services

QHMS is aware of the need to expand, where appropriate, its range of products to service all its client needs. Complementary services such as the Employees Assistance Program and Occupational Health and

課程，包括服務態度、急救、職業健康及安全，以及定期進修持續專業教育。本集團已聘用專業顧問及委任一名全職培訓主任負責培訓事宜。來年將進一步加強培訓活動。

翻新醫療中心

若干主要醫療中心已經進行翻新及擴充工程，為病人提供更舒適的環境及更佳服務。同時，為縮短病人輪候時間，醫療中心開始在週末延長營業時段。

保健夥伴首選

卓健醫療服務向企業及保險公司積極推廣其作為首選保健夥伴。透過公眾保健日、健康講座及公司網頁作全面推廣及提供健康資訊。

此外，本集團亦繼續提升第三者管理技術，並已委任一個專責小組協助客戶按其要求進行醫療數據及收費的分析及管理。

資訊科技

卓健醫療服務持續發展其資訊科技系統，以改善效率及減省處理申索的成本。並透過改善數據管理及分析，從而提升提供第三者管理業務能力為目標。卓健醫療服務亦開始全面檢討其資訊科技之需要，並已研究多個方案，以改善日後的營運能力，以及提升提供無現金及無紙交易的能力。

服務擴展

卓健醫療服務會在適當時候擴闊其服務產品系列，以滿足客戶的所有要求。本公司已開拓其他服務，例如僱員

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Safety Program have been developed to assist corporations manage their staff requirements. We will continue to pursue these objectives.

Growth Initiatives

QHMS opened three new core medical centres in 2004 at Sheung Wan, Cyberport and Stanley Plaza. In addition, we opened the Quality Women's Health and Reproductive Medicine Centre. QHMS will continue to seek expansion opportunities for new medical centres, to expand its specialist network and for the delivery of new systems. In addition, we will actively pursue any potential suitable acquisitions or joint ventures.

Quality HealthCare Chinese Medicine ("QHCM")

Customizing Needs

In response to increasing demands for holistic and alternative medicine, QHCM is able to offer its range of services to corporates and insurers. It has introduced a range of herbal packaged products to provide patients who have time constraints with an alternative choice of prescription.

Quality HealthCare Services ("QHS")

QHS continued to deliver growth and achieved an increase in revenue of 14% in 2004. Divisional profit increased by 58% over the prior year. EBITDA for 2004 was HK\$8.7 million (2003: HK\$5.6 million).

援助計劃及職業健康及安全計劃，以協助企業客戶應付員工所需。我們將繼續朝着這些目標邁進。

推動增長

卓健醫療服務於二零零四年在上環、數碼港及赤柱廣場開設三所新核心醫療中心。此外，卓健醫療服務亦開設卓健婦女健康及生殖醫療中心，並繼續物色擴展新醫療中心的機會，以擴充本身的專科醫療網絡及新的應用系統。同時，我們積極找尋合適的收購或成立合營企業的機會。

卓健中醫藥服務

專門迎合客戶所需

為應付客戶對全面及另類療法日益增加的需求，卓健中醫藥服務亦為企業及個人客戶提供一系列服務。該分部亦引入多種不同包裝的中藥產品，為缺乏時間煎藥的病人提供另一選擇。

卓健綜合保健服務

卓健綜合保健服務於二零零四年繼續錄得增長，收入上升14%。分部溢利較去年增加58%。二零零四年的EBITDA為8,700,000港元(二零零三年：5,600,000港元)。

Mark Wong
王大鈞

Julie Chow
周至莉

Linda Chan
陳司徒玲

Dr. Sandra Lee
李瑜醫生

Loesa Lee
李慕潔

Stanley Lee
李熙祐



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Quality HealthCare Nursing (“QHN”)

QHN achieved significant growth in profit in 2004 compared to 2003. Demand for private nursing services in both the private hospitals and public hospitals significantly increased in 2004. Demand for relief nurses in the hospitals and nursing homes also improved.

QHN has focussed on enhancing its relationship with its pool of nurses and carers in order that it is perceived as their preferred nursing agency. At the same time, QHN is committed to identifying and meeting the needs and demands of its clients and seeks to build client loyalty through improved client servicing. QHN continues to explore new cross border opportunities and possible areas for servicing the needs of corporations.

Quality HealthCare Dental (“QHD”)

QHD enjoyed a profitable year for 2004, with increased utilization of both general dental services and specialty dental services within its network. Despite a competitive market environment, QHD continues to perceive opportunities to expand its services at different locations.

Training has been a priority in 2004 and regular bi-monthly continuous dental education sessions have been arranged. Frontline staff, including dental nurses and receptionists, have been provided with courtesy training to improve telephone and interpersonal skills. Additional training will be undertaken to improve staff language skills in the coming year.

Quality HealthCare Physiotherapy (“QHP”)

2004 has been a rewarding year for QHP with significant growth in profit. To service the growing demands for physiotherapy services, QHP opened one new centre and expanded two existing centres in 2004. Corporations are taking more interest in occupational health and safety issues and our physiotherapists have been invited to deliver a series of workshops and onsite evaluation for their staff members.

卓健護理

卓健護理二零零四年的溢利與二零零三年比較錄得強勁增長。年內，私家醫院及公立醫院對私人護理服務的需求大幅增加。醫院及護老院的暫代護士需求亦比前增加。

卓健護理注重提升與護士及保健員的關係，以求成為他們首選的護理代理人。同時，卓健護理致力了解客戶的要求及需要並作出相應的配合，並通過改善客戶服務，以增強客戶的忠誠度。在企業服務方面，卓健護理繼續開拓跨境業務，及其他滿足企業客戶所需之商機。

卓健牙科

卓健牙科於二零零四年錄得溢利，網絡內的普通及專科牙科服務的使用率均有增長。雖然市場競爭激烈，卓健牙科仍尋求機會於不同地點擴展服務。

培訓是二零零四年的重點工作，本公司安排每兩個月一次的定期牙科教育講座。包括牙科護士及接待員在內的前線員工，均曾接受禮貌待客的訓練，以改善接聽電話及人際關係技巧。來年將舉辦更多培訓課程，以提升員工的語文能力。

卓健物理治療

二零零四年為卓健物理治療豐收的一年，溢利大幅增長。為應付物理治療服務日益增長的需求，卓健物理治療於二零零四年開設一所新中心並擴充兩所現有中心。企業對職業健康及安全問題日益關注，我們的物理治療師應邀主持一系列工作坊，並為該等企業的員工作現場評估。

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QHP plans to continue expansion of the scope of services in occupational health and safety issues. In addition, QHP will continue to upgrade its facilities to enhance the delivery of lifestyle enhancement programs.

Quality HealthCare Elderly Services (“QHES”)

QHES experienced a slight decrease in revenue in 2004 compared to 2003 whilst its net loss was reduced through continuous efforts in cost control, restructuring, and consolidation resulting in the closure of one redundant facility. EBITDA for 2004 was HK\$8.7 million (2003: HK\$7.1 million).

Core Competency

2004 continued to be a challenging year for the elderly care industry. QHES concentrated its efforts on cost reduction as well as improvement in its capacity to deliver quality care to the residents. The staff were provided with training in occupational safety and health and first aid courses to facilitate their daily work. Key staff at the homes were provided with client servicing training to improve their communications with the elders and their families. An influenza vaccination program was undertaken to improve protection for staff and residents.

Facilities Enhancement

We have added isolation rooms in all our homes with independent ventilation for better infection control. Our maintenance programs were reviewed and improved to maintain quality. QHES will continue to devote resources to maintenance of standards in the homes as well as to explore the feasibility of enhancement where appropriate.

卓健物理治療計劃擴闊職業健康及安全服務的範圍。此外，卓健物理治療亦將繼續提升其設備，以進一步實踐優質生活計劃。

卓健護老服務

與二零零三年相比，卓健護老服務二零零四年的收入稍微下降，同時，繼續控制成本，透過重組合併並關閉一所護老院，以鞏固業務，令虧損淨額得以減少。二零零四年的EBITDA為8,700,000港元(二零零三年：7,100,000港元)。

核心優勢

二零零四年對護老業來說仍是充滿挑戰的一年。卓健護老服務銳意降低成本，加強本身為院友提供高質素護理服務的能力。員工已接受職業安全及健康培訓及急救課程，以協助他們的日常工作。護老院的主要員工亦有接受客戶服務培訓，以改善他們與長者及其家人的溝通技巧。本公司已推行流感疫苗注射計劃，加強對員工及院友的保障。

改善設施

我們於所有院舍中均加設配備獨立抽風系統的隔離房間，以防傳染病散播。我們亦已檢討並改進維修計劃以維持院舍質素。卓健護老服務繼續投放資源，維持護老院的標準，以及在適當時候檢討改進的可行性方案。

Medical Affairs Team
醫療事項組



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Growth Opportunities

QHES will adopt a more targeted and structured marketing program to ensure that its homes are more likely to become the home of choice for elders. Training of staff in this regard has been commenced and results will be carefully monitored. We will continue to examine other areas where it may be possible to provide complementary products and services. We will also closely monitor any opportunities for public private co-operation that may be achievable.

FINANCIAL REVIEW

1. Capital Structure and Equity

The Company issued 51,000 ordinary shares during the year as a result of the exercise of staff share options. Apart from the aforesaid, the Company has not issued any shares or made any share repurchases during the year under review.

On 12 January 2004, a bonus issue of warrants was made in the proportion of one warrant for every five ordinary shares held by members on the register of members on 29 December 2003 resulting in 43,324,376 warrants being issued. Each warrant entitles the holder to subscribe for one ordinary share of the Company at a subscription price of HK\$2.50 per share in cash, from 14 January 2004 to 13 January 2007. No ordinary shares of the Company have been issued pursuant to the exercise of warrants.

On 24 January 2005, the Company announced a voluntary conditional cash offer made by Sun Hung Kai International Limited on behalf of the Company to repurchase up to 21,667,288 ordinary shares of the Company for HK\$2.00 in cash per share (the "Share Repurchase"). If accepted in full, the total estimated costs of the Share Repurchase including total estimated expenses would be approximately HK\$44.7 million which will be financed by internal resources of the Group. The Share Repurchase is conditional upon, among other things, the approval of the independent shareholders at the special general meeting to be held on 23 March 2005. Details of the Share Repurchase are set out in a circular of the Company dated 3 March 2005.

The Group's shareholders' funds increased from HK\$107.8 million as at 31 December 2003 to HK\$145.9 million at 31 December 2004 mainly as a result of profits retained for the year.

增長機遇

卓健護老服務採取目標為本及結構性的市場推廣計劃，吸引長者入住我們的護老院。本公司已為員工提供培訓，並將謹慎監察成效。我們將繼續審視可提供輔助產品及服務的其他範圍。亦密切注視任何機會，以加強公營及私營合作。

財務回顧

1. 股本架構及股東資金

由於行使員工購股權，本公司於本年度已發行51,000股普通股。除上文所述者，本公司並無於回顧年度內發行任何股份或回購任何股份。

於二零零四年一月十二日，按於二零零三年十二月二十九日名列股東名冊的股東每持有五股普通股可獲發一份認股權證的比例派送紅利認股權證，導致發行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港元於二零零四年一月十四日至二零零七年一月十三日以現金認購本公司一股普通股。現時並無因行使認股權證而發行任何股份。

於二零零五年一月二十四日，本公司公佈新鴻基國際有限公司代表本公司按每股現金2.00港元提出自願有條件現金收購建議，回購最多達21,667,288股本公司普通股股份（「股份回購」）。倘獲全面接納，股份回購的預計總成本（包括預計總開支）將約為44,700,000港元，將以本集團的內部資源支付。股份回購須待（其中包括）於二零零五年三月二十三日所舉行的股東特別大會上獲獨立股東批准，方可作實。股份回購的詳情載於本公司於二零零五年三月三日刊發的通函內。

本集團股東資金由於二零零三年十二月三十一日的107,800,000港元上升至於二零零四年十二月三十一日的145,900,000港元，主要由於年內保留溢利所致。

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2. Financial Resources and Liquidity

During the year, the Group's financial position was further strengthened. Short term bank borrowing amounted to HK\$8.0 million at 31 December 2003 was repaid during the year. As at 31 December 2004, the Group had outstanding borrowing comprising an obligation under a hire purchase contract of approximately HK\$22,000.

The Group's cash and bank balances increased to approximately HK\$115.8 million as at 31 December 2004 from about HK\$59.0 million at 31 December 2003. Net cash inflow from operating activities for the year 2004 amounted to approximately HK\$74.5 million. During the year, the convertible note issued by Wanji Pharmaceutical Holdings Limited to a subsidiary of the Company together with the accrued interest were fully repaid in cash.

As at 31 December 2004, the Group was in a positive net cash position (cash and bank balances available was in excess of the total borrowing). Gearing ratio comparing net debt (bank borrowings net of cash and bank balances available) to equity was not applicable.

3. Currency and Financial Risk Management

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

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

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

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

4. Pledge of Assets

At 31 December 2004, the Group had not pledged any of its assets.

2. 財務資源及流動資金

年內，本集團進一步鞏固財務狀況。年內已償還於二零零三年十二月三十一日的短期銀行貸款8,000,000港元。於二零零四年十二月三十一日，本集團有未償還之借貸，乃根據租購合約項下為數約22,000港元的負債。

本集團的現金和銀行結餘由二零零三年十二月三十一日約59,000,000港元上升至二零零四年十二月三十一日約115,800,000港元。二零零四年的日常業務現金流入淨額約為74,500,000港元。年內由萬基藥業控股有限公司發行予本公司一間附屬公司之可換股票據連同應計利息已悉數以現金償還。

於二零零四年十二月三十一日，本集團有現金淨額（可動用現金及銀行結餘超過借貸總額）。比較債項淨額（扣除現金及銀行結餘的銀行貸款）與股東資金的資本負債比率並不適用。

3. 貨幣及財務風險管理

本集團的主要營運附屬公司均位於香港，年內本集團超過90%的買賣均以港元定值。

所有銀行貸款均以港元定值。年內，利息乃按浮息為基準，經參考港元最優惠貸款利率及香港銀行同業拆息計算後支出。

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

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

4. 資產抵押

於二零零四年十二月三十一日，本集團並無抵押任何資產。

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5. Contingent Liabilities

Details regarding the contingent liabilities of the Group at 31 December 2004 are set out in note 31 to the financial statements.

6. Material Acquisition and Disposal of Subsidiaries and Associated Companies

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

7. Management and Staff

At 31 December 2004, the total number of employees was around 990 (at 31 December 2003 : around 950). Total staff costs amounted to approximately HK\$276.1 million (2003 : HK\$260.0 million). The staffing structure is under constant review as the shape of the Group develops. Remuneration packages are calculated at market rates, with share options offered at the discretion of the board of directors. All executive directors' remuneration and option packages must first be recommended by the Remuneration Committee which is composed of all the independent non-executive directors, namely, Messrs. Li Chak Hung, Chang Chu Fai Johnson Francis and Carlisle Caldwell Procter.

5. 或然負債

本集團於二零零四年十二月三十一日之或然負債詳情載於財務報告附註31。

6. 附屬及聯營公司的重大收購及出售

本集團於年內並無任何附屬及聯營公司的重大收購及出售。

7. 管理層及職員

於二零零四年十二月三十一日，本集團共有員工約990名（於二零零三年十二月三十一日：約950名）。總員工成本約276,100,000港元（二零零三年：260,000,000港元）。人手編制乃按本集團發展情況不斷作出檢討。薪津總額乃按市場水平計算，董事會亦酌情提供購股權。所有執行董事享有的酬金及購股權必須先經由薪酬委員會推薦。薪酬委員會由全體獨立非執行董事組成，包括李澤雄先生、鄭鑄輝先生及Carlisle Caldwell Procter先生。