

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

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

2. IMPACT OF RECENTLY ISSUED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards, herein collectively referred to as the new HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004.

The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice (“SSAPs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, 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.

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

2. 最新頒佈的香港財務報告準則（「財務報告準則」）的影響

香港會計師公會已頒佈多項新及經修訂香港財務報告準則及香港會計準則（以下統稱為新財務報告準則），一般於二零零五年一月一日或以後開始的會計期間生效。本集團並無提早於截至二零零四年十二月三十一日止年度的財務報告內採納此等新財務報告準則。

本集團已開始評估此等新財務報告準則的影響，但目前仍未能表明此等新財務報告準則會否對本集團的業績及財務狀況帶來重大影響。

3. 主要會計政策概要

編製基準

該等財務報告乃根據由香港會計師公會所頒佈之香港財務報告準則（當中包括香港會計實務準則（會計實務準則）及其釋義）、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。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2004. 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.

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.

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 Group has unilateral control, directly or indirectly, over the joint venture company;
- (b) a jointly-controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;

3. 主要會計政策概要 (續)

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二零零四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。

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。

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，如本集團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，如本集團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；

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Joint venture companies (continued)

- (c) an associate, if the Group 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 Group 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.

Jointly-controlled entities

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.

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 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.

3. 主要會計政策概要 (續)

合營公司 (續)

- (c) 聯營公司，如本集團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，如本集團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

共同控制企業為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。

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，按本集團應佔資產淨值減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會計實務準則第30號處理。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

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.

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.

Negative goodwill

Negative goodwill arising on the acquisition of subsidiaries and jointly-controlled entities represents the excess of the Group's share of the fair values of the identifiable assets and liabilities acquired as at the date of acquisition, over the cost of the acquisition.

To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated profit and loss account when the future losses and expenses are recognised.

To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated profit and loss account on a systematic basis over the remaining average useful life of the acquired depreciable/ amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

3. 主要會計政策概要 (續)

商譽 (續)

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。

商譽（包括仍然在綜合儲備扣除之商譽）之賬面值為每年檢討，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。

負商譽

收購附屬公司及共同控制公司所產生之負商譽，指本集團所收購之可辨別資產與負債於收購當日之公平值超逾收購成本之差額。

倘負商譽與收購計劃當中已確定預期於未來出現之虧損及開支有關，並能可靠地計算時（但並非為於收購當日之可辨別負債），則該等部份之負商譽於未來虧損及開支確認時在綜合損益表中確認為收入。

倘負商譽於收購當日與已確定預期於未來出現之虧損及開支無關，則負商譽會於所收購之可折舊／可攤銷資產餘下之平均可使用年期內，有系統地在綜合損益表中確認。負商譽超逾所收購之非貨幣資產之公平值之部份，會隨即獲確認為收入。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

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.

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 and 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.

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.

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。

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。

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。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed assets and depreciation (continued)

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 ¹ / ₃ % or over the lease terms, whichever is higher
Furniture, fixtures and office equipment	15% to 33 ¹ / ₃ %
Medical equipment	12 ¹ / ₂ % to 20%
Computer equipment and software	20% to 33 ¹ / ₃ %
Motor vehicles	20% to 33 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.

Leased assets

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in fixed assets and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit and loss account so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

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 (續)

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 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 ¹ / ₃ %
醫療設備	12 ¹ / ₂ % – 20%
電腦設備及軟件	20% – 33 ¹ / ₃ %
車輛	20% – 33 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。

租賃資產

凡將資產擁有權 (法定所有權除外) 之大部份回報及風險撥歸本集團之租賃均列為融資租賃。融資租賃生效時，租賃資產之成本將按最低應付租金之現值撥作資本，並連同租賃責任 (不包括利息) 入帳，以反映採購與融資。資本融資租賃所持之資產列作固定資產，並按租期或資產之估計可使用年期兩者之中較低者計算折舊。上述租賃之融資費用自損益表扣除，以於租約期作出定期定額扣減。

根據租購合約收購屬融資性質之資產列作融資租賃，惟將按估計可使用年期折舊。

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。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

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, including dispensary supplies and consumables, 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.

Deferred revenue

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

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(包括藥物及可耗用貨物)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。

遞延收入

遞延收入指預先收取之服務費。遞延收入乃於提供相關服務時於損益賬除解及確認。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 interests in subsidiaries and interests in joint ventures, 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:

- 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 interests in subsidiaries and interests in joint ventures, 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.

3. 主要會計政策概要 (續)

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：

- 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
- 就與於附屬公司之權益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。

Notes to Financial Statements 財務報告附註

31 December 2004
於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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:

- (a) from the provision of services, including medical services, nursing, physiotherapy and dental services, and elderly care services, on the provision of the relevant services;
- (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.

3. 主要會計政策概要 (續)

所得稅 (續)

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：

- (a) 提供服務（包括醫療、護理、物理治療、牙醫服務及護老服務）之費用收入：在提供有關服務時；
- (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。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

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。

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。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (continued)

Share incentive plan

The Company operates 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 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 the 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.

Foreign currency transactions

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.

3. 主要會計政策概要 (續)

僱員福利 (續)

股份獎勵計劃

本公司設立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。

外幣交易

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。滙兌差額均列入損益賬中處理。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

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:

- (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; and
- (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.

Intersegment sales and transfers are transacted at mutually agreed terms.

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，而資產則按資產所在地區置歸入各分類。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：

- (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；及
- (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。

分類間之銷售及轉讓乃根據相互協定之條款進行交易。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

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

	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		Eliminations 對銷		Consolidated 綜合	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Segment revenue: 分類收入：												
Sales to external customers 銷售予外來客戶	623,754	578,487	65,280	57,772	99,314	107,263	-	-	-	-	788,348	743,522
Intersegment revenue 分類間收入	2,933	3,332	10,355	8,114	5,699	183	-	-	(18,987)	(11,629)	-	-
Other revenue and gains 其他收入及收益	6,744	4,834	431	612	141	494	869	881	-	-	8,185	6,821
Total 總計	633,431	586,653	76,066	66,498	105,154	107,940	869	881	(18,987)	(11,629)	796,533	750,343
Segment results 分類業績	55,769	50,033	6,077	3,838	(341)	(2,960)	(7,995)	(8,781)	-	-	53,510	42,130
Unallocated interest income 未分配利息收入											507	770
Unallocated expenses 未分配開支											-	(9,559)
Profit from operating activities 經營活動溢利											54,017	33,341
Finance costs 融資費用											(101)	(1,440)
Share of profits and losses of jointly-controlled entities 應佔共同控制企業 溢利及虧損	(7)	1,471	-	-	-	-	-	-	-	-	(7)	1,471
Profit before tax 除稅前溢利											53,909	33,372
Tax 稅項											(8,891)	(8,933)
Net profit from ordinary activities attributable to shareholders 股東應佔日常 業務純利											45,018	24,439

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。

集團

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

4. SEGMENT INFORMATION (continued)

4. 分類資料 (續)

Business segments (continued)

業務分類 (續)

Group

集團

	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		Eliminations 對銷		Consolidated 綜合	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Segment assets 分類資產	169,684	149,282	21,162	13,639	37,392	43,057	24,817	6,837	-	-	253,055	212,815
Unallocated assets 未分配資產											1,652	9,744
Total assets 總資產											254,707	222,559
Segment liabilities 分類負債	68,193	61,280	6,016	5,245	12,406	11,099	13,006	7,919	-	-	99,621	85,543
Unallocated liabilities 未分配負債											9,202	29,186
Total liabilities 總負債											108,823	114,729
Other segment information: 其他分類資料：												
Depreciation and amortisation 折舊及攤銷	7,457	9,641	2,591	1,795	9,065	10,075	285	128	-	-	19,398	21,639
Impairment losses recognised in the profit and loss account 於損益賬確認之減值虧損	-	-	-	-	2,176	-	-	-	-	-	2,176	-
Provision for/(write-back of) bad and doubtful debts 呆壞賬撥備/(撥回)	(2,000)	-	36	-	(1,330)	1,393	-	-	-	-	(3,294)	1,393
Loss/(gain) on disposal/ write-off of fixed assets 出售/撇銷固定資產之虧損/(收益)	580	302	234	8	154	60	-	(25)	-	-	968	345
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	6,896	7,240	1,770	1,270	1,300	328	1,272	17	-	-	11,238	8,855

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

5. TURNOVER

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

Revenue from the following activities has been included in turnover:

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

5. 營業額

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之收費。

來自下列各項業務之收入已計入營業額內：

Group 集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
623,754	578,487
65,280	57,772
99,314	107,263
788,348	743,522

6. PROFESSIONAL FEES IN CONNECTION WITH A TAKEOVER OFFER

The professional fees in the prior year were incurred in connection with a conditional offer (the "Offer") by Anglo Chinese Corporate Finance, Limited on behalf of Caduceus Medica Limited, a company beneficially 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.

6. 有關一項收購之專業服務費

上年度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。

7. CORPORATE RESTRUCTURING EXPENSES

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

7. 公司重組開支

上年度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。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

8. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

8. 經營活動溢利

本集團之經營活動溢利經扣除／(計入)下列各項：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cost of inventories sold/dispensary supplies consumed and services provided	出售存貨／耗用藥物及提供服務之成本	650,785	604,990
Depreciation	折舊	18,907	21,148
Amortisation of goodwill*	商譽攤銷*	491	491
Impairment of goodwill	商譽減值	2,176	—
		2,667	491
Negative goodwill recognised as income during the year**	年內確認為收入之負商譽**	(61)	—
Provision for/(write-back of) bad and doubtful debts	呆壞賬撥備／(撥回)	(3,294)	1,393
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	63,263	70,230
Staff costs (excluding directors' remuneration (note 10)): Salaries, wages, allowances and bonuses	員工成本(不包括董事酬金(附註10))： 薪金、工資、津貼及紅利	264,251	248,529
Retirement benefits scheme contributions (defined contribution scheme)#	退休福利計劃供款(既定供款計劃)#	6,198	6,324
		270,449	254,853
Auditors' remuneration	核數師酬金	920	860
Foreign exchange losses, net	匯兌虧損淨額	14	37
Loss on disposal/write-off of fixed assets	出售／撇銷固定資產之虧損	968	345
Interest income	利息收入	(507)	(770)
Net rental income	租金收入淨額	(99)	(115)
Dividend income from an unlisted investment	來自一項非上市投資之股息收入	(189)	(133)

Notes to Financial Statements 財務報告附註

31 December 2004
於二零零四年十二月三十一日

8. PROFIT FROM OPERATING ACTIVITIES

(continued)

- * The amortisation of goodwill is included in "Depreciation and amortisation expenses" on the face of the consolidated profit and loss account.
- ** The negative goodwill arose on the acquisition of a jointly-controlled entity during the year and is included in "Other operating expenses, net" on the face of the consolidated profit and loss account. The amount is in respect of negative goodwill in expectation of identified future losses and expenses.
- # At 31 December 2004, the Group had no forfeited contributions available to reduce its contributions to the retirement benefits scheme in future years (2003: Nil).

8. 經營活動溢利 (續)

- * 商譽攤銷已計入綜合損益賬中「折舊及攤銷開支」一項。
- ** 年內收購一間共同控制企業所產生之負商譽已計入綜合損益賬中「其他經營開支淨額」一項。該金額乃指負商譽之預期可辨認未來虧損及開支。
- # 於二零零四年十二月三十一日，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(二零零三年：無)。

9. FINANCE COSTS

9. 融資費用

Interest on:
Bank loans and overdrafts wholly repayable within five years
Hire purchase contract

付利息予：
須於五年內悉數償還之
銀行貸款及透支
租購合約

Group 集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
100	1,440
1	—
101	1,440

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

10. 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 (defined contribution scheme)#	退休金計劃供款(界定供款計劃)#

Fees include HK\$298,000 (2003: HK\$902,000) payable to the independent non-executive directors. There were no other emoluments payable to the independent non-executive directors during the year (2003: Nil).

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

Nil – HK\$1,000,000	無 – 1,000,000港元
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元
HK\$2,000,001 – HK\$3,000,000	2,000,001港元 – 3,000,000港元
HK\$3,000,001 – HK\$5,000,000	3,000,001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**

10. 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	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
298	902
5,280	4,663
—	4,648
24	21
5,304	9,332
5,602	10,234

袍金包括應付本公司獨立非執行董事之298,000港元(二零零三年：902,000港元)。於年內，並無其他應付予獨立非執行董事之酬金(二零零三年：無)。

酬金介乎下列範圍之董事人數：

Number of directors 董事人數	
2004 二零零四年	2003 二零零三年
9	10
—	1
1	1
1	—
—	1
11	13

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

10. DIRECTORS' REMUNERATION (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2003: Nil).

During the year, no share options (2003: Nil) were granted to the directors in respect of their services to the Group.

- * The compensation for the termination of the service agreement of a director of approximately HK\$4.6 million was included in "Corporate restructuring expenses" on the face of the consolidated profit and loss account for the year ended 31 December 2003.
- ** This included compensation for loss of office of HK\$4,648,000 paid to a director during the year ended 31 December 2003.
- # At 31 December 2004, the Group had no forfeited contributions available to reduce its contributions to the retirement benefits scheme in future years (2003: Nil).

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2003: one) director, details of whose remuneration are set out in note 10 above. Details of the remuneration of the remaining four (2003: four) non-director, highest paid employees for the year are as follows:

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

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

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

During the year, no share options (2003: Nil) were granted to the non-director, highest paid employees.

10. 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 (二零零三年：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 (二零零三年：無)。

- * 於截至二零零三年十二月三十一日止年度內，終止一名董事服務協議而作出約 4,600,000 港元之賠償已計入綜合損益賬中「企業重組開支」一項。
- ** 這包括於截至二零零三年十二月三十一日止年度內付予一名董事作為離職補償之款項 4,648,000 港元。
- # 於二零零四年十二月三十一日，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 (二零零三年：無)。

11. 五位最高薪僱員

年內五位最高薪僱員包括一位 (二零零三年：一位) 董事，其酬金詳情載於上文附註 10。其他四位 (二零零三年：四位) 最高薪僱員 (非董事) 本年度之酬金如下：

Group 集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
22,089	19,987
60	48
22,149	20,035

年內屬非董事之最高薪僱員之酬金介乎：

Number of employees 職員人數	
2004 二零零四年	2003 二零零三年
—	1
1	2
2	—
1	1
4	4

年內並無就非董事最高薪僱員授出購股權 (二零零三年：無)。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

12. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits arising in Hong Kong during the year.

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

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:

12. 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%(二零零三年：17.5%)的稅率撥備。

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
9,562	3,403
—	6,298
(671)	(768)
8,891	8,933

以除稅前溢利，按香港法定稅率及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	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit before tax	除稅前溢利	53,909	33,372
Tax at the statutory tax rate	按法定稅率計算之稅項	9,434	5,840
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
Adjustments in respect of current tax of prior periods	就往年度當期稅項作出之調整	—	6,298
Income not subject to tax	不須繳稅之收入	(5)	(60)
Expenses not deductible for tax, net	不可扣減稅項之支出淨額	628	1,940
Tax losses for the year not recognised	未確認之本年度稅項虧損	393	867
Tax losses utilised from previous periods	以往期間動用之稅項虧損	(1,559)	(6,186)
Tax charge at the Group's effective rate	按本集團有效稅率計算之稅項支出	8,891	8,933

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

12. TAX (continued)

As set out in the financial statements for the year ended 31 December 2003, the Hong Kong Inland Revenue Department was in dispute over certain tax issues related to prior years with certain medical practices in which the Group has business interests and had issued notices of additional assessments to the medical practices (the "Tax Disputes"). The Tax Disputes were settled during the year and the corresponding tax liabilities, which were fully provided for in the prior years, were also settled during the year.

13. NET PROFIT FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS

The net profit from ordinary activities attributable to shareholders for the year ended 31 December 2004 dealt with in the financial statements of the Company, was a net profit of HK\$16,705,000 (2003: net loss of HK\$31,820,000) (note 30).

14. DIVIDENDS

Interim – HK1 cent (2003: Nil)
per ordinary share

Proposed final – HK1.5 cents
(2003: HK2.25 cents)
per ordinary share

中期股息－每股普通股1港仙
(二零零三年：無)

建議末期股息－每股普通股
1.5港仙(二零零三年：2.25港仙)

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

12. 稅項 (續)

誠如截至二零零三年十二月三十一日止年度之財務報告所載，香港稅務局與本集團有業務利益關係之若干醫療機構就上年度若干稅務事項有糾紛，並向該等醫療機構發出補加評稅通知(「稅務糾紛」)。稅務糾紛已於年內解決，而於上年度作出全面撥備之相關稅務負債亦已於年度內解除。

13. 股東應佔日常業務純利

截至二零零四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16,705,000港元(二零零三年：淨虧損31,820,000港元)(附註30)。

14. 股息

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
2,167	—
3,250	4,874
5,417	4,874

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。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

14. DIVIDENDS (continued)

The proposed final dividend payment of approximately HK\$3,250,000 is based on the proposed final dividend of HK1.5 cents per share and 216,672,884 ordinary shares in issue as at 22 March 2005 which is before any effect of a share repurchase (the "Share Repurchase") (note 35). In accordance with the terms of the Share Repurchase as detailed in the circular of the Company dated 3 March 2005, shares repurchased will be treated as cancelled and will not rank for the purpose of any dividends declared pursuant to any record date set subsequent to the date of their cancellation. As a result, the shares repurchased and cancelled under the Share Repurchase will not rank for this proposed final dividend as its record date is 20 May 2005, which is after the cancellation of the shares to be repurchased.

15. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit attributable to shareholders for the year of HK\$45,018,000 (2003: HK\$24,439,000), and the weighted average of 216,649,775 (2003: 216,375,934, as adjusted to reflect the consolidated of shares during that year) ordinary shares in issue during the year.

The calculation of diluted earnings per share for the year is based on the net profit attributable to shareholders for the year of HK\$45,018,000 (2003: HK\$24,439,000). The weighted average number of ordinary shares used in the calculation is the 216,649,775 (2003: 216,375,934, as adjusted to reflect the consolidation of shares during that year) ordinary shares in issue during the year, as used in the basic earnings per share calculation and the weighted average of 334,697 (2003: 346,403, as adjusted to reflect the consolidation of shares during that year) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options during the year.

The outstanding warrants during the year were not accounted for in the calculation of diluted earnings per share as they did not have a dilutive effect on the basic earnings per share for the year.

14. 股息 (續)

建議派付之末期股息約為3,250,000港元，乃按建議末期股息每股1.5港仙及於二零零五年三月二十二日已發行普通股216,672,884股股份計算(不包括一項股份回購(「股份回購」)(附註35)之任何影響)。根據股份回購之條款(詳情載於本公司於二零零五年三月三日刊發之通函內)，所有回購之股份將被視為予以註銷，再不會享有股份註銷日期後就任何記錄日期所宣佈派發之任何股息。由於建議末期股息之記錄日期為二零零五年五月二十日(即所回購之股份被註銷日期後)，因此，股份回購項下所回購並註銷之股份將不再享有建議末期股息。

15. 每股盈利

每股基本盈利乃根據年內股東應佔純利45,018,000港元(二零零三年：24,439,000港元)，以及年內已發行普通股加權平均數216,649,775股(二零零三年：216,375,934股，調整以反映該年之股份合併)計算。

本年度每股攤薄盈利乃根據本年度股東應佔純利45,018,000港元(二零零三年：24,439,000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216,649,775股(二零零三年：216,375,934股，調整以反映該年之股份合併)，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334,697股(二零零三年：346,403股，調整以反映該年之股份合併)。

由於年內未行使認股權證對本年度的每股基本盈利沒有攤薄影響，故此於計算每股攤薄盈利時並無計算該等認股權證在內。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

16. FIXED ASSETS

16. 固定資產

Group		集團					
		Leasehold improve- ments 租賃 物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置 及辦公室 設備 HK\$'000 千港元	Medical equipment 醫療設備 HK\$'000 千港元	Computer equipment and software 電腦設備 及軟件 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本值：						
At beginning of year	年初	72,087	19,239	18,157	11,722	42	121,247
Reclassification	重列	-	27	-	(27)	-	-
Additions	添置	6,548	968	2,065	1,058	599	11,238
Disposals/write-off	出售／撇銷	(6,560)	(1,013)	(244)	(197)	-	(8,014)
At 31 December 2004	二零零四年 十二月三十一日	72,075	19,221	19,978	12,556	641	124,471
Accumulated depreciation:	累計折舊：						
At beginning of year	年初	47,918	13,238	11,230	8,604	8	80,998
Reclassification	重列	-	7	-	(7)	-	-
Provided during the year	於年內已作出撥備	10,635	2,428	3,926	1,824	94	18,907
Disposals/write-off	出售／撇銷	(5,796)	(940)	(116)	(194)	-	(7,046)
At 31 December 2004	二零零四年 十二月三十一日	52,757	14,733	15,040	10,227	102	92,859
Net book value:	賬面淨值：						
At 31 December 2004	二零零四年 十二月三十一日	19,318	4,488	4,938	2,329	539	31,612
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

The net book value of the Group's fixed assets held under a hire purchase contract included in the total amount of furniture, fixtures and office equipment as at 31 December 2004 amounted to HK\$22,000 (2003: Nil).

本集團根據租購合約持有之固定資產之賬面淨值已包括於傢俬、裝置及辦公室設備於二零零四年十二月三十一日之總金額之金額為22,000港元(二零零三年：無)

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

17. LONG TERM INVESTMENTS

17. 長期投資

		Group 集團
		2004 二零零四年 HK\$'000 千港元
		2003 二零零三年 HK\$'000 千港元
Unlisted equity investments, at cost	非上市證券投資，按成本值	78
Loan to an investee company	貸予所投資公司款項	342
		180
		420

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。

18. GOODWILL

18. 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		集團
		Goodwill 商譽 HK\$'000 千港元
Cost:	成本：	
At beginning of year and at 31 December 2004	年初及於二零零四年十二月三十一日	10,192
Accumulated amortisation and impairment:	累計攤銷及減值：	
At beginning of year	年初	1,798
Amortisation provided during the year	於年內撥備之攤銷	491
Impairment provided during the year recognised in the profit and loss account	於年內撥備及於損益賬中確認之減值	2,176
At 31 December 2004	於二零零四年十二月三十一日	4,465
Net book value:	賬面淨值：	
At 31 December 2004	於二零零四年十二月三十一日	5,727
At 31 December 2003	於二零零三年十二月三十一日	8,394

During the year, the Group recognised a provision for impairment of goodwill in the amount of HK\$2,176,000, based on an assessment of the recoverable amount for the elderly care home. The impairment loss is included in the elderly care services segment.

年內，本集團根據對護老院可收回數額之評估，確認商譽之減值撥備2,176,000港元。減值虧損已計入護老服務部。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

18. GOODWILL (continued)

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.

The amount of goodwill reserve as at 31 December 2004, arising from the acquisition of subsidiaries, businesses and elderly care homes, prior to the adoption of SSAP 30 in 2001, is as follows:

Group

Cost:

At beginning of year
Closure of an elderly home

At 31 December 2004

Accumulated impairment:

At beginning of year
Closure of an elderly home

At 31 December 2004

Net amount:

At 31 December 2004

At 31 December 2003

成本：

年初
結束護老院

於二零零四年十二月三十一日

累計減值：

年初
結束護老院

於二零零四年十二月三十一日

賬面淨值：

於二零零四年十二月三十一日

於二零零三年十二月三十一日

18. 商譽 (續)

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號之過渡條文，該條文允許於採納該會計實務準則前所進行之收購所引致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告重新呈列。

於二零零四年十二月三十一日，於二零零一年採納會計實務準則第30號前收購附屬公司、業務及護老院所產生之商譽儲備如下：

集團

Goodwill
商譽
HK\$'000
千港元

547,191
(5,830)

541,361

547,191
(5,830)

541,361

—

—

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

19. INTERESTS IN SUBSIDIARIES

19. 於附屬公司之權益

		Company 公司	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 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	1,229,375	1,196,576
Due to subsidiaries	應付附屬公司款項	(274,517)	(230,252)
		990,301	1,001,767
Provision for impairment	減值撥備	(409,342)	(409,342)
		580,959	592,425

The balances with the subsidiaries are unsecured, interest-free, except for an amount due from a subsidiary of HK\$7,000,000 as at 31 December 2003, which bore interest at the Hong Kong dollar prime lending rate plus 3% per annum and was fully settled during the year, and have no fixed terms of repayment.

除於二零零三年十二月三十一日應收一間附屬公司7,000,000港元須按港元最優惠貸款利率加3厘年息計息並已於年內結清外，附屬公司之結欠均為無抵押、免息及無固定還款期。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

19. INTERESTS IN SUBSIDIARIES (continued)

19. 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	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
			2004 二零零四年	2003 二零零三年	
Medical services 醫療服務					
Berkshire Group Limited	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	US\$1 1美元	100	100	Provision of healthcare services 提供保健服務
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

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

19. INTERESTS IN SUBSIDIARIES (continued)

19. 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
			2004 二零零四年	2003 二零零三年	
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
Dynamic People Group Limited	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	US\$1 1美元	100	100	Provision of LASIK and optical surgical services 提供激光及 視力手術服務
Elderly care services 護老服務					
Conifer Elderly Services Limited (now named as Quality HealthCare Nursing Home Limited) 青松園護老有限公司 (現稱為卓健耆安護老 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

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

19. INTERESTS IN SUBSIDIARIES (continued)

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

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
Elderly care services (continued) 護老服務 (續)				
QHEs Limited 卓健耆安有限公司	British Virgin Islands/ Hong Kong 英屬處女群島／ 香港	US\$1 1美元	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	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 英屬處女群島	US\$1 1美元	100	Investment holding 投資控股
Sino Success (HK) Limited	Hong Kong 香港	HK\$2 2港元	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.

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.

19. 於附屬公司之權益 (續)

主要附屬公司之詳情如下 (續) :

2004 二零零四年	2003 二零零三年	
100	100	Provision of elderly care services 提供長者 護理服務
100	100	Provision of elderly care services 提供長者 護理服務
100	100	Investment holding 投資控股
100	100	Provision of corporate services 提供企業服務

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。

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。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

20. INTERESTS IN JOINTLY-CONTROLLED ENTITIES

20. 於共同控制企業之權益

	Group 集團
	2004 二零零四年 HK\$'000 千港元
Share of net assets	54
Due from a jointly-controlled entity	171
	225

	2003 二零零三年 HK\$'000 千港元
	—
	—
	—

The amount due from a jointly-controlled entity is unsecured, interest-free and has no fixed terms of repayment.

一間共同控制企業之欠款為無抵押、免息及無固定還款期。

Particulars of the jointly-controlled entities 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 and operations 註冊成立 及經營地點	Ownership interest 所有者權益	Percentage of 百分比 Voting power 投票權	Profit sharing 溢利攤分	Principal activities 主要業務
Women's Health Centres International Limited	Corporate 公司	Hong Kong 香港	50	50	50	Inactive 不活躍經營
Poltallock Limited*	Corporate 公司	Hong Kong 香港	50	50	50	Provision of facilities and technical services to medical and dental practitioners 向醫生及牙醫提供 設施及技術服務

* Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms.

* 並非由香港安永會計師事務所或其他安永國際會計師事務所成員公司審核。

All of the investments in above jointly-controlled entities are indirectly held by the Company.

上述共同控制企業之所有投資均由本公司間接持有。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

21. 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 Wanji Pharmaceutical Holdings Limited (formerly ehealthcareasia Limited ("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 was non-transferable, unsecured, bore interest at the Hong Kong dollar prime lending rate plus 3% per annum and matured on the second anniversary from its date of issue. The Convertible Note was convertible wholly or partially into new EHA shares on any business day 12 months after the date of issue and the maturity date.

The Convertible Note reached maturity and was repaid during the year.

21. 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」) 與萬基藥業控股有限公司 (前稱 ehealthcareasia Limited (「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份轉換為 EHA 新股份。

可換股票據已於年內到期及償還。

22. INVENTORIES

Dispensary supplies 藥物
Consumables 消耗品

22. 存貨

Group 集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
6,836	6,971
514	442
7,350	7,413

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

23. 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 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
Over 180 days	180日以上

23. 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結餘（按發票日期計算，並已扣除撥備）之賬齡分析如下：

Group 集團	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
70,840	71,721
842	–
18	–
71,700	71,721

24. INTEREST-BEARING BANK BORROWING

The balance at 31 December 2003 represented an unsecured interest-bearing bank loan of the Group and the Company, which is repayable within one year. The bank loan was fully repaid during the year.

24. 計息銀行貸款

二零零三年十二月三十一日之結欠指本集團及本公司需於一年內償還之無抵押計息銀行貸款。該銀行貸款已於年內悉數償還。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

25. 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:

Accounts payable:
Current – 90 days
91 – 180 days
181 – 360 days
Over 360 days

應付賬項：
即期至90日
91至180日
181至360日
360日以上

Other payables, accruals and deposits received

其他應付款項、應計款項及已收按金

25. 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	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
17,330	20,342
239	67
388	821
439	107
18,396	21,337
73,473	54,760
91,869	76,097

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

26. HIRE PURCHASE CONTRACT PAYABLE

The Group leases certain office equipment for its medical services business under a hire purchase arrangement. The term of the hire purchase is five years.

At 31 December 2004, the total future minimum lease payments under the hire purchase arrangement and its present value were as follows:

Group
集團

Amounts payable:	應付金額：
Within one year	一年內
In the second year	第二年
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)
Total minimum hire purchase contract payments	租購合約最低付款總額
Future finance charges	未來融資費用
Total net hire purchase contract payable	租購合約應付款項淨額
Portion classified as current liabilities	列作流動負債之部份
Long term portion	長期部份

26. 應付租購合約

本集團根據租購安排為其醫療服務業務租用若干辦公室設備。租購年期為五年。

於二零零四年十二月三十一日，根據融資租賃及租購合約未來最低租約付款總額及其現值如下：

Minimum lease payments 最低租約付款額		Present value of minimum lease payments 最低租約付款之現值	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
6	—	6	—
6	—	4	—
17	—	12	—
29	—	22	—
(7)	—		
22	—		
(5)	—		
17	—		

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

27. DEFERRED TAX

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

Group

At 1 January

Deferred tax credited to the profit and loss account during the year, including a charge of HK\$234,000 for the year ended 31 December 2003 due to the effect of an increase in Hong Kong profits tax rate (note 12)

At 31 December

The Group has tax losses arising in Hong Kong of HK\$81,258,000 (2003: HK\$80,734,000) 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 or it is not considered probable that taxable profits will be available against which such tax losses can be utilised.

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

27. 遞延稅項

年內之遞延稅項負債變動如下：

集團

	Accelerated tax depreciation 加速稅項折舊
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1 January	2,496
Deferred tax credited to the profit and loss account during the year, including a charge of HK\$234,000 for the year ended 31 December 2003 due to the effect of an increase in Hong Kong profits tax rate (note 12)	(768)
At 31 December	1,728

本集團於香港產生之稅務虧損為81,258,000港元(二零零三年：80,734,000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，或預期並無足夠應課稅溢利可用作抵銷該等稅務虧損，故此並未就其確認遞延稅項資產。

本公司向股東派付之股息並無附帶任何所得稅後果。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

28. SHARE CAPITAL

Shares

Authorised:

3,000,000,000 (2003: 3,000,000,000)
ordinary shares of HK\$0.10 each

Issued and fully paid:

216,672,884 (2003: 216,621,884)
ordinary shares of HK\$0.10 each

法定：

3,000,000,000股(二零零三年：
3,000,000,000股)每股
面值0.10港元之普通股

已發行及繳足：

216,672,884股(二零零三年：
216,621,884股)每股
面值0.10港元之普通股

The movements in share capital during the current and the prior years were as follows:

Year ended 31 December 2004

- (i) The subscription rights attaching to 51,000 share options were exercised at the subscription price of HK\$1.50 per share (note 29), resulting in the issue of 51,000 ordinary shares of the Company of HK\$0.10 each for a total cash consideration, before expenses, of approximately HK\$77,000.

Year ended 31 December 2003

- (ii) The subscription rights attaching to 2,790,000 share options were exercised at the subscription price of HK\$0.15 per share, 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.
- (iii) 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:

28. 股本

股份

2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
300,000	300,000
21,667	21,662

年內及上年度之股本變動如下：

截至二零零四年十二月三十一日止年度

- (i) 附帶於51,000股購股權之認購權已按每股1.50港元之認購價行使(附註29)，導致本公司發行51,000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77,000港元。

截至二零零三年十二月三十一日止年度

- (ii) 附帶於2,790,000股購股權之認購權已按每股0.15港元之認購價行使，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。
- (iii) 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(「股本重組」)，其涉及(其中包括)下列事項：

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

28. SHARE CAPITAL (continued)

- (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;
- (b) a share consolidation of every 10 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.

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

28. 股本 (續)

- (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；
- (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。

本公司於年內及上年度已發行股本變動有關之交易概述如下：

Ordinary Shares 普通股	Notes 附註	Number of shares in issue 已發行 股份數目	Issued share capital 已發行 股本 HK\$'000 千港元	Share premium account 股份溢 價賬 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2003	於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 28(ii)	2,790,000	279	139	418
Capital Reduction	股本削減 28(iii)(a)	-	(194,960)	-	(194,960)
Share Consolidation	股份合併 28(iii)(b)	(1,949,596,964)	-	-	-
Share Premium Reduction	股份溢價削減 28(iii)(c)	-	-	(293,094)	(293,094)
At 31 December 2003 and 1 January 2004	於二零零三年十二月 三十一日及二零零四年 一月一日	216,621,884	21,662	139	21,801
Share options exercised	已行使購股權 28(i)	51,000	5	72	77
At 31 December 2004	於二零零四年十二月三十一日	216,672,884	21,667	211	21,878

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

28. SHARE CAPITAL (continued)

Share options

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

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.

No warrant has been exercised since its issuance. At the balance sheet date, the Company had 43,324,376 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Company, result in the issue of 43,324,376 additional ordinary shares of the Company of HK\$0.10 each and additional share capital of approximately HK\$4,332,438 and share premium of approximately HK\$103,978,502.

29. SHARE OPTION SCHEME/PLAN

In response to the amendment by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on Chapter 17 "Share Option Schemes" of the Listing Rules in 2001, the Company terminated its old share option scheme (the "Old Scheme") and then adopted a new share incentive plan (the "Share Incentive Plan") on 7 June 2002.

The Old Scheme was expired on 5 July 2003 and all of the outstanding unexercised share options ceased to be exercisable and were lapsed.

Pursuant to the Share Incentive Plan, the board of directors of the Company may, at their discretion, invite any employees, executive or non-executive directors (including independent non-executive directors), officers, advisers, consultants or such other persons from time to time to be an eligible person to whom share options will be granted as an incentive to attract and retain them for their contributions to the business development of the Group. The Share Incentive 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.

28. 股本 (續)

購股權

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

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。

概無認股權證於發行後獲行使。於結算日，本公司有43,324,376份尚未行使認股權證。根據本公司現時之資本結構，倘該等認股權證獲全數行使將會導致本公司額外發行43,324,376股每股面值0.10港元普通股及獲得額外股本約4,332,438港元及股份溢價約103,978,502港元。

29. 購股權計劃

因應香港聯合交易所有限公司(「聯交所」)於二零零一年修訂上市規則第17章「購股權計劃」，本公司終止其舊購股權計劃(「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(「股份獎勵計劃」)。

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

根據股份獎勵計劃，本公司董事會可不時酌情邀請任何僱員、執行董事或非執行董事(包括獨立非執行董事)、高級人員、顧問、專業顧問或不時決定之其他具資格可獲授購股權之人士，作為招徠及挽留彼等對本集團業務發展所作出之貢獻。股份獎勵計劃已於二零零二年六月七日(「採納日」)獲批准及採納，而除非股份獎勵計劃被另行註銷或修訂，否則將自該日期起計十年內有效。

Notes to Financial Statements 財務報告附註

31 December 2004
於二零零四年十二月三十一日

29. SHARE OPTION SCHEME/PLAN (continued)

The total number of shares in respect of which options may be granted under the Share Incentive 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 Share Incentive 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 Share Incentive Plan are also set out in a circular of the Company dated 22 May 2002.

There were no share options granted under the Share Incentive Plan during the year (2003: Nil).

29. 購股權計劃 (續)

未經本公司股東事先批准，根據股份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股份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。股份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。

年內並無根據股份獎勵計劃授出購股權（二零零三年：無）。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

29. SHARE OPTION SCHEME/PLAN (continued)

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

Name or category of participant 姓名或參與者類別	Number of share options 購股權數目			At 31 December 2004 於二零零四年十二月三十一日	Date of grant of share options* 授出購股權日期*	Exercise period of share options (both dates inclusive) 購股權行使期間 (包括首尾兩日)	Exercise price of share options [†] 購股權行使價 [†] 港元	Price of Company's shares at exercise date of options** 行使購股權當日本公司之股份價格** 港元
	At 1 January 2004 於二零零四年一月一日	Exercised during the year 於年內獲行使	Cancelled/lapsed during the year 於年內註銷/失效					
Director 董事								
Brian Damian O'Connor	200,000	-	-	200,000	16-10-2002	16-10-2003 to 15-10-2007	1.50	N/A 不適用
Wong Tai Chun, Mark 王大鈞	150,000	-	-	150,000	16-10-2002	16-10-2003 to 15-10-2007	1.50	N/A 不適用
	350,000	-	-	350,000				
Other employees 其他僱員								
In aggregate 合計	1,496,500	(51,000)	(168,000)	1,277,500	16-10-2002	16-10-2003 to 15-10-2007	1.50	1.77
	1,846,500	(51,000)	(168,000)	1,627,500				

- * 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.
- # The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

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

At 31 December 2004, the Company had 1,627,500 outstanding share options under the Share Incentive Plan, which represented approximately 0.75% 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 1,627,500 additional ordinary shares of the Company of HK\$0.10 each, additional share capital of approximately HK\$162,750 and share premium of approximately HK\$ 2,278,500 (before issue expenses).

29. 購股權計劃 (續)

年內根據股份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	Number of share options 購股權數目			At 31 December 2004 於二零零四年十二月三十一日	Date of grant of share options* 授出購股權日期*	Exercise period of share options (both dates inclusive) 購股權行使期間 (包括首尾兩日)	Exercise price of share options [†] 購股權行使價 [†] 港元	Price of Company's shares at exercise date of options** 行使購股權當日本公司之股份價格** 港元
	At 1 January 2004 於二零零四年一月一日	Exercised during the year 於年內獲行使	Cancelled/lapsed during the year 於年內註銷/失效					
Director 董事								
Brian Damian O'Connor	200,000	-	-	200,000	16-10-2002	16-10-2003 to 15-10-2007	1.50	N/A 不適用
Wong Tai Chun, Mark 王大鈞	150,000	-	-	150,000	16-10-2002	16-10-2003 to 15-10-2007	1.50	N/A 不適用
	350,000	-	-	350,000				
Other employees 其他僱員								
In aggregate 合計	1,496,500	(51,000)	(168,000)	1,277,500	16-10-2002	16-10-2003 to 15-10-2007	1.50	1.77
	1,846,500	(51,000)	(168,000)	1,627,500				

- * 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。
- # 購股權行使價將因應進行供股、發行紅股或本公司股本中其他類似改變而予以調整。

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。

於二零零四年十二月三十一日，本公司在股份獎勵計劃下有1,627,500份尚未行使購股權，佔於本公司當日之已發行股份約0.75%。按本公司現行股本結構，倘尚未行使之購股權獲全數行使將會導致本公司額外發行1,627,500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162,750港元及股份溢價約2,278,500港元。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

30. RESERVES

30. 儲備

Group		集團				
			Shares premium account 股份溢 價賬	Contributed surplus 繳入盈餘	Retained profits/ (accumulated losses) 保留溢利／ (累計虧損)	Total 總計
	Notes 附註		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2003	於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(ii)	139	—	—	139
Capital Reduction	股本削減	28(iii)(a)	—	—	194,960	194,960
Share Premium Reduction	股份溢價削減	28(iii)(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 2003 dividend	建議二零零三年末期股息	14	—	—	(4,874)	(4,874)
At 31 December 2003 and 1 January 2004	於二零零三年十二月三十一日及 二零零四年一月一日		139	—	81,155	81,294
Share options exercised	已行使購股權	28(i)	72	—	—	72
Net profit for the year	本年度純利		—	—	45,018	45,018
Interim dividend	中期股息		—	—	(2,167)	(2,167)
Proposed final 2004 dividend	建議二零零四年末期股息	14	—	—	(3,250)	(3,250)
At 31 December 2004	於二零零四年十二月三十一日		211	—	120,756	120,967
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		211	—	120,763	120,974
Jointly-controlled entities	共同控制企業		—	—	(7)	(7)
At 31 December 2004	於二零零四年十二月三十一日		211	—	120,756	120,967
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

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 prior year, the Group applied the entire balance of its consolidated contributed surplus of HK\$524,063,000 to set off against the accumulated losses.

* 上年度內，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。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

30. RESERVES (continued)

30. 儲備 (續)

Company		公司				
			Shares premium account 股份溢 價賬	Contributed surplus 繳入盈餘	Retained profits/ (accumulated losses) 保留溢利／ (累計虧損)	Total 總計
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2003	於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(ii)	139	—	—	139
Capital Reduction	股本削減	28(iii)(a)	—	—	194,960	194,960
Share Premium Reduction	股份溢價削減	28(iii)(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 2003 dividend	建議二零零三年末期股息		—	—	(4,874)	(4,874)
At 31 December 2003 and 1 January 2004	於二零零三年十二月三十一日及 二零零四年一月一日		139	—	558,278	558,417
Share options exercised	已行使購股權	28(i)	72	—	—	72
Net profit for the year	本年度純利		—	—	16,705	16,705
Interim 2004 dividend	二零零四年中期股息		—	—	(2,167)	(2,167)
Proposed final 2004 dividend	建議二零零四年末期股息		—	—	(3,250)	(3,250)
At 31 December 2004	於二零零四年十二月三十一日		211	—	569,566	569,777

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.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders under certain circumstances.

* During the prior year, 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 to set off against the accumulated losses.

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。

根據一九八一年百慕達公司法(經修訂)之規定，繳入盈餘可在若干情況下分派予股東。

* 上年度內，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。

Notes to Financial Statements

財務報告附註

31 December 2004
於二零零四年十二月三十一日

31. 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	就附屬公司所獲銀行融資向銀行作出之擔保

As at 31 December 2004, 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\$3,526,000 for the issuance of bank guarantee letters (2003: HK\$2,645,000).

- (b) On 10 August 2004, Quality HealthCare Medical Services Limited ("QHMS") and Quality HealthCare Medical Centre Limited ("QHMC"), indirect subsidiaries of the Company, were served with a writ attaching a statement of claim by Asia Pacific Lasik Centre Limited claiming, inter alia, damages of HK\$900,000 for breaches of contract on the parts of QHMS and QHMC. The case is being defended and a cross action mounted. At this early stage, having taken legal advice, the directors take the view that no contingency arises for which a provision is required to be made.

As at 31 December 2004, the Group was engaged in other litigation and claims which have not been disclosed in detail, as the possibility of an outflow of resources embodying economic benefits is remote.

31. 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	
2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
63,654	55,326
60,000	100,000
123,654	155,326

於二零零四年十二月三十一日，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3,526,000港元作為出具銀行擔保函（二零零三年：2,645,000港元）。

- (b) 於二零零四年八月十日，亞太激光近視矯正中心向本公司間接附屬公司卓健醫療服務有限公司（「QHMS」）及卓健醫療體檢中心有限公司（「QHMC」）發出索償傳票，（其中包括）要求QHMS及QHMC就違反合約作出900,000港元之賠償。本集團已就此索償作出抗辯並提出反訴。在此初步階段，經考慮法律意見後，董事認為不會有任何或然負債產生而導致需要作出撥備。

於二零零四年十二月三十一日，本集團亦涉及其他訴訟及申索，但由於該等訴訟及申索導致帶有經濟利益之資源流出之機會甚低，故並無作詳細披露。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

31. CONTINGENT LIABILITIES (continued)

- (c) 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\$6,543,000 (2003: HK\$7,113,000) and HK\$250,000 (2003: HK\$164,000), respectively, as at 31 December 2004, 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.

31. 或然負債 (續)

- (c) 本集團及本公司於二零零四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6,543,000港元(二零零三年：7,113,000港元)及250,000港元(二零零三年：164,000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。

32. 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 2004, the Group and the Company had total future minimum lease payments under non-cancellable operating leases falling due as follows:

32. 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。經協商之物業租賃期介乎一年至六年。

於二零零四年十二月三十一日，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	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Within one year	一年內	54,474	52,700	—	165
In the second to fifth years, inclusive	第二至五年 (包括首尾兩年)	84,210	80,523	—	—
After five years	五年後	341	2,127	—	—
		139,025	135,350	—	165

Notes to Financial Statements 財務報告附註

31 December 2004
於二零零四年十二月三十一日

33. CAPITAL COMMITMENTS

At the balance sheet date, neither the Group, nor the Company had any significant capital commitments (2003: Nil).

33. 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（二零零三年：無）。

34. 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 current and the prior years:

34. 有關連人士之交易

本集團於年內及上年度有下列並未於財務報告其他部份作出披露之重大有關連人士交易：

- (a) The Group had certain transactions with various indirect wholly-owned subsidiaries of Sun Hung Kai & Co. Limited, a substantial shareholder of the Company, based on mutually agreed terms, pursuant to relevant agreements dated 2 February 2004, for a term of one year. Details of these transactions are set out on an announcement of the Company dated 2 February 2004.
- i) The Group paid insurance premiums of approximately HK\$3,400,000 (2003: HK\$1,519,000) to Sun Hung Kai Insurance Consultants Limited in accordance with an insurance brokerage services agreement dated 2 February 2004;
- ii) The Group paid company secretarial services fees of approximately HK\$1,083,000 (2003: HK\$433,000) to Wineur Secretaries Limited in accordance with a corporate secretarial services agreement dated 2 February 2004; and
- iii) The Group paid internal audit and compliance consultancy services fee of approximately HK\$54,190 (2003: Nil) to SHK Consultancy Services Limited in accordance with an internal audit and compliance consultancy services agreement dated 2 February 2004.

- (a) 本集團與新鴻基有限公司（本公司主要股東）之多家間接全資附屬公司根據日期為二零零四年二月二日之有關協議按雙方協定條款進行若干交易，為期一年。該等交易之詳情載於日期為二零零四年二月二日之公佈內。
- i) 本集團根據日期為二零零四年二月二日之保險經紀服務協議向新鴻基保險顧問有限公司繳付保費約3,400,000港元（二零零三年：1,519,000港元）；
- ii) 本集團根據日期為二零零四年二月二日之公司秘書服務協議向偉略秘書有限公司繳付公司秘書服務費約1,083,000港元（二零零三年：433,000港元）；及
- iii) 本集團根據日期為二零零四年二月二日之內部稽核及法規監核顧問協議向SHK Consultancy Services Limited繳付內部稽核及法規監核顧問服務費約54,190港元（二零零三年：無）。

Notes to Financial Statements

財務報告附註

31 December 2004

於二零零四年十二月三十一日

34. RELATED PARTY TRANSACTIONS (continued)

Subsequent to the balance sheet date, on 7 February 2005, the Group entered into a new set of agreements with the relevant parties to continue the services under the above-mentioned agreements for a term of one year commencing 1 February 2005, further details of which are set out in an announcement of the Company dated 7 February 2005.

- (b) The Group waived an amount due from Women's Health Centres International Limited, a jointly-controlled entity, of HK\$1,107,000 in the prior year, as mutually agreed with the other joint venture partner of the jointly-controlled entity.

34. 有關連人士之交易 (續)

於結算日後，本集團於二零零五年二月七日與有關訂約方訂立新協議，以延續上述協議項下之服務，由二零零五年二月一日起計，為期一年，詳情載於本公司日期為二零零五年二月七日之公佈。

- (b) 本集團於上年度與共同控制企業 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。

35. POST BALANCE SHEET EVENT

On 24 January 2005, the Company announced a voluntary conditional cash offer to be made by Sun Hung Kai International Limited on behalf of the Company to repurchase up to 21,667,288 ordinary shares of HK\$0.10 each in the issued share capital of the Company for HK\$2.00 in cash per share (the "Conditional Cash Offer"). If the Conditional Cash Offer is accepted in full, the cost and the estimated related expenses of the Conditional Cash Offer would be approximately HK\$44.7 million, which will be financed by internal resources of the Group. The Conditional Cash Offer is conditional upon, among other things, the approval of the independent shareholders at the special general meeting to be held on 23 March 2005. Further details of the Conditional Cash Offer are set out in a circular of the Company dated 3 March 2005.

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 March 2005.

35. 結算日後事項

於二零零五年一月二十四日，本公司宣佈新鴻基國際有限公司將代表本公司提出一項自願有條件現金收購建議，按現金每股 2.00 港元回購最多達 21,667,288 股本公司已發行股本中每股面值 0.10 港元之普通股股份（「有條件現金收購建議」）。倘有條件現金收購建議獲全面接納，有條件現金收購建議之成本及預計相關開支將約為 44,700,000 港元，並將以本集團之內部資源支付。有條件現金收購建議須待（其中包括）獨立股東於二零零五年三月二十三日舉行之股東特別大會上批准後，方可作實。有條件現金收購建議之進一步詳情載於日期為二零零五年三月三日之本公司通函內。

36. 通過財務報告

財務報告於二零零五年三月二十二日獲董事會通過及授權刊發。