



Management Discussion and Analysis

管理層討論及分析

OPERATIONAL REVIEW

Quality HealthCare Medical Services (“QHMS”)

Stable Growth

Divisional profit of QHMS in 2005 was HK\$61.7 million, demonstrated growth of 11% compared to HK\$55.8 million in 2004. Revenue for 2005 demonstrated an increase of 4% to HK\$659.4 million, compared to HK\$633.4 million in 2004. Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) for 2005 was HK\$68.0 million (2004: HK\$63.2 million).

Customer Experience

Major renovation projects were undertaken in 2005 of a number of key medical centres of QHMS, including the flagship centre at Prince’s Building. The objectives of the renovation were to upgrade the facilities, improve operational efficiency, and create improved ambience for the centres. The key focus was on delivering the right customer experience, with the underlying philosophy being the cultivation of a life long relationship with loyal and satisfied customers. In spite of an increase in the number of patient visits in both contract and cash patients, the average number of complaints per month declined 30%. We continue to be challenged by the requirement to be cost effective, with high patient volumes whilst maintaining a personal caring service.

業務回顧

卓健醫療服務

增長穩定

二零零五年卓健醫療服務錄得分部溢利61,700,000港元，較二零零四年的55,800,000港元增長11%。二零零五年收入由二零零四年的633,400,000港元上升4%至659,400,000港元。二零零五年未計利息、稅項、折舊及攤銷前盈利（「EBITDA」）為68,000,000港元（二零零四年：63,200,000港元）。

客戶體驗

於二零零五年，卓健醫療服務旗下若干主要醫療中心已經進行大型翻新工程，包括太子大廈的旗艦中心。翻新工程的目標是提升設施，提高營運效益，及為中心創造更舒適的環境。本公司專注為客戶提供合適的服務，及與滿意我們服務的忠誠客戶建立長久關係。儘管合約客戶及現金付款病人求診數目有所增加，每月平均投訴宗數則減少30%。本集團繼續面對在病人數目高企的情況下以具成本效益的方式去維持個人護理服務的挑戰。



Understanding Customer Needs

We are sensitive to our clients need to be cost conscious. However we will continue to seek to maintain an international standard of care while enhancing efficiencies and savings in other aspects of the delivery system. We continue to expand our services and our geographic coverage in tandem with our clients needs. Preventive health, travel and wellness, employee assistance, and vision care will be strengthened and structured in a direction that strives to meet the rising expectations of our clients.

瞭解客戶所需

本集團充分了解須以具成本效益的方式服務客戶的需要。然而，本集團將繼續尋求保持國際級護理質素，並確保在提供服務系統的其他方面提高效益及節約。本集團繼續增加服務及擴大地區覆蓋範圍，以迎合本集團客戶的需求。疾病預防、旅遊休閒、視力保健及僱員支援等服務將切合客戶日益提升的要求而作出改善及重組。

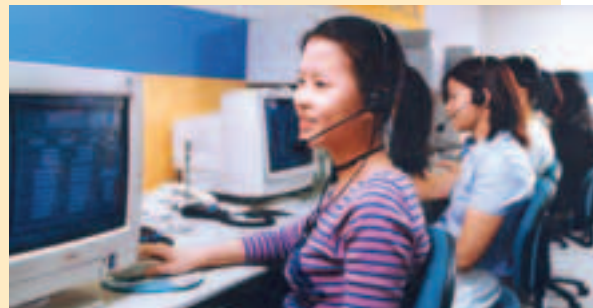
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In 2005, QHMS was able to proactively respond to the demand for arrangement of on and off site vaccinations, health talks and contingency planning and advice for our corporate clients and insurance partners in response to the growing awareness and concerns over possible avian flu pandemic. These initiatives were rewarded by positive feedback and encouragement.

We invested in our 24-hour Medical Call Centre in response to increased patient expectations with the objective of improving the capacity to handle more than 30,000 calls per month with a quality service. External consultants were engaged to benchmark the quality of handling such services as enquires, appointment bookings, emergency assistance, counseling and the like. Over 90% of the call centre staff received Call Centre Professional Certification, and the centre was awarded the “People Site Certification Award” from the Asia Pacific Customer Service Consortium, a leading customer service advocate.

二零零五年，在越來越關注可能發生禽流感疫情的情況下，卓健醫療服務積極回應企業客戶及保險夥伴對於保健中心及外包防疫注射、保健講座及事故應變規劃及諮詢的要求而作出適當安排。

本集團為回應病人不斷增加的要求，已投資24小時醫療電話中心，旨在提升其服務能力，並以優質服務處理每月超過30,000個電話查詢。本集團亦已委託外界顧問，評估在處理服務查詢、預約、緊急支援、諮詢及相類方面的質素。逾九成的電話中心員工已考獲由一關注消費者權益組織亞太顧客服務協會的電話中心專業證書，而該中心更獲頒發「優質客服專員中心證書」。



Our client list and capability continues to grow in third party administration. Administrative skill and IT are vital as the delivery of employee plans increase. We have now increased our capability to include pan-Asian advisory, work injury and disability case management and critical illness.

Training and Productivity

As a people-focused industry, QHMS believes in empowering staff through training and the cultivation of a learning culture to enhance knowledge, expertise and productivity at all levels. Consultants were employed in 2005 and will continue in 2006 to provide service training to our frontline supervisory staff and management training for our senior executives to enhance effective teamwork and communications. Over 90 classes were arranged in 2005 for continuous clinical training on occupational health and safety and first aid to the frontline staff.

本集團在第三者管理服務的客戶人數及服務能力繼續增長。行政技巧及資訊科技對推行僱員計劃尤為重要。因此，本集團已擴展服務至提供泛亞洲諮詢、工傷和殘障及危疾個案管理。

培訓及生產力

作為以人為本的行業，卓健醫療服務深信透過培訓及營造學習文化，以增進各級員工的知識、專長及生產能力。於二零零五年已聘請顧問，並於二零零六年繼續聘用，提供服務培訓予前線主管員工，及管理培訓予高級行政人員，以促進有效的團隊合作及溝通。於二零零五年已安排超過90個課程為前線員工提供有關職業健康和安全的持續醫療培訓。

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QHMS will continue to strive for enhanced productivity at all levels through training, process reengineering and the setting of clear strategies and performance indicators for the staff. IT solutions and technology will continue to be employed to facilitate and support the process changes when driving for operational efficiency. Focused communication will be directed to our customers, staff and partners to facilitate and sustain our growth initiatives. Employee services will be promoted to retain a base of loyal and experienced staff with their career and personal development in mind. A balanced scorecard approach will be adopted in 2006 as a basis for team and individual appraisal.

Quality HealthCare Chinese Medicine (“QHCM”)

QHCM continued to gain popularity in the market, and the total number of visits for QHCM in 2005 increased by 26% as compared to 2004. The provision of Chinese medicine granules was launched in June 2005 as an alternative choice for our clients, bringing to them a convenient and efficient way of using Chinese medicine. QHCM will continue to expand its network in conjunction with the growth of our Western medical centre network.

卓健醫療服務將會繼續為各級員工進行培訓、重組業務流程及為員工設定清晰的策略及表現指標，致力提高各級員工的生產力，並將會繼續運用資訊科技及技術，以支援業務流程的變化。並且，專注於與本集團客戶、員工及合夥人進行溝通，以推動及保持本公司的發展優勢。卓健醫療服務亦推行員工服務，藉此留聘一群忠心及經驗豐富的員工。二零零六年將會採用均衡計分卡，作為隊伍及個人評估的基準。

卓健中醫藥服務

卓健中醫藥服務繼續在市場廣受歡迎。於二零零五年，卓健中醫藥服務的求診總人數較二零零四年增長約26%。其於二零零五年推出中藥藥粉，為客戶提供更快捷妥當的另類服藥選擇。卓健中醫藥服務的網絡將繼續隨著本集團西藥中心網絡的發展而擴大。



Quality HealthCare Services (“QHS”)

QHS continued to deliver growth and achieved an increase in revenue of 20% in 2005. Divisional profit increased by 24% over the prior year. EBITDA for 2005 was HK\$10.1 million (2004: HK\$8.7 million).

卓健綜合保健服務

於二零零五年，卓健綜合保健服務繼續錄得增長，收入上升20%。分部溢利較去年增長24%。二零零五年的EBITDA為10,100,000港元（二零零四年：8,700,000港元）。

Quality HealthCare Nursing Agency (“QHNA”)

QHNA continued to deliver significant growth in profit in 2005 compared to 2004. There was a strong demand for nursing service from private patients in the private hospitals. In addition, staff relief for private hospitals and elderly homes was buoyant, providing a steady flow of revenue. QHNA also successfully filled the need for baby-sitting services in hotels and was able to generate regular orders from this new business area.

卓健護理介紹所

於二零零五年，卓健護理的溢利較二零零四年有大幅增長。私家醫院病人對私人護理服務的需求殷切。此外，私家醫院及護老院對替假員工的需求趨升，提供穩定收入。卓健護理介紹所亦成功切合酒店保姆託管服務的需求，並在該新業務領域取得穩定收入。

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QHNA will continue to provide streamlined, strategic staffing solutions that result in cost-efficient care delivery to NGO homes and hospitals by delivering accountability for quality and proper credentialing of the nurses and the carers. Marketing activities will be focused on strengthening the brand name of the agency as the “HomeCare Services Provider” to the general public, hospital patients, ward nurses, insurance companies and doctors. QHNA will explore opportunities to work with statutory bodies and other corporations in providing training programs for care workers of elders at home and for sourcing of nurses in China as overseas recruitment.

Quality HealthCare Dental (“QHD”)

QHD continued to enjoy growth in private and corporate revenue in 2005 and achieved increased revenue generated by both the general practitioners and the specialists. The orthodontic and paedodontic services were expanded into the Kowloon and New Territories areas, and the dental centre at Prince’s Building was expanded. New educational programs were broadcast at the Prince’s Building centre to enhance client awareness of the different procedures available and to thereby enable clients to enjoy a more informed choice.

QHD plans to expand its network further with new centres while continuing to increase the capacities of the existing centres. Specialist services will continue to be the focus for growth, and internal processes will be reviewed including IT solutions in order to gain more efficiency.

Quality HealthCare Physiotherapy (“QHP”)

QHP continued to achieve an increase in revenue and profit in 2005. The physiotherapy network was expanded with the addition of a new centre in New Territories North and a staff physiotherapy centre in Chek Lap Kok. One of the centres on the Kowloon side was also relocated and expanded, allowing easier access and more efficient administration.

Our physiotherapists continued to be active in providing health talks and ergonomic workshops to our corporate clients and insurance companies, and our wellness workshops by combining the training from the physiotherapists, dietitians, podiatrists, and psychologists were designed to deliver a holistic approach towards a healthy lifestyle and proper work posture.

卓健護理介紹所將會繼續提供精簡的策略性員工方案，務求通過護士及醫護人員質素和認可資格的評核，為非政府資助院社及醫院提供具成本效益的護理服務。專注市場推廣活動從而加強普通市民、醫院病人、病房護士、保險公司及醫生對「家居護理供應商」品牌的認識。卓健護理介紹所將尋找機會，與政府機構及其他企業合作，為本地護老院的護理工作人員提供培訓計劃，並從中國內地物色護士作為海外招募。

卓健牙科

於二零零五年，卓健牙科繼續錄得私人及企業收入增長，普通及專科牙科的收入均錄得增長。齒顎矯正科及兒童牙科擴展至九龍及新界地區，而位於太子大廈的牙科中心亦已擴充，並在中心內播放一套全新的牙科教育節目，藉以加深客戶對不同程序的認識，讓客戶作出知情的選擇。

卓健牙科打算一方面提升現有中心的能力，另一方面則進一步增加新中心以擴充網絡。專科服務將會繼續發展，並會檢討其內部流程包括資訊科技方案，以求取得更佳效益。

卓健物理治療

於二零零五年卓健物理治療繼續在收入及溢利錄得增長。隨著新界北開設的新中心及赤鱗角的員工物理治療中心啟用，擴大卓健物理治療網絡。而位於九龍的其中一個中心亦已搬遷及擴建，使服務更便利及管理更有效率。

本集團的物理治療師繼續應邀為企業客戶及保險公司主持一系列健康講座及人體效力學工作坊，而全面健康工作坊綜合了物理治療師、營養師、足病診療師及心理學家的參與，為健康生活及適當工作姿勢提供全面的服務。

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Quality HealthCare Elderly Services (“QHES”)

QHES achieved significant growth in 2005, with a divisional profit of HK\$4.4 million, a significant turnaround despite a slight drop of 2% in revenue to HK\$103.5 million. EBITDA for 2005 was HK\$12.9 million (2004: HK\$8.7 million).

Matching Market Needs

The successful growth in 2005 resulted from focused marketing, staff training and stringent quality control, and most importantly the introduction of changes in the facilities to match the needs of the market. One of the initiatives was to convert an open ward into a number of private rooms, which was welcomed by the clients with the rooms being taken up very quickly. These encouraging results reflect improved utilisation and client satisfaction. Similar projects will continue to be undertaken.

卓健護老服務

儘管收入輕微下跌2%至103,500,000港元，二零零五年卓健護老服務取得大幅增長，轉虧為盈，分部溢利為4,400,000港元。二零零五年EBITDA為12,900,000港元（二零零四年：8,700,000港元）。

配合市場需求

二零零五年的可觀增長主要由於針對性的市場推廣、員工培訓及嚴格質量控制，當中最重要措施為更換設施以配合市場需求。其中一項措施為將開放式的住房改建成多個私人房，私人房在短時間已被預訂一空，極受客戶的歡迎。該等令人鼓舞的業績，反映使用率改善及客戶滿意。類似的項目日後將會繼續推出。



Focused Branding

More focused branding has been introduced with the alignment of the naming of our elderly homes. The operations manager and home managers pursued active communication with the medical doctors and nurses at the Hospital Authority to gather feedback on the performance of our homes and invited suggestions for improvement.

專注品牌推廣

為統一護老院的命名，本公司推出更為針對性的品牌推廣活動。營運經理及護老院院長與醫院管理局的醫療醫生及護士展開積極溝通，以收集彼等對本公司護老院表現的反饋意見及對有關改善提出建議。

FINANCIAL REVIEW

1. Capital Structure and Equity

The Company repurchased 21,667,288 ordinary shares in April 2005 for a cash consideration of HK\$2.00 per ordinary share through a voluntary conditional cash offer (the “Share Repurchase”). The shares repurchased represented 10% of the then issued share capital of the Company. Total consideration (before expenses) of approximately HK\$43.3 million was paid from the Group’s internal resources. Details of the Share Repurchase are set out in a circular of the Company dated 3 March 2005.

財務回顧

1. 股本架構及股東資金

本公司於二零零五年四月透過自願性有條件現金收購建議以現金代價每股2.00港元購回21,667,288股普通股（「股份購回」）。所購回股份佔本公司當時已發行股本的10%。總代價（未計開支前）約43,300,000港元以本集團之內部資源支付。有關股份購回之詳情載於本公司於二零零五年三月三日刊發之通函內。

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As a result of the Share Repurchase, the subscription price of the outstanding warrants of the Company was adjusted from HK\$2.50 per ordinary share to HK\$2.46 per ordinary share on 10 May 2005. The exercise price of the outstanding share options was also adjusted from HK\$1.50 per ordinary share to HK\$1.47 per ordinary share and the aggregate number of ordinary shares which can be subscribed for under the outstanding share options have been adjusted from 1,577,500 to 1,419,750.

Subsequent to the Share Repurchase, 264,618 ordinary shares of HK\$0.10 each were issued as a result of the exercise of warrants and 57,600 ordinary shares of HK\$0.10 each were issued as a result of the exercise of share options.

The Group's shareholders' funds increased from HK\$145.9 million as at 31 December 2004 to HK\$150.3 million as at 31 December 2005 mainly as the result of the net profit retained for the year and the Share Repurchase.

2. Financial Resources and Liquidity

As at 31 December 2005, cash and bank balances of the Group amounted to approximately HK\$116.6 million (31 December 2004: HK\$115.8 million). It is the Group's objective to maintain sufficient cash with the availability of flexible bank credit facilities for its operations and development.

The Group had outstanding borrowings as at 31 December 2005 comprising an obligation under a hire purchase contract of approximately HK\$18,000 (31 December 2004: HK\$22,000).

Since the Group was in a positive net cash position (cash and bank balances available were in excess of borrowings), gearing ratio comparing net debt (bank borrowings net of cash and bank balances available) to equity was not applicable at 31 December 2005 and 31 December 2004.

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.

因股份購回，於二零零五年五月十日，本公司尚未行使認股權證之認購價由每股普通股2.50港元調整至每股普通股2.46港元。尚未行使購股權之行使價亦由每股普通股1.50港元調整至每股普通股1.47港元，而根據尚未行使購股權可認購之普通股股份總數則由1,577,500股調整至1,419,750股。

在股份購回後，264,618股每股面值0.10港元之普通股因行使認股權證而獲發行，另有57,600股每股面值0.10港元之普通股因行使購股權而獲發行。

本集團股東資金由二零零四年十二月三十一日之145,900,000港元增至二零零五年十二月三十一日之150,300,000港元，主要由於年內保留純利及股份購回所致。

2. 財務資源及流動資金

於二零零五年十二月三十一日，本集團現金及銀行結餘約為116,600,000港元（二零零四年十二月三十一日：115,800,000港元）。本集團的目標為保持充裕現金及靈活的銀行信貸額，以用於其業務及發展。

於二零零五年十二月三十一日，本集團有一租購合約項下為數約18,000港元（二零零四年十二月三十一日：22,000港元）之未償還借貸。

由於本集團保持正現金淨額狀況（可動用的現金及銀行結餘超過借貸），比較債項淨額（銀行借貸扣除可動用的現金及銀行結餘）與股東資金的資本負債比率已不適用於二零零五年十二月三十一日及二零零四年十二月三十一日。

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。

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All bank facilities are denominated in Hong Kong dollars. Interest is chargeable on a floating rate basis with reference to Hong Kong Best Lending Rate and HIBOR.

Most cash and bank balances are denominated in Hong Kong dollars. Any surplus cash 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 accordingly, it did not have any requirement to use financial instruments for hedging purposes.

4. Pledge of Assets

At 31 December 2005, the Group had fixed assets of net book value of HK\$17,000 (31 December 2004: HK\$22,000) held under a hire purchase contract.

5. Contingent Liabilities

Details regarding the contingent liabilities of the Group at 31 December 2005 are set out in note 29 to the financial statements.

6. Material Acquisition and Disposal of Subsidiaries and Associated Companies

During the year, the Group invested HK\$2.1 million for a 30% stake in a newly formed company, SkinCentral Limited. The principal activities of which consisted, primarily, of the provision of dermatology, aesthetic and laser services.

Other than the aforesaid acquisition, there has been no material acquisition or disposal of subsidiaries and associated companies by the Group during the year.

7. Management and Staff

At 31 December 2005, the total number of employees was around 980. Total staff costs amounted to approximately HK\$290.5 million (2004: HK\$276.1 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, Francis J. Chang Chu Fai and Carlisle Caldwell Procter.

所有銀行融資均以港元定值。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

於二零零五年十二月三十一日，本集團以租購合約持有賬面值為17,000港元(二零零四年十二月三十一日：22,000港元)之固定資產。

5. 或然負債

有關本集團於二零零五年十二月三十一日或然負債的詳情，載列於財務報告附註29。

6. 重大收購與出售附屬公司及聯營公司

年內，本集團投資2,100,000港元於新成立公司SkinCentral Limited之30%股權。其主要業務包括提供護膚、美容及激光服務。

除上述收購事項外，本集團於年內並無重大收購或出售附屬公司及聯營公司。

7. 管理層及職員

於二零零五年十二月三十一日，本集團共有員工約980名。總員工成本約290,500,000港元(二零零四年：276,100,000港元)。人手編制乃按本集團發展情況不斷作出檢討。酬津總額乃按市場水平計算，董事會亦酌情提供購股權。所有執行董事享有的薪酬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。