



Chairman's Statement 主席報告

I am pleased to present to shareholders the Company's annual report for 2006. It is rewarding to report that all three of the Group's core businesses were again able to deliver increased profits in 2006 and I would like to acknowledge the contribution from our professional and support staff in this regard.

Financial Review

- (i) The Group delivered a net profit of HK\$65.1 million in 2006, a 16% increase compared to HK\$56.1 million in 2005. Basic earnings per share for 2006 were HK32.8 cents compared to HK27.9 cents in 2005.
- (ii) Revenue for the Group in 2006 increased by 8.6% to HK\$893.7 million from HK\$822.8 million in 2005.
- (iii) Profit before tax was HK\$78.3 million in 2006 compared to HK\$66.4 million in 2005. All of the three core businesses demonstrated a steady improvement in operating profit in 2006 compared to 2005. Quality HealthCare Medical Services ("QHMS") delivered divisional profit growth of 8.2% reaching HK\$66.8 million in 2006, and Quality HealthCare Services ("QHS") delivered divisional profit growth of 10.7% reaching HK\$8.4 million. Divisional profit for Quality HealthCare Elderly Services ("QHES") was HK\$8.0 million, a significant increase of 81.7% compared to 2005.

本人欣然向股東提呈本公司二零零六年年報。本集團三大核心業務於二零零六年全部再次錄得溢利上升，本人相信此成績乃歸功於我們專業和後勤員工所作出的貢獻。

財務回顧

- (i) 本集團於二零零六年純利為65,100,000港元，較二零零五年之56,100,000港元上升16%。二零零六年每股基本盈利為32.8港仙，二零零五年則為27.9港仙。
- (ii) 於二零零六年，本集團收入為893,700,000港元，較二零零五年之822,800,000港元上升8.6%。
- (iii) 二零零六年除稅前溢利為78,300,000港元，二零零五年則為66,400,000港元。二零零六年三大核心業務之經營溢利全部較二零零五年持續改善。卓健醫療服務的分部溢利於二零零六年上升8.2%達66,800,000港元。卓健綜合保健服務的分部溢利上升10.7%達8,400,000港元。卓健護老服務的分部溢利為8,000,000港元，較二零零五年大幅上升81.7%。



Finance costs of the Group remained at HK\$1,000 as the Group had no further borrowings during the year.

Net cash inflow from operating activities for the year was HK\$59.3 million (2005: HK\$66.2 million). Cash and bank balances at 31 December 2006 were HK\$177.3 million (2005: HK\$116.6 million).

由於本集團於年內再無作出任何借貸，融資費用維持於1,000港元。

本年度經營活動所得現金流入淨額為59,300,000港元(二零零五年：66,200,000港元)。二零零六年十二月三十一日現金及銀行結餘為177,300,000港元(二零零五年：116,600,000港元)。

Chairman's Statement

主席報告

Net assets at 31 December 2006 increased to HK\$238.7 million from HK\$150.3 million at 31 December 2005.

Corporate

The Company experienced an approximately 98% conversion of its 2007 warrants before their expiry in January 2007 demonstrating the confidence of shareholders in the future success of the Group.

As a result of the Company's continuing profitability and the successful warrant conversion, the Company now enjoys significant cash reserves. Management is pursuing opportunities for deployment of these funds in the expansion of its operations both in Hong Kong and elsewhere that are considered likely to contribute to ongoing growth in profits.

Operations

Quality HealthCare Medical Services

In 2006, QHMS achieved growth in divisional profit of 8.2% with growth in revenue of 8.9% compared to 2005. This continued growth has resulted from ongoing enhancement in customer service, improvement in operational efficiency, and closer teamwork between frontline and back office staff. The total number of client visits to our QHMS medical network continued to increase, and there was overall growth in the total number of corporate clients.

Enhancing customer service was the key management focus in 2006. This was achieved through ongoing reengineering of frontline processes, as well as upgrading of hardware and software support for the medical network. Resources were directed towards frontline personnel training on clinical skills and on cultivating a positive mindset towards customer service. A successful result was reflected by the positive scoring in our customer service survey, the compliments received, and a decreasing complaint rate.

Several IT solutions were implemented to improve workflow and productivity including the implementation of a new Laboratory Information System effectively reducing both error rate and man hours. An online central resources library was developed enabling closer linking of frontline and back office staff thereby improving prompt access by the frontline to necessary information resulting in better client service.

QHMS continued to expand its medical network in 2006 with the establishment of new centres and the expansion and relocation of existing centres. The design focus is directed towards enhancing patient care and experience in a pleasant environment with a multi-disciplinary approach to care.

二零零六年十二月三十一日的淨資產由二零零五年十二月三十一日之150,300,000港元增加至238,700,000港元。

集團事項

本公司之二零零七年認股權證約98%已於二零零七年一月到期前獲轉換，證明股東對本集團之未來業績具有信心。

由於本公司持續錄得溢利及認股權證獲順利轉換，本公司現擁有龐大現金儲備。管理層正物色機會運用此等資金，擴充香港及其他地區內之業務，使溢利能持續增長。

業務

卓健醫療服務

於二零零六年，卓健醫療服務的分部溢利及收入較二零零五年分別增長8.2%及8.9%。持續增長乃由於不斷提升客戶服務、改善營運效率，以及前線與後勤員工更緊密團隊合作所致。卓健醫療服務網絡之求診總人數持續增加，而公司客戶總數整體亦有所增長。

提升客戶服務是二零零六年管理層的重點工作，為達到這目標，本集團透過不斷重組前線服務流程，提升支援醫療網絡之硬件和軟件。本集團已調撥資源為前線人員提供臨床技能培訓，培養他們對客戶服務的積極態度。從本集團進行之客戶服務意見調查取得令人滿意的回應、獲得之嘉許及投訴率下降，顯示有關工作成績理想。

為改善工作流程及生產力，本集團已推行多項資訊科技解決方案，包括採用新化驗室資訊系統以有效降低誤差率及人手工時。本集團並已發展一個網上中央資料庫，令前線和後勤員工更緊密聯繫，前線員工可更快捷獲得所需資料，從而提供最佳的客戶服務。

於二零零六年，卓健醫療服務繼續擴充其醫療網絡，開設新的中心、擴充及喬遷現有中心至其他地點。該等中心的設計，著重提升護理質素，及在舒適環境中提供不同類別的醫療及保健服務。

Chairman's Statement

主席報告

We have developed and will continue to build satellite niche services including preventative medicine and wellness, aesthetics, and the servicing of the special needs of the expatriate community. The expertise and reputation of our third party administration and call centre continue to be strengthened and we have been appointed by international insurers to handle greater China claims and health plans.

Quality HealthCare Services

QHS delivered an increase of 10.7% in divisional profit in 2006 compared to the prior year with an increase in revenue of 11.7%.

Nursing continued to deliver growth in 2006 through its business lines related to private and public hospitals and particularly nursing homes. There was also continued growth in case management services. Dental continued to expand its network and experienced growth in both general practitioner and specialists dental services. Physiotherapy expanded its Central flagship centre and continued to expand its core network with the addition of a new centre in Hong Kong East. Our physiotherapists developed a range of wellness and occupational health and safety workshops to assist corporations in taking better care of their staff. Eye Centre expanded in 2006 to provide additional services including medical eye consultations, eye examinations, and cataract surgery in addition to the LASIK services. A new Holistic Health Centre was established enabling our psychologists and counselors to provide individual and group counseling and Employee Assistance Programs to the staff of large corporations.

Quality HealthCare Elderly Services

QHES delivered a significant increase of 81.7% in divisional profit in 2006 compared to the prior year with a slight increase in revenue of 0.3%. The occupancy rate was stable in 2006 and management focus was on the development of networks in the community through events and activities and exploration of new business opportunities. Marketing efforts were directed towards enhancing the exposure of the homes.

本集團已經開發，並會繼續建立定點服務，包括疾病預防及保健、美容，並照顧外籍人士之特別需要。本集團繼續鞏固在第三者管理服務及電話中心的專業技能及聲譽，我們更已獲得國際保險公司委聘，處理大中華區的索賠及健康保險計劃。

卓健綜合保健服務

於二零零六年，卓健綜合保健服務的分部溢利及收入較去年分別增長10.7%及11.7%。

護理介紹服務於二零零六年的業務持續增長，來自私家醫院及公立醫院，尤其護理安老院的業務需求增加，個案管理服務亦繼續錄得增長。牙科服務繼續擴展其業務網絡，普通科及專科牙科服務均錄得增長。物理治療服務方面，其中區旗艦中心已完成擴建，並透過在港島東設立一間新中心，繼續擴充其核心網絡。本集團之物理治療師開辦了一系列的保健及職業健康與安全工作坊，協助企業加強對員工的照顧。於二零零六年，本集團擴建眼科中心以提供更多的服務，除激光矯視外，現更包括眼科診症、驗眼及白內障手術服務。本集團已新設立一間身心全人發展中心，讓我們的心理學家及輔導人員向大型企業的員工提供個別和小組輔導服務以及僱員援助計劃。

卓健護老服務

於二零零六年，卓健護老服務的分部溢利較去年大幅增長81.7%，而收入亦錄得0.3%的輕微增幅。於二零零六年保持穩定入住率，及管理層集中透過舉辦活動及節目建立社區網絡，同時開拓嶄新的商機。本集團已調撥資源用作市場推廣，藉以讓護老院更廣為人所認識。

Chairman's Statement

主席報告

Growth and Development Initiatives

The Group continued to attract additional corporate clients in 2006, and we also experienced an increase in the portfolio of clients referred by the leading insurance companies. We will continue our efforts to position ourselves as the preferred healthcare partner for corporations and insurance companies, and will also continue to develop more tailored products to meet the healthcare needs of their staff or clients within their budgets. In the coming years, we will focus on enhancing community awareness of our services and standards. We believe that the community will be as receptive as the business community has been in our cost effective and integrated approach to healthcare.

We will continue to invest in our staff and facilities to facilitate the delivery of customer-centric services to our cash and corporate clients. We will also continue to foster long-term relationship with our clients and we plan to develop new programs that can better cater for their needs such as portability and chronic disease.

The Group will continue to search for appropriate opportunities within Hong Kong, China, and elsewhere. New ventures and potential acquisitions will be stringently analysed following strict guidelines before any commitment.

Public Sector Opportunities

The Group was pleased to participate in a number of projects initiated by the Hospital Authority and Centre of Health Protection to better serve the Hong Kong people. We were awarded the first Public Private Initiative contract to run evening and weekend private physiotherapy services at Prince of Wales Hospital, directed towards alleviating the heavy workload of the hospital staff whilst providing the public with choice according to their personal needs and preferences.

Our medical centres participated in the electronic record project organized by the Hospital Authority, and our Group was also invited by the Centre of Health Protection to contribute to sentinel surveillance for specific diseases. Quality HealthCare will be pleased to continue supporting future Public Private Initiatives projects.

發展業務，推動增長

本集團於二零零六年繼續吸納更多公司客戶，從大型保險公司轉介的客戶組合亦錄得增長。我們將繼續努力，以達到成為各企業及保險公司首選的保健夥伴的目標，亦會繼續發展更合適的產品，在客戶預算內照顧其員工或客戶的保健需要。於來年，本集團將致力提升社區對我們的服務及質素的認知。本集團相信，我們兼具成本效益和綜合的醫療服務方案，將使到我們的社區業務將如同在商界般得到接納。

本集團將會繼續在員工與設施方面投放資源，以提升我們向現金付款及公司客戶所提供以客為本的服務。我們亦會繼續推動與客戶建立長期關係，而為了迎合客戶對於流動及慢性疾病等的需要，我們更計劃開展這類新服務。

本集團將繼續在香港、中國及其他地區找尋合適機會。在設立新的企業及進行任何潛在收購前，將依循嚴謹的指引，於作出透徹的分析後才會作出決定。

公共保健服務機遇

本集團積極參與由醫院管理局及衛生防護中心為香港普羅市民所舉辦的多項活動。我們投得公私合營政策下的首份合約，在威爾斯親王醫院提供夜間及周末私家物理治療服務，以舒緩醫院員工的沉重工作量，同時為市民大眾提供迎合他們個人需要和喜好的其他選擇。

本集團的醫療中心參與醫院管理局推行的電子記錄計劃，而本集團更獲衛生防護中心邀請參與特定疾病的定點監察計劃。卓健將樂於繼續支持今後公私合營政策的推行。

Chairman's Statement

主席報告

People

The Group is proud to congratulate the 22 awardees for 10-year, 15-year, 20-year and 30-year Long Service Awards, and the 15 Service Champions awardees. Pursuant to internal measurements and grading from our clients, six of our medical centres, two dental centres and one physiotherapy centre were awarded as Centres of Excellence, while six centres received Centre Service Improvement Awards in recognition of their efforts to introduce positive changes directed towards enhancing their customer service standards.

We have introduced two new awards in 2006, namely Win-Win Award and Green Champion Award, to encourage our staff to both contribute ideas and feedback for the ongoing progress of the Group and also to be socially responsible in respect of environmental issues through energy and paper savings respectively.

The Group understands that it is only through the perseverance and contribution of each and every one of our staff that the Group can deliver continuous improvement and growth to our stakeholders and we highly value the close relationship we have developed with all our staff.

Dividend Policy

The Board has reviewed its dividend policy. In the past, we have adopted a policy of paying approximately 20% of after tax profits as dividend. In view of the Group's stronger performance and improved financial position, the Board has decided to increase this regular dividend percentage to 40% of after tax profit unless the Board considers it appropriate for any reason to reduce the percentage in the future. The Board has therefore recommended a final dividend of HK8.15 cents per share. In addition, given the Group's strong cash position, the Board is also recommending a special dividend of HK13.6 cents per share for this particular year. This proposed final dividend and special dividend, together with the 2006 interim dividend paid of HK3.25 cents per share, represent a total dividend for the year 2006 of HK25 cents per share (2005: HK5.75 cents). The Board will continue to adopt an ongoing dividend policy, which it considers appropriate to the Group's overall financial position.

僱員

本集團祝賀22名分別獲頒10年、15年、20年及30年長期服務獎的員工，以及15名獲頒真誠服務大使獎的員工，對他們的表現引以為榮。根據內部評審及客戶評級，本集團有六間醫療中心、兩間牙科中心及一間物理治療中心獲頒卓越服務中心獎，另有六間中心獲頒服務躍進獎，以表揚他們對提高客戶服務水平所作出的努力。

本集團於二零零六年推出兩項新的獎勵計劃，稱為雙贏大獎及環保大獎，以鼓勵我們的員工為本集團之持續進步提供新構思和建議，以及分別透過節省能源和用紙為環保出一分力，承擔更大的社會責任。

本集團明瞭只有透過每位員工的堅持不懈及貢獻，本集團方能為各位股東帶來不斷改進的業績及增長，因此我們非常重視與所有員工建立的緊密關係。

股息政策

董事會已檢討其股息政策。過往，本集團採納之政策為派付約20%之除稅後溢利作為股息。鑑於本集團之理想表現及已改善之財政狀況，董事會已決定，除了董事會將來因任何理由而認為須調低該常規股息百分比，否則該百分比將提高至除稅後溢利之40%。因此，董事會建議派發末期股息每股8.15港仙。再者，鑑於本集團擁有大量現金，董事會亦建議就本年度派付特別股息每股13.6港仙。此建議之末期股息及特別股息連同二零零六年度中期股息每股3.25港仙，相當於二零零六年度總股息每股25港仙（二零零五年：5.75港仙）。董事會將繼續採納適合本集團整體財務狀況之股息政策。

Chairman's Statement

主席報告

Community Obligations

In 2006, the Group participated in a number of community projects, including raising HK\$150,000 for four key beneficiaries with a medical theme through Operation Santa Claus, participation in Walk Up Jardine House, and participation in the ORBIS Pin Day. 90 of our colleagues and their relatives participated in the Heart-to-Heart Charity Walk 2006 organised by the Children's Heart Foundation raising over HK\$25,000, and a team of four staff completed the Oxfam Trailwalker 2006. Also approximately 200 neckerchiefs were hand-knitted by our staff as a gift for the residents of an elderly home.

We were pleased to be awarded "Caring Company 2006/07" by the Hong Kong Council of Social Service, and we also received a Superbrands Award 2006/07 as well as a Superbrands Best Overall Local Brand Award 2006/07.

Outlook

The Group has established a successful model and enabling platform as both a healthcare provider group and healthcare administrator. We will continue our efforts to strengthen our competitive advantage in providing integrated healthcare services and to enhance our position through innovative strategies, the retention of high quality physicians and staff as well as improved operational efficiencies. We will also continue to focus on the training and development of our most important resource, namely, our staff. In addition, we will direct increasing attention to our social obligations as a good corporate citizen.

Following the upturn of the economy, 2007 poses new challenges for the Group in terms of heavy inflation in the rental market and staff salaries. We will meet these challenges with cost controls but without compromising our established quality standards, and at the same time we will seek to capture opportunities both in Hong Kong as well as potential markets in Macau and Mainland China. We are undertaking business contingency planning including critical planning in preparation of our Group for any Avian Flu epidemic as well as systems to support our clients.

社會責任

於二零零六年，本集團參與多個社會項目，包括「聖誕老人愛心大行動」為四間支援病患者的受助機構籌得善款150,000港元、「齊步上怡廈」及奧比斯襟章日。同時，本集團的90位同事及其親屬亦參與兒童心臟基金會的心連心慈善步行日，並籌得善款逾25,000港元，另外一支由四位員工組成之隊伍亦完成了樂施毅行者2006。此外，本集團的職員親手織造約200條頸巾，送贈給一間護老院的院友。

本集團欣然榮獲香港社會服務聯會認可為「2006/07商界展關懷機構」，同時喜獲2006/07超級品牌認可獎項及2006/07超級品牌頒獎禮的本地整體最佳品牌大獎。

展望

作為保健供應及管理的機構，本集團已建立成功的業務模式及服務平台。本集團將繼續努力加強提供綜合保健服務的競爭優勢，並透過創新的策略、留用優秀醫生及員工以及改善業務效率以提升其地位。本集團亦將繼續專注於培訓及發展我們最重要的資源－員工。此外，我們將加強注意作為良好企業公民對於社會所肩負的責任。

隨著經濟回復繁榮，本集團於二零零七年將要面對租金及員工薪酬上漲所帶來的新挑戰。我們將透過節約成本措施克服此等挑戰，但不會令優質服務受到影響。與此同時，我們將積極爭取香港以及澳門和中國內地等具發展潛力的市場的機遇。我們已採取業務應變計劃，包括預防本集團受禽流感疫症的侵襲以及制訂支援客戶的系統。

Chairman's Statement 主席報告

We have enjoyed a successful year. This success has been a collective result secured through the dedication, loyalty and professionalism of our staff. I would like to express the Group's appreciation for their efforts in 2006 and I look forward to their continued support.

I would also like to thank my fellow Directors, our network of doctors, our professional advisors and finally our shareholders for their support during the year.

Arthur George Dew
Chairman

Hong Kong, 28 March 2007

本年度是我們成功的一年，此有賴全體員工的盡責、忠誠服務及專業精神。本人謹此對彼等於二零零六年的努力深表感謝，並冀盼繼續得到彼等的支持。

對於董事會全人、醫療網絡內的各位醫生、專業顧問及全體股東於年內的鼎力支持，本人亦謹此深表謝意。

主席
狄亞法

香港，二零零七年三月二十八日