



ANNUAL REPORT 2004/05 年報

CONTENTS

目錄

- 002** Directors and Corporate Information
董事及集團資料
- 004** Financial Highlights
財務摘要
- 006** Chairman's Statement
主席報告書
- 014** Management Discussion and Analysis
管理層之討論及分析
- 032** Corporate Governance Report
公司管治報告
- 038** Directors and Senior Management
董事及高層管理人員
- 041** Report of the Directors
董事會報告書
- 055** Report of the Auditors
核數師報告書
- 057** Consolidated Income Statement
綜合損益報表
- 058** Consolidated Balance Sheet
綜合資產負債表
- 060** Balance Sheet
資產負債表
- 062** Consolidated Statement of Changes in Equity
綜合權益變動表
- 063** Consolidated Cash Flow Statement
綜合現金流動表
- 065** Notes on the Financial Statements
財務報表附註
- 123** Five Year Summary
五年財務摘要



live good feel good

Vitasoy International Holdings Ltd. 維他奶國際集團有限公司
2004/05 Annual Report 二零零四/零五年年報

At Vitasoy, promoting consumer well-being is our number one priority. This is achieved through the provision of a variety of high-quality, nutritious food and beverages. Vitasoy is an innovative company, a reliable employer, a responsible corporate citizen and is dedicated to creating value for our shareholders.

維他奶集團以促進消費者健康為首要己任，致力為消費者提供多種營養豐富的優質食品和飲品。集團勇於創新，積極拓展業務，誠為員工堪信賴的工作夥伴。我們並承擔社會責任，以及竭盡所能，為股東爭取長遠穩健的回報。



DIRECTORS AND CORPORATE INFORMATION

董事及集團資料

BOARD OF DIRECTORS

Executive Chairman

Mr. Winston Yau-lai LO

Independent Non-executive Directors

Dr. The Hon. David Kwok-po LI

Mr. Iain F. BRUCE

Mr. Chi-kian SHIU

Non-executive Directors

Ms. Myrna Mo-ching LO

Mr. Frank Yau-yee LO (resigned on 19th January, 2005)

Ms. Yvonne Mo-ling LO

Executive Directors

Mr. Fransis Ming-yin KONG (resigned on 18th April, 2005)

Mr. Eric Fat YU

Mr. John Shek-hung LAU

COMPANY SECRETARY

Ms. Paggie Ah-hing TONG

REGISTERED & HEAD OFFICE

No. 1 Kin Wong Street, Tuen Mun,

New Territories, Hong Kong

AUDITORS

KPMG

PRINCIPAL BANKERS

The Bank of East Asia, Limited

Citibank, N.A.

BNP Paribas

Rabobank

The Bank of Tokyo-Mitsubishi, Limited

PRINCIPAL LAWYERS

Stephenson Harwood & Lo

董事會

執行主席

羅友禮先生

獨立非執行董事

李國寶博士

布魯士先生

邵志堅先生

非執行董事

羅慕貞女士

羅友義先生 (於二零零五年一月十九日辭職)

羅慕玲女士

執行董事

江明彥先生 (於二零零五年四月十八日辭職)

余發先生

劉錫鴻先生

公司秘書

湯亞卿小姐

註冊辦事總處

香港新界屯門建旺街一號

核數師

畢馬威會計師事務所

主要往來銀行

東亞銀行有限公司

花旗銀行

法國巴黎銀行

荷蘭合作銀行

東京三菱銀行

主要法律顧問

羅夏信律師行

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46/F., Hopewell Centre, 183 Queen's Road East,
Hong Kong

股份過戶登記處

香港中央證券登記有限公司
香港皇后大道東183號合和中心46樓

WEBSITE ADDRESSES

Vitasoy International Holdings Limited
www.vitasoy.com (English & Chinese)
www.vitasoy.com.hk (English & Chinese)

網址

維他奶國際集團有限公司
www.vitasoy.com (英文及中文)
www.vitasoy.com.hk (英文及中文)

Vitaland Services Limited

www.vitaland.com.hk (Chinese only)

維他天地服務有限公司

www.vitaland.com.hk (中文)

Hong Kong Gourmet Limited

www.hkgourmet.com.hk (Chinese only)

香港美食有限公司

www.hkgourmet.com.hk (中文)

Shenzhen Vitasoy (Guang Ming)

Foods and Beverage Company Limited
Vitasoy (Shanghai) Company Limited
www.vitasoy-chn.com (Chinese only)

深圳維他(光明)食品飲料有限公司

維他奶(上海)有限公司
www.vitasoy-chn.com (中文)

Vitasoy USA Inc.

www.vitasoy-usa.com (English only)

Vitasoy USA Inc.

www.vitasoy-usa.com (英文)

Vitasoy Australia Products Pty. Ltd.

www.vitasoy.com.au (English only)

Vitasoy Australia Products Pty. Ltd.

www.vitasoy.com.au (英文)

KEY DATES

Closure of Register

30th August 2005 (Tuesday) to
5th September 2005 (Monday)

重要日期

暫停辦理過戶登記

二零零五年八月三十日 (星期二) 至
二零零五年九月五日 (星期一)

Annual General Meeting

At 3:00 p.m., 5th September, 2005 (Monday),
Chater Rooms I & II, Function Room Level,
The Ritz-Carlton Hong Kong,
3 Connaught Road Central, Hong Kong

股東週年大會

於二零零五年九月五日 (星期一) 下午三時正
假座香港干諾道中三號
香港麗嘉酒店宴會樓層 I 及 II 宴會廳

Final and Special Dividends Payable

15th September 2005 (Thursday)

派發末期及特別股息

二零零五年九月十五日 (星期四)

FINANCIAL HIGHLIGHTS
財務摘要

Year Ended 31st March 截至三月三十一日止年度

RESULTS 業績		2005 HK\$Mn 港幣百萬元	2004 HK\$Mn 港幣百萬元	% Change 變化
Turnover	營業額	2,380	2,269	4.9
Gross Profit	毛利	1,368	1,288	6.2
EBITDA	未計利息、稅項、折舊及攤銷費用前盈利	284	261	8.8
Profit Attributable to Shareholders	股東應佔溢利	124	116	6.9
Basic Earnings per Share (HK cents)	每股基本盈利 (港仙)	12.5	11.8	5.9
Dividends per Share (HK cents) [#]	每股股息 (港仙) [#]	18.5	13.5	37.0

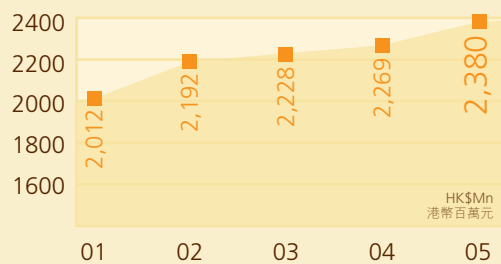
[#]Including special dividend [#]包括特別股息

At 31st March 於三月三十一日

FINANCIAL POSITION 財務狀況		2005 HK\$Mn 港幣百萬元	2004 HK\$Mn 港幣百萬元	% Change 變化
Total Assets	總資產	1,796	1,801	(0.3)
Net Cash Balance	現金淨額	364	270	34.8
Shareholders' Equity	股東權益	1,248	1,247	0.1

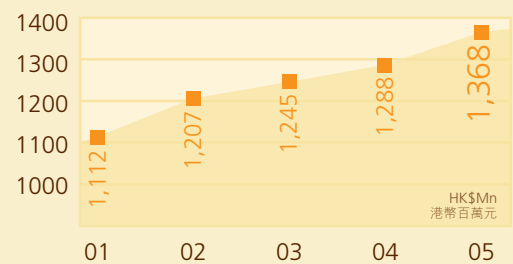
TURNOVER 營業額

(Year ended 31st March 截至三月三十一日止年度)



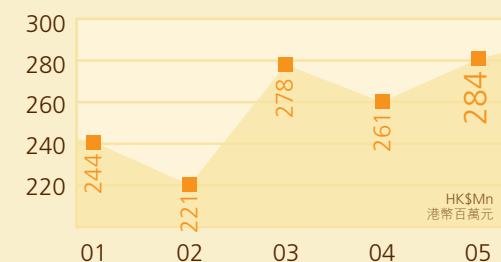
GROSS PROFIT 毛利

(Year ended 31st March 截至三月三十一日止年度)



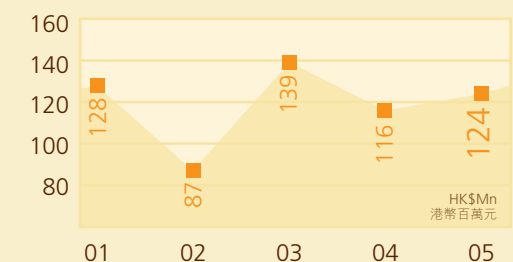
EBITDA 未計利息、稅項、折舊及攤銷費用前盈利

(Year ended 31st March 截至三月三十一日止年度)



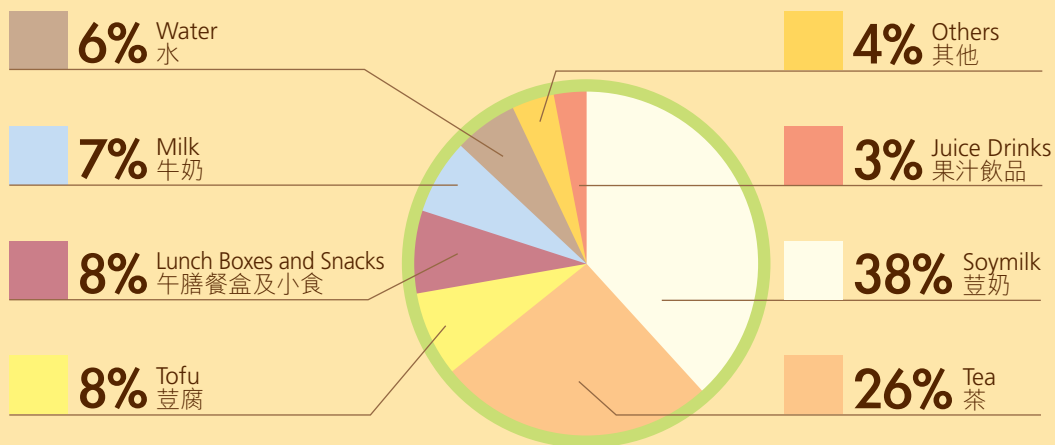
PROFIT ATTRIBUTABLE TO SHAREHOLDERS 股東應佔溢利

(Year ended 31st March 截至三月三十一日止年度)



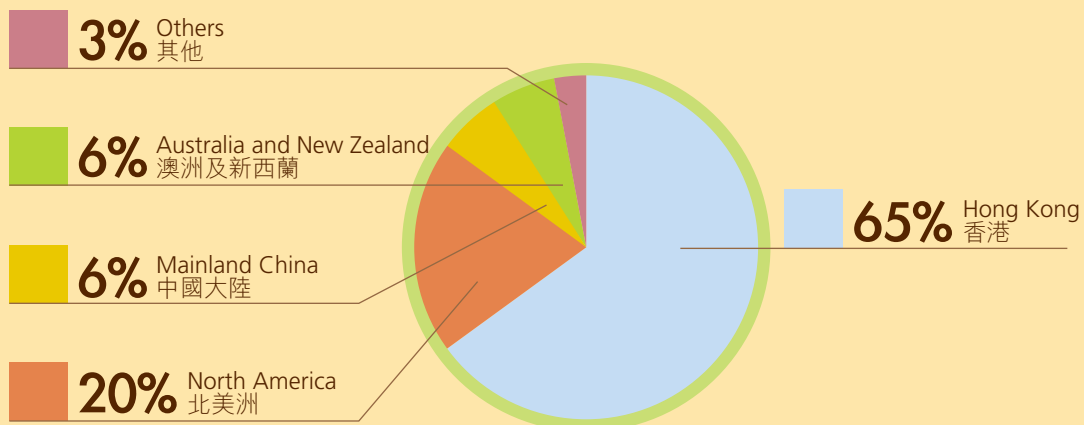
SALES ANALYSIS BY CATEGORIES 銷售分析 — 按種類

(Year ended 31st March, 2005 截至二零零五年三月三十一日止年度)



SALES ANALYSIS BY LOCATION OF CUSTOMERS 銷售分析 — 按顧客所在地

(Year ended 31st March, 2005 截至二零零五年三月三十一日止年度)



WINSTON YAU-LAI LO
EXECUTIVE CHAIRMAN羅友禮
執行主席

I am pleased to report that for the year ended 31st March, 2005, the Group's total turnover was HK\$2,380 million, up 4.9%. Gross profit was HK\$1,368 million, up 6.2%. Profit attributable to shareholders was HK\$124 million, representing an increase of 6.9%. Earnings per share stood at HK\$0.125, compared to HK\$0.118 a year ago.

The Board of Directors is recommending a final dividend of HK5.7 cents per share at the upcoming Annual General Meeting on 5th September, 2005. This, together with the interim dividend of HK2.8 cents per share, will make a total dividend of HK8.5 cents per share for the full year (2003/2004 total dividend: HK8.5 cents per share). On top of that, in view of our strong cash position, the Board of Directors is also recommending a special dividend of HK10.0 cents per share (2003/2004 special dividend: HK5.0 cents per share).

GENERAL REVIEW

The year under review witnessed an apparent improvement of market sentiments and a better

operating environment for businesses in general. Despite these favourable developments, challenges for the non-alcoholic beverage industry still abounded as competition in both the domestic and overseas markets intensified. However, with its brand superiority, market leadership, product innovation capabilities and marketing strengths, the Group was able to implement with success its customer-focused and market-focused business strategies that delivered stable growth in both revenue and profit attributable to shareholders.

In Hong Kong, the economy rebounded strongly from the impact of SARS in 2003. Individual sectors were able to benefit from the influx of the Mainland China tourists under the Individual Visit Scheme and the positive effects of the Closer Economic Partnership Arrangements (CEPA). However, for the non-alcoholic beverage industry, competition in this market remained intense and the industry's performance did not really reflect the improvement of the economy and fell by 2% in value instead. Notwithstanding this environment, the Group continued to focus on brand building,

quality of life



VITASOY MAINTAINS CONTINUED SALES AND PROFIT GROWTH BY SUCCESSFUL IMPLEMENTATION OF FOCUSED BUSINESS STRATEGY

維他奶集團成功推行重點業務策略 銷售額及盈利持續增長

本人欣然匯報，本集團截至二零零五年三月三十一日止年度之總營業額為港幣2,380,000,000元，上升4.9%。毛利為港幣1,368,000,000元，上升6.2%。股東應佔溢利為港幣124,000,000元，增長6.9%。每股盈利為港幣0.125元，去年則為港幣0.118元。

董事會將於二零零五年九月五日舉行之股東週年大會上建議派發末期股息每股港幣5.7仙。連同已派發之中期股息每股港幣2.8仙，將使全年股息總額達每股港幣8.5仙（二零零三／二零零四年度股息總額：每股港幣8.5仙）。此外，由於本集團之現金充裕，董事會亦建議派發特別股息每股港幣10.0仙（二零零三／二零零四年度特別股息：每股港幣5.0仙）。

概覽

於回顧年度內，市場氣氛明顯改善，營商環境全面好轉。但由於本地及海外市場競爭劇烈，縱有以上利好之發展因素，非酒精類飲品行業經營仍為困難。然而，本

集團憑著本身之品牌優勢、市場領導地位、產品創新能力及市場推廣等強勢，能成功落實以顧客及市場為主之業務策略，使集團之營業額及股東應佔溢利均錄得穩定增長。

在香港，經濟自二零零三年非典型肺炎爆發後呈強勁反彈。個別行業更受惠於自由行計劃下來港的中國大陸遊客，以及更緊密經貿關係安排（CEPA）所帶來之正面效益。然而，非酒精類飲品行業之市場競爭仍然激烈，行業表現不單未有實質反映經濟改善，行業銷售額計算反而下跌2%。儘管市場環境不佳，本集團持續專注建

product development and innovative marketing, resulting in healthy sales growth and higher profitability. Our tuck shop business also grew in terms of both income and market share as our tuck shop network continued to expand in Hong Kong. Exports from Hong Kong grew strongly as we continued to launch new products and penetrate new markets.

For Vitasoy USA Inc., the year under review was a period of change. A new management team is now in place. During the year, the Group implemented a number of initiatives to reduce operating loss and achieve business growth. These included the consolidation of Tofu manufacturing in the plant in Ayer, Massachusetts, the exit from the unprofitable Refrigerated Soymilk business, the engagement of a new co-packer for Aseptic Soymilk, and major improvements made in supply chain operations. The purpose of these initiatives was to ensure a sharper business focus in the US, to keep abreast of market needs, to enhance our competitiveness and to maximise the utilisation of the production capacity of the Ayer plant. Today Vitasoy USA Inc. has transformed into a more market-oriented company with higher productivity and operational efficiency. We have achieved the original target of narrowing our operating loss in the US. Profitability should improve as annual savings of more than HK\$10 million are expected after the consolidation. During the year, we also introduced a robust product development process to allow our marketing team and research and development team to work closely together to anticipate and meet market demands.

In Mainland China, we started implementing a new strategy of "core business, core brand and core competency". Investment was made to reinforce our core brand for Soymilk and to enhance our core

competency in order to build our market leadership. The results have been very satisfactory. With a sharper focus only on products with higher profit margins, sales fell in the first half of the year as expected but started to rebound in the second half. More importantly, we achieved our goal of raising our profitability in this market, despite the rise in material costs, power shortage and higher transportation costs. Our Shenzhen plant continued to be profitable whereas our Shanghai plant also improved in capacity utilisation and cash flow.

The Group's performance in Australia and New Zealand was very encouraging in the past year as demands in these markets continued to grow. Sales and profit grew strongly, driven primarily by a successful product innovation programme and effective marketing and promotion. In addition to growing our sales and profit, we also secured larger market shares and made much headway in building our brand in these two markets.

OUTLOOK AND STRATEGY

Looking ahead, we believe that in the foreseeable future the world economy is still subject to some uncertainties caused by rising US interest rates, oil prices and commodity prices. For the non-alcoholic beverage market in particular, price competition and consumers' changing preferences are likely to remain key challenges.

The Group is committed to maximising shareholder value and being the preferred supplier for customers. With our strong capabilities and track record, we will continue to enhance our competitiveness by pursuing a market-oriented and customer-oriented business strategy that focuses on brand building, product innovation and aggressive marketing in all the markets where we chose to develop. One of our priorities is to further enhance the vitality of our brands by investing

立品牌、開發產品及創新市場推廣，銷售額得以穩健增長而盈利能力也有所提高。本集團之食物部網絡在香港不斷擴展，以收入及市場佔有率計業務亦見增長。香港之出口市場銷量亦因繼續推出新產品及開拓新市場而強勁增長。

於回顧年度，Vitasoy USA Inc. 經歷重大轉變。新管理層現已組成。年內，本集團推行連串積極措施以減低經營虧損及爭取業務增長。有關措施包括將豆腐生產業務合併位於麻省艾爾市之廠房、結束無利可圖之鮮凍荳奶業務、轉換無菌紙包裝荳奶之包裝加工廠商以及大力改善供應鏈營運系統。該等措施旨在鞏固美國業務方針、緊貼市場需要、提高競爭力以及艾爾市廠房之生產設施使用率。今天，Vitasoy USA Inc. 已轉型為一間更市場主導，具較高生產及營運效率之公司。本集團已達到收窄美國業務之經營虧損之原訂目標。預期業務合併後每年可節省超過港幣10,000,000元，盈利能力亦可望隨之改善。年內，美國公司亦推出周詳妥善之產品發展計劃，透過市場推廣與產品發展部門之間之緊密合作，以緊握及迎合市場需求。

中國大陸方面，本集團已開始推行「核心業務、核心品牌及核心能力」之策略。據此，本集團作出之投資旨在加強鞏固本集團荳奶之核心品牌以及提升核心能力，藉

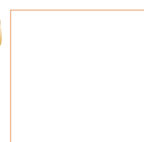
以建立本集團之市場領導地位。此策略成效令人滿意。由於只集中於較高利潤之產品，銷售額於上半年如預期般下降，但於下半年已開始反彈。更重要的是，本集團克服了原材料成本上漲、能源短缺及運輸成本高漲等困難，在此市場中達到提升盈利能力之目標。本集團之深圳廠房持續保持盈利，而上海廠房之生產設施使用率與現金流量亦見改善。

在過去一年，由於市場需求持續增長，本集團於澳洲及新西蘭之表現均極為鼓舞。銷售額及盈利之強勁增長乃基於產品開發計劃成功及有效之市場推廣與宣傳。除銷售額及盈利有所增長外，本集團在這兩個市場亦取得更大市場佔有率，於品牌建立方面亦邁進一大步。

展望與策略

展望將來，本集團相信全球經濟在可見未來仍將受美國加息、油價及商品價格上漲等不明朗因素困擾。就非酒精類飲品市場而言，預期激烈之價格競爭及迎合消費者口味轉變仍為主要挑戰。

本集團承諾會致力提高股東回報及成為顧客首選之供應商。憑著雄厚實力及往績，本集團將透過落實推行以市場及顧客為主之業務策略，在選定發展之市場上專注建立品牌、創新產品以及積極推廣，以繼續提升本集團之競爭力。本集團其中一項首要工作是投資於產品推廣



in promotion initiatives. This is crucial for boosting our share and leadership position in our major markets. While we will strive to lower the costs of materials through supply chain management and expanding our sourcing network, we will also continue to enhance our manufacturing and distribution processes to ensure higher efficiency and possibly savings as well.

Hong Kong

In Hong Kong, as the economy revives and consumer confidence returns, deflationary pressure on the beverage sector would probably subside and overall growth seems more likely in the coming year after a prolonged period of contraction. However, as mentioned above, price competition will remain a key challenge.

To sustain the growth of sales and profit in Hong Kong, we consider it a priority to continue developing new products while adding new elements and values to existing products. We are determined to make further investment in the healthy Soymilk category to take advantage of the current trend of healthy dieting. At the same time, we will also be focused on further boosting the sales of Tea and Juice Drinks that have already garnered wide support from customers. For example, in April 2005 we have launched CALCI-PLUS Oat Soymilk that carries the health benefits of both soy and oat, and have also added a new member to the existing VITA TSING SUM ZHAN range, namely, Grapefruit Lemon Drink.

Our consumer-oriented product innovation programme will help ensure that our products can meet customers' precise needs and drive the growth of sales. We will also continue to invest in brand building and capitalise on our brand portfolio to expand our market share. Meanwhile, with the market's growing recognition of the quality of our products and service, our school tuck shop business is expected to further expand and capture a larger market share in the coming year.

North America

It appears that the market environment in the US will remain tough in the coming year. However, with the drastic changes we have made to our operation and business structure as well as the measures we have taken to increase competitiveness, our US operation now enjoys a higher degree of flexibility and is in a much better position to capture sustainable sales, narrow operating loss and achieve profitability in the foreseeable future.

Regarding product development, our strategy remains to focus on products with unique values. As many US consumers become more health-conscious, we are increasingly emphasising that VITASOY products are premium quality, and can provide specific health benefits. In order to deliver that message, and to better explain the health benefits of our products, we are building relationships with health care professionals and with the media. We are also increasing our direct contact with consumers. A new Aseptic Soymilk – VITASOY COMPLETE – has been introduced, and a new beverage for weight management is currently in test market.

Mainland China

The focus in Mainland China has been the Dairy Milk category due to the preference of the mainland consumers whereas the growth of the Soymilk category would remain slow. We would expect the severity of price competition in the Dairy Milk sector to abate in the coming year, this should allow us to allocate more resources for improving distribution efficiency in core cities in southern and eastern China so that we could achieve higher sales and profit growth, and at the same time strengthen our brands' market presence. Regarding Soymilk, we will continue to be proactive with a measured pace by leveraging our strong brands to expand gradually in this market.

上，以進一步增加品牌活力。此舉對提高本集團在其主要市場之佔有率與領導地位極為重要。除致力透過供應鏈管理及擴大採購網絡以減低成本外，本集團將繼續改善本身之生產及分銷工序，以提高效率更或節省成本。

香港

香港經濟經過長期萎縮後已見復蘇，消費者信心亦見回升，飲品行業之通縮壓力或將逐漸消除，而整體增長亦可望於來年實現。然而，誠如上述，激烈之價格競爭仍為主要之挑戰。

為保持香港銷售額及利潤增長，本集團認為首要工作是繼續發展新產品，以及就現有產品添加新元素和價值。本集團決定增加投資健康荳奶產品，從而在健康飲食的潮流下取得優勢。與此同時，本集團亦將致力提高已廣受顧客歡迎之茶類及果汁類飲品之銷量。舉例而言，於二零零五年四月，本集團推出兼具大荳及燕麥健康益處之**鈣思寶**大荳燕麥飲品，另在現有之**維他清心棧**產品系列中推出新產品—柚子檸檬飲品。

本集團以客為尊之創新產品計劃將有助確保本集團產品迎合顧客之獨特需要，有助增加銷量。本集團亦將繼續投資品牌建立，並善用本身之品牌組合來擴大市場佔有率。與此同時，隨著本集團之產品與服務質素逐漸受到市場肯定，本集團預期學校食物部業務可望於來年能進一步擴充並佔據更大市場佔有率。

北美洲

預期美國之市場環境於來年仍呈困難。然而，本集團之美國業務在經過營運及業務架構重整，以及採取積極措施增加競爭力後，現已更具靈活以爭取持續銷量增長，縮窄經營虧損及於可見將來獲取盈利。

本集團之產品發展策略仍會繼續專注發展具獨特價值之產品。鑑於美國消費者之健康意識日增，本集團將加強宣傳**維他奶**為可提供特定健康益處之優質產品。為達宣傳目的，本集團與保健專家及媒體們保持聯繫，更有效地介紹本集團產品之健康益處，同時亦加強與顧客之緊密接觸。新的無菌紙包裝荳奶**VITASOY COMPLETE** 經已推出市場，而另一種有助控制體重之新飲品亦正在市場測試。

中國大陸

跟隨內地消費者的喜愛，奶類產品仍為中國大陸飲品市場的主流產品，而荳奶類飲品市場之增長則仍然緩慢。本集團預期奶類行業之價格競爭將於來年放緩，本集團將調撥更多資源改善華南和華東核心城市之分銷效率，從而爭取更高之銷售額及溢利增長，並同時加強其品牌之市場優勢。荳奶產品方面，本集團將繼續利用其鞏固之品牌效應，積極地逐步開拓市場。



Through cooperative packaging arrangement, we will further increase the utilisation of our plant capacity to ensure bottom-line improvement. The Shanghai plant has already established very strong and mutually beneficial relationship with a leading local dairy company through a co-packing contract that was renewed last year. The business thus generated can be extended to the Shenzhen plant to achieve higher synergy and better utilisation of resources. Our successful experience in the co-packing business has enhanced our confidence in pursuing similarly profitable co-packing leads in Mainland China.

The long-term benefits of CEPA should not be underestimated. We are closely monitoring and exploring the market opportunities that have arisen or will arise in the course of time. Our aim is to increase our product offerings and build up a large product portfolio in the Mainland China market by importing from Hong Kong.

Australia and New Zealand

We believe these markets will flourish and the prospects for the VITASOY brand of products are bright. Double-digit growth is expected to continue in the coming year and the contribution of the Wodonga plant to the Group's revenue and profit should increase.

Growth in the coming year will be driven by new products. In order to better sustain our advantages in this vibrant market and to ensure higher growth and operational efficiency, we remain open to new opportunities and options that may arise.

In May 2005, San Miguel Corporation ("San Miguel"), through its wholly owned subsidiary in Australia, has successfully obtained the controlling interest of National Foods Limited, our joint-venture partner in Australia.

National Foods Limited has been a reliable business partner for the Group and San Miguel enjoys a strong market position in Oceania, South East Asia and Mainland China respectively. We have been in discussion with the two companies to understand their positions but at this stage we do not foresee any immediate significant impact on us and we will continue to pursue growth and expansion in Australia and New Zealand.

THE BOARD OF DIRECTORS

Mr. Chi-kian SHIU, former Non-executive Director of the Board, was re-designated Independent Non-executive Director, effective 10th September, 2004.

Mr. Frank Yau-yee LO resigned as Non-executive Director of the Board for personal reasons with effect from 19th January, 2005. Mr. Francis Ming-yin KONG resigned as Executive Director of the Board for personal reasons with effect from 18th April, 2005. We thank them for their valuable contribution in the past and wish them all the best.

VOTE OF THANKS

I wish to thank the Board of Directors for their wise counsel and guidance. I also wish to thank our shareholders, customers and business partners for their continued trust and support. Last but not least, I thank the staff of our operations worldwide for their commitment and good work that are crucial to the success of the Group.

Winston Yau-lai LO

Executive Chairman

5th July, 2005

通過合作性包裝加工業務，本集團將進一步提高廠房設備之使用率，藉此改善盈利。上海廠房已於去年與國內某大奶品公司延續包裝加工合約，彼此已建立了穩固及互惠關係。此包裝加工業務亦可擴展至深圳廠房，以達致更高之協同效益及更有效地運用資源。於包裝加工業務之成功經驗，加強了本集團之信心在內地發展類似帶來利潤之包裝加工業務。

更緊密經貿關係安排所帶來之長遠利益亦不容低估。本集團正密切注視並發掘已出現或於未來出現之商機。目的是藉着進口香港產品，增加在中國大陸之銷售產品種類及建立更龐大之產品組合。

澳洲及新西蘭

本集團相信澳洲及新西蘭市場將持續發展蓬勃，對**維他奶**品牌產品之前景亦感非常樂觀。預期來年銷售額將可保持雙位數字之增長，而烏東加廠房為本集團帶來之收入及利潤亦將會增加。

來年之增長將由新產品所帶動。為更有效地保持本集團在此競爭激烈市場之優勢，及為確保更高增長與營運效率，本集團仍不會錯過任何可能出現之新商機及機會。

於二零零五年五月，San Miguel Corporation（「生力集團」）通過其澳洲之全資附屬公司，成功取得本集團在澳洲之合營夥伴National Foods Limited之控股權益。

National Foods Limited乃本集團可靠之業務夥伴，而生力集團則於大洋洲、東南亞及中國大陸市場享有優越之市場地位。本集團一直與這兩間公司商談以便瞭解雙方的立場，惟現階段並未預見會給本集團帶來任何即時之重大影響，而本集團將繼續開拓發展澳洲及新西蘭市場。

董事會

董事會前非執行董事邵志堅先生自二零零四年九月十日起，重新改任為獨立非執行董事。

羅友義先生因私人理由自二零零五年一月十九日起辭任董事會非執行董事職務。江明彥先生因私人理由自二零零五年四月十八日起辭任本集團執行董事職務。本集團感謝兩人於過往所作出之寶貴貢獻，並祝願他們萬事如意。

鳴謝

本人謹此衷心感謝董事會於過去一年所提供之寶貴意見與指導。本人亦感謝股東、客戶及業務夥伴不斷之信賴和支持。最後，本人還要感謝本集團遍佈全球業務中盡忠職守及為本集團建功立業之全體員工。

羅友禮

執行主席

二零零五年七月五日



MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析



TURNOVER

Riding on the growth momentum gathered in the first half of fiscal 2004/2005 due mainly to the strong post-SARS recovery in Hong Kong and the Group's fast expansion in Australia, turnover continued to rise in the second half as growth was registered in Hong Kong, Mainland China and Australia respectively. Total turnover for the year ended 31st March, 2005 was HK\$2,380 million, up 4.9% from HK\$2,269 million a year ago.

In the Hong Kong domestic market, sales turnover was up by a healthy 7.0%, outperforming the local non-alcoholic beverage market. Export sales generated by the Hong Kong operation rose by 18.8%. Australia and New Zealand recorded strong sales growth, up 35.7%. This increase was partly attributable to foreign exchange gains. Should these gains be excluded, sales in this market would have grown by 29.2% over the previous year. In Mainland China, despite a double-

營業額

二零零四／二零零五財政年度上半年之增長動力，主要來自香港於非典型肺炎爆發後之強勁復蘇，以及本集團在澳洲迅速擴展之業務。在此優勢下，香港、中國大陸及澳洲等地市場在下半年均錄得增長，使營業額持續上升。本集團截至二零零五年三月三十一日止年度之總營業額為港幣2,380,000,000元，較去年之港幣2,269,000,000元增加4.9%。

在香港本銷市場，銷售額平穩增長7.0%，較本地非酒精類飲品市場表現優勝。香港之出口銷售亦增長18.8%。澳洲及新西蘭之銷售額則錄得35.7%強勁增長，部份為外匯收益。撇除外匯收益，該市場之銷售額則較去年上升29.2%。中國大陸方面，雖然將經營策略

natural



MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析

悠閒一刻

feel

digit decline in sales in the first half brought about by a change in business strategy to focus on Soymilk, sales rebounded by 10.7% in the second half. Sales in North America declined by 5.6% due to a major restructuring project involving the exit of Refrigerated Soymilk as well as a weaker demand for Aseptic Soymilk in the US market.

GROSS PROFIT

The Group's gross profit for the year totalled HK\$1,368 million, representing an increase of 6.2% (2003/2004: HK\$1,288 million). Gross profit margin increased to 57.5% of sales, as compared to 56.8% a year before. This improvement was due primarily to our initiatives to enhance productivity throughout our supply chain and to offset higher material costs.

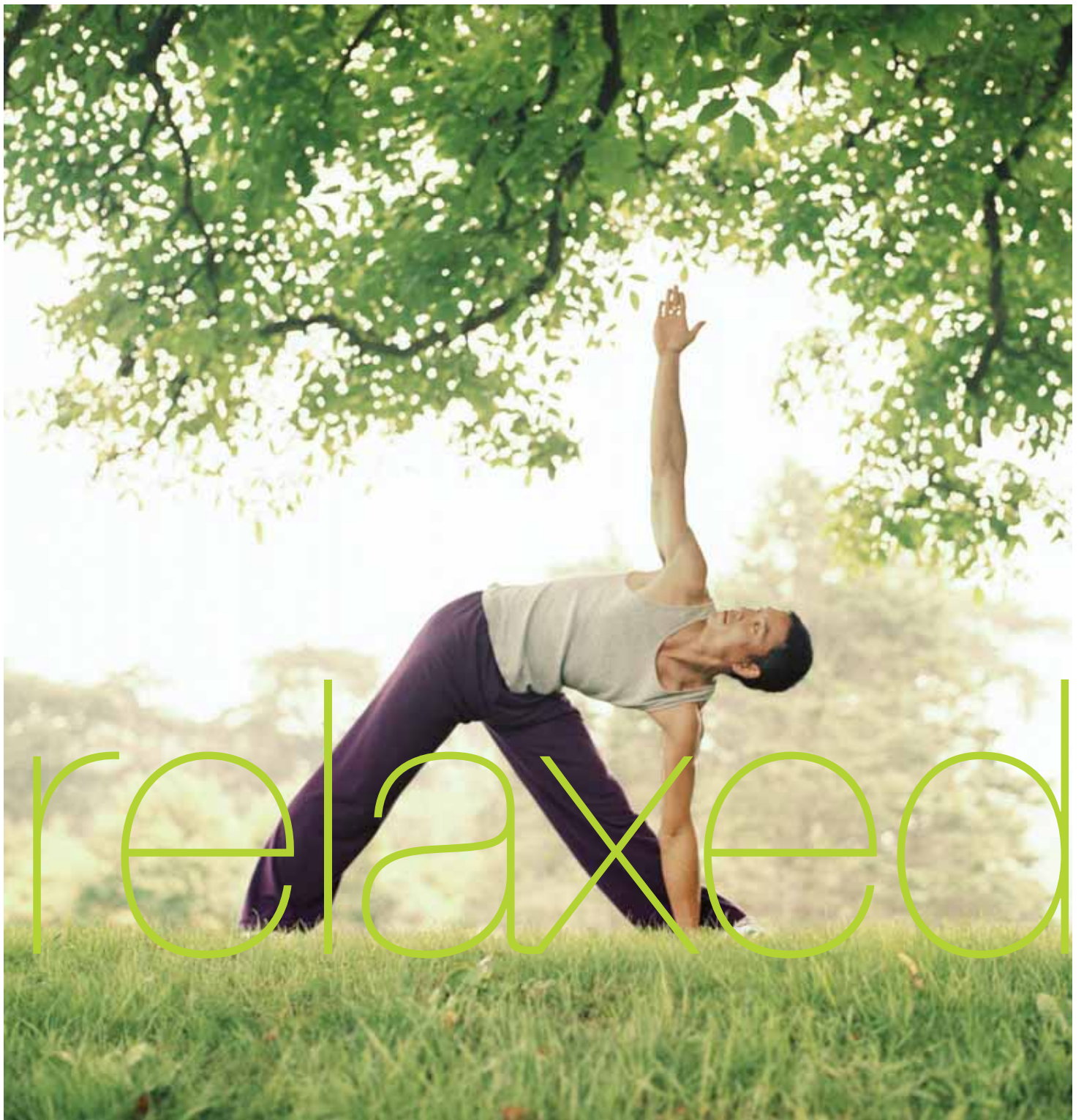
On top of ensuring our brands' market leadership through product innovation and enhancement as well as increased marketplace investment, we have been

轉為集中於豆奶產品上，令致上半年之銷售額出現雙位數字跌幅，惟銷售額於下半年已回升10.7%。北美洲市場之銷售額下跌5.6%，乃由於重組計劃下結束鮮凍豆奶業務，亦因美國市場對無菌紙包裝豆奶之需求下降所致。

毛利

本集團於本年度之毛利共為港幣1,368,000,000元，增長6.2%（二零零三／二零零四年：港幣1,288,000,000元）。毛利率（與銷售額比較）增至57.5%，而去年則為56.8%。毛利率獲改善，主要由於本集團透過供應鏈系統提升生產力，並抵銷原材料成本上漲之影響。

除透過創新、改進產品及增加市場推廣之投資以提升品牌之市場領導地位外，本集團亦積極改善生產效率及供



MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析



KEEP
不斷向前



moving

highly proactive in further improving our production efficiency and supply chain management. The strategy of making Mainland China our chief source of materials while continuing to explore alternative sources in other parts of the world has been effective in containing costs. In addition, the utilisation rate of the Shanghai plant continued to improve with the contractual packaging cooperation arrangement. All these contributed to the rise in the Group's gross profit and gross profit margin.

DISTRIBUTION, ADMINISTRATIVE AND OTHER OPERATING EXPENSES

Marketing, selling and distribution expenses were HK\$916 million, up 4.6% due mainly to the launching of more aggressive marketing and promotion campaigns – particularly in the first half of the year – to boost sales and to reinforce our brands and market position. However, notwithstanding fierce price competition, the rise in these expenses was partially

應鏈管理。本集團除以中國大陸為搜購原材料之主要來源地外，亦繼續在世界各地發掘其他原料供應，此項策略有效地控制成本。此外，上海廠房之使用率亦因其包裝加工業務而持續改善。上述因素均使本集團毛利及毛利率得以增長。

分銷、行政及其他經營費用

市場推廣、銷售及分銷費用為港幣916,000,000元，增加4.6%，主要由於推出更進取之市場推廣及宣傳活動，藉以提高銷售額與鞏固品牌及市場地位所致，該增幅於上半年尤為明顯。然而，儘管市場價格競爭激烈，本集

MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析

Smile



offset by our disciplined approach regarding price discounts and promotions.

Administrative expenses amounted to HK\$159 million, down 2.5%. Other operating expenses amounted to HK\$124 million, compared to HK\$117 million last year. Total operating expenses amounted to 50.4% of sales (2003/2004: 50.9%).

RESTRUCTURING COST

During the year under review, the initiative to exit the Refrigerated Soymilk business in the US and consolidate all production facilities at the plant in Ayer, Massachusetts proceeded smoothly as planned. As a result of that, the Group incurred a total of HK\$25 million as restructuring and other exit costs in North America.

團嚴格控制價格折扣及推廣費用，故能減少有關費用之增幅。

行政費用為港幣159,000,000元，下降2.5%。其他經營費用為港幣124,000,000元，而去年則為港幣117,000,000元。經營費用總額佔銷售額之50.4%（二零零三／二零零四年：50.9%）。

重組成本

在回顧年度內，本集團結束美國鮮凍豆奶業務及將所有生產設備合併至位於麻省艾爾市之廠房等計劃均能如期順利進行。因此，本集團於北美洲所錄得之重組及其他結束成本費用合共為港幣25,000,000元。

a day

一笑開懷



MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

OPERATING PROFIT AND EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION EXPENSES (EBITDA)

Excluding the one-off restructuring cost, EBITDA for the year amounted to HK\$308 million (2003/2004: HK\$261 million), an increase of 18.0% resulting from improved sales and operational efficiency.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 31st March, 2005, profit attributable to shareholders was HK\$124 million, an increase of 6.9% from HK\$116 million a year ago. Excluding the restructuring cost, the net profit was HK\$149 million. This marked a significant rebound from the 16.5% year-on-year decline in 2003/2004.

LIQUIDITY AND FINANCIAL RESOURCES

With cash inflow from operating activities increasing to HK\$279 million (2003/2004: HK\$227 million), the Group's financial position has remained strong. As at 31st March, 2005, the Group was in a healthy net cash position of HK\$364 million (31st March, 2004: HK\$270 million). Banking facilities available to but not used by the Group amounted to HK\$338 million.

As at 31st March, 2005, the Group's borrowings amounted to HK\$169 million (31st March, 2004: HK\$181 million). The maturity profile of the borrowings was spread over a period of five years, with HK\$154 million repayable in the first year, HK\$5 million in the second year and HK\$10 million in the remaining three years. The borrowings denominated in US dollar, Renminbi and Australian dollar were the equivalents of HK\$19 million, HK\$35 million and HK\$115 million respectively. The gearing ratio (total borrowings / shareholders' equity) was 13.5% (31st March, 2004: 14.5%).

The Group incurred capital expenditure totalling HK\$53 million in 2004/2005 (2003/2004: HK\$66 million), which was primarily funded by cash generated from various operations.

經營溢利及未計利息、稅項、折舊及攤銷費用前盈利 (EBITDA)

撇除一次性重組成本，本年度之EBITDA為港幣308,000,000元（二零零三／二零零四年：港幣261,000,000元），增長18.0%，由提高之銷售額及經營效率所帶動。

股東應佔溢利

於截至二零零五年三月三十一日止年度，股東應佔溢利為港幣124,000,000元，較去年之港幣116,000,000元增加6.9%。撇除重組成本，純利為港幣149,000,000元，相比二零零三／二零零四年之按年跌幅16.5%呈強勁反彈。

流動資金及財務資源

本集團之財務狀況保持穩健，經營業務所得之現金流入增至港幣279,000,000元（二零零三／二零零四年：港幣227,000,000元）。於二零零五年三月三十一日，本集團之現金淨額維持在港幣364,000,000元之穩健水平（二零零四年三月三十一日：港幣270,000,000元）。本集團可動用而未提取之銀行信貸額達港幣338,000,000元。

於二零零五年三月三十一日，本集團之借貸為港幣169,000,000元（二零零四年三月三十一日：港幣181,000,000元）。有關借貸可分五年攤還，其中港幣154,000,000元須於首年償還，港幣5,000,000元須於次年償還，另港幣10,000,000元須於餘下三年內償還。該等借貸分別以美元、人民幣及澳元為單位，分別相當於港幣19,000,000元、港幣35,000,000元及港幣115,000,000元。借貸比率（借貸總額與股東權益之比率）為13.5%（二零零四年三月三十一日：14.5%）。

本集團於二零零四／二零零五年錄得之資本開支共達港幣53,000,000元（二零零三／二零零四年：港幣66,000,000元），主要以經營業務所得之現金撥款支付。

CHARGES ON GROUP ASSETS

As at 31st March, 2005, certain assets of the Group with an aggregate carrying value of HK\$37 million (31st March, 2004: HK\$47 million) were pledged to secure loan facilities used by the Group.

FINANCIAL RISK MANAGEMENT

The Group exercises a reasonable degree of prudence with regard to financial risk management. It operates a central cash and treasury management system for all its subsidiaries. All transactions are related to the business needs of the Group. Borrowings are normally taken out in local currencies by the Group's operating subsidiaries to fund and partially hedge their investments.

The financial risks faced by the Group are mainly connected with interest rates and exchange rates. The Group makes use of financial instruments, where appropriate, to manage those risks. At the close of fiscal 2004/2005, the Group had no significant exposure under foreign exchange contracts or financial derivatives.

EMPLOYMENT, TRAINING AND DEVELOPMENT

The Group is fully aware of the need to make the best use of its human resources to maximise productivity and therefore adopts a pragmatic approach in human resources management. As at 31st March, 2005, the number of full-time staff stood at 2,303, a slight decrease of 0.8%.

In terms of staff development, the Group has continued to support a wide range of skills training and staff development programmes in all its regional operations, with a view to helping the staff to upgrade themselves and develop the skill sets needed for driving the growth and meeting the corporate goals of the Group. The Group also offers incentives to encourage employees to attend external training and education programmes.

The Group is also fully committed to ensuring the safety and health of its employees. The safety and health committees established in the Group's various

本集團資產之抵押

於二零零五年三月三十一日，本集團賬面值合共港幣37,000,000元(二零零四年三月三十一日：港幣47,000,000元)之若干資產已用作本集團所用貸款融資之抵押。

財務風險管理

本集團以合理及審慎之方式管理財務風險。本集團為其所有附屬公司實行中央現金及財政管理制度。所有交易均與本集團之業務需要有關。本集團之各營運附屬公司一般以當地貨幣舉債，以資助及部分對沖其投資。

本集團所面對之財務風險主要與利率及匯率有關。本集團於需要時利用金融工具管理該等風險。於二零零四／二零零五財政年度年結日，本集團並無有關外匯合約或衍生金融工具之重大風險。

僱員、培訓及發展

本集團充分認識到善用人力資源能增加生產力之重要性，故於人力資源運用方面取態審慎。於二零零五年三月三十一日，本集團全職僱員人數達2,303人，微降0.8%。

在員工發展方面，本集團繼續支持在各業務區域舉辦各項技能培訓及員工發展課程，藉以協助員工自我增值，並發展所需之技能以提升自我及實現企業目標。本集團亦提供獎勵計劃，鼓勵僱員參加外間主辦之培訓及教育課程。

本集團亦非常關注僱員之工作安全及健康，本集團各業務分部均設有工作安全及健康委員會，專責不斷改善



MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

operations are responsible for constantly improving safety and health in the workplace by carrying out risk assessment of work sites regularly and by establishing policies and guidelines for improvement and taking corrective action where necessary. Regular and intensive training on safety and health is also provided for staff.

The Group's remuneration policies and packages remained unchanged during the year. The remuneration packages for the staff (including executive directors) that covered basic salaries, discretionary bonuses, share options and other long-term benefits were pegged to the Group's and individual employees' performance, and were meant to reflect the value generated by everyone during the year. The Group implements an appraisal system that aims at rewarding those who perform well and raising the overall competence and productivity of its workforce.

SERVING THE COMMUNITY

In the year under review, we continued with our commitment to actively promote a healthy lifestyle and play our role as a responsible corporate citizen by supporting or donating to community activities.

Vitasoy Hong Kong supported a number of health campaigns, seminars and exhibitions organised by the Chinese University of Hong Kong, The University of Hong Kong and health-related organisations respectively to arouse public awareness of the importance of health and a healthy diet. Vitasoy Hong Kong also supported fund raising activities organised by charitable organisations in Hong Kong to help the needy. Vitasoy USA donated drinks to a number of voluntary agencies in the US to help the underprivileged. To help promote education and sports, Vitasoy participated in various activities in Hong Kong and overseas. In Hong Kong, we supported events organised by both government and non-government education and cultural bodies. Vitasoy USA supported a number of events to promote a healthy lifestyle among Asian youngsters.

工作地點之安全及健康事宜，包括定期對工作地點進行風險評估，制定改善政策及指引，並在需要情況下，作出糾正行動。本集團亦就工作安全及健康等環節定期為員工提供深入之訓練。

本集團之薪酬政策及福利組合於年內保持不變。員工（包括執行董事）之薪酬福利包括基本薪金、酌情花紅、購股權及其他長期福利乃與本集團之業績及個別僱員之表現掛鉤，亦藉此反映各員工於年內作出之貢獻。本集團亦採納一套評審制度，以獎勵那些表現優越之員工並提升他們的技能及生產力。

服務社會

於回顧年度，本集團堅守承諾，積極推廣健康之生活方式，藉支持或贊助慈善活動來履行企業公民之責任。

維他奶香港支持多個分別由香港中文大學、香港大學及健康推廣機構主辦之活動、講座及展覽，向大眾提倡健康與均衡飲食習慣之重要性。維他奶香港及美國分別捐款及捐贈飲品以支持當地多間慈善機構所主辦之籌款活動以及志願機構等，協助有需要人士；此外，本集團亦在香港及海外參與多項活動，協助推廣教育及體育。在香港，本集團支持多項由政府及非政府教育及文化團體主辦之活動，而維他奶美國亦積極參與當地活動，向亞洲青少年宣揚健康生活之信息。

Through donations, Vitasoy Hong Kong continued to help various charitable bodies during the year, including the Outward Bound Trust of Hong Kong Limited and the Community Chest of Hong Kong. Vitasoy China donated to a fund raising education programme to help needy students in remote regions in Guangming, Guangdong Province. The Group's employees also participated in community activities, including a fund-raising campaign in January 2005 to help the victims of the South Asian Tsunami, the Corporate and Employee Contribution Programme of the Community Chest of Hong Kong and the Oxfam Trailwalker 2004.

RECOGNITIONS AND AWARDS

During the year, the Group won recognitions and awards for its corporate citizenship and other business-related achievements.

The Group received the Caring Company Award organised by the Hong Kong Council of Social Service for providing a caring environment for the staff, giving to the community and demonstrating corporate citizenship. Vitaland Services Limited was granted the Employees Gold Star Award for the third consecutive year by the Employees Retraining Board for its active participation in employee retraining programmes.

VITA GOR YIN HAI "PE Class" and "Basketball" TV commercials won the Silver Award (non-alcoholic beverage category) in the Times International Chinese Advertising Award 2004. VITASOY won the "Yahoo! Emotive Brand Awards" in the beverage category for the third consecutive year. VITA Juice Drinks won the Gold Award in the juice category of Readers' Digest Hong Kong SuperBrands 2005. VITASOY was elected by Shanghai citizens as one of their Top Ten Favourite Hong Kong Brand Names in the "2004 Hong Kong Brands & Products Expo" organised by the Chinese Manufacturers' Association of Hong Kong. VITASOY Soymilk Drink was named a "Chinese Famous Brand" by the Chinese Quality Monitoring and Testing Association.

維他奶香港於年內均有捐款予香港外展訓練信託基金有限公司及香港公益金等機構。此外，維他奶中國亦捐贈款項予為國內廣東省光明偏遠地區貧困學童所設之教育基金。本集團之僱員亦積極參與多項社區活動，包括二零零五年一月為救助南亞海嘯災民之籌款活動、香港公益金之商業及僱員募捐計劃，以及2004樂施毅行者等。

表揚及嘉許

本集團於年內獲得多項與企業公民及其他與業務有關之嘉許。

本集團榮獲香港社會服務聯會商界展關懷的嘉許，嘉許本集團為員工提供親切之工作環境、回饋社會，以及示範企業公民責任。而維他天地服務有限公司由於積極參與僱員再培訓計劃，連續第三年獲僱員再培訓局頒發僱主金星獎。

維他菓然系系列「體育堂篇」及「籃球賽篇」電視廣告榮獲2004年時報世界華文獎（非酒精類飲品類別）銀獎。維他奶連續第三年在「Yahoo!感情品牌大獎」飲品類別中奪得殊榮。維他果汁系列榮獲香港區「2005讀者文摘超級品牌」（果汁類別）金獎。維他奶在香港中華廠商聯合會主辦之「2004香港工展會•上海」中獲當地市民選為「我最喜愛的香港十大品牌」之一。維他奶荳奶飲品獲中國質量監督檢驗協會頒發「中國馳名品牌」殊榮。



MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析

HONG KONG

香港

Production Efficiency

生產效率

By Location of Assets (Production Plants) 按資產(生產廠房)所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue 收入	\$1,331 million 1,331,000,000元	\$1,220 million 1,220,000,000元	9.1%
Segment Result 分部業績	\$211 million 211,000,000元	\$187 million 187,000,000元	12.8%
Segment Net Operating Assets 分部淨營運資產	\$458 million 458,000,000元	\$488 million 488,000,000元	(6.1%)

The Group's production plant in Tuen Mun supports both domestic sales in Hong Kong and exports to markets in Europe, Macau, Southeast Asia and the Americas. For the year ended 31st March, 2005, the revenue generated by the plant and the tuck shop business reached HK\$1,331 million, an increase of 9.1% over the previous year. The segment result for the same year was HK\$211 million, representing a strong growth of 12.8%.

本集團之屯門生產廠房供應本地市場，以及分佈歐洲、澳門、東南亞及美洲之出口市場。截至二零零五年三月三十一日止年度，廠房及食物部業務之收入為港幣1,331,000,000元，較去年上升9.1%。同年分部業績為港幣211,000,000元，錄得12.8%之強勁增長。

With a view to maintaining our leading position and growing our share in the Hong Kong beverage market, we continued to focus on brand building and productivity improvement. Healthy sales growth and improved profitability were achieved in the year under review.

為保持本集團在香港飲品市場之領導地位及提升市場佔有率，本集團繼續集中建立品牌及改善生產力，於回顧年度內，營業額及盈利能力均能穩健增長。

Market Performance

市場表現

By Location of Customers 按客戶所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue – Hong Kong Domestic Market 收入—香港本銷市場	\$1,547 million 1,547,000,000元	\$1,446 million 1,446,000,000元	7.0%
Revenue – Export Markets 收入—出口市場	\$76 million 76,000,000元	\$64 million 64,000,000元	18.8%

HONG KONG (continued)

Market Performance (continued)

(1) Hong Kong Domestic Market

While the Hong Kong economy continued to recover from the 2003 downturn, competition in the non-alcoholic beverage industry remained intense and the industry's performance did not keep abreast of Hong Kong's GDP growth but instead fell by 2% in value.

Notwithstanding the market conditions, the Group achieved a healthy sales growth of 7.0% for two main reasons. Firstly, our investment in product development paid off well as our new value-added products appealed to a broader consumer base. The newly launched range of VITA GOR YIN HAI "Icy Shake" Fruity Teas targeting young consumers helped increase our brand's share in this market. We also launched VITA TSING SUM ZHAN for consumers looking for taste, health value and good ways to feel at ease. The VITA LIGHT Chrysanthemum Tea and new flavours in the CHA T DIN range of PET (plastic bottle) drinks were also welcomed by the market. The re-launching of CALCI-PLUS as a Soymilk with health elements in addition to high calcium and low fats was a success. Secondly, by increasing the level of investment to reinforce our brands, we were able to further strengthen the Group's market position and outperform the local non-alcoholic beverage market.

The Group's tuck shop business operated under Vitaland Services Limited continued to thrive as the market became increasingly demanding as regards the quality of products and services. By 31st March, 2005, the number of tuck shops reached 298, an increase of 15.1% from 259 a year earlier. Hong Kong Gourmet Limited, the Group's modern kitchen facility for catering, also recorded a healthy growth in revenue of 14.5%. In order to serve schools in the eastern part of the New Territories, a new reheat centre has been established in Shatin.

(2) Export Markets

Our export sales sustained a strong year-on-year growth of 18.8% as we continued to break into new markets and launch new products in existing markets. Sales growth was particularly strong in Macau as the economy flourished with the expansion of the gambling industry.

香港(續)

市場表現(續)

(1) 香港本銷市場

香港經濟繼續從二零零三年之衰退中復蘇，與此同時，非酒精類飲品行業之競爭仍然激烈，行業表現非但不能與香港本地生產總值增長同步，以行業銷售額計算反而下跌2%。

縱然市況不佳，惟本集團之銷售額仍能取得7.0%之穩健增長，原因有二。首先，本集團在產品開發上之投資得到回報，新推出之增值產品成功擴大客戶基礎。新推出以年輕消費者為對象之**維他菓然系**「冰震」果茶便有助提高本集團品牌於該市場之佔有率。本集團亦為嚮往擁有品味、健康價值及寫意生活之顧客推出**維他清心棧**系列產品。**維他LIGHT**菊花茶及新口味**茶字典**系列之膠瓶裝飲品亦大受市場歡迎。**鈣思寶**荳奶產品以擁有健康元素，加上高鈣低脂，重新推出市場後，亦大受顧客歡迎。其次，透過增加投資提升品牌，本集團得以進一步增強在市場上之地位，表現較本地非酒精類飲品市場優勝。

隨著市場對產品與服務質素之要求不斷增加，維他天地服務有限公司所經營之食物部業務亦持續增長。於二零零五年三月三十一日，食物部數目由去年之259間增加15.1%至298間。本集團屬下專門供應膳食之現代化中央廚房－香港美食有限公司之收入亦錄得14.5%之穩健增長。為向新界東部之學校提供服務，已於沙田開設一所新的食物翻熱中心。

(2) 出口市場

本集團之出口市場之銷售額錄得強勁之按年增長率18.8%，主要有賴開拓新市場及在現有市場推出新產品。澳門之銷售額增長特別強勁，乃因當地博彩業擴展致使經濟發展蓬勃。

MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析

NORTH AMERICA

北美洲

Production Efficiency

生產效率

By Location of Assets (Production Plants) 按資產(生產廠房)所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue 收入	\$415 million 415,000,000元	\$442 million 442,000,000元	(6.1%)
Segment Result 分部業績	(\$37 million) (37,000,000元)	(\$44 million) (44,000,000元)	15.9%
Segment Net Operating Assets 分部淨營運資產	\$196 million 196,000,000元	\$219 million 219,000,000元	(10.5%)

The Group's production plants in Massachusetts and California support the North American market. During the year, these plants generated HK\$415 million in revenue, a decrease of 6.1%. Excluding the cost incurred for restructuring, the segment result was an operating loss of HK\$37 million, down from HK\$44 million a year ago.

本集團位於麻省及加州之生產廠房供應北美洲市場。年內，該等廠房之總收入為港幣415,000,000元，下跌6.1%。撇除重組成本之分部業績則錄得經營虧損港幣37,000,000元，低於去年的港幣44,000,000元。

Market Performance

市場表現

By Location of Customers 按客戶所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue – North American Market 收入 – 北美洲市場	\$468 million 468,000,000元	\$496 million 496,000,000元	(5.6%)

The market for soy foods in the US continued to grow but at a slower rate. The Refrigerated Soymilk category, though growing, was dominated by two major manufacturers whereas the market for Aseptic Soymilk continued to contract. With the introduction of Seasoned Tofu, the Tofu category has been growing since 2002. However, many retailers were reducing the shelf space for Tofu and Aseptic Soymilk and more retailers treated these products as commodities.

美國大豆食品市場持續增長，惟增長放緩。鮮凍豆奶產品雖有增長，惟已由兩大主要生產商壟斷。至於無菌紙包裝豆奶產品市場則繼續萎縮。隨著調味豆腐之推出，使豆腐產品市場自二零零二年起持續增長。然而，不少零售商把豆腐及無菌紙包裝豆奶之上架位置減少，並有越來越多零售商視該等產品為商品。

The Group decided to exit its Refrigerated Soymilk business in North America so that more resources could be allocated for the development of new products. It also decided to consolidate all production facilities at the plant in Ayer, Massachusetts. These moves proceeded smoothly as planned.

本集團決定結束北美洲之鮮凍豆奶業務，以便調配更多資源開發新產品；同時亦決定將所有生產設施合併至位於麻省艾爾市之廠房。上述計劃均能如期順利進行。

The Group's revenue generated from the North American market was HK\$468 million, down 5.6% from last year. This drop was attributable partly to the lower demand for Aseptic Soymilk in the US market and partly to our exit from Refrigerated Soymilk. However, Tofu sales grew at a rate of 5.0% and we also continued to increase our market share and maintain our market leadership in this category.

本集團來自北美洲市場之收入為港幣468,000,000元，較去年下跌5.6%。收入下跌，部分是由於美國市場對無菌紙包裝豆奶之需求減少，部份亦因為結束鮮凍豆奶業務所致。然而，豆腐產品之銷售額錄得5.0%增長，本集團亦繼續擴大市場佔有率並保持領導地位。

MAINLAND CHINA

中國大陸

Production Efficiency

生產效率

By Location of Assets (Production Plants) 按資產(生產廠房)所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue 收入	\$485 million 485,000,000元	\$499 million 499,000,000元	(2.8%)
Segment Result 分部業績	\$56 million 56,000,000元	\$46 million 46,000,000元	21.7%
Segment Net Operating Assets 分部淨營運資產	\$217 million 217,000,000元	\$257 million 257,000,000元	(15.6%)

The Group's production plants in Shanghai and Shenzhen support the Mainland China and Hong Kong markets.

本集團設於上海及深圳之生產廠房負責供應中國大陸及香港市場。

During the year under review, the two HACCP-accredited plants generated revenue amounting to HK\$485 million, a slight drop of 2.8%. The segment result for the year was HK\$56 million, up 21.7% from HK\$46 million in 2003/2004.

於回顧年度，此兩間獲頒發HACCP「危害分析與關鍵控制點」認證之廠房為本集團帶來總收入港幣485,000,000元，微跌2.8%。年內之分部業績錄得港幣56,000,000元，較二零零三年／二零零四年之港幣46,000,000元上升21.7%。

Market Performance

市場表現

By Location of Customers 按客戶所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue – Mainland China Market 收入—中國大陸市場	\$133 million 133,000,000元	\$148 million 148,000,000元	(10.1%)

Severe price competition presented a major challenge to the dairy segment in Mainland China. The retail price of Dairy Milk dropped significantly, which impacted the ready-to-drink beverage sector severely, while the growth of the Soymilk market was still slow.

中國大陸奶品業所面對之主要挑戰乃激烈之價格競爭。奶類產品之零售價格大跌，為即飲品行業帶來嚴重影響，同時豆奶市場之增長仍然緩慢。

During the year, we implemented a new business strategy to focus on products with a higher profit margin and introduced price increases in Eastern China. The main purpose was to raise profitability, though sales revenue from the Mainland China market might fall temporarily.

本集團於年內落實新業務發展策略，焦點集中於較高利潤之產品，以及在華東地區提高價格。雖然中國大陸之銷售收入可能因此而暫時減少，但此等策略旨在提升盈利能力。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

MAINLAND CHINA (continued)

Market Performance (continued)

Revenue from the Mainland China market dropped by 22.8% in the first half. However, the combined effect of brand building, streamlined product portfolios and healthier margins enabled Vitasoy China to grow its sales by 10.7% in the second half of the year. The Group's Mainland China operation generated revenue amounting to HK\$133 million, a decrease of 10.1% from last year.

The Shanghai plant's successful renewal of the co-packing contract with one of the largest dairy manufacturers in Mainland China has ensured our closer cooperation and contributed significantly to both capacity utilisation and earnings.

中國大陸(續)

市場表現(續)

中國大陸市場之收入在上半年下跌22.8%。然而，在建立品牌、重整產品組合及提升邊際利潤等因素共同影響下，維他奶中國之銷售額得以於下半年取得10.7%增長。本集團之中國大陸業務收入為港幣133,000,000元，較去年減少10.1%。

上海廠房成功與中國大陸某大奶品製造商續訂包裝加工合同，雙方合作更趨緊密，對生產使用率及盈利均有重大貢獻。

AUSTRALIA AND NEW ZEALAND

澳洲及新西蘭

Production Efficiency

生產效率

By Location of Assets (Production Plant) 按資產(生產廠房)所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue 收入	\$149 million 149,000,000元	\$109 million 109,000,000元	36.7%
Segment Result 分部業績	\$10 million 10,000,000元	\$1 million 1,000,000元	900.0%
Segment Net Operating Assets 分部淨營運資產	\$164 million 164,000,000元	\$164 million 164,000,000元	–

The Group's joint-venture plant in Wodonga, Victoria supports the Australian and New Zealand markets. For the twelve months to 31st March, 2005, the plant generated HK\$149 million in revenue, representing a strong increase of 36.7%. The segment result was HK\$10 million, up 900.0% over the previous year.

本集團設於維多利亞省烏東加市之合營廠房供應澳洲及新西蘭市場。於截至二零零五年三月三十一日止十二個月，該廠房錄得收入港幣149,000,000元，較上年度大幅增長36.7%。分部業績為港幣10,000,000元，較去年上升900.0%。

Market Performance

市場表現

By Location of Customers 按客戶所在地 (Expressed in Hong Kong dollars 以港幣計算)	2004/2005 二零零四/二零零五年	2003/2004 二零零三/二零零四年	Movement 變動
Revenue – Australian and New Zealand Market 收入 – 澳洲及新西蘭市場	\$156 million 156,000,000元	\$115 million 115,000,000元	35.7%

The market for Soymilk (including flavoured Soymilk and Rice Milk) continued to grow steadily in both Australia and New Zealand, expanding by 6.6% and 9.5% respectively. This growth was partly driven by VITASOY, which grew its sales volume by 31% and 24% respectively in these two countries.

澳洲及新西蘭兩地之荳奶(包括不同口味之荳奶及米奶)市場均保持穩定增長，分別上升6.6%及9.5%。此增長部分由維他奶品牌帶動，並於該兩個國家之銷量分別錄得31%及24%增長。

The Group's share in these markets also continued to rise, reaching nearly 19% in Australia and 36% in New Zealand.

本集團於該等市場之佔有率持續上升，澳洲及新西蘭分別上升至接近19%及36%。

The encouraging performance of the Group in these markets reflected the success of a product innovation programme implemented since last year and our effective marketing and promotion campaigns. VITASOY Rice Milk and LUSH Chocolate Soymilk continued to grow in sales whereas the more recently launched VITASOY SO MILKY Soymilk also established its popularity in the market.

本集團在該等市場之表現令人鼓舞，亦反映自去年起推出創新產品以及採取有效市場推廣活動之成功。維他奶米奶及LUSH巧克力荳奶之銷售額持續增長，而最近推出之VITASOY SO MILKY荳奶在市場上亦廣受歡迎。

CORPORATE GOVERNANCE REPORT

公司管治報告

We are firmly committed to statutory and regulatory corporate governance standards and adherence to the principles of corporate governance emphasising transparency, independence, accountability, responsibility and fairness.

Code of Best Practice and Code on Corporate Governance Practices

The Company has, throughout the year ended 31st March, 2005, complied with the Code of Best Practices set out in Appendix 14 of the Main Board Listing Rules (the "Listing Rules"). The Code of Best Practices was replaced by the Code on Corporate Governance Practices which has become effective for accounting periods commencing on or after 1st January, 2005. The Company has, to a certain extent, applied the principles and complied with code provisions and the recommended best practices of the Code on Corporate Governance Practices throughout the year ended 31st March, 2005.

Board of Directors

The Board currently comprises five Non-executive Directors and three Executive Directors. Three of the Non-executive Directors are independent.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors to be independent.

Under the Company's current Articles of Association, all Directors are subject to retirement by rotation and their re-election is subject to approval by shareholders at the Annual General Meeting.

本集團奉行法定及監管公司管治標準，並時刻遵循注重透明度、獨立、問責、負責與公平之公司管治原則。

最佳應用守則及企業管治常規守則

本公司於截至二零零五年三月三十一日止年度一直遵守主板上市規則（「上市規則」）附錄14所載之最佳應用守則。最佳應用守則已被於二零零五年一月一日或之後開始之會計期間生效的企業管治常規守則所取代。本公司於截至二零零五年三月三十一日止年度內在在一定程度上採納了企業管治常規守則之原則及遵守其中的守則規定及其建議最佳常規。

董事會

董事會現由五位非執行董事及三位執行董事組成。其中三位非執行董事為獨立人士。

本公司已收到各獨立非執行董事根據上市規則第3.13條就其身份之獨立性發出之週年確認書。本公司認為各獨立非執行董事確屬獨立人士。

根據本公司現有章程細則，所有董事均須輪值告退，並須在股東週年大會上獲股東批准，方可膺選連任。

Board of Directors (continued)

The Board met six times in fiscal year of 2004/2005 to review the financial and operating performance of the Group and to consider and approve the annual budget for the Group. Individual attendance of each Board member at these meetings is as follows:

	Note 附註	Attendance 出席率
<u>Independent Non-executive Directors</u>	<u>獨立非執行董事</u>	
Dr. The Hon. David Kwok-po LI	李國寶博士	6/6
Mr. Iain F. BRUCE	布魯士先生	6/6
Mr. Chi-kian SHIU	邵志堅先生	(i) 5/6
<u>Non-executive Directors</u>	<u>非執行董事</u>	
Ms. Myrna Mo-ching LO	羅慕貞女士	6/6
Mr. Frank Yau-yee LO	羅友義先生	(ii) 2/4
Ms. Yvonne Mo-ling LO	羅慕玲女士	6/6
<u>Executive Directors</u>	<u>執行董事</u>	
Mr. Winston Yau-lai LO – Chairman	羅友禮先生 – 主席	6/6
Mr. Fransis Ming-yin KONG	江明彥先生	(iii) 6/6
Mr. Eric Fat YU	余發先生	6/6
Mr. John Shek-hung LAU	劉錫鴻先生	6/6

Notes:

- (i) Re-designated from a Non-executive Director to an Independent Non-executive Director on 10th September, 2004.
- (ii) Resigned as a Non-executive Director on 19th January, 2005.
- (iii) Resigned as an Executive Director on 18th April, 2005.

System of Internal Controls

The Board recognises its overall responsibility for the establishment, maintenance and review of a system of internal control that provides reasonable assurance on the reliability and integrity of financial and operational information, effective and efficient operations, safeguarding of assets and compliance with laws and regulations. The system of internal control is designed to manage rather than eliminate all risks of failure while its goal is to provide reasonable, not absolute, assurance regarding the achievement of organisational objectives.

董事會 (續)

於二零零四/二零零五財政年度內董事會共開會六次，以檢討本集團之財務及營運表現，及考慮與批准本集團之全年預算。董事會各成員於該等會議之出席率表列如下：

附註：

- (i) 於二零零四年九月十日由非執行董事重新改任為獨立非執行董事。
- (ii) 於二零零五年一月十九日辭任非執行董事。
- (iii) 於二零零五年四月十八日辭任執行董事。

內部監控系統

董事會認識到本身就建立、維持及檢討內部監控系統制度之整體責任，實須合理地保證財務及營運資料之可靠及完整性、有效及高效營運、保護資產及遵守法規。內部監控系統乃旨在管理而非消除所有失誤之風險，而它的宗旨是提供有關達成公司目標之合理保證而非絕對保證。

CORPORATE GOVERNANCE REPORT

公司管治報告

Board Committees

The Board has established an Executive Committee, an Audit Committee and a Remuneration and Nomination Committee (formerly known as Compensation Committee).

Executive Committee

The Executive Committee was established in 2001. Its current members include all three Executive Directors, who are:

Mr. Winston Yau-lai LO
Mr. Eric Fat YU
Mr. John Shek-hung LAU

Mr. Fransis Ming-yin KONG resigned as Director on 18th April, 2005. He was a member of the Executive Committee prior to his resignation.

The Executive Committee operates as a general management committee under the direct authority of the Board to deal with certain operational matters of the Group.

Audit Committee

The Audit Committee was established in 1999. Its current members include three Independent Non-executive Directors, who are:

Mr. Iain F. BRUCE (Chairman)
Dr. The Hon. David Kwok-po LI
Mr. Chi-kian SHIU (re-designated from a Non-executive Director to an Independent Non-executive Director on 10th September, 2004)

The Audit Committee's terms of reference are to make recommendation to the Board on the appointment, reappointment and removal of the External Auditors and any questions of resignation or dismissal, their audit fees, matters relating to the independence of the External Auditors; to meet with the External Auditors to discuss the nature and scope of the audit, and matters of concern when requested to do so by the External Auditors; to review the interim financial report and annual financial statements before they are submitted to the Board; to discuss problems and reservations arising from the interim review and final audit, and any other matters the External Auditors may wish to discuss, and to review the External Auditors' management letter and management's response; to review the internal audit programmes and to ensure co-ordination between the Internal and External Auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group; and to consider any findings of major investigations of internal control matters as delegated by the Board or on its own initiative and management's response.

董事委員會

董事會轄下已成立執行委員會、審核委員會及薪酬及提名委員會(前稱薪酬委員會)。

執行委員會

執行委員會於二零零一年成立，現成員包括全部三位執行董事，分別為：

羅友禮先生
余發先生
劉錫鴻先生

江明彥先生於二零零五年四月十八日辭去董事職務，彼於辭任前為執行委員會成員。

執行委員會為一般管理委員會，直屬於董事會，處理本集團部份營運事宜。

審核委員會

審核委員會於一九九九年成立，現成員包括三位獨立非執行董事，分別為：

布魯士先生(主席)
李國寶博士
邵志堅先生(於二零零四年九月十日由非執行董事重新改任為獨立非執行董事)

審核委員會之職權範圍包括就外聘核數師之委任、重新委任及罷免，或處理任何有關該核數師辭職或辭退該核數師、核數師酬金、外聘核數師之獨立性等事宜向董事會提供意見；與外聘核數師開會討論審核工作之性質及範圍及應外聘核數師要求處理值得關注事項；審閱中期財務報告及全年財務報表以便上呈董事會；討論源於中期審閱及年結審核過程發現之問題及保留意見，及任何其他外聘核數師欲討論之事宜；審閱外聘核數師致管理層之函件及管理層之回應；審閱內部稽核計劃並確保內部及外聘核數師間之協調；確保內部稽核職能有足夠資源配合並於本集團內擁有適當地位；及審議董事會指派或其自發進行之內部調查之主要調查結果及管理層之回應。

Board Committees (continued)

Audit Committee (continued)

The Audit Committee met twice in fiscal year of 2004/2005. Individual attendance of each Committee member at these meetings is as follows:

	Attendance 出席率
<u>Independent Non-executive Directors</u>	<u>獨立非執行董事</u>
Mr. Iain F. BRUCE – Chairman	布魯士先生 – 主席 2/2
Dr. The Hon. David Kwok-po LI	李國寶博士 2/2
Mr. Chi-kian SHIU	邵志堅先生 2/2
In Attendance:	列席：
Chief Financial Officer	財務總監 2/2
Internal Auditor	內部核數師 2/2
External Auditors	外聘核數師 2/2

The Audit Committee of the Board has reviewed the 2004/2005 financial statements with management and the Company's External Auditors, and recommended its adoption by the Board.

Remuneration and Nomination Committee

The Compensation Committee was established in February, 1994 and was renamed as "Remuneration and Nomination Committee" on 2nd February, 2005, with increased scope of authority. This Committee now comprises three Independent Non-executive Directors and two Non-executive Directors and its current members are:

Independent Non-executive Directors

Dr. The Hon. David Kwok-po LI (Chairman)

Mr. Iain F. BRUCE

Mr. Chi-kian SHIU

Non-executive Directors

Ms. Myrna Mo-ching LO

Ms. Yvonne Mo-ling LO

董事委員會(續)

審核委員會(續)

於二零零四／二零零五財政年度內審核委員會共開會兩次。各成員於該等會議之出席率表列如下：

董事會之審核委員會已連同管理層及本公司外聘核數師審閱二零零四／二零零五年度之財務報表，並建議董事會予以採納。

薪酬及提名委員會

薪酬委員會於一九九四年二月成立，於二零零五年二月二日改名為「薪酬及提名委員會」，其職權範圍亦加以擴大。目前，委員會成員包括三位獨立非執行董事及兩位非執行董事，其現成員為：

獨立非執行董事

李國寶博士(主席)

布魯士先生

邵志堅先生

非執行董事

羅慕貞女士

羅慕玲女士

CORPORATE GOVERNANCE REPORT

公司管治報告

Board Committees (continued)

Remuneration and Nomination Committee (continued)

The Committee was set up to consider and approve the remuneration packages of the senior employees of the Group, including the terms of salary and bonus schemes and other long-term incentive schemes. The Committee also reviews the structure, size and composition (including the skills, knowledge and experience) of the Board from time to time and recommends to the Board on appointments of Directors and the succession planning for Directors.

The Committee met three times in fiscal year of 2004/2005. Individual attendance of each Committee member at these meetings is as follows:

董事委員會(續)

薪酬及提名委員會(續)

委員會之成立旨在審批本集團高層僱員之薪酬福利組合，包括薪金及花紅計劃及其他長期獎勵計劃。委員會亦不時檢討董事會之架構、規模及組成(包括董事之技能、知識及經驗)，並就董事之委任及董事繼任計劃向董事會提出建議。

於二零零四／二零零五財政年度內委員會共開會三次。各成員於該等會議之出席率表列如下：

	Note	Attendance
	附註	出席率
<u>Independent Non-executive Directors</u>	<u>獨立非執行董事</u>	
Dr. The Hon. David Kwok-po LI – Chairman	李國寶博士 – 主席	3/3
Mr. Iain F. BRUCE	布魯士先生	3/3
Mr. Chi-kian SHIU	邵志堅先生	2/3
<u>Non-executive Directors</u>	<u>非執行董事</u>	
Ms. Myrna Mo-ching LO	羅慕貞女士	3/3
Mr. Frank Yau-yee LO	羅友義先生 (i)	1/2
Ms. Yvonne Mo-ling LO	羅慕玲女士	3/3
<u>Executive Director</u>	<u>執行董事</u>	
Mr. Winston Yau-lai LO	羅友禮先生 (ii)	2/2
In Attendance:	列席：	
<u>Executive Director</u>	<u>執行董事</u>	
Mr. Winston Yau-lai LO	羅友禮先生 (ii)	1/1

Notes:

- (i) Resigned as a Non-executive Director on 19th January, 2005.
- (ii) Ceased to be a member of the Committee on 2nd February, 2005.

附註：

- (i) 於二零零五年一月十九日辭任非執行董事。
- (ii) 於二零零五年二月二日起不再擔任委員會成員。

Internal Audit

The Group Internal Audit Department supports management by carrying out a systematic approach to evaluate the risks and improve the effectiveness of the internal control systems of all levels of the companies in the Group. The Audit Committee endorses the audit plan annually. The Group Internal Auditor has unrestricted access to all parts of the business, and direct access to any level of management as he considers necessary. The Group Internal Auditor reports his findings and the agreed corrective actions to senior management responsible for the area audited. He also reports regularly the results of the reviews in a summary to the Audit Committee.

External Auditors

KPMG has been appointed as the External Auditors of the Company by shareholders at the Annual General Meeting annually. An amount of HK\$3.0 million (2004: HK\$2.9 million) was charged to the 2004/2005 financial statements of the Company and subsidiaries for KPMG's statutory audit and tax services. The amount for other services provided by KPMG for the Company and subsidiaries during the year was relatively small.

Model Code for Securities Transactions

The Group has adopted, on 9th September, 2004, its own Code for Securities Transactions by Directors (the "Code"), that follows the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rules. Specific enquiry has been made of all Directors, and Directors have confirmed that they have complied with the required standard set out in the Code for the year ended 31st March, 2005.

Investor Relations

We believe accountability and transparency are indispensable for ensuring good corporate governance and, in this regard, timely communication with our shareholders, including institutional investors, is crucial. We manage investor relations systematically as a key part of our operations.

We maintain a website (www.vitasoy.com) to keep our shareholders and the investing public posted of our latest business developments and to disseminate shareholder information.

During the year, we continued to follow a policy of maintaining an open and regular dialogue with institutional and minority shareholders, fund managers, analysts and the media through different means, including meetings, presentations, telephone conferences, correspondence, media briefings and press releases to distribute information on the Group's latest developments and strategies. We also continued to be proactive in responding to general enquires raised by the investing public, individual and institutional investors and investment analysts.

內部稽核

本集團之稽核部通過有系統方法以評估風險及改善本集團公司各階層內部監控系統之效率，以配合管理層之工作。審核委員會每年確認審核方案。本集團內部核數師可不受限制地接觸其認為必要之業務範疇及各級管理層。本集團之內部核數師將其調查結果及協議之糾正行動匯報予負責有關被稽核範圍之高級管理層。彼又會定期向審核委員會簡報審閱結果。

外聘核數師

畢馬威會計師事務所已於每年股東週年大會上獲委聘為本公司外聘核數師。本公司及其附屬公司已就畢馬威會計師事務所提供之法定審核及稅務服務自二零零四／二零零五年財務報表中扣除港幣3,000,000元(二零零四年：港幣2,900,000元)。畢馬威會計師事務所於年內為本公司及其附屬公司所提供之其他服務費用相對較少。

進行證券交易的標準守則

本集團已於二零零四年九月九日採納自行制定之「董事之證券交易守則」(「守則」)，而此守則乃跟隨上市規則附錄10所載之「上市公司董事進行證券交易之標準守則」而制定。本公司已對全體董事作出具體查詢，而董事確定於截至二零零五年三月三十一日止年度均遵守守則所規定之準則。

投資者關係

本集團相信問責制及透明度乃良好公司管治不可或缺之部分，故此與股東(包括機構投資者)作適時溝通實為重要。本集團有系統地處理投資者關係並視為本集團之主要工作。

本集團設有網站(www.vitasoy.com)，以便向股東及公眾投資者匯報本集團最新業務發展及發放股東資訊。

年內，本集團貫徹通過不同方式與機構及少數股東、基金經理、分析員及媒體公開定期對話之政策。形式包括會面、演介會、電話會議、函件、媒體簡報會及新聞稿等，藉以發佈有關本集團最新發展及策略之資料。本集團將繼續積極回應公眾投資者、個人及機構投資者及投資分析員所提出之一般查詢。

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

BOARD OF DIRECTORS

Executive Chairman

Mr. Winston Yau-lai LO, aged 64, is the Executive Chairman of the Group. Mr. Lo was appointed a Director of the Company in 1972. He is principally responsible for the Group's long-term strategic development. Mr. Lo is a member of The National Committee of the Chinese People's Political Consultative Conference and the Court of Hong Kong University of Science and Technology. He is the vice president of the Council of Outward Bound Trust of Hong Kong and a director of The Bank of East Asia, Limited, The East Asiatic Company Limited A/S and Ping Ping Investment Company Limited. He is the brother of Ms. Myrna Mo-ching LO and Ms. Yvonne Mo-ling LO.

Independent Non-executive Directors

Dr. The Hon. David Kwok-po LI, aged 66, was appointed a Director of the Company in 1994. Dr. Li is the chairman and chief executive of The Bank of East Asia, Limited. He is the chairman of the Chinese Banks' Association, Limited and the Hong Kong Management Association. He is a member of the Exchange Fund Advisory Committee and the Banking Advisory Committee. He is also a member of the Legislative Council of the Hong Kong Special Administrative Region. He serves on the boards of several publicly listed companies in Hong Kong and overseas.

Mr. Iain F. BRUCE, aged 64, was appointed a Director of the Company in 2001. Mr. Bruce joined KPMG Hong Kong in 1964 and was its senior partner from 1991 to 1996. He is now the chairman of KCS Limited and serves on the boards of several publicly listed companies in Hong Kong and overseas.

Mr. Chi-kian SHIU, aged 73, was appointed a Director of the Company in 1987. Mr. Shiu was a director of South China Cinema & Investment Company Limited with which he had been associated since 1952.

董事會成員

執行主席

羅友禮先生，六十四歲，本集團執行主席，於一九七二年獲委任為本公司董事。羅先生主要負責本集團之長期策略性發展。羅先生為全國人民政治協商會議委員會委員及香港科技大學顧問委員會成員。彼為香港外展信託基金會副會長，以及東亞銀行有限公司、The East Asiatic Company Limited A/S 及平置業有限公司之董事。彼為羅慕貞女士之胞弟，亦為羅慕玲女士之胞兄。

獨立非執行董事

李國寶博士，六十六歲，於一九九四年獲委任為本公司董事。李博士為東亞銀行有限公司之主席兼行政總裁。彼亦為香港華商銀行公會有限公司及香港管理專業協會之主席，並為外匯基金諮詢委員會及銀行業諮詢委員會之委員。李博士亦為香港特別行政區立法會議員，亦為香港及海外多間公眾上市公司之董事。

布魯士先生，六十四歲，於二零零一年獲委任為本公司董事。布魯士先生於一九六四年加入香港畢馬威會計師事務所，並由一九九一年至一九九六年擔任該會計師事務所之資深合夥人。彼現為KCS Limited主席以及香港及海外多間公眾上市公司之董事。

邵志堅先生，七十三歲，於一九八七年獲委任為本公司董事。邵先生曾為華南影院置業有限公司之董事，彼自一九五二年起即參與該公司之業務。

BOARD OF DIRECTORS (continued)

Non-executive Directors

Ms. Myrna Mo-ching LO, aged 66, was appointed a Director of the Company in 1992. Ms. Lo is a member of the Docent Committee and Bishop White Committee of the Royal Ontario Museum in Toronto, Canada. She is the sister of Mr. Winston Yau-lai LO and Ms. Yvonne Mo-ling LO.

Ms. Yvonne Mo-ling LO, aged 57, was appointed a Director of the Company in 1993. Ms. Lo joined the Group in 1980 and was the President of Vitasoy USA Group until 2001. Ms. Lo was the president of the Soyfoods Association of North America which represents 60 soyfoods companies covering the US and Canada. She is the sister of Ms. Myrna Mo-ching LO and Mr. Winston Yau-lai LO.

Executive Directors

Mr. Eric Fat YU, aged 55, was appointed a Director of the Company in 1989. Mr. Yu is currently the Group's Senior Director-Manufacturing and Project Management. He had experience in engineering works and project management whilst working previously with a number of companies overseas. He joined the Group in 1974. He is now responsible for the formulation of the Group's manufacturing policy and strategy and the management of the Group's new joint venture project.

Mr. John Shek-hung LAU, aged 58, was appointed a Director of the Company in 1990. Mr. Lau is currently the Group's Senior Director - Finance and Administration. He joined the Group in 1988 having worked previously with a number of multinational companies both in Hong Kong and overseas. He is currently responsible for the finance and administration of the Group.

董事會成員(續)

非執行董事

羅慕貞女士，六十六歲，於一九九二年獲委任為本公司董事。羅女士為加拿大多倫多市皇家安大略省博物館之Docent Committee及Bishop White Committee成員。彼為羅友禮先生及羅慕玲女士之胞姊。

羅慕玲女士，五十七歲，於一九九三年獲委任為本公司董事。羅女士於一九八零年加入本集團，並為維他奶美國集團之主席，直至二零零一年止。羅女士曾為北美大豆食品協會之主席，該會代表美國及加拿大六十間大豆食品公司。彼為羅慕貞女士及羅友禮先生之胞妹。

執行董事

余發先生，五十五歲，於一九八九年獲委任為本公司董事。余先生現為本集團之生產暨項目管理高級總監。彼於一九七四年加入本集團，之前曾在海外多間公司服務，擁有工程及項目管理經驗。彼現時負責制定本集團之生產廠務政策及策略，以及管理本集團之新合營項目。

劉錫鴻先生，五十八歲，於一九九零年獲委任為本公司董事。劉先生現為本集團之財務及行政高級總監。彼於一九八八年加入本集團，之前曾在香港及海外多間跨國公司工作。彼現時負責本集團之財務及行政事宜。

DIRECTORS AND SENIOR MANAGEMENT

董事及高層管理人員

SENIOR MANAGEMENT

Chief Executive Officer – Asia

Mr. Ambrose Kam-shing CHAN, aged 51, Chief Executive Officer – Asia of the Group. Mr. Chan is currently responsible for the overall strategic planning, business development and general management of the Group in Asia, including Hong Kong and Mainland China operations. Mr. Chan joined the Group in July 2004. He has extensive fast moving consumer goods general management experiences with global leaders in the foods and beverages, personal care and consumer healthcare industries in the Asia Pacific Region.

North American Operation

Mr. Robert C. JONES, aged 57, President and Chief Executive Officer of Vitasoy USA Inc.. Mr. Jones is responsible for the general management and development of the Group's operations in North America. He joined the Group in 2004. He has extensive experience in innovation, marketing, sales and new product development (as well as finance and manufacturing) in the pharmaceutical and nutraceutical industries.

Mainland China Operation

Mr. Simon Huan-ping LIU, aged 42, Managing Director of Vitasoy (China) Investments Company Limited. Mr. Liu is responsible for the general management and development of the Group's operations in Mainland China. Mr. Liu joined the Group in 2003. He has extensive experience in the fast moving consumer goods industry starting his career in North America and, for the most recent 10 years, in Mainland China.

Australian and New Zealand Operation

Mr. Laurence P. EISENTRAGER, aged 53, General Manager of Vitasoy Australia Products Pty. Ltd.. Mr. Eisentrager is responsible for the general management and development of the Group's operations in Australia and New Zealand. He joined the Group in 2002. He has very extensive experience in the food and beverage industry, both in Australia and internationally.

高層管理人員

亞洲區行政總裁

陳錦勝先生，五十一歲，本集團之亞洲區行政總裁。陳先生現時負責本集團於亞洲區（包括香港及中國大陸業務）之整體策略企劃、業務發展及一般管理。陳先生於二零零四年七月加入本集團，擁有高流量消費品之豐富管理經驗，曾從事亞太區具全球領導地位之食品及飲料、個人護理及健康消費產品等行業。

北美洲業務

Robert C. JONES 先生，五十七歲，Vitasoy USA Inc. 之主席兼行政總裁。Jones 先生負責管理及發展本集團在北美洲之業務。彼於二零零四年加入本集團，於藥品及健康食品行業之革新、市場推廣、銷售及新產品發展，以及財務及製造方面均擁有豐富經驗。

中國大陸業務

劉歡平先生，四十二歲，維他奶(中國)投資有限公司之董事總經理。劉先生負責管理及發展本集團在中國大陸之業務。彼於二零零三年加入本集團，於高流量消費品行業擁有豐富經驗。彼於北美洲開始其事業，最近十年則在中國大陸發展。

澳洲及新西蘭業務

Laurence P. EISENTRAGER 先生，五十三歲，Vitasoy Australia Products Pty. Ltd. 之總經理。Eisentrager 先生負責管理及發展本集團在澳洲及新西蘭之業務。彼於二零零二年加入本集團，於澳洲及其他國家之食品及飲品行業均擁有豐富經驗。

REPORT OF THE DIRECTORS

董事會報告書

041

ANNUAL REPORT 年報
2004/05

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March, 2005.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and sale of food and beverages. The principal activities and other particulars of the subsidiaries are set out in note 15 on the financial statements.

The analysis of geographical locations of the operations of the Company and its subsidiaries ("the Group") during the year are set out in note 13 on the financial statements.

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st March, 2005 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 57 to 122.

An interim dividend of HK2.8 cents per share (2004: HK2.8 cents per share) was paid on 10th January, 2005. The Directors now recommend the payment of a final dividend of HK5.7 cents per share (2004: HK5.7 cents per share) and a special dividend of HK10.0 cents per share (2004: HK5.0 cents per share) in respect of the year ended 31st March, 2005.

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year is as follows:

董事會欣然提呈截至二零零五年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司之主要業務為製造及銷售食品及飲品。附屬公司之主要業務及其他詳情載於財務報表附註15。

本公司及其附屬公司(「本集團」)於本年度內按地區劃分之業務分析載於財務報表附註13。

財務報表

本集團截至二零零五年三月三十一日止年度之溢利及本公司與本集團於該日之財務狀況載於第57至122頁之財務報表內。

本公司已於二零零五年一月十日派發中期股息每股港幣2.8仙(二零零四年：每股港幣2.8仙)。董事會現建議派發截至二零零五年三月三十一日止年度之末期股息每股港幣5.7仙(二零零四年：每股港幣5.7仙)及特別股息每股港幣10.0仙(二零零四年：每股港幣5.0仙)。

主要客戶及供應商

以下所載為本年度主要客戶及供應商分別佔本集團銷售額及採購額之資料：

		Percentages of the Group's total	
		Sales 應佔本集團 銷售總額百分比	Purchases 應佔本集團 採購總額百分比
The largest customer	最大客戶	16%	
Five largest customers in aggregate	首五大客戶合計	38%	
The largest supplier	最大供應商		25%
Five largest suppliers in aggregate	首五大供應商合計		34%

REPORT OF THE
DIRECTORS

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS (continued)

At no time during the year have the Directors, their associates or any substantial shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$1,489,000 (2004: HK\$944,000).

FIXED ASSETS

Movements in fixed assets of the Company and the Group during the year are set out in note 14 on the financial statements.

BANK LOANS

Particulars of bank loans of the Group as at 31st March, 2005 are set out in note 20 on the financial statements.

SHARE CAPITAL

Movements in share capital of the Company during the year are set out in note 25 on the financial statements.

RESERVES

Movements in reserves of the Company and the Group during the year are set out in note 26 on the financial statements.

DIRECTORS

The Directors in office during the year and up to the date of this report are set out on page 2.

In accordance with Article 104 of the Company's Articles of Association, Mr. Winston Yau-lai LO, Ms. Myrna Mo-ching LO, Ms. Yvonne Mo-ling LO and Mr. Iain F. BRUCE retire from the board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

None of the Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligation.

Non-executive Directors are appointed under the same terms for rotational retirement as other Directors, pursuant to the Articles of Association of the Company.

主要客戶及供應商(續)

各董事、彼等之聯繫人士或任何據董事會所知擁有本公司股本超過5%之本公司主要股東於本年度內概無擁有該等主要客戶及供應商之任何權益。

慈善捐款

本年度內本集團之慈善捐款共達港幣1,489,000元(二零零四年：港幣944,000元)。

固定資產

本公司及本集團於本年度內之固定資產變動詳情載於財務報表附註14。

銀行貸款

本集團於二零零五年三月三十一日之銀行貸款詳情載於財務報表附註20。

股本

本公司於本年度內之股本變動情況載於財務報表附註25。

儲備

本公司及本集團於本年度內之儲備變動情況載於財務報表附註26。

董事

於本年度內及截至本年報之日期各在任董事之名單載於第2頁。

根據本公司之章程細則第104條，羅友禮先生、羅慕貞女士、羅慕玲女士及布魯士先生須於應屆股東週年大會上輪值告退，並願膺選連任。

擬於應屆股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂本公司或其任何附屬公司不得於一年內終止而不作出賠償(一般法定賠償除外)之服務合約。

根據本公司之章程細則，非執行董事乃按與其他董事相同之輪值告退條款獲委任。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office at 31st March, 2005 had the following interests in the shares or underlying shares of the Company at that date as recorded in the register of Directors' interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

(1) Interests in issued shares

Name	Note	Number of ordinary shares of HK\$0.25 each 每股面值港幣0.25元之普通股數目				% of total issued shares 佔已發行股份 總數之百分比
		Personal interests	Family interests	Trusts and similar interests	Total interests	
姓名	附註	個人權益	家族權益	信託及 同類權益	權益總數	總數之百分比
Mr. Winston Yau-lai LO 羅友禮先生	(i), (iv)	46,489,800	28,702,500	72,678,300	147,870,600	14.88
Ms. Yvonne Mo-ling LO 羅慕玲女士	(ii), (iv)	31,866,450	843,750	72,678,300	105,388,500	10.60
Ms. Myrna Mo-ching LO 羅慕貞女士	(iii), (iv)	–	–	100,653,000	100,653,000	10.13
Mr. Chi-kian SHIU 邵志堅先生		3,281,400	–	–	3,281,400	0.33
Mr. John Shek-hung LAU 劉錫鴻先生		19,000	–	–	19,000	0.00
Mr. Eric Fat YU 余發先生		75,000	–	–	75,000	0.00
Mr. Fransis Ming-yin KONG 江明彥先生		3,000	–	–	3,000	0.00
Dr. The Hon. David Kwok-po LI 李國寶博士		6,000,000	–	–	6,000,000	0.60

Notes:

- (i) Mr. Winston Yau-lai LO is deemed to be interested in 28,702,500 shares through interests of his wife.
- (ii) Ms. Yvonne Mo-ling LO is interested in 843,750 shares held in name of Ms. Yvonne WONG who holds the shares in trust for Ms. Yvonne Mo-ling LO's daughter who is under the age of 18.
- (iii) Ms. Myrna Mo-ching LO is interested in 27,974,700 shares held by Supreme Luck Holdings Limited which in turn holds such shares in trust for Myrna Lo Trust (formerly known as The Lo Kwee Seong 1987 Trust).
- (iv) Each of Mr. Winston Yau-lai LO, Ms. Yvonne Mo-ling LO and Ms. Myrna Mo-ching LO is interested in 72,678,300 shares held by The Bank of East Asia (Nominees) Limited which holds such shares as a nominee for the K.S. Lo Foundation, a charitable trust. Each of them is a trustee of the K.S. Lo Foundation and is therefore deemed to be interested in such shares.

附註：

- (i) 羅友禮先生由於其妻室擁有28,702,500股股份，故被視為擁有該等股份之權益。
- (ii) 羅慕玲女士擁有Yvonne WONG女士名義持有之843,750股股份之權益，Yvonne WONG女士以託管人身份代羅慕玲女士未滿十八歲之女兒持有該等股份。
- (iii) 羅慕貞女士擁有由Supreme Luck Holdings Limited持有之27,974,700股股份之權益，該公司以託管人身份為Myrna Lo Trust (前稱The Lo Kwee Seong 1987 Trust) 持有該等股份。
- (iv) 羅友禮先生、羅慕玲女士及羅慕貞女士均擁有由東亞銀行受託代管有限公司以代理人名義代慈善基金K. S. Lo Foundation持有之72,678,300股股份。彼等均為K. S. Lo Foundation之受託人，故被視為擁有該等股份之權益。

董事於股份、相關股份及債權證之權益及淡倉

根據《證券及期貨條例》(「證券及期貨條例」)第352條而保存之本公司董事權益及淡倉登記冊所記錄，本公司於二零零五年三月三十一日之在職董事當日在本公司已發行股份或相關股份中擁有下列權益：

(1) 於已發行股份之權益

REPORT OF THE
DIRECTORS

董事會報告書

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES,
UNDERLYING SHARES AND DEBENTURES (continued)

(2) Interests in underlying shares

Certain Directors of the Company have been granted options under the Company's share option schemes, details of which are set out in the section "Share option schemes" below.

All interests in the shares and underlying shares of the Company are long positions.

Save as disclosed above and other than certain nominee shares in subsidiaries held by the Directors in trust for the Company, none of the Directors or their respective associates had any interest in shares, underlying shares or debentures of the Company or any of its associated companies within the meaning of the SFO.

SHARE OPTION SCHEMES

Old share option scheme

On 9th March, 1994, the Company adopted a share option scheme (the "Old Share Option Scheme") under which the Directors might, at their discretion, grant options to employees and Directors of the Company or any of its subsidiaries to subscribe for ordinary shares of HK\$0.25 each in the Company. This scheme was valid for 10 years ending 8th March, 2004, unless otherwise cancelled or amended. The purpose of this scheme was to provide incentives and rewards to employees for their contribution to the Group. The principal terms of this scheme are as follows:

- The exercise price of the options is the higher of (a) the nominal value of the shares and (b) an amount not less than 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five business days immediately preceding the date of offer.
- The options are exercisable for a period to be notified by the Directors to each option holder, such period not to exceed 10 years from the date of grant.
- There is no minimum period which an option must be held before it can be exercised, but the Directors are empowered to impose at their discretion any such minimum period at the date of offer.

董事於股份、相關股份及債權證之權益
及淡倉(續)

(2) 於相關股份之權益

本公司若干董事根據本公司之購股權計劃獲授購股權，詳情載於「購股權計劃」一節。

於本公司股份及相關股份中之全部權益均為好倉。

除上文所披露者及董事以託管人身份代本公司持有若干附屬公司之代理人股份外，各董事或彼等各自之聯繫人士概無在本公司或其任何相聯公司(按證券及期貨條例之涵義)之股份、相關股份或債權證中擁有任何權益。

購股權計劃

舊購股權計劃

於一九九四年三月九日，本公司採納一項購股權計劃(「舊購股權計劃」)，據此，董事會可酌情向本公司或其任何附屬公司之僱員及董事授予購股權以認購本公司每股面值港幣0.25元之普通股。除非另行取消或修訂該計劃，計劃之有效期為十年，於二零零四年三月八日終止。該計劃旨在獎勵及回饋對本集團作出貢獻之僱員。該計劃之主要條款如下：

- 購股權之行使價須為以下兩者中之較高者：(a) 股份之面值及(b) 不少於股份於要約認購購股權日期前五個營業日在香港聯合交易所有限公司(「聯交所」)之平均收市價之80%。
- 購股權之行使期限由董事會知會每名購股權持有人，該期限由購股權授出日期起計不得超過十年。
- 購股權毋須先行持有一段最短期限方可行使，惟董事會獲授權可酌情於要約日期時附加任何最短持有期。

SHARE OPTION SCHEMES (continued)

Old share option scheme (continued)

- The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company in issue from time to time (excluding shares issued under the share option scheme).
- The maximum aggregate number of shares over which options may be granted to any one participant, when added to the number of shares issued or issuable to that participant under the share option scheme must not exceed 25% of the maximum aggregate number of shares for the time being issued and issuable under the share option scheme.
- An offer of the grant of an option remains open for acceptance by an eligible Director or employee for a period of 28 days from the date of offer or such longer or shorter period as the Directors may in their discretion determine. An eligible Director or employee has to pay HK\$10 on acceptance of the option as a consideration.

As a result of the changes to Chapter 17 of the Main Board Listing Rules (the "Listing Rules") which governs the operation of share option schemes, the Company terminated the Old Share Option Scheme and adopted a new share option scheme (the "New Share Option Scheme") on 4th September, 2002. No further options will be granted under the Old Share Option Scheme upon its termination and all outstanding options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the Old Share Option Scheme.

The total number of ordinary shares available for issue under the Old Share Option Scheme at 31st March, 2005 is 6,962,000 shares, which represents 0.7% of the issued share capital of the Company at 31st March, 2005.

購股權計劃(續)

舊購股權計劃(續)

- 所授出購股權可認購之股份數目最多不得超過本公司不時之已發行股本(不包括根據購股權計劃發行之股份)之10%。
- 授予任何參與者之購股權所能認購之股份數目，在與根據購股權計劃已發行或可發行予該名參與者之股份數目合計，最多不得超過根據購股權計劃當時已發行及可發行之股份最高總數之25%。
- 合資格之董事或僱員可於要約認購購股權日期起計28日或董事會酌情決定之較長或較短期間內接納購股權之要約。合資格之董事或僱員須於接納購股權時支付港幣10元作為代價。

由於監管購股權計劃運作之主板上市規則(「上市規則」)第17章的更改，本公司於二零零二年九月四日終止舊購股權計劃及採納一項新購股權計劃(「新購股權計劃」)。本公司將於終止舊購股權計劃後不再根據該計劃授予任何購股權，而所有根據該計劃已授出之未行使購股權將維持有效及可根據舊購股權計劃之條款予以行使。

於二零零五年三月三十一日根據舊購股權計劃可供發行之普通股總數為6,962,000股，此乃佔本公司於二零零五年三月三十一日之已發行股本0.7%。

REPORT OF THE
DIRECTORS

董事會報告書

SHARE OPTION SCHEMES (continued)

New share option scheme

The New Share Option Scheme became effective on 4th September, 2002 and, unless otherwise cancelled or amended, remains in force for 10 years from that date. The Directors may, at their discretion, grant options to any employee of the Group, including Directors of any company in the Group, to subscribe for ordinary shares of HK\$0.25 each in the Company. The purpose and the terms of the New Share Option Scheme are the same as the Old Share Option Scheme, except for the following:

- The exercise price of the options is the highest of (a) the closing price of the shares on the Stock Exchange on the date of grant, which must be a business day; (b) the average of the closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares.
- The maximum number of shares which may be issued upon exercise of all options to be granted must not exceed 10% of the shares in issue on the date of approval and adoption of the scheme.
- Unless approved by shareholders of the Company in a general meeting, the total number of shares issued and which may fall to be issued upon exercise of the options granted (including exercised, cancelled and outstanding options) to any one participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

The total number of ordinary shares available for issue under the New Share Option Scheme at 31st March, 2005 is 94,743,550 shares (including options for 20,744,000 ordinary shares that have been granted but not yet exercised), which represents 9.53% of the issued share capital of the Company at 31st March, 2005.

購股權計劃(續)

新購股權計劃

新購股權計劃於二零零二年九月四日生效，除非另行取消或修訂該計劃，計劃由當日起計為期十年。董事會可酌情向本集團任何僱員(包括本集團旗下任何公司之董事)授予購股權，以認購本公司每股面值港幣0.25元普通股。除以下所述者外，新購股權計劃之目的及條款與舊購股權計劃相同：

- 購股權之行使價為下列三者中之最高價：(a)股份於授出日期(當日必須為營業日)在聯交所錄得之收市價；(b)股份於截至授出日期止過去五個營業日在聯交所錄得之平均收市價；及(c)股份之面值。
- 就行使全部將授予之購股權而可予發行之股份數目，最多不得超過批准及採納計劃當日之已發行股份10%。
- 除獲本公司股東於股東大會上批准外，於截至授出日期止之任何十二個月期間內，就任何一名參予者行使授予之購股權(包括已行使、已註銷及未行使之購股權)而已發行及須予發行之股份總數，不得超過於授出日期之已發行股份1%。

於二零零五年三月三十一日根據新購股權計劃可供發行之普通股總數為94,743,550股(包括已授出但尚未行使之購股權涉及之20,744,000股普通股)，佔本公司於二零零五年三月三十一日之已發行股本9.53%。

SHARE OPTION SCHEMES (continued)

At 31st March, 2005, the Directors of the Company individually and other employees of the Group in aggregate had the following personal interests in options to subscribe for ordinary shares of the Company:

購股權計劃(續)

於二零零五年三月三十一日，個別本公司董事及其他本集團之僱員在可認購本公司普通股之購股權中擁有如下個人權益：

Participants	Date of grant	Note	Period during which options are exercisable	Price per share on exercise of options 行使購股權時 須付之 每股價格 HK\$ 港元	Number of options outstanding at the beginning of the year 年初尚未行使之 購股權數目	Number of options granted during the year 於年內授出之 購股權數目	Number of options exercised during the year 於年內行使之 購股權數目	Number of options expired or forfeited during the year 於年內過期 或沒收之 購股權數目	Number of options outstanding at the end of the year 尚未行使之 購股權數目	Weighted average market price per share on exercise of options 購股權時之每股 加權平均市價 HK\$ 港元
參與者	授出日期	附註	購股權行使期							
Directors 董事										
Mr. Winston Yau-hai LO 羅友禮先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	3,450,000	-	-	-	3,450,000	-
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	2,220,000	-	-	-	2,220,000	-
	1/4/2004	(iii)	1/4/2005 – 31/3/2014	1.904	-	1,700,000	-	-	1,700,000	-
Mr. Eric Fat YU 余發先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	1,953,000	-	1,518,000	-	435,000	1.82
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	738,000	-	-	-	738,000	-
	1/4/2004	(iii)	1/4/2005 – 31/3/2014	1.904	-	450,000	-	-	450,000	-
Mr. John Shek-hung LAU 劉錫鴻先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	1,953,000	-	-	-	1,953,000	-
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	820,000	-	-	-	820,000	-
	1/4/2004	(iii)	1/4/2005 – 31/3/2014	1.904	-	500,000	-	-	500,000	-
Mr. Francis Ming-yin KONG 江明彥先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	2,331,000	-	2,330,000	-	1,000	2.33
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	1,526,000	-	-	-	1,526,000	-
	1/4/2004	(iii)	1/4/2005 – 31/3/2014	1.904	-	978,000	-	-	978,000	-
Eligible employees working under employment contracts 根據僱傭合約工作之 合資格僱員	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	4,731,000	-	3,470,000	138,000	1,123,000	2.02
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	8,650,000	-	782,000	1,410,000	6,458,000	1.92
	1/4/2004	(iii)	1/4/2005 – 31/3/2014	1.904	-	4,928,000	-	474,000	4,454,000	-
	3/8/2004	(iv)	3/8/2006 – 2/8/2014	1.910	-	900,000	-	-	900,000	-
					28,372,000	9,456,000	8,100,000	2,022,000	27,706,000	

REPORT OF THE
DIRECTORS

董事會報告書

SHARE OPTION SCHEMES (continued)

Notes:

- (i) Options granted on 4th July, 2000 were granted under the Old Share Option Scheme.
- (ii) Options granted on 1st April, 2003 were granted under the New Share Option Scheme. The options are exercisable progressively from the date of grant and the maximum percentage of the options which may be exercised is determined in stages as follows:

		Percentage of options granted 佔獲授購股權之百分比
On or after 1st year anniversary of the date of grant	授出日期起計一週年 或其後	25%
On or after 2nd year anniversary of the date of grant	授出日期起計兩週年 或其後	another 另 25%
On or after 3rd year anniversary of the date of grant	授出日期起計三週年 或其後	another 另 25%
On or after 4th year anniversary of the date of grant	授出日期起計四週年 或其後	another 另 25%

- (iii) Options granted on 1st April, 2004 were granted under the New Share Option Scheme. The closing price of the shares of the Company quoted on the Stock Exchange on 31st March, 2004, being the business date immediately before the date on which share options were granted, was HK\$1.92. The options are exercisable progressively from the date of grant and the maximum percentage of the options which may be exercised is determined in stages as follows:

		Percentage of options granted 佔獲授購股權之百分比
On or after 1st year anniversary of the date of grant	授出日期起計一週年 或其後	25%
On or after 2nd year anniversary of the date of grant	授出日期起計兩週年 或其後	another 另 25%
On or after 3rd year anniversary of the date of grant	授出日期起計三週年 或其後	another 另 25%
On or after 4th year anniversary of the date of grant	授出日期起計四週年 或其後	another 另 25%

- (iv) Options granted on 3rd August, 2004 were granted under the New Share Option Scheme. The closing price of the shares of the Company quoted on the Stock Exchange on 2nd August, 2004, being the business date immediately before the date on which share options were granted, was HK\$1.91. The options become exercisable two years after the date of grant.

購股權計劃(續)

附註：

- (i) 於二零零零年七月四日授出之購股權乃根據舊購股權計劃授出。
- (ii) 於二零零三年四月一日授出之購股權乃根據新購股權計劃授出。可予行使之購股權數目乃由授出日期起逐步增加，而各階段可行使購股權之百分比上限如下：

- (iii) 於二零零四年四月一日授出之購股權乃根據新購股權計劃授出。本公司之股份於二零零四年三月三十一日(即緊接購股權授出日期前之營業日)在聯交所所報之收市價為港幣1.92元。可予行使之購股權數目乃由授出日期起逐步增加，而各階段可行使購股權之百分比上限如下：

- (iv) 於二零零四年八月三日授出之購股權乃根據新購股權計劃授出。本公司之股份於二零零四年八月二日(即緊接購股權授出日期前之營業日)在聯交所所報之收市價為港幣1.91元。購股權可於授出日期起計兩年後行使。

SHARE OPTION SCHEMES (continued)

The share options granted are not recognised in the financial statements until they are exercised. During the year ended 31st March, 2005, 9,456,000 options were granted under the New Share Option Scheme. The average value per option as estimated at the date of grant using the Binomial Lattice Model was as follows:

Average value per option at the date of grant:
Share options granted on 1st April, 2004
– HK\$0.405
Share options granted on 3rd August, 2004
– HK\$0.442

The assumptions used are as follows:

Average risk-free interest rate:
Share options granted on 1st April, 2004
– 3.34%
Share options granted on 3rd August, 2004
– 4.18%

Expected volatility:
35% per annum

Expected dividend per share:
7.5% per annum

Option life:
10 years

Rate of leaving employment:
5% per annum

Early exercise assumption:
Option holders exercise when the share price is at least three standard deviations (i.e. 105%) higher than the exercise price

The Binomial Lattice Model was developed for use in estimating the fair value of options that have vesting restrictions. However, such option pricing model requires input of subjective assumptions. It does not necessarily provide a reliable measure of the fair value of the share options.

Subsequent to the year end date, the Company granted 8,160,000 options to eligible participants under the New Share Option Scheme on 1st June, 2005.

購股權計劃(續)

授出之購股權於獲行使前將不會在財務報表予以確認。於截至二零零五年三月三十一日止年度，9,456,000項購股權已根據新購股權計劃授出。利用二項式點陣模型估計每項購股權於授出日期之平均價值如下：

每項購股權於授出日期之平均價值：
於二零零四年四月一日授出之購股權
– 港幣 0.405 元
於二零零四年八月三日授出之購股權
– 港幣 0.442 元

所採用之假設如下：

平均無風險利率：
於二零零四年四月一日授出之購股權
– 3.34%
於二零零四年八月三日授出之購股權
– 4.18%

預期波幅：
每年 35%

預期每股股息率：
每年 7.5%

購股權之有效期：
10 年

離職比率：
每年 5%

提早行使之假設：
購股權持有人將於股價高於行使價至少三個標準差（即 105%）時行使購股權

二項式點陣模型乃用於估計設有行使期限限制之購股權之公平值。然而，此購股權價格模型乃根據多項主觀假設計算，故未必能可靠地計算購股權之公平值。

於年度結算日之後，本公司於二零零五年六月一日根據新購股權計劃向合資格參與者授予8,160,000項購股權。

REPORT OF THE
DIRECTORS

董事會報告書

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT
POSITIONS IN SHARES AND UNDERLYING SHARES

At 31st March, 2005, the following substantial shareholders' interests were recorded in the register required to be kept by the Company under section 336 of the SFO as holding 5% or more of the issued share capital of the Company. These interests are in addition to those disclosed above in respect of the Directors.

主要股東於股份及相關股份之權益
及淡倉

於二零零五年三月三十一日，根據證券及期貨條例第336條保存之主要股東登記冊所示，本公司已獲知會下列主要股東權益，佔本公司已發行股本之5%或以上。該等權益不包括上文所披露之董事權益。

Name of shareholders 股東姓名	Note 附註	Number of ordinary shares of HK\$0.25 each 每股面值港幣 0.25 元之普通股數目					Total interests 權益總數	% of total issued shares 佔已發行股份 總數之百分比
		Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Trusts and similar interests 信託及 同類權益			
Mr. Frank Yau-ye LO 羅友義先生	(i), (iii)	461,250	–	–	112,140,750	112,602,000	11.33	
Ms. Irene CHAN 陳羅慕連女士	(ii), (iii)	27,974,700	750,000	–	72,678,300	101,403,000	10.20	
Mr. Kai-tun LO 羅開敦先生	(iii)	18,508,950	–	–	72,678,300	91,187,250	9.17	
Mr. Peter Tak-shing LO 羅德承先生	(iii)	750,000	–	–	72,678,300	73,428,300	7.39	
Arisaig Greater China Fund ("Arisaig")	(iv)	64,301,500	–	–	–	64,301,500	6.47	
Arisaig Partners (Mauritius) Limited ("Arisaig Mauritius")	(v)	–	–	64,301,500	–	64,301,500	6.47	
Mr. Lindsay William Ernest COOPER ("Cooper")	(vi)	–	–	64,301,500	–	64,301,500	6.47	
Commonwealth Bank of Australia 澳洲聯邦銀行	(vii)	–	–	52,699,000	–	52,699,000	5.30	
Matthews International Capital Management LLC	(viii)	–	–	50,653,750	–	50,653,750	5.10	

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

- (i) Mr. Frank Yau-yee LO is interested in 39,462,450 shares held by Benson Corporation which is the trustee of the Benson Unit Trust, the beneficiaries of which are members of his family.
- (ii) Ms. Irene CHAN is interested in 750,000 shares held for her daughter Alexandra CHAN who is under the age of 18.
- (iii) Each of Mr. Frank Yau-yee LO, Ms. Irene CHAN, Mr. Kai-tun LO and Mr. Peter Tak-shing LO is interested in 72,678,300 shares held by The Bank of East Asia (Nominees) Limited which holds such shares as a nominee for the K.S. Lo Foundation, a charitable trust. Each of them is a trustee of the K.S. Lo Foundation and is therefore deemed to be interested in such shares.
- (iv) These interests are held by Arisaig in the capacity of beneficial owner.
- (v) These interests are held by Arisaig Mauritius in the capacity of investment manager of Arisaig. These interests are duplicated by the interests described in Note (iv) above.
- (vi) These interests represent Cooper's interests through his indirect 33% interest in Arisaig Mauritius. These interests are duplicated by the interests disclosed in Notes (iv) and (v) above.
- (vii) These interests represent Commonwealth Bank of Australia's interests through its indirect 100% interest in First State Investment Management (UK) Limited (which holds 43,731,000 shares of the Company's ordinary shares) and First State Investments (Hong Kong) Limited (which holds 8,968,000 shares of the Company's ordinary shares).
- (viii) These interests are held in the capacity of investment manager.

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

主要股東於股份及相關股份之權益及淡倉(續)

附註：

- (i) 羅友義先生擁有Benson Corporation持有之39,462,450股股份之權益。該公司為Benson Unit Trust之受託人，其家族成員為Benson Unit Trust之受益人。
- (ii) 陳羅慕連女士擁有代其未滿十八歲女兒Alexandra CHAN持有之750,000股股份之權益。
- (iii) 羅友義先生、陳羅慕連女士、羅開敦先生及羅德承先生均擁有由東亞銀行受託代管有限公司以代理人名義代慈善基金K. S. Lo Foundation 持有之72,678,300股股份。彼等均為K. S. Lo Foundation之受託人，故被視為擁有該等股份之權益。
- (iv) 該等權益乃由Arisaig 以實益擁有人身份持有。
- (v) 該等權益乃由Arisaig Mauritius 以Arisaig之投資經理身份持有。該等權益與上文附註(iv)所述者為同一份權益。
- (vi) 該等權益乃Cooper透過間接持有Arisaig Mauritius之33%權益而擁有之權益。該等權益與上文附註(iv)及(v)所披露者為同一份權益。
- (vii) 該等權益乃澳洲聯邦銀行透過間接持有First State Investment Management (UK) Limited (該公司持有本公司43,731,000股普通股)及首域投資(香港)有限公司(該公司持有本公司8,968,000股普通股)之全部權益而擁有之權益。
- (viii) 該等權益乃以投資經理身份持有。

除上述者外，本公司並不獲知會有任何須紀錄在根據證券及期貨條例第336條而保存之登記冊內之其他權益。

REPORT OF THE
DIRECTORS

董事會報告書

PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of its Directors, at least 25% of the Company's total issued share capital is held by the public at all times.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or any of its subsidiaries and associates was a party, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Directors' and officers' liability insurance was maintained during the year.

CONNECTED TRANSACTIONS

(1) On 10th December, 2002, the Company entered into a Milk Supply Agreement with Shenzhen Guang Ming Holdings Limited ("Guangming"), a substantial shareholder holding 30% of the registered capital of the Company's subsidiary, Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited ("Shenzhen Vitasoy"), under which Guangming would supply milk products and provide milk processing and packaging services to the Company for a period of 3 years commencing 14th March, 2003. During the year, an amount of HK\$3,054,000 (2004: HK\$3,517,000) was charged by Guangming under the Milk Supply Agreement.

As the transactions are of a continuing nature and will arise on a regular basis, the Company applied and the Stock Exchange granted a waiver to the Company on 4th February, 2003 of strict compliance with the requirements under the Listing Rules in respect of these transactions. Following the amendments of the Listing Rules effective 31st March, 2004, the transactions constitute connected transactions under Rule 14A.34(1) of the Listing Rules which will only be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. An announcement was made by the Company on 12th May, 2005 in this respect.

公眾持股量

根據本公司所掌握之公開資料以及就董事所知，於任何時間本公司之全部已發行股本中至少有25%為公眾人士持有。

董事於合約之權益

本公司或其任何附屬公司及聯營公司概無於本年度終結時或年內任何時間訂立本公司董事於其中直接或間接擁有重大權益之重要合約。

董事及行政人員之責任保險

本年度內，本公司已為董事及行政人員購買責任保險。

關連交易

(1) 於二零零二年十二月十日，本公司與深圳市光明集團有限公司（「光明」）訂立鮮奶供應協議；據此，光明將向本公司供應鮮奶產品及提供鮮奶加工及包裝服務，由二零零三年三月十四日起計為期三年。光明為持有本公司附屬公司深圳維他（光明）食品飲料有限公司（「深圳維他奶」）註冊資本之30%之主要股東。年內，光明根據鮮奶供應協議收取港幣3,054,000元（二零零四年：港幣3,517,000元）。

由於交易之持續性質以及將會定期進行，本公司已向聯交所申請豁免就有關交易嚴格遵守上市規則之規定，而聯交所亦於二零零三年二月四日授出豁免。上市規則之修訂於二零零四年三月三十一日生效後，上述之交易事項將構成上市規則第14A.34(1)條項下的關連交易，僅須遵守上市規則第14A.45至14A.47條所載之申報及公告規定。本公司已於二零零五年五月十二日就此發表公告。

CONNECTED TRANSACTIONS (continued)

(1) (continued)

The Directors, including the Independent Non-executive Directors, considered that the transactions:

- (i) were entered in the ordinary and usual course of business of the Company and in accordance with the terms of the Milk Supply Agreement;
- (ii) were on normal commercial terms and were fair and reasonable and in the interest of the shareholders as a whole; and
- (iii) were either on normal commercial terms, or if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable than terms available to or from (as appropriate) independent third parties.

In addition, the Auditors of the Company confirmed that:

- (i) the transactions were approved by the Board of Directors;
- (ii) the transactions were entered into in accordance with the Milk Supply Agreement; and
- (iii) the consideration for the transactions did not exceed 3% of the Group's net tangible assets at 31st March, 2005.

(2) Pursuant to an agreement entered into on 20th January, 2000, the Company would provide a non-revolving loan facility of up to HK\$30,000,000 to Guangming, which is financed by a bank facility established for this purpose, until 31st December, 2004. A total of HK\$20,000,000 had been drawn by Guangming under this agreement and all had been repaid in prior years. Loan facility of HK\$10,000,000 remained undrawn during the year up to the loan facility expiry date, 31st December, 2004.

關連交易(續)

(1) (續)

董事(包括獨立非執行董事)認為有關交易乃：

- (i) 根據鮮奶供應協議及於一般日常業務過程中進行；
- (ii) 按一般商業條款及對本公司整體股東公平合理之條款進行；及
- (iii) 按正常商業條款或按不遜於與獨立第三者交易(視情況而定)之條款進行(倘缺乏其他可作比較交易以判斷是否按正常商業條款)。

此外，本公司之核數師確認：

- (i) 交易已獲董事會批准；
- (ii) 交易乃根據鮮奶供應協議進行；及
- (iii) 交易之代價並無超過本集團於二零零五年三月三十一日之有形資產淨值3%。

(2) 根據於二零零零年一月二十日訂立之協議，本公司向光明提供一項高達港幣30,000,000元之非循環貸款融資，直至二零零四年十二月三十一日止，所需資金由一項為此而設之銀行信貸提供。光明已根據該協議共提取港幣20,000,000元，全部款項已於以往年度償還。於年內直至二零零四年十二月三十一日貸款融資屆滿日期為止，尚未動用之借款信貸為港幣10,000,000元。

REPORT OF THE
DIRECTORS

董事會報告書

CONNECTED TRANSACTIONS (continued)

(3) Guarantees were executed by the Company to non-wholly owned subsidiaries in respect of the following banking facilities:

- (a) Banking facilities totalling RMB 32,580,000 (equivalent to HK\$30,713,000) granted to Shenzhen Vitasoy on 26th August, 1999 and 30th June, 2003; and
- (b) Banking facilities of A\$22,000,000 (equivalent to HK\$132,880,000) granted to Vitasoy Australia Products Pty. Ltd. ("VAP") on 23rd March, 2001,

whereby the Company would guarantee up to 70% and 51% of the obligations and liabilities of Shenzhen Vitasoy and VAP respectively under the banking facilities, which are in proportion to the Company's beneficial interests in Shenzhen Vitasoy and VAP.

EMPLOYEE RETIREMENT PLANS

Particulars of employee retirement plans of the Company and the Group are set out in note 23 on the financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There has been no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on pages 123 and 124.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board
Winston Yau-lai LO
Executive Chairman
Hong Kong, 5th July, 2005

關連交易(續)

(3) 本公司就下列銀行信貸向非全資附屬公司提供擔保：

- (a) 於一九九九年八月二十六日及二零零三年六月三十日授予深圳維他奶合共人民幣32,580,000元(相當於港幣30,713,000元)之銀行信貸；及
- (b) 於二零零一年三月二十三日授予Vitasoy Australia Products Pty. Ltd. (「VAP」) 22,000,000澳元(相當於港幣132,880,000元)之銀行信貸。

據此，本公司按照其於深圳維他奶及VAP所持實際權益之比例分別就深圳維他奶及VAP根據銀行信貸所承擔之責任及負債提供高達70%及51%之擔保。

僱員退休計劃

有關本公司及本集團僱員退休計劃之詳情載於財務報表附註23。

購回、出售或贖回本公司之上市證券

年內本公司或其任何附屬公司概無購回、出售或贖回本公司之股份。

五年摘要

本集團於過去五年之業績、資產及負債摘要載於第123及124頁。

核數師

畢馬威會計師事務所任滿告退並願受聘連任。有關續聘畢馬威會計師事務所擔任本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命
羅友禮
執行主席
香港，二零零五年七月五日

REPORT OF THE AUDITORS

核數師報告書

055

ANNUAL REPORT 年報
2004/05



Auditors' report to the shareholders of
Vitasoy International Holdings Limited
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 57 to 122 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致：維他奶國際集團有限公司各股東
(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核載於第57至122頁按照香港公認會計原則編製的財務報表。

董事及核數師的責任

香港《公司條例》規定董事須編製真實和公允的財務報表。在編製這些財務報表時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷與估計，並說明任何重大背離適用會計準則的原因。

我們的責任是根據我們審核工作的結果，對這些財務報表提出獨立意見，並按照香港《公司條例》第141條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

REPORT OF THE AUDITORS

核數師報告書

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2005 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 5th July, 2005

意見的基礎

我們是按照香港會計師公會頒佈的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關的憑證，亦包括評估董事於編製財務報表時所作的主要估計和判斷、所釐定的會計政策是否適合貴公司及貴集團的具體情況、以及有否貫徹運用並足夠披露這些會計政策。

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充份的憑證，就財務報表是否存有重大的錯誤陳述，作合理的確定。在作出意見時，我們亦已衡量財務報表所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為，上述的財務報表均真實和公允地反映貴公司及貴集團於二零零五年三月三十一日的財政狀況及貴集團截至該日止年度的溢利和現金流量，並已按照香港《公司條例》適當地編製。

畢馬威會計師事務所

執業會計師

香港，二零零五年七月五日

CONSOLIDATED INCOME STATEMENT

綜合損益報表

057

ANNUAL REPORT 年報
2004/05

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars) 截至二零零五年三月三十一日止年度(以港幣計算)

		Note 附註	2005 \$'000 千元	2004 \$'000 千元
Turnover	營業額	2 & 13	2,379,955	2,269,422
Cost of sales	銷售成本		(1,012,415)	(981,230)
Gross profit	毛利		1,367,540	1,288,192
Other revenue	其他收入	3	31,369	20,008
Marketing, selling and distribution expenses	推廣、銷售及分銷費用		(915,777)	(876,227)
Administrative expenses	行政費用		(159,302)	(162,958)
Other operating expenses	其他經營費用		(124,033)	(116,531)
Profit from operations	經營溢利		199,797	152,484
Finance costs	融資成本	4	(9,042)	(8,421)
Restructuring cost	重組成本	5	(24,782)	–
Write back of provision for compensation for traffic accident	交通意外賠償之撥備撥回	6	765	1,464
Profit from ordinary activities before taxation	來自正常業務之除稅前溢利	4	166,738	145,527
Income tax	所得稅	7(a)	(40,403)	(35,019)
Profit from ordinary activities after taxation	來自正常業務之除稅後溢利		126,335	110,508
Minority interests	少數股東權益		(2,588)	5,517
Profit attributable to shareholders	股東應佔溢利	10, 13 & 26(a)	123,747	116,025
Dividends attributable to the year:	本年度股息：	11(a)		
Interim dividend declared during the year	年內宣派之中期股息		27,725	27,581
Final dividend proposed after the balance sheet date	結算日後擬派之末期股息		57,105	56,369
Special dividend proposed after the balance sheet date	結算日後擬派之特別股息		100,183	49,447
			185,013	133,397
Earnings per share	每股盈利	12		
Basic	基本		12.5 cents 仙	11.8 cents 仙
Diluted	攤薄		12.4 cents 仙	11.7 cents 仙

The notes on pages 65 to 122 form part of these financial statements.

第65至122頁之附註乃本財務報表之一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 31st March, 2005 (Expressed in Hong Kong dollars) 於二零零五年三月三十一日 (以港幣計算)

		2005		2004		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets	非流動資產					
Fixed assets	固定資產	14(a)		770,691		846,388
Employee retirement benefit assets	僱員退休福利資產	23(b)		1,988		510
Deferred tax assets	遞延稅項資產	24(b)		1,224		1,365
Bank deposits	銀行存款	19		38,427		93,397
				812,330		941,660
Current assets	流動資產					
Inventories	存貨	16		185,340		212,035
Trade and other receivables	應收賬款及其他應收款	17		304,452		289,702
Bank deposits	銀行存款	19		91,606		56,596
Cash and cash equivalents	現金及現金等值項目	19		402,673		300,624
				984,071		858,957
Current liabilities	流動負債					
Bank loans	銀行貸款	20		154,250		161,617
Trade and other payables	應付賬款及其他應付款	21		303,678		296,253
Obligations under finance leases	融資租賃之債務	22		3,235		6,287
Current tax payable	應付現期稅項	24(a)		11,201		9,073
				472,364		473,230
Net current assets	淨流動資產			511,707		385,727
Total assets less current liabilities carried forward	總資產減流動負債結轉			1,324,037		1,327,387

		2005		2004		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward	總資產減流動負債承前			1,324,037		1,327,387
Non-current liabilities	非流動負債					
Bank loans	銀行貸款	20	14,595		19,061	
Obligations under finance leases	融資租賃之債務	22	5,708		8,943	
Employee retirement benefit liabilities	僱員退休福利負債	23(b)	3,745		4,113	
Deferred tax liabilities	遞延稅項負債	24(b)	4,608		3,950	
				28,656		36,067
Minority interests	少數股東權益			47,669		44,780
Net assets	淨資產			1,247,712		1,246,540
Capital and reserves	資本及儲備					
Share capital	股本	25		248,482		246,457
Reserves	儲備	26(a)		999,230		1,000,083
				1,247,712		1,246,540

Approved and authorised for issue by the Board of Directors on 5th July, 2005

於二零零五年七月五日獲董事會通過並核准發佈

Winston Yau-lai LO
Director

John Shek-hung LAU
Director

羅友禮
董事

劉錫鴻
董事

The notes on pages 65 to 122 form part of these financial statements.

第65至122頁之附註乃本財務報表之一部份。

BALANCE SHEET

資產負債表

At 31st March, 2005 (Expressed in Hong Kong dollars) 於二零零五年三月三十一日 (以港幣計算)

		2005		2004		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets	非流動資產					
Fixed assets	固定資產	14(b)		176,650		189,390
Interest in subsidiaries	附屬公司權益	15		273,901		378,187
Employee retirement benefit assets	僱員退休福利資產	23(b)		2,166		668
Bank deposits	銀行存款	19		38,427		93,397
				491,144		661,642
Current assets	流動資產					
Inventories	存貨	16		83,426		95,960
Trade and other receivables	應收賬款及其他應收款	17		199,377		193,683
Amounts due from subsidiaries	附屬公司欠款	18		242,176		169,863
Bank deposits	銀行存款	19		70,593		56,173
Cash and cash equivalents	現金及現金等值項目	19		314,242		234,769
				909,814		750,448
Current liabilities	流動負債					
Trade and other payables	應付賬款及其他應付款	21		146,498		143,136
Current tax payable	應付現期稅項	24(a)		10,488		8,056
				156,986		151,192
Net current assets	淨流動資產			752,828		599,256
Total assets less current liabilities carried forward	總資產減流動負債結轉			1,243,972		1,260,898

		2005		2004		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total assets less current liabilities brought forward	總資產減 流動負債 承前			1,243,972		1,260,898
Non-current liabilities	非流動負債					
Employee retirement benefit liabilities	僱員退休 福利負債	23(b)	3,595		3,977	
Deferred tax liabilities	遞延稅項負債	24(b)	4,457		3,950	
				8,052		7,927
Net assets	淨資產			1,235,920		1,252,971
Capital and reserves	資本及儲備					
Share capital	股本	25		248,482		246,457
Reserves	儲備	26(b)		987,438		1,006,514
				1,235,920		1,252,971

Approved and authorised for issue by the Board of Directors on
5th July, 2005

於二零零五年七月五日獲董事會通過並核准發佈

Winston Yau-lai LO
Director

John Shek-hung LAU
Director

羅友禮
董事

劉錫鴻
董事

The notes on pages 65 to 122 form part of these financial statements.

第65至122頁之附註乃本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars) 截至二零零五年三月三十一日止年度(以港幣計算)

			2005	2004
		Note 附註	\$'000 千元	\$'000 千元
Shareholders' equity at 1st April	於四月一日之股東權益		1,246,540	1,248,744
Exchange differences on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表所產生之匯兌差額	26(a)	972	4,708
Net gain not recognised in the consolidated income statement	未在綜合損益報表確認之收益淨額		972	4,708
Profit for the year	本年度溢利		123,747	116,025
Dividends	股息	11		
– Interim dividend declared	– 已宣派中期股息		(27,725)	(27,581)
– Final dividend approved in respect of the previous year	– 批准屬於上一年度之末期股息		(56,395)	(56,100)
– Special dividend approved in respect of the previous year	– 批准屬於上一年度之特別股息		(49,469)	(49,211)
			(133,589)	(132,892)
Movement in share capital	股本變動	25		
– Shares issued on exercise of share options	– 根據購股權計劃發行之股份		10,042	9,955
Increase in shareholders' equity arising from capital transactions with shareholders	因與股東進行資本交易而產生之股東權益增加		10,042	9,955
Shareholders' equity at 31st March	於三月三十一日之股東權益		1,247,712	1,246,540

The notes on pages 65 to 122 form part of these financial statements.

第65至122頁之附註乃本財務報表之一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流動表

063

ANNUAL REPORT 年報
2004/05

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars) 截至二零零五年三月三十一日止年度(以港幣計算)

		2005		2004	
	Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Operating activities	經營業務				
Profit from ordinary activities before taxation	正常業務之除稅前溢利	166,738		145,527	
Adjustments for:	調整：				
– Depreciation	– 折舊	113,065		112,164	
– Impairment loss on fixed assets	– 固定資產之減值虧損	15,020		–	
– Interest expenses	– 利息支出	8,349		8,178	
– Finance charges on obligations under finance leases	– 融資租賃債務之財務費用	693		243	
– Interest income	– 利息收入	(5,255)		(4,913)	
– Loss on disposal of fixed assets	– 出售固定資產之虧損	1,803		1,156	
Foreign exchange loss	外匯虧損	750		3,830	
Operating profit before changes in working capital	未計營運資金變動之經營溢利	301,163		266,185	
Decrease/(increase) in inventories	存貨減少/(增加)	26,695		(2,025)	
(Increase)/decrease in trade and other receivables	應收賬款及其他應收款(增加)/減少	(14,750)		2,820	
Increase/(decrease) in trade and other payables	應付賬款及其他應付款增加/(減少)	4,855		(420)	
(Decrease)/increase in net employee retirement benefit liabilities	僱員退休福利負債淨額(減少)/增加	(1,846)		492	
Cash generated from operations	經營業務所得現金	316,117		267,052	
Tax paid	已繳稅項				
– Hong Kong Profits Tax paid	– 已繳香港利得稅	(35,895)		(38,549)	
– Overseas tax paid	– 已繳海外稅項	(1,581)		(1,524)	
Net cash from operating activities	經營業務所得現金淨額		278,641		226,979

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流動表

For the year ended 31st March, 2005 (Expressed in Hong Kong dollars) 截至二零零五年三月三十一日止年度(以港幣計算)

		2005		2004		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Investing activities	投資活動					
Payment for purchase of fixed assets	購買固定資產之款項		(50,071)		(52,815)	
Proceeds from disposal of fixed assets	出售固定資產所得款項		1,980		618	
Decrease/(increase) in bank deposits maturing after three months when placed	超過三個月存款期之銀行存款減少/(增加)		19,960		(39,993)	
Interest received	已收利息		5,255		4,913	
Net cash used in investing activities	投資活動所用現金淨額			(22,876)		(87,277)
Financing activities	融資活動					
Capital element of finance lease rentals paid	已付融資租賃租金之資本部份		(6,324)		(3,379)	
Proceeds from new bank loans	新增銀行貸款		-		73,886	
Repayment of bank loans	償還銀行貸款		(14,129)		(96,356)	
Interest element of finance lease rentals paid	已付融資租賃租金之利息部份		(693)		(243)	
Interest paid	已付利息		(8,349)		(8,178)	
Proceeds from shares issued on exercise of share options	根據購股權計劃發行股份所得款項	25	10,042		9,955	
Contribution from a minority shareholder	少數股東注資		-		5,081	
Dividends paid	已派股息		(133,589)		(132,892)	
Dividend paid to a minority shareholder	向少數股東派發股息		(921)		(2,100)	
Net cash used in financing activities	融資活動所用現金淨額			(153,963)		(154,226)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加/(減少)淨額			101,802		(14,524)
Cash and cash equivalents at 1st April	四月一日之現金及現金等值項目			300,624		314,911
Effect of foreign exchange rates changes	匯率變動之影響			247		237
Cash and cash equivalents at 31st March	三月三十一日之現金及現金等值項目	19	402,673		300,624	

The notes on pages 65 to 122 form part of these financial statements.

第 65 至 122 頁之附註乃本財務報表之一部份。

NOTES ON THE FINANCIAL STATEMENTS

財務報表附註

065

ANNUAL REPORT 年報
2004/05

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice ("SSAP") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Main Board Listing Rules (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

(b) Recently issued accounting standards

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 ("new HKFRSs") which are effective for accounting periods beginning on or after 1st January, 2005.

The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31st March, 2005.

The Group has carried out an assessment of the impact of these new HKFRSs and concluded that the adoption of Hong Kong Financial Reporting Standard 2 ("HKFRS 2") "Share-based Payment" will have an impact on the Group's results of operations and financial position.

At present, no employee benefit cost or obligation is recognised in the financial statements when the Group grants share options to employees to acquire shares in the Company. The equity is increased by the amount of the proceeds received when the options are exercised. Following the adoption of the new HKFRS 2, the fair value of share options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at the date of grant and spread over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest. The adoption of this new accounting standard at 31st March, 2005 would have the effect of reducing the Group's profit attributable to shareholders by \$2,765,000.

Apart from the above, the Group does not expect other new HKFRSs would have a significant impact on its results of operations and financial position.

1 主要會計政策

(a) 遵例聲明

本財務報表是按照香港會計師公會頒佈之所有適用的《香港財務報告準則》(包括所有適用的《會計實務準則》及詮釋)、香港公認會計原則及香港《公司條例》之規定而編製。本財務報表亦符合適用的主板上市規則(「上市規則」)之披露規定。本集團採納之主要會計政策概述如下。

(b) 最近頒佈之會計準則

香港會計師公會已頒佈多項新訂及修訂的《香港財務報告準則》及《香港會計準則》(統稱「新香港財務報告準則」)，並於二零零五年一月一日或其後開始之會計期間生效。

本集團並未提前採納該等新香港財務報告準則以編製截至二零零五年三月三十一日止年度之財務報告。

本集團已就該等新香港財務報告準則所造成之影響作出評估，確定《香港財務報告準則》第2號「以股份為基礎的付款」將會影響到本集團之經營業績及財務狀況。

現時，當本集團授予僱員購股權以購入本公司股份時，並無於財務報表內確認任何僱員福利成本或責任。當購股權予以行使時，股本根據所收訖之款額相應增加。採納新《香港財務報告準則》第2號後，所授出之購股權的公平值會入賬確認為僱員支出，而股本亦會相應增加。公平值乃於授出日期計算，並於僱員可無條件享有有關購股權之期間內攤分。入賬確認為開支之金額將予調整，以反映實際可行使之購股權數目。於二零零五年三月三十一日，採納此項新會計準則導致本集團之股東應佔溢利減少2,765,000元。

除上文所述者外，本集團預計其他新香港財務報告準則不會對本集團之經營業績及財務狀況構成重大影響。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Basis of preparation of the financial statements**

The measurement basis used in the preparation of the financial statements is historical cost.

(d) Subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half the voting power, or controls the composition of the board of directors.

An investment in a subsidiary is consolidated into the consolidated financial statements. Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements.

Minority interests at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet separately from liabilities and the shareholders' equity. Minority interests in the results of the Group for the year are also separately presented in the consolidated income statement.

Where losses attributable to the minority exceed the minority interest in the net assets of a subsidiary, the excess, and any further losses attributable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. All subsequent profits of the subsidiary are allocated to the Group until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(g)).

1 主要會計政策(續)**(c) 財務報表編製基準**

本財務報表是以歷史成本作為編製基準。

(d) 附屬公司

根據香港《公司條例》規定，附屬公司是指本集團直接或間接持有其過半數已發行股本、或控制其過半數投票權、或控制其董事會組成之公司。

於附屬公司之投資均在綜合財務報表中合併計算。本集團內部往來之結餘和本集團內部交易及其產生之任何未變現溢利，均於編製綜合財務報表時全數抵銷。

於結算日之少數股東權益，是指非本公司直接或透過附屬公司間接擁有之附屬公司淨資產部分，這些權益在綜合資產負債表內與負債及股東權益分開呈列。少數股東所佔本集團本年度業績之權益在綜合損益報表內亦作分開呈列。

倘少數股東應佔虧損超出附屬公司淨資產中的少數股東權益，所超出之款額及任何少數股東應佔之進一步虧損，將於本集團之權益中扣除，惟少數股東受約束下有責任及能力彌補有關虧損除外。附屬公司其後之所有盈利將分配予本集團，直至之前本集團所分擔之少數股東應佔虧損被彌補為止。

本公司之資產負債表所示之附屬公司之投資，是按成本減去減值虧損(見附註1(g))後入賬。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fixed assets and depreciation

- (i) Land and buildings are stated in the balance sheets at cost less accumulated depreciation and impairment losses (see note 1(g)). Except for certain land which has been fully amortised in previous years, leasehold land is amortised in equal annual instalments over the remaining term of the lease, including the renewal period. The cost of buildings and improvements thereto are depreciated on a straight-line basis over their estimated useful lives, at annual rates of 4 – 5%.
- (ii) Other fixed assets are stated in the balance sheets at cost less accumulated depreciation and impairment losses (see note 1(g)). Depreciation is calculated to write off the cost of other fixed assets on a straight-line basis over their estimated useful lives at the following annual rates:
- | | |
|--|----------|
| Factory machinery and equipment | 6 – 25% |
| Fixtures, furniture and office equipment | 9 – 33% |
| Motor vehicles | 18 – 25% |
- (iii) Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.
- (iv) Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

1 主要會計政策(續)

(e) 固定資產及折舊

- (i) 土地及樓宇按成本值減累計折舊及減值虧損(見附註1(g))後記入資產負債表。除已於過去數年全面攤銷之若干土地外，租約土地乃按租約之尚餘年期(包括續約期)每年以等額攤銷。樓宇及有關裝修之折舊乃採用直線法，按其估計可使用年期以4–5%之年率撇銷其成本值。
- (ii) 其他固定資產以成本值減累計折舊及減值虧損(見附註1(g))後記入資產負債表。折舊乃按其他固定資產之估計可使用年期採用直線法以下列年率撇銷其成本值列賬：
- | | |
|-------------|--------|
| 工廠機器及設備 | 6–25% |
| 裝置、傢俬及辦公室設備 | 9–33% |
| 汽車 | 18–25% |
- (iii) 倘超逾現有資產原先評估之表現水平之未來經濟效益很可能流入本集團時，與已確認固定資產有關之其後開支將加入資產之賬面值。所有其他其後開支則在產生期間確認為開支。
- (iv) 固定資產報廢或出售時產生之損益為出售該項資產所得款項淨額與該項資產賬面值之差額，並於報廢或出售日在損益報表內確認。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Leased assets**

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets in equal annual amounts over the term of the relevant leases or, where it is likely the Group will obtain ownership of the assets, the lives of the assets. Impairment losses are accounted for in accordance with the accounting policy as set out in note 1(g). Finance charges implicit in the lease payments are charged to the income statement over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term.

1 主要會計政策(續)**(f) 租賃資產**

由承租人承擔擁有資產之絕大部份風險及報酬之租賃，歸類為融資租賃。出租人並未轉讓擁有資產之全部相關風險及報酬之租賃，則歸類為經營租賃。

(i) 以融資租賃購入之資產

倘若本集團乃以融資租賃使用資產，便會將相當於租賃資產公平價值或該等資產之最低租賃付款現值(如為較低之數額)列為固定資產，而相應負債(不計財務費用)則列為融資租賃之債務。折舊乃於相關租賃期或資產之可用年限(如本集團有可能取得資產之擁有權)內，以每年等額沖銷其成本值之比率計提。減值虧損會根據附註1(g)所載之會計政策入賬。租賃付款內含之財務費用會計入租賃期內之損益報表，以使每個會計期間之財務費用與債務餘額之比率大致上相同。

(ii) 經營租賃費用

倘若本集團乃以經營租賃使用資產，則根據租賃支付之款項會於租賃期所涵蓋之會計期間內，以等額在損益報表扣除。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets; and
- interest in subsidiaries.

If any such indication exists, the asset recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

1 主要會計政策(續)

(g) 資產減值

公司於每個結算日檢討內部及外間資料，以確定下列資產有否出現減值跡象，或過往已確認之減值虧損不再存在或已減少：

- 固定資產；及
- 附屬公司之權益。

倘有任何減值跡象，則會估計該項資產之可收回金額。當資產之賬面金額高於可收回金額時便會確認減值虧損。

(i) 計算可收回金額

資產之可收回金額為其售價淨額及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前折讓率將估計未來現金流量折讓至現值。該折讓率應是反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘個別資產所產生之現金流量基本上不能獨立於其他資產所產生之現金流量，則就獨立產生現金流量之最小資產類別(即現金產生資產)來釐定可收回金額。

(ii) 減值虧損轉回

倘使用以釐定可收回金額之估計發生有利之變化，則會將資產減值虧損轉回。所轉回之減值虧損僅限於倘若並無於過往年度確認減值虧損而可釐定之資產賬面值。所轉回之減值虧損在確認轉回之年度內計入損益報表。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1 主要會計政策(續)**(h) 存貨**

存貨按成本值及可變現淨值兩者中之較低者入賬。

成本值乃以先入先出方法計算，並包括所有購貨成本、加工成本及將存貨運往其現時地點及達至現有狀態之其他費用。

可變現淨值指正常業務中之估計售價減完成交易之估計成本及進行銷售所需之估計成本。

出售存貨時，其賬面值於有關收入確認期內確認為開支。存貨之可變現淨值之任何減值及存貨之所有虧損均於減值或虧損之發生期內確認為開支。倘存貨之可變現淨值增加令其減值出現任何轉回，則於轉回出現期內將費用作減額確認。

(i) 現金及現金等值項目

現金及現金等值項目包括銀行結存及庫存現金、存於銀行之通知存款及短期而高流動性之投資，此等投資可隨時毋須通知而兌換為已知金額之現金，且所須承受之價值波動風險不大，而兌換期乃購入日起計三個月內。須於提出要求時償還及屬於本集團現金管理組成部份之銀行透支亦列作現金流動表中之現金及現金等值項目。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(k) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

(i) Sales of goods

Revenue arising from sales of goods is recognised on delivery of goods to customers which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added or other sales taxes and is after deduction of returns.

(ii) Interest income

Interest income from bank deposits is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

(iii) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment has been established.

1 主要會計政策(續)

(j) 撥備及或有負債

倘若本集團須就已發生之事件承擔法律或推定責任，而履行該責任預期導致含有經濟效益之資源外流，並可作出可靠之估計，便會就該時間或數額不定之負債計提準備。如果貨幣時間價值重大，則按預計履行責任所需資源之現值計列準備。

倘若含有經濟效益之資源外流之可能性較低，或是無法對有關數額作出可靠之估計，便會將該責任披露為或有負債；但假如這類資源外流之可能性極低則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或有負債；但假如這類資源外流之可能性極低則除外。

(k) 收入確認

收入只會於有關經濟利益有可能流入本集團並能可靠計算該收入及成本(如適用)之情況下，方會按下列基準在損益報表內確認：

(i) 貨物之銷售

貨物之銷售收入於貨物送交客戶(即客戶接納貨物及擁有權之相關風險和回報權)時確認。收入不含增值稅或其他銷售稅並扣除回收之貨值。

(ii) 利息收入

銀行存款之應計利息收入根據尚在存放之本金按適用利率以時間分配基準確認。

(iii) 股息

來自非上市投資之股息收入乃於股東收取股息之權利確定時確認。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)**(I) Income tax**

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

1 主要會計政策(續)**(I) 所得稅**

- (i) 年內所得稅包括本期稅項及遞延稅項資產和負債之變動。
- (ii) 本期稅項是按年內應課稅收入以結算日已生效或實際生效之稅率計算之預期應付稅項，加以往年度應付稅項之任何調整。
- (iii) 遞延稅項資產及負債分別由可抵扣及應稅暫時差異產生。暫時差異是指資產及負債按財務與稅務基礎計算之帳面金額之間可予扣減或應課稅之暫時差異。遞延稅項資產也可以是未使用之稅損及稅項撥回。

除了某些有限之例外情況外，所有遞延稅項負債及遞延稅項資產(只限於有可能用來抵銷日後應稅溢利之資產)均予確認。

已確認之遞延稅項數額是按照資產及負債帳面金額之預期實現或清償方式，以結算日已生效或實際生效之稅率計量。遞延稅項資產及負債均不計算折讓。

於每個結算日本集團會對遞延稅項資產之賬面金額作出審閱，倘預期不再有足夠應課稅盈利以實現相關稅務利益，則有關資產賬面值將予以扣減。被扣減之遞延稅項資產，在預期可取得足夠應課稅盈利時，則予以撥回，但以該等盈利為限。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income tax (continued)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority, on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(m) Employee benefits

- (i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.
- (ii) Contributions to defined contribution retirement plans, including the mandatory provident fund as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

1 主要會計政策(續)

(l) 所得稅(續)

(iv) 本期及遞延稅項結餘及其變動會分開呈列，而且不予抵銷。本期及遞延稅項資產只會在本公司或本集團有合法權利以本期稅項資產抵銷本期稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期及遞延稅項負債：

- 就本期稅項資產及負債而言，本公司或本集團計劃按淨額基準結算，或在實現資產的同時清償負債；或
- 就遞延稅項資產及負債而言，這些資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：
 - 同一應稅實體；或
 - 不同之應稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回之每個未來期間，按淨額基準實現本期稅項資產及清償本期稅項負債，或在實現資產之同時清償負債。

(m) 僱員福利

- (i) 薪酬、年終花紅、有薪年假、休假及本集團非金錢福利之成本均於本集團僱員提供有關服務之年度累計。倘須延遲付款或結算及將因此而產生重大影響，有關款項按其現值列賬。
- (ii) 界定供款退休計劃(包括香港《強制性公積金計劃條例》所規定之強制性公積金)之供款乃於產生時以支出形式在損益報表中確認，但已計入尚未確認為支出之存貨成本之數額除外。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Employee benefits (continued)

- (iii) The Group's net obligation in respect of a defined benefit retirement plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed by a qualified actuary using the projected unit credit method.

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

- (iv) The Group's net obligation in respect of lump sum long service amounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine the present value and reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligation. The obligation is calculated using the projected unit credit method by a qualified actuary.

1 主要會計政策(續)

(m) 僱員福利(續)

- (iii) 本集團就界定福利退休計劃所承擔之責任淨額，乃透過估計僱員於本期間及以往期間以提供服務所賺取之未來利益金額而計算，在釐定現值時該項利益須予以折讓，並扣除任何計劃資產之公平價值。折讓率為優質公司債券(到期日與本集團履行責任之期限相近)於結算日之收益率。計算工作由合資格精算師採用預計單位信貸法進行。

在計算本集團就一項計劃所承擔之責任時，倘任何累積之未確認精算損益超出界定福利責任現值或計劃資產公平價值(以兩者中之較高價值為準)之百分之十，超額部份須於參加計劃之僱員之預計平均剩餘任職年期在損益報表確認。除此之外，精算損益概不予以確認。

倘在計算本集團所承擔之責任淨額時出現負數，予以確認之資產僅限於任何累積之未確認精算虧損淨額加以往服務成本及日後來自計劃之退款或日後削減之計劃供款等各項之總和。

- (iv) 本集團就根據香港《僱傭條例》須在若干情況下於終止僱用時一筆過支付之長期服務金所承擔之責任淨額，為僱員於本期間及以往期間以提供服務所賺取之未來利益金額，在釐定現值時該項利益須予以折讓，並減除根據本集團之退休計劃累計之權益(屬於本集團作出之供款)。折讓率為優質公司債券(到期日與本集團履行責任之期限相近)於結算日之收益率。有關責任由合資格精算師採用預計單位信貸法計算。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Employee benefits (continued)

- (v) When the Group grants employees options to acquire shares of the Company, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.

(n) Borrowing costs

Borrowing costs are expensed in the income statement in the period in which they are incurred.

(o) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income statement.

The results of foreign subsidiaries are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign subsidiary, the cumulative amount of the exchange differences which relate to that foreign subsidiary is included in the calculation of the profit or loss on disposal.

(p) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

1 主要會計政策(續)

(m) 僱員福利(續)

- (v) 當本集團授予僱員購股權以購入本公司股份時，並無於授出日期入賬確認任何僱員福利成本或責任。當購股權予以行使時，股本相應增加所收訖之款額。

(n) 借貸成本

借貸成本在產生之期間在損益報表列作支出。

(o) 外幣換算

年度內之外幣交易按交易當日之匯率換算為港元。以外幣計算之貨幣資產及負債按結算日之匯率換算為港元。匯兌損益撥入損益報表中處理。

海外附屬公司之業績乃按年內之平均匯率換算為港元，而資產負債表項目則按結算日之匯率換算為港元，由此而產生之匯兌差額撥入匯兌儲備中處理。

於出售一間海外附屬公司時，涉及該海外附屬公司之累積匯兌差額均加入計算出售損益。

(p) 關連人士

就本財務報表而言，如本集團有能力直接或間接控制另一人士，或對另一人士就財務及經營決策作出重大影響(或另一人士對本集團有上述控制能力或影響)，或本集團與另一人士受同一控制或同一重大影響，此等人士均被視為與本集團有關連。關連人士可為個別人士或其他公司。

NOTES ON THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

Unallocated items mainly comprise financial and corporate assets, bank loans, corporate and financing expenses.

2 TURNOVER

The principal activities of the Group are the manufacture and sale of food and beverages.

Turnover represents the gross sales value less returns, to third parties.

1 主要會計政策(續)

(q) 分部報告

分部乃指本集團於特定經濟環境(地區分部)從事提供產品或服務之可區分部份,而該可區分部份所面對之風險及回報與其他分部有所不同。

分部收入、支出、業績、資產及負債包括分部直接應佔之項目以及可合理分配予該分部之項目。例如,分部資產可包括存貨、應收賬款及固定資產。分部收入、支出、資產及負債包含須在編製綜合財務報表時抵銷的集團內部往來的餘額和集團內部交易;但同屬一個分部的集團企業之間的集團內部往來的餘額和交易則除外。分部之間的轉移事項定價按與其他外界人士相若的條款計算。

分部資本支出為年內產生以收購預期會使用超過一年之分部資產(包括有形及無形資產)之成本總額。

未分配項目主要包括財務及企業資產、銀行貸款、企業及融資費用。

2 營業額

本集團之主要業務為製造及銷售食品及飲品。

營業額指向第三者銷售貨物之銷貨價值減退貨。

3 OTHER REVENUE

3 其他收入

		2005	2004
		\$'000 千元	\$'000 千元
Interest income	利息收入	5,255	4,913
Service fee	服務費	19,204	7,429
Rental income	租金收入	1,296	1,296
Sundry income	雜項收入	5,614	6,370
		31,369	20,008

4 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

4 來自正常業務之除稅前溢利

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

來自正常業務之除稅前溢利已扣除/(計入)：

		2005	2004
		\$'000 千元	\$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans	銀行貸款之利息	8,349	8,178
Finance charges on obligations under finance leases	融資租賃債務之財務費用	693	243
		9,042	8,421
(b) Staff costs:	(b) 員工成本：		
Contributions to defined contribution retirement plans	界定供款退休計劃之供款	16,809	15,527
Defined benefit retirement plans (income)/expense	界定福利退休計劃之(收入)/費用		
– retirement gratuities (note 23(c)(ii))	– 退休金 (附註23(c)(ii))	1,008	3,601
– long service payments (note 23(d)(ii))	– 長期服務金 (附註23(d)(ii))	(207)	239
Retirement costs	退休成本	17,610	19,367
Salaries, wages and other benefits	薪酬、工資及其他福利	423,258	408,981
		440,868	428,348

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

4 PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION
(continued)

Profit from ordinary activities before taxation is arrived at after charging/(crediting): (continued)

4 來自正常業務之除稅前溢利(續)來自正常業務之除稅前溢利已扣除/(計入):
(續)

		2005	2004
		\$'000 千元	\$'000 千元
(c) Other items:	(c) 其他項目：		
Cost of inventories	存貨成本	1,096,612	1,073,560
Depreciation	折舊		
– assets held for use	– 用作經營租賃		
under operating leases	之資產	527	2,542
– assets acquired under	– 以融資租賃		
finance leases	購入之資產	4,163	976
– other assets	– 其他資產	108,375	108,646
Impairment loss on fixed assets	固定資產之減值虧損	15,020	–
Auditors' remuneration	核數師酬金	2,476	2,420
Operating lease charges	經營租賃費用		
– land and buildings	– 土地及樓宇	34,912	27,148
– factory machinery and	– 工廠機器		
equipment	及設備	2,558	1,879
Loss on disposal of fixed assets	出售固定資產之虧損	1,803	1,156

5 RESTRUCTURING COST

During the year, the Group has undergone a restructuring of its operations in the United States which includes the exit from its Refrigerated Soymilk business, the consolidation of production facilities in the plant in Ayer, Massachusetts and the closure of the production plant in Burke, California. The restructuring cost comprises:

		2005
		\$'000 千元
Impairment loss on fixed assets (note 14(a))	固定資產之減值虧損 (附註 14(a))	15,020
Severance payments	遣散費	2,363
Compensation for early termination of refrigerated soymilk copack agreement	提早終止鮮凍荳奶包裝加工協議之賠償	4,679
Provision for the operating lease charges for the Burke production plant after its closure	Burke 生產廠房關閉後就其經營租賃支出所作撥備	522
Others	其他	2,198
		<hr/>
		24,782
		<hr/>

6 WRITE BACK OF PROVISION FOR COMPENSATION FOR TRAFFIC ACCIDENT

This represents the write back of overprovision for compensation for traffic accident relating to one of the Company's subsidiaries, Vitasoy USA Inc., which occurred in 2000. At 31st March, 2004, the Group had established a provision of \$777,000 for an unsettled injury claim. During the year, the injury claim was settled and the provision amounting to \$12,000 was utilised. An overprovision of \$765,000 was written back to the income statement.

During the year ended 31st March, 2004, two of the three injury claims were settled and an overprovision for the two injury claims of \$1,464,000 was written back.

5 重組成本

年內，本集團重組其於美國之業務，當中包括結束鮮凍荳奶業務、整合位於麻省艾爾市廠房內的生產設施以及關閉加州Burke的生產廠房。重組成本包括：

6 交通意外賠償之撥備撥回

此項撥備撥回乃本公司其中一間附屬公司Vitasoy USA Inc. 於二零零零年所涉及之交通意外賠償之超額撥備撥回。於二零零四年三月三十一日，本集團就一項尚未解決之受傷索償計提撥備777,000元。該項受傷索償於年內已獲得解決，所動用之索償撥備數額為12,000元，索償之超額撥備765,000元已撥回損益報表內。

於截至二零零四年三月三十一日止年度，三宗受傷索償中其中兩宗已和解繳付，而該兩宗受傷索償之超額撥備1,464,000元已相應地撥回。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

7 綜合損益報表之所得稅

(a) Income tax in the consolidated income statement represents:

(a) 綜合損益報表內之所得稅代表：

		2005	2004
		\$'000 千元	\$'000 千元
Current tax – Provision for Hong Kong Profits Tax	本期稅項 – 香港 利得稅撥備		
Tax for the year	年內稅項	38,544	36,943
Over-provision in respect of prior years	以往年度之 超額撥備	(103)	(1,432)
		38,441	35,511
Current tax – Overseas	本期稅項 – 海外		
Tax for the year	年內稅項	1,039	1,130
Under-provision in respect of prior years	以往年度之 撥備不足	124	40
		1,163	1,170
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	源自及撥回 暫時差異	1,154	(1,662)
Effect of increase in tax rate on deferred tax balance	因稅率上升對遞延 稅項之影響	(355)	–
		799	(1,662)
		40,403	35,019

The provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

One of the Company's subsidiaries in the People's Republic of China enjoyed a tax relief of 50% reduction in the income tax rate for a period of 3 years commencing 1st January, 2002. Such tax relief expired on 31st December, 2004 and from 1st January, 2005 onwards, the subsidiary is subject to a tax rate of 15%.

香港利得稅撥備是按該年度之估計應課稅溢利以 17.5% (二零零四年：17.5%) 之稅率計算。香港以外的附屬公司之稅項則按有關稅項司法管轄區適用之現行稅率計算。

本公司其中一間於中華人民共和國的附屬公司，自二零零二年一月一日起計三年享有所得稅稅率減半之稅項寬減。此稅項寬減已於二零零四年十二月三十一日屆滿，由二零零五年一月一日起，該附屬公司須按 15% 稅率繳稅。

7 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT
(continued)

7 綜合損益報表之所得稅 (續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 稅項支出與會計溢利以適用稅率計算之對賬：

		2005	2004
		\$'000 千元	\$'000 千元
Profit from ordinary activities before taxation	來自正常業務之 除稅前溢利	166,738	145,527
Notional tax on profit from ordinary activities before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按有關稅項司法 管轄區適用的 利得稅稅率計算 來自正常業務之 除稅前溢利 之稅項	16,606	15,706
Tax effect of non-deductible expenses	不可扣減支出之 稅務影響	1,860	2,534
Tax effect of non-taxable revenue	非課稅收入之 稅務影響	(1,554)	(4,881)
Tax effect of unused tax losses not recognised	未確認且未使用之 稅務虧損之稅務影響	23,825	23,052
Tax effect of increase in tax rate on deferred tax balance	因稅率上升對遞延 稅項結餘之影響	(355)	–
Under/(over)-provision in respect of prior years	以往年度稅項撥備不足/ (超額撥備)	21	(1,392)
Actual tax expense	實際稅項支出	40,403	35,019

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

8 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

		2005	2004
		\$'000 千元	\$'000 千元
Fees	袍金	1,292	1,277
Other emoluments	其他酬金		
– Basic salaries, housing allowances, other allowances and benefits in kind	– 基本薪金、房屋津貼、其他津貼及實物福利	12,587	11,551
– Contributions to retirement plans	– 退休計劃供款	549	526
– Performance related and discretionary bonuses	– 按表現發放及酌情發放之花紅	3,953	4,357
		18,381	17,711

Included in the Directors' remuneration are fees of \$685,000 (2004: \$551,000) paid to the Independent Non-executive Directors during the year.

Included in basic salaries, housing allowances, other allowances and benefits in kind are realised gains on exercise of share options amounting to \$3,605,000 (2004: \$2,982,000).

In addition to the above emoluments, certain Directors hold share options not yet exercised at the balance sheet date. Details of the share options granted and outstanding in respect of each Director as at 31st March, 2005 are disclosed in the Report of the Directors.

The Directors' remuneration is within the following bands:

		2005	2004
		Number 人數	Number 人數
\$0 to \$1,000,000	0 元至 1,000,000 元	6	6
\$2,000,001 to \$2,500,000	2,000,001 元至 2,500,000 元	1	–
\$2,500,001 to \$3,000,000	2,500,001 元至 3,000,000 元	1	1
\$3,000,001 to \$3,500,000	3,000,001 元至 3,500,000 元	–	2
\$5,500,001 to \$6,000,000	5,500,001 元至 6,000,000 元	1	–
\$6,000,001 to \$6,500,000	6,000,001 元至 6,500,000 元	1	–
\$7,500,001 to \$8,000,000	7,500,001 元至 8,000,000 元	–	1

8 董事酬金

根據香港《公司條例》第161條披露之董事酬金如下：

董事酬金包括本年度內支付予獨立非執行董事之袍金685,000元(二零零四年：551,000元)。

基本薪金、房屋津貼、其他津貼及實物福利包括行使購股權而變現之收益3,605,000元(二零零四年：2,982,000元)。

除上述酬金外，若干董事持有購股權而於結算日仍未行使。各董事於二零零五年三月三十一日獲授及尚未行使之購股權之詳情載於董事會報告書內。

董事酬金介乎以下組別：

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2004: three) are Directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the five individuals with the highest emoluments (including the Directors) is as follows:

		2005	2004
		\$'000 千元	\$'000 千元
Fees	袍金	316	321
Other emoluments	其他酬金		
– Basic salaries, housing allowances, other allowances and benefits in kind	– 基本薪金、房屋津貼、其他津貼及實物福利	15,560	14,634
– Contributions to retirement plans	– 退休計劃供款	523	534
– Performance related and discretionary bonuses	– 按表現發放及酌情發放之花紅	4,791	4,745
		21,190	20,234

Included in basic salaries, housing allowances, other allowances and benefits in kind are realised gains on exercise of share options amounting to \$4,641,000 (2004: \$3,483,000).

The emoluments of the five (2004: five) individuals with the highest emoluments are within the following bands:

		2005	2004
		Number 人數	Number 人數
\$2,000,001 to \$2,500,000	2,000,001 元至 2,500,000 元	1	–
\$2,500,001 to \$3,000,000	2,500,001 元至 3,000,000 元	1	1
\$3,000,001 to \$3,500,000	3,000,001 元至 3,500,000 元	–	3
\$3,500,001 to \$4,000,000	3,500,001 元至 4,000,000 元	1	–
\$5,500,001 to \$6,000,000	5,500,001 元至 6,000,000 元	1	–
\$6,000,001 to \$6,500,000	6,000,001 元至 6,500,000 元	1	–
\$7,500,001 to \$8,000,000	7,500,001 元至 8,000,000 元	–	1

9 最高酬金人士

在五名最高酬金人士中，三名(二零零四年：三名)為董事，彼等之酬金於附註8中披露。該五名最高酬金人士(包括董事)之酬金總額如下：

基本薪金、房屋津貼、其他津貼及實物福利包括行使購股權而變現之收益4,641,000元(二零零四年：3,483,000元)。

五名(二零零四年：五名)最高酬金人士之酬金介乎以下組別：

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

10 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit attributable to shareholders includes a profit of \$101,438,000 (2004: \$107,591,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

		2005	2004
		\$'000 千元	\$'000 千元
Amount of consolidated profit attributable to shareholders dealt with in the Company's financial statements	已列入本公司財務報表之股東應佔綜合溢利數額	101,438	107,591
Dividends from subsidiaries attributable to the profits of the previous year	來自附屬公司上一個財政年度溢利，並於本年度核准及支付之股息	5,058	7,809
Company's profit for the year (note 26(b))	本公司之本年度溢利 (附註26 (b))	106,496	115,400

10 股東應佔溢利

股東應佔綜合溢利包括已列入本公司財務報表中之溢利101,438,000元(二零零四年：107,591,000元)。

上述金額與本公司本年度溢利之對賬：

11 DIVIDENDS

(a) Dividends attributable to the year

		2005	2004
		\$'000 千元	\$'000 千元
Interim dividend declared and paid of 2.8 cents per share (2004: 2.8 cents per share) (note 26)	已宣派及已支付中期股息每股2.8仙 (二零零四年：每股2.8仙) (附註26)	27,725	27,581
Final dividend proposed after the balance sheet date of 5.7 cents per share (2004: 5.7 cents per share)	於結算日後擬派末期股息每股5.7仙 (二零零四年：每股5.7仙)	57,105	56,369
Special dividend proposed after the balance sheet date of 10.0 cents per share (2004: 5.0 cents per share)	於結算日後擬派特別股息每股10.0仙 (二零零四年：每股5.0仙)	100,183	49,447
		185,013	133,397

11 股息

(a) 本年度股息

The final and special dividends proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

於結算日後擬派之末期及特別股息並不確認為於結算日之負債。

11 DIVIDENDS (continued)

(b) Dividends attributable to the previous year, approved and paid during the year

		2005	2004
		\$'000 千元	\$'000 千元
Final dividend in respect of the previous year, approved and paid during the year, of 5.7 cents per share (2004: 5.7 cents per share) (note 26)	屬於上一財政年度，並於本年度批准及支付之末期股息 每股5.7仙 (二零零四年：每股5.7仙) (附註26)	56,395	56,100
Special dividend in respect of the previous year, approved and paid during the year, of 5.0 cents per share (2004: 5.0 cents per share) (note 26)	屬於上一財政年度，並於本年度批准及支付之特別股息 每股5.0仙 (二零零四年：每股5.0仙) (附註26)	49,469	49,211
		105,864	105,311

11 股息(續)

(b) 屬於上一財政年度，並於本年度批准及支付之股息

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to shareholders of \$123,747,000 (2004: \$116,025,000) and the weighted average number of 989,658,000 ordinary shares (2004: 983,839,000 ordinary shares) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit attributable to shareholders of \$123,747,000 (2004: \$116,025,000) and the weighted average number of 996,448,000 ordinary shares (2004: 991,510,000 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares.

12 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據綜合股東應佔溢利123,747,000元(二零零四年：116,025,000元)及本年度內已發行普通股之加權平均股數989,658,000股(二零零四年：983,839,000股普通股)計算。

(b) 每股攤薄盈利

每股攤薄盈利乃根據綜合股東應佔溢利123,747,000元(二零零四年：116,025,000元)及就所有具潛在攤薄盈利之普通股之影響作出調整後之普通股加權平均股數996,448,000股(二零零四年：991,510,000股普通股)計算。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

12 EARNINGS PER SHARE (continued)

(c) Reconciliation

12 每股盈利(續)

(c) 對賬

		2005 Number of shares 股數 '000 千股	2004 Number of shares 股數 '000 千股
Weighted average number of ordinary shares used in calculating basic earnings per share	用以計算每股基本盈利之普通股加權平均股數	989,658	983,839
Deemed issue of ordinary shares for no consideration arising from share options	假設因購股權以不收取代價方式發行之普通股	6,790	7,671
Weighted average number of ordinary shares used in calculating diluted earnings per share	用以計算每股攤薄盈利之普通股加權平均股數	996,448	991,510

13 SEGMENT REPORTING

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of assets is chosen because this is in line with the Group's internal management information reporting system.

No business segment analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture and sale of food and beverages.

13 分部報告

分部資料乃就本集團之地區分部呈報。按資產所在地區分部呈報之資料可配合本集團之內部管理資料申報系統，故此選擇按資產所在地區分部呈報資料。

由於本集團之營業額及經營業績全部來自生產及銷售食品及飲品，故無提呈業務分部之資料。

		Hong Kong		North America		Mainland China		Australia and New Zealand		Unallocated		Consolidated	
		香港	香港	北美洲	北美洲	中國大陸	中國大陸	澳洲及新西蘭	澳洲及新西蘭	未分配之項目	未分配之項目	綜合	綜合
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Revenue from external customers	來自外間顧客之收入	1,331,417	1,219,888	414,829	441,602	484,897	499,299	148,812	108,633	-	-	2,379,955	2,269,422
Other revenue	其他收入	5,854	6,646	1,249	248	19,011	6,290	-	-	5,255	6,824	31,369	20,008
Total revenue	總收入	1,337,271	1,226,534	416,078	441,850	503,908	505,589	148,812	108,633	5,255	6,824	2,411,324	2,289,430
Segment result	分部業績	210,908	186,974	(36,822)	(44,305)	55,979	45,871	9,626	495			239,691	189,035
Unallocated operating income and expenses	未分配經營收入及費用											(39,894)	(36,551)
Profit from operations	經營溢利											199,797	152,484
Finance costs	融資成本											(9,042)	(8,421)
Restructuring cost	重組成本	-	-	(24,782)	-	-	-	-	-			(24,782)	-
Write back of provision for compensation for traffic accident	交通意外賠償之撥備撥回	-	-	765	1,464	-	-	-	-			765	1,464
Income tax	所得稅											(40,403)	(35,019)
Minority interests	少數股東權益											(2,588)	5,517
Profit attributable to shareholders	股東應佔溢利											123,747	116,025
Depreciation for the year	本年度折舊	48,614	50,735	23,188	21,018	29,896	30,036	11,367	10,375			113,065	112,164
Impairment loss for the year	本年度減值虧損	-	-	15,020	-	-	-	-	-			15,020	-

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

13 SEGMENT REPORTING (continued)

13 分部報告(續)

		Hong Kong		North America		Mainland China		Australia and New Zealand		Consolidated	
		香港		北美洲		中國大陸		澳洲及新西蘭		綜合	
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
Segment assets	分部資產	601,875	623,648	237,581	274,637	317,745	348,504	179,461	175,041	1,336,662	1,421,830
Unallocated assets	未分配之資產									459,739	378,787
Total assets	總資產									1,796,401	1,800,617
Segment liabilities	分部負債	144,064	136,087	41,671	55,630	100,326	91,897	15,267	11,417	301,328	295,031
Unallocated liabilities	未分配之負債									199,692	214,266
Total liabilities	總負債									501,020	509,297
Capital expenditure incurred during the year	本年度產生 之資本 支出	34,344	35,213	10,581	10,802	3,332	19,930	5,025	527	53,282	66,472

Revenue from external customers by location of customers is as follows:

以顧客所在地區分部之來自外間顧客收入如下：

		2005	2004
		\$'000 千元	\$'000 千元
Hong Kong	香港	1,546,954	1,446,038
North America	北美洲	467,501	495,662
Mainland China	中國大陸	133,085	147,782
Australia and New Zealand	澳洲及新西蘭	156,369	115,495
Others	其他地區	76,046	64,445
		2,379,955	2,269,422

14 FIXED ASSETS

(a) The Group

		Land and buildings 土地及樓宇 \$'000 千元	Factory machinery and equipment 工廠機器 及設備 \$'000 千元	Fixtures, furniture and office equipment 裝置、傢俬及 辦公室設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total 總計 \$'000 千元
Cost:	成本值：					
At 1st April, 2004	於二零零四年四月一日	577,540	945,121	132,415	60,585	1,715,661
Exchange adjustments	匯兌調整	1,684	2,013	61	3	3,761
Additions	添置	229	34,666	11,029	7,358	53,282
Disposals	出售	(1,809)	(75,627)	(11,213)	(4,086)	(92,735)
Reclassification	重新分類	(14,115)	14,115	-	-	-
At 31st March, 2005	於二零零五年三月三十一日	563,529	920,288	132,292	63,860	1,679,969
Accumulated depreciation and impairment loss:	累計折舊及 減值虧損：					
At 1st April, 2004	於二零零四年四月一日	142,634	573,395	98,671	54,573	869,273
Exchange adjustments	匯兌調整	139	697	33	3	872
Depreciation for the year	本年度折舊	18,391	79,810	11,961	2,903	113,065
Impairment loss for the year	本年度減值 虧損	-	15,020	-	-	15,020
Written back on disposal	出售時撥回	(1,020)	(73,166)	(10,900)	(3,866)	(88,952)
Reclassification	重新分類	(1,057)	1,057	-	-	-
At 31st March, 2005	於二零零五年三月三十一日	159,087	596,813	99,765	53,613	909,278
Net book value:	賬面淨值：					
At 31st March, 2005	於二零零五年三月三十一日	404,442	323,475	32,527	10,247	770,691
At 31st March, 2004	於二零零四年三月三十一日	434,906	371,726	33,744	6,012	846,388

Impairment loss

The impairment loss represents the write down of the carrying value of certain fixed assets located in the US operations to the estimated net disposal proceeds or nil, as these fixed assets would either be disposed of or retired from active use as a result of restructuring. The impairment loss recognised is included in "Restructuring cost" in the consolidated income statement (note 5).

減值虧損

此減值虧損指將因美國業務重組而出售或報廢之若干固定資產之賬面值撇減至該等資產之估計出售淨值或零。該等減值虧損已計入綜合損益報表中的「重組成本」(附註5)。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

14 FIXED ASSETS (continued)

14 固定資產(續)

(b) The Company

(b) 本公司

		Land and buildings 土地及樓宇 \$'000 千元	Factory machinery and equipment 工廠機器及 設備 \$'000 千元	Fixtures, furniture and office equipment 裝置、傢俬及 辦公室設備 \$'000 千元	Motor vehicles 汽車 \$'000 千元	Total 總計 \$'000 千元
Cost:	成本值：					
At 1st April, 2004	於二零零四年四月一日	164,471	338,038	64,211	49,518	616,238
Additions	添置	–	13,655	2,227	6,307	22,189
Disposals	出售	–	(2,511)	(1,927)	(3,139)	(7,577)
At 31st March, 2005	於二零零五年三月三十一日	164,471	349,182	64,511	52,686	630,850
Accumulated depreciation:	累計折舊：					
At 1st April, 2004	於二零零四年四月一日	54,072	273,523	53,675	45,578	426,848
Depreciation for the year	本年度折舊	4,740	23,802	4,007	2,123	34,672
Written back on disposal	出售時撥回	–	(2,289)	(1,909)	(3,122)	(7,320)
At 31st March, 2005	於二零零五年三月三十一日	58,812	295,036	55,773	44,579	454,200
Net book value:	賬面淨值：					
At 31st March, 2005	於二零零五年三月三十一日	105,659	54,146	8,738	8,107	176,650
At 31st March, 2004	於二零零四年三月三十一日	110,399	64,515	10,536	3,940	189,390

(c) The analysis of cost of land is as follows:

(c) 土地成本值之分析如下：

		The Group 本集團		The Company 本公司	
		2005 \$'000 千元	2004 \$'000 千元	2005 \$'000 千元	2004 \$'000 千元
In Hong Kong	在香港				
– medium-term lease	– 中期租約	185,045	185,045	77,014	77,014
Outside Hong Kong	香港以外地區				
– freehold	– 永久業權	8,621	8,762	–	–
– medium-term lease	– 中期租約	6,493	6,482	–	–
– short-term lease	– 短期租約	1,386	1,385	–	–
		201,545	201,674	77,014	77,014

14 FIXED ASSETS (continued)

- (d) The Group leases factory machinery and equipment under finance leases expiring from three to five years. At the end of the lease term the Group has the option to purchase the factory machinery and equipment at a price deemed to be a bargain purchase option. None of the leases includes contingent rentals. The net book value of the factory machinery and equipment held under finance leases of the Group at 31st March, 2005 was \$10,529,000 (2004: \$19,343,000).
- (e) The Group and the Company leases out fixed assets under operating leases. The leases run for an initial period of three years, with an option to renew the lease when all terms are renegotiated. The leases do not include contingent rentals.

The gross carrying amount of fixed assets of the Group and the Company held for use in operating leases at 31st March, 2005 was \$22,698,000 (2004: \$22,698,000) and the related accumulated depreciation was \$11,767,000 (2004: \$11,240,000).

The Group's and the Company's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

		The Group and the Company 本集團及本公司	
		2005	2004
		\$'000 千元	\$'000 千元
Within 1 year	一年內	540	1,296
After 1 year but within 5 years	一年後但五年內	—	540
		540	1,836

14 固定資產(續)

- (d) 本集團透過於三至五年內到期之融資租賃，租用工廠機器及設備。於租賃期結束時，本集團有權選擇以優惠價格購買該等工廠機器及設備。融資租賃並無包括或有租金。本集團以融資租賃持有之工廠機器及設備於二零零五年三月三十一日之賬面淨值為10,529,000元(二零零四年：19,343,000元)。
- (e) 本集團及本公司以經營租賃租出固定資產。該等租賃一般初步為期三年，並且有權選擇在到期日後續約，屆時所有條款均可重新商定。各項經營租賃並無包括或有租金。

於二零零五年三月三十一日，本集團及本公司用作經營租賃之固定資產賬面總值為22,698,000元(二零零四年：22,698,000元)，有關之累計折舊額為11,767,000元(二零零四年：11,240,000元)。

本集團及本公司根據不可解除之經營租賃在日後應收之最低租賃付款總額如下：

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

15 INTEREST IN SUBSIDIARIES

15 附屬公司權益

		The Company 本公司	
		2005	2004
		\$'000 千元	\$'000 千元
Unlisted investments, at cost	非上市投資，按成本值	93,072	93,072
Amounts due from subsidiaries	附屬公司欠款	823,022	833,459
		916,094	926,531
Less: Impairment losses	減：減值虧損	(642,193)	(548,344)
		273,901	378,187

At 31st March, 2005, amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The entire balance is expected to be recovered after more than one year.

At 31st March, 2004, included in amounts due from subsidiaries were balances totalling \$24,946,000 which were unsecured, interest bearing and with specified repayment terms. All the remaining balances were unsecured, interest-free and had no fixed terms of repayment.

Impairment losses on interest in subsidiaries represent the write down of the carrying values of the investments in certain subsidiaries to the net asset values of these subsidiaries.

Details of the subsidiaries are as follows:

Name of company 公司名稱	Place of incorporation and operation 註冊成立及 營業地點	Issued and paid-up share capital/ registered capital 已發行及 繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司所持 擁有權益比率		Principal activities 主要業務
			directly 直接 %	indirectly 間接 %	
Vitasoy Holdings N.V.	Netherlands Antilles 荷蘭安的列斯	US\$6,100 6,100 美元	100	–	Investment holding 投資控股

於二零零五年三月三十一日，附屬公司欠款屬無抵押、免息及無固定還款期。預期全部結餘可於超過一年後收回。

於二零零四年三月三十一日，附屬公司欠款包括總數24,946,000元之結餘，該等結餘並無抵押，須計算利息及訂明還款期。其他結餘全部均屬無抵押、免息及無固定還款期。

附屬公司權益之減值虧損指將於若干附屬公司之投資之賬面值撇減至附屬公司之資產淨值。

附屬公司之詳情如下：

15 INTEREST IN SUBSIDIARIES (continued)

15 附屬公司權益(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司所持擁有權權益比率		Principal activities 主要業務
			directly 直接 %	indirectly 間接 %	
Vitasoy International B.V.	Netherlands 荷蘭	EUR22,500 歐羅 22,500	–	100	Investment holding 投資控股
Vitasoy (UK) Investments Company Limited	United Kingdom 英國	GBP2 2 英鎊	100	–	Investment holding 投資控股
Vitasoy USA Inc.	United States of America 美國	US\$12,061,000 Common stock 12,061,000 美元 普通股	–	100	Manufacture and sale of soy related products 生產及銷售 荳製產品
		US\$25,400,000 Convertible series A preferred stock 25,400,000 美元 可換股 A 類優先股	–	100	
Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited (note i) 深圳維他(光明)食品飲料有限公司(附註 i)	People's Republic of China 中華人民共和國	RMB80,000,000 人民幣 80,000,000 元	70	–	Manufacture and sale of beverages 生產及銷售飲品
Vitasoy (China) Investments Company Limited 維他奶(中國)投資有限公司	Hong Kong 香港	\$20 20 元	100	–	Investment holding 投資控股

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

15 INTEREST IN SUBSIDIARIES (continued)

15 附屬公司權益(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司所持擁有權權益比率		Principal activities 主要業務
			directly 直接 %	indirectly 間接 %	
Vitasoy (Shanghai) Company Limited (note ii) 維他奶(上海)有限公司(附註ii)	People's Republic of China 中華人民共和國	RMB191,476,367 人民幣 191,476,367 元	–	100	Manufacture and sale of beverages 生產及銷售飲品
Vita International Holdings Limited 維他國際集團有限公司	Hong Kong 香港	\$20 20 元	100	–	Investment holding 投資控股
Vitasoy Australia Products Pty. Ltd. (note iii) (附註iii)	Australia 澳洲	A\$8,925,000 V class shares 8,925,000 澳元 V 類股	–	100	Manufacture and sale of beverages 生產及銷售飲品
Vitasoja (Macau) Limitada 維他奶(澳門)有限公司	Macau 澳門	MOP100,000 澳門幣 100,000 元	100	–	Distribution of beverages 分銷飲品
Produtos De Soja Hong Kong (Macau) Limitada 香港荳品(澳門)有限公司	Macau 澳門	MOP10,000 澳門幣 10,000 元	–	100	Dormant 暫無營業

15 INTEREST IN SUBSIDIARIES (continued)

15 附屬公司權益(續)

Name of company 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司所持擁有權權益比率		Principal activities 主要業務
			directly 直接 %	indirectly 間接 %	
Vitaland Services Limited 維他天地服務有限公司	Hong Kong 香港	\$3,000,000 3,000,000 元	100	–	Operation of tuck shops 經營食物部
Hong Kong Gourmet Limited 香港美食有限公司	Hong Kong 香港	\$20 20 元	–	100	Provision of catering services 提供膳食服務
The Hong Kong Soya Bean Products Company, Limited 香港荳品有限公司	Hong Kong 香港	\$20 20 元	100	–	Property investment 物業投資
Vitasoy Distributors (Singapore) Pte. Ltd.	Singapore 新加坡	S\$2,500,000 新加坡幣 2,500,000 元	100	–	Dormant 暫無營業

All of these are subsidiaries as defined under note 1(d) and have been consolidated into the Group's financial statements.

此等公司全部均為附註1(d)所界定之附屬公司，並已列入本集團之財務報表綜合計算。

Notes:

附註：

- (i) Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited ("Shenzhen Vitasoy") is a sino-foreign equity joint venture established in the People's Republic of China and is to be operated for 20 years up to 2011.
- (ii) Vitasoy (Shanghai) Company Limited is a wholly foreign owned subsidiary established in the People's Republic of China and is to be operated for 50 years up to 2045.
- (iii) The Group has an interest in 51% of the equity of Vitasoy Australia Products Pty. Ltd..

- (i) 深圳維他(光明)食品飲料有限公司(「深圳維他奶」)為於中華人民共和國註冊成立之中外合資合營企業，經營期為二十年，至二零一一年止。
- (ii) 維他奶(上海)有限公司為於中華人民共和國註冊成立之外資全資附屬公司，經營期為五十年，至二零四五年止。
- (iii) 本集團持有Vitasoy Australia Products Pty. Ltd. 51%之股本權益。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

16 INVENTORIES

16 存貨

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Raw materials	原料	111,062	126,749	54,972	61,136
Finished goods	製成品	74,278	85,286	28,454	34,824
		185,340	212,035	83,426	95,960

Included in the inventories of the Group are raw materials of \$13,281,000 (2004: \$21,217,000) and finished goods of \$2,311,000 (2004: \$484,000) stated net of provisions, in order to state these inventories at the lower of their cost and estimated net realisable value.

Included in raw materials of the Company are inventories of \$5,482,000 (2004: \$4,589,000) stated net of a provision, in order to state these inventories at the lower of their cost and estimated net realisable value.

本集團之存貨包括原料13,281,000元(二零零四年：21,217,000元)及製成品2,311,000元(二零零四年：484,000元)已扣除撥備列賬，旨在按該等存貨之成本或估計可變現淨值(以兩者中之較低數額為準)入賬。

本公司之原料包括存貨5,482,000元(二零零四年：4,589,000元)已扣除撥備列賬，旨在按該等存貨之成本或估計可變現淨值(以兩者中之較低數額為準)入賬。

17 TRADE AND OTHER RECEIVABLES

17 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade debtors and bills receivable	應收賬款及 應收票據	275,961	257,925	192,727	185,651
Deposits, prepayments and other debtors	按金、預付款項 及其他應收款	28,491	31,777	6,650	8,032
		304,452	289,702	199,377	193,683

17 TRADE AND OTHER RECEIVABLES (continued)

The ageing analysis of trade debtors and bills receivable (net of provisions for bad and doubtful debts) is as follows:

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>By date of invoice</i>	以發票日期計算				
0 – 3 months	零至三個月	240,157	227,949	157,754	156,932
4 – 6 months	四至六個月	35,685	29,697	34,973	28,719
Over 6 months	六個月以上	119	279	–	–
		275,961	257,925	192,727	185,651

The credit terms given to the customers vary and are generally based on the financial strength of the individual customer. In order to effectively manage the credit risks associated with trade debtors, credit evaluations of customers are performed periodically.

17 應收賬款及其他應收款(續)

應收賬款及應收票據(已扣除呆壞賬撥備)之賬齡分析如下：

給予客戶之信貸期各有不同，一般因應個別客戶之財政狀況衡量。為有效管理應收賬款之信貸風險，本集團定期評估客戶信用。

18 AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The entire balance is expected to be recovered within one year.

18 附屬公司欠款

附屬公司欠款均為無抵押及免息，且無固定還款期。全部結餘可望於一年內償還。

19 BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Cash at bank and in hand	銀行結存及庫存現金	76,919	74,480	23,107	18,047
Bank deposits maturing within 3 months when placed	存款期少於三個月之銀行存款	325,754	226,144	291,135	216,722
Cash and cash equivalents	現金及現金等值項目	402,673	300,624	314,242	234,769
Bank deposits maturing after 3 months but within 1 year when placed	存款期介乎於三個月至一年之銀行存款	91,606	56,596	70,593	56,173
Bank deposits maturing after 1 year when placed	存款期多於一年之銀行存款	38,427	93,397	38,427	93,397
		532,706	450,617	423,262	384,339

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

20 BANK LOANS

At 31st March, 2005, the Group had bank loans repayable as follows:

		The Group 本集團	
		2005	2004
		\$'000 千元	\$'000 千元
Within 1 year	一年內	154,250	161,617
After 1 year but within 2 years	一年後但兩年內	4,490	4,485
After 2 years but within 5 years	兩年後但五年內	10,105	14,576
		14,595	19,061
		168,845	180,678

At 31st March, 2005, the bank loans were secured as follows:

		The Group 本集團	
		2005	2004
		\$'000 千元	\$'000 千元
Secured	有抵押	19,085	23,545
Unsecured	無抵押	149,760	157,133
		168,845	180,678

At 31st March, 2005, bank loans totalling \$19,085,000 (2004: \$23,545,000) were secured by charges over fixed assets with net book values totalling \$37,069,000 (2004: \$46,841,000).

20 銀行貸款

於二零零五年三月三十一日，銀行貸款須於下列期限償還：

於二零零五年三月三十一日，銀行貸款之抵押如下：

於二零零五年三月三十一日，總數為19,085,000元（二零零四年：23,545,000元）之銀行貸款乃以賬面淨值共37,069,000元（二零零四年：46,841,000元）之固定資產作抵押。

21 TRADE AND OTHER PAYABLES

21 應付賬款及其他應付款

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Trade creditors and bills payable	應付賬款及應付票據	153,547	151,486	87,281	84,288
Accrued expenses and other payables	應計費用及其他應付款	150,131	144,767	59,217	58,848
		303,678	296,253	146,498	143,136

The ageing analysis of trade creditors and bills payable is as follows:

應付賬款及應付票據之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
<i>By date of invoice</i>	以發票日期計算				
0 – 3 months	零至三個月	149,774	149,627	84,375	82,527
4 – 6 months	四至六個月	1,548	446	1,111	379
Over 6 months	六個月以上	2,225	1,413	1,795	1,382
		153,547	151,486	87,281	84,288

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

22 OBLIGATIONS UNDER FINANCE LEASES

At 31st March, 2005, the Group had obligations under finance leases repayable as follows:

22 融資租賃之債務

於二零零五年三月三十一日，本集團根據融資租賃須償還之債務如下：

		2005			2004		
		Present value of the minimum lease payments	Interest expense relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest expense relating to future periods	Total minimum lease payments
		最低租賃付款之現值	有關未來期間之利息開支	最低租賃付款總額	最低租賃付款之現值	有關未來期間之利息開支	最低租賃付款總額
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Within 1 year	一年內	3,235	423	3,658	6,287	694	6,981
After 1 year but within 2 years	一年後但兩年內	2,945	253	3,198	3,235	423	3,658
After 2 years but within 5 years	兩年後但五年內	2,763	77	2,840	5,708	330	6,038
		5,708	330	6,038	8,943	753	9,696
		8,943	753	9,696	15,230	1,447	16,677

23 EMPLOYEE RETIREMENT PLANS

The Group operates and participates in a number of defined contribution and defined benefit retirement plans in Hong Kong and certain overseas countries.

(a) Defined contribution retirement plans

- (i) The Group operates a defined contribution retirement plan, Vitasoy International Holdings Limited Staff Provident Fund, which is available for all eligible staff employed by the Group in Hong Kong and Macau before 1st August, 2000. The plan is funded by contributions from employees and the Group, both of which contribute sums representing 5 – 7.5% of basic salaries. Forfeited contributions are credited to members' accounts in accordance with the rules of the plan. The plan is administered by trustees with the assets held separately from those of the Group.

Staff employed by the Group in Hong Kong not joining the defined contribution retirement plan are required to join the Group's mandatory provident fund plan under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The mandatory provident fund plan is a defined contribution retirement plan administered by an independent corporate trustee. Under the plan, the Group and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of \$20,000. Contributions to the plan vest immediately.

- (ii) Employees in the subsidiaries in the People's Republic of China (the "PRC") are members of the central pension scheme operated by the PRC government. The Group is required to contribute a certain percentage of employees' remuneration to the central pension scheme to fund the benefits. The only obligation for the Group with respect to the central pension scheme is the associated required contribution under the central pension scheme.

23 僱員退休計劃

本集團在香港及若干海外國家設立及參加多項界定供款及界定福利退休計劃。

(a) 界定供款退休計劃

- (i) 本集團為所有於二零零零年八月一日之前在香港及澳門受聘於本集團之合資格員工設立一項界定供款退休計劃（維他奶國際集團有限公司職員公積金）。該計劃之資金來自僱員及本集團之供款。雙方供款金額為底薪之5 – 7.5%。沒收供款均根據計劃之規則撥入計劃成員之賬戶。該計劃交由信託人管理，所持資產亦與本集團之資產分開處理。

受僱於本集團而並無參加界定供款退休計劃之香港僱員，必須根據香港《強制性公積金計劃條例》參加本集團之強制性公積金計劃。強制性公積金計劃為一項界定供款退休計劃，由獨立法團受託人管理。根據該計劃，本集團及其僱員各按僱員有關收入（有關收入之每月上限為20,000元）之5%向計劃供款。向計劃支付之供款即時生效。

- (ii) 設於中華人民共和國（「中國」）之附屬公司之僱員均參加由中國政府設立之中央退休金計劃。本集團須按僱員酬金之某百分比向中央退休金計劃供款。本集團就中央退休金計劃所須履行之唯一責任為向中央退休金計劃供款。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

23 EMPLOYEE RETIREMENT PLANS (continued)**(a) Defined contribution retirement plans (continued)**

- (iii) For employees in Australia, contributions are made by the Group to a registered superannuation fund for its employees, at 9% of the employees' salaries. The assets of the scheme are held separately by an independent administered fund.
- (iv) Eligible employees in the United States of America are covered by a defined contribution retirement plan under section 401(k) of the Internal Revenue Code. The plan provides for voluntary employee contributions, which represent a salary deferral for US income tax purposes, of up to 100% of each employee's annual salary, subject to a cap of US\$14,000. The Group also contributes an annual amount in respect of each employee's self contribution. The amount of the Group's annual contribution is limited by the lesser of (i) 50% of each employee's annual contribution, and (ii) 2% of each employee's gross annual salary.

23 僱員退休計劃(續)**(a) 界定供款退休計劃(續)**

- (iii) 澳洲僱員方面，本集團須按僱員薪酬之9%向一項為其僱員而設之註冊退休基金供款。計劃資產由獨立管理之基金分開持有。
- (iv) 美國之合資格僱員根據Internal Revenue Code第401(k)條受一項界定供款退休計劃保障。該計劃規定僱員須按其薪金作出自願供款(就美國入息稅而言屬於延遲發放之薪金)，最高可達僱員年薪之100%，惟以14,000美元為上限。本集團亦就每名僱員之供款額按年供款。本集團之每年供款額以下列兩者中之較低金額為限：(i)每名僱員之全年供款之50%；及(ii)每名僱員之全年薪金總額之2%。

23 EMPLOYEE RETIREMENT PLANS (continued)

(b) Defined benefit retirement plans

At 31st March, 2005, the Group and the Company recognised employee retirement benefit (assets)/liabilities in respect of the following defined benefit retirement plans:

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Retirement gratuities (note (c))	退休金 (附註(c))	(1,988)	(510)	(2,166)	(668)
Long service payments (note (d))	長期服務金 (附註(d))	3,745	4,113	3,595	3,977
		1,757	3,603	1,429	3,309
Represented by:	代表：				
Employee retirement benefit assets	僱員退休 福利資產	(1,988)	(510)	(2,166)	(668)
Employee retirement benefit liabilities	僱員退休 福利負債	3,745	4,113	3,595	3,977
		1,757	3,603	1,429	3,309

(c) Retirement gratuities

Employees of the Group in Hong Kong and Macau, who have completed a prescribed minimum period of services and joined the Group before a specific date, are entitled to retirement gratuities upon retirement age. The gratuity is based on the last month's salary and the number of years of service.

A funded defined benefit retirement plan, Vitasoy International Holdings Limited Defined Benefit Scheme, was established for the retirement gratuities. The defined benefit retirement plan is administered by an independent corporate trustee, with assets held separately from those of the Group. The plan is funded by contributions from the Group in accordance with an independent actuary's recommendation.

23 僱員退休計劃(續)

(b) 界定福利退休計劃

於二零零五年三月三十一日，本集團及本公司就下列界定福利退休計劃確認僱員退休福利(資產)/負債：

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Retirement gratuities (note (c))	退休金 (附註(c))	(1,988)	(510)	(2,166)	(668)
Long service payments (note (d))	長期服務金 (附註(d))	3,745	4,113	3,595	3,977
		1,757	3,603	1,429	3,309
Represented by:	代表：				
Employee retirement benefit assets	僱員退休 福利資產	(1,988)	(510)	(2,166)	(668)
Employee retirement benefit liabilities	僱員退休 福利負債	3,745	4,113	3,595	3,977
		1,757	3,603	1,429	3,309

(c) 退休金

本集團在香港及澳門之僱員在服務年資達到一段指定之最短期限及於指定日期之前加入本集團，均可在屆退休年齡時領取退休金。金額視乎最後所領月薪及服務年資而定。

本集團為退休金成立一項資助界定福利退休計劃－維他奶國際集團有限公司界定福利計劃。該項界定福利退休計劃由獨立公司信託人管理，其資產與本集團之資產分開處理。該計劃由本集團按照獨立精算師之建議作出供款。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

23 EMPLOYEE RETIREMENT PLANS (continued)

(c) Retirement gratuities (continued)

The latest actuarial valuation of the plan was at 31st March, 2005 and was prepared by qualified staff of Towers Perrin, who are members of the Society of Actuaries of the United States of America, using the projected unit credit method. The valuation indicates that the Group's obligation under this defined benefit retirement plan is 134% (2004: 137%) covered by the plan assets held by the trustee.

- (i) The amounts recognised in the balance sheets are as follows:

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Present value of wholly funded obligations	全面資助責任之現值	53,917	54,248	52,463	52,919
Fair value of plan assets	計劃資產之公平價值	(72,192)	(74,154)	(70,740)	(72,704)
Net unrecognised actuarial gains	未確認之精算收益淨額	16,287	19,396	16,111	19,117
Employee retirement benefit assets	僱員退休福利資產	(1,988)	(510)	(2,166)	(668)

A portion of the above asset is expected to be recovered after more than one year. However, it is not practicable to segregate this amount from the amounts receivable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

23 僱員退休計劃(續)

(c) 退休金(續)

該計劃之最新精算估值乃於二零零五年三月三十一日由Towers Perrin之合資格職員(為美國精算師學會之會員)採用預算單位信貸法進行。有關估值顯示本集團根據該界定福利退休計劃所須履行之責任其中134%(二零零四年: 137%)受信託人持有之計劃資產保障。

- (i) 於資產負債表確認之金額如下:

預期上述資產部份可於超過一年後收回;然而,由於未來供款亦涉及日後提供之服務及日後在精算假設及市況上可能出現之變動,故將此款額自未來十二個月內所應收取之金額中抽離並不可行。

23 EMPLOYEE RETIREMENT PLANS (continued)

23 僱員退休計劃(續)

(c) Retirement gratuities (continued)

(c) 退休金(續)

(ii) Movements in the net assets recognised in the balance sheets are as follows:

(ii) 已在資產負債表上確認之淨資產變動如下：

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1st April	於四月一日	(510)	(1,461)	(668)	(1,567)
Contributions paid to the plan	向計劃供款 已付福利	(2,486)	(2,650)	(2,380)	(2,537)
Net expense recognised in the income statement (note 4(b))	在損益報表上 確認之 支出 (附註4(b))	1,008	3,601	882	3,436
At 31st March	於三月三十一日	(1,988)	(510)	(2,166)	(668)

(iii) Net expense recognised in the consolidated income statement is as follows:

(iii) 在綜合損益報表上確認之淨支出如下：

		2005	2004
		\$'000 千元	\$'000 千元
Current service cost	現有服務成本	3,843	3,602
Interest cost	利息成本	1,869	1,936
Expected return on plan assets	計劃資產之 預計回報	(3,358)	(1,946)
Net actuarial (gains)/losses recognised	已確認精算(收益)/ 虧損淨額	(1,346)	9
		1,008	3,601

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

23 EMPLOYEE RETIREMENT PLANS (continued)

(c) Retirement gratuities (continued)

(iii) (continued)

The above net expense is included in the following line items in the consolidated income statement:

		2005	2004
		\$'000 千元	\$'000 千元
Cost of sales	銷售成本	225	873
Marketing, selling and distribution expenses	推廣、銷售及分銷費用	282	872
Administrative expenses	行政費用	354	1,276
Other operating expenses	其他經營費用	147	580
		1,008	3,601
Actual return on plan assets – (loss)/gain	計劃資產之實際回報 – (虧損)/收益	(1,599)	27,047

(iv) The principal actuarial assumptions used as at 31st March, 2005 are as follows:

		The Group and the Company 本集團及本公司	
		2005	2004
Discount rate at 31st March	於三月三十一日之折讓率	4.25%	3.50%
Expected rate of return on plan assets	計劃資產之預計回報率	5.25%	4.50%
Future salary increases	未來薪酬增幅	3.00%	2.50%

23 僱員退休計劃(續)

(c) 退休金(續)

(iii) (續)

上述淨支出列入綜合損益報表中之項目如下：

(iv) 於二零零五年三月三十一日所採用之主要精算假設如下：

23 EMPLOYEE RETIREMENT PLANS (continued)

(d) Long service payments

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plans that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

An actuarial valuation of long service payments was also carried out at 31st March, 2005, by qualified staff of Towers Perrin, who are members of the Society of Actuaries of the United States of America, using the projected unit credit method.

(i) The amounts recognised in the balance sheets are as follows:

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Present value of unfunded obligations	無資助責任之現值	1,225	2,137	1,031	1,780
Net unrecognised actuarial gains	未確認精算收益淨額	2,520	1,976	2,564	2,197
		3,745	4,113	3,595	3,977

23 僱員退休計劃(續)

(d) 長期服務金

根據香港《僱傭條例》，本集團須在若干情況下終止僱用為本集團服務至少五年之僱員時向彼等支付一筆過款項。所須支付之金額視乎僱員最後所領薪酬及服務年資而定，並相應削減根據本集團退休計劃累計而屬於本集團所作供款之權益。本集團並未預留資產以提供履行任何剩餘責任所需之資金。

長期服務金亦於二零零五年三月三十一日由Towers Perrin之合資格職員(為美國精算師學會之會員)採用預算單位信貸法進行精算估值。

(i) 於資產負債表確認之金額如下：

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

23 EMPLOYEE RETIREMENT PLANS (continued)

23 僱員退休計劃(續)

(d) Long service payments (continued)

(d) 長期服務金(續)

(ii) Movements in the net liabilities recognised in the balance sheets are as follows:

(ii) 於資產負債表確認之淨負債變動如下：

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
At 1st April	於四月一日	4,113	4,572	3,977	4,466
Net (income)/expense recognised in the income statement (note 4(b))	在損益報表上確認之淨(收入)/支出(附註4(b))	(207)	239	(261)	209
Benefits paid	已付福利	(161)	(698)	(121)	(698)
At 31st March	於三月三十一日	3,745	4,113	3,595	3,977

(iii) Net (income)/expense recognised in the consolidated income statement is as follows:

(iii) 在綜合損益報表上確認之淨(收入)/支出如下：

		2005	2004
		\$'000 千元	\$'000 千元
Current service cost	現有服務成本	25	17
Interest cost	利息成本	73	203
Net actuarial (gains)/losses recognised	已確認精算(收益)/虧損淨額	(305)	19
		(207)	239

23 EMPLOYEE RETIREMENT PLANS (continued)

(d) Long service payments (continued)

(iii) (continued)

The above net (income)/expense is included in the following line items in the consolidated income statement:

		2005	2004
		\$'000 千元	\$'000 千元
Cost of sales	銷售成本	(57)	53
Marketing, selling and distribution expenses	推廣、銷售及分銷費用	(13)	83
Administrative expenses	行政費用	(94)	66
Other operating expenses	其他經營費用	(43)	37
		(207)	239

(iv) The principal actuarial assumptions used as at 31st March, 2005 are as follows:

		The Group and the Company 本集團及本公司	
		2005	2004
Discount rate at 31st March	於三月三十一日之折讓率	4.25%	3.50%
Future salary increases	未來薪酬增幅	3.00%	2.50%

24 INCOME TAX IN THE BALANCE SHEET

(a) Current tax payable in the balance sheets represents:

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	38,544	36,943	36,571	34,798
Provisional profits tax paid	已繳付之預繳利得稅	(28,144)	(29,089)	(26,083)	(26,742)
		10,400	7,854	10,488	8,056
Overseas taxation	海外稅項	801	1,219	-	-
		11,201	9,073	10,488	8,056

23 僱員退休計劃(續)

(d) 長期服務金(續)

(iii) (續)

上述淨(收入)/支出列入綜合損益報表中之項目如下：

(iv) 於二零零五年三月三十一日所採用之主要精算假設如下：

24 資產負債表之所得稅

(a) 資產負債表之應付現期稅項代表：

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

24 INCOME TAX IN THE BALANCE SHEET (continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the balance sheets and the movements during the year are as follows:

The Group

Deferred tax arising from:	來自各項之遞延稅項：	Depreciation allowances in excess of related depreciation 超出有關折舊之折舊免稅額 \$'000 千元	Future benefit of tax losses 稅務虧損之未來利潤 \$'000 千元	General provisions 一般撥備 \$'000 千元	Employee retirement benefits 僱員退休福利 \$'000 千元	Total 總計 \$'000 千元
At 1st April, 2003	於二零零三年四月一日	25,632	(4,044)	(10,606)	(6,735)	4,247
Charged/(credited) to consolidated income statement	於綜合損益報表扣除／(計入)	2,162	(6,275)	1,102	1,349	(1,662)
At 31st March, 2004	於二零零四年三月三十一日	27,794	(10,319)	(9,504)	(5,386)	2,585
At 1st April, 2004	於二零零四年四月一日	27,794	(10,319)	(9,504)	(5,386)	2,585
Charged/(credited) to consolidated income statement	於綜合損益報表扣除／(計入)	6,326	(9,054)	1,642	1,885	799
At 31st March, 2005	於二零零五年三月三十一日	34,120	(19,373)	(7,862)	(3,501)	3,384

24 資產負債表之所得稅(續)

(b) 已確認遞延稅項資產及負債：

於資產負債表確認之遞延稅項(資產)／負債及年內之變動如下：

本集團

24 INCOME TAX IN THE BALANCE SHEET (continued)

24 資產負債表之所得稅(續)

(b) Deferred tax assets and liabilities recognised: (continued)

(b) 已確認遞延稅項資產及負債：(續)

The Company

本公司

Deferred tax arising from:	來自各項之遞延稅項：	Depreciation allowances in excess of related depreciation 超出有關折舊之折舊免稅額 \$'000 千元	General provisions 一般撥備 \$'000 千元	Employee retirement benefits 僱員退休福利 \$'000 千元	Total 總計 \$'000 千元
At 1st April, 2003 (Credited)/charged to income statement	於二零零三年四月一日於損益報表(計入)/扣除	13,641 (2,457)	(2,659) 675	(6,735) 1,485	4,247 (297)
At 31st March, 2004	於二零零四年三月三十一日	11,184	(1,984)	(5,250)	3,950
At 1st April, 2004 (Credited)/charged to income statement	於二零零四年四月一日於損益報表(計入)/扣除	11,184 (1,044)	(1,984) (335)	(5,250) 1,886	3,950 507
At 31st March, 2005	於二零零五年三月三十一日	10,140	(2,319)	(3,364)	4,457

Summary

概要

		The Group 本集團		The Company 本公司	
		2005	2004	2005	2004
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Net deferred tax assets recognised on the balance sheet	於資產負債表確認之遞延稅項資產淨額	(1,224)	(1,365)	-	-
Net deferred tax liabilities recognised on the balance sheet	於資產負債表確認之遞延稅項負債淨額	4,608	3,950	4,457	3,950
		3,384	2,585	4,457	3,950

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

24 INCOME TAX IN THE BALANCE SHEET (continued)

(c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets of \$156,443,000 (2004: \$139,807,000) in respect of tax losses of \$489,327,000 (2004: \$443,885,000).

Included in unrecognised tax losses is an amount of \$92,119,000 (2004: \$108,933,000) which will expire in five years. The remaining balance of \$397,208,000 (2004: \$334,952,000) does not expire under current tax legislation.

24 資產負債表之所得稅(續)

(c) 未確認之遞延稅項資產

於本集團並無確認有關於稅務虧損 489,327,000元(二零零四年: 443,885,000元)之遞延稅項資產156,443,000元(二零零四年: 139,807,000元)。

根據現行稅例，未確認稅務虧損中有 92,119,000元(二零零四年: 108,933,000元)將於五年內屆滿，其餘397,208,000元(二零零四年: 334,952,000元)稅務虧損不會逾期屆滿。

25 SHARE CAPITAL

25 股本

		2005		2004	
		Number of shares 股數 '000 千股	Amount 金額 \$'000 千元	Number of shares 股數 '000 千股	Amount 金額 \$'000 千元
Authorised:	法定股本：				
Ordinary shares of \$0.25 each	每股面值 0.25 元 之普通股	3,200,000	800,000	3,200,000	800,000
Issued and fully paid:	已發行及已繳足股本：				
At 1st April	於四月一日	985,828	246,457	977,044	244,261
Shares issued on exercise of share options (note 27(a))	因購股權獲行使 而發行之 股份 (附註27(a))	8,100	2,025	8,784	2,196
At 31st March	於三月三十一日	993,928	248,482	985,828	246,457

During the year, options were exercised to subscribe for 8,100,000 (2004: 8,784,000) ordinary shares in the Company. The net consideration was \$10,042,000 (2004: \$9,955,000) of which \$2,025,000 (2004: \$2,196,000) was credited to share capital and the balance of \$8,017,000 (2004: \$7,759,000) was credited to the share premium account (note 26).

年內可認購本公司普通股8,100,000股(二零零四年: 8,784,000股普通股)之購股權獲行使。所得代價淨額為10,042,000元(二零零四年: 9,955,000元)，其中2,025,000元(二零零四年: 2,196,000元)已撥入股本，其餘8,017,000元(二零零四年: 7,759,000元)則撥入股份溢價賬(附註26)。

26 RESERVES

(a) The Group

26 儲備

(a) 本集團

		Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Capital redemption reserve 資本贖回儲備 \$'000 千元	Legal reserve 法定儲備 \$'000 千元	General reserve 一般儲備 \$'000 千元	Exchange reserve 匯兌儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 合計 \$'000 千元
At 1st April, 2003	於二零零三年四月一日	271,483	100,088	1,101	5,408	2,261	(31,683)	655,825	1,004,483
Transfer from retained profits to legal reserve	自保留溢利轉撥至 法定儲備	-	-	-	777	-	-	(777)	-
Transfer from capital reserve to retained profits	自資本儲備轉撥至 保留溢利	-	(4,087)	-	-	-	-	4,087	-
Premium on shares issued on exercise of share options (note 25)	就行使購股權 而發行股份所產生 之溢價(附註25)	7,759	-	-	-	-	-	-	7,759
Exchange differences on translation of the financial statements of foreign subsidiaries	換算海外附屬公司 財務報表所產生 之匯兌 差額	-	-	-	-	-	4,708	-	4,708
Final dividend approved in respect of the previous year (note 11(b))	批准屬於上一年度之 末期股息 (附註11(b))	-	-	-	-	-	-	(56,100)	(56,100)
Special dividend approved in respect of the previous year (note 11(b))	批准屬於上一年度之 特別股息 (附註11(b))	-	-	-	-	-	-	(49,211)	(49,211)
Interim dividend declared in respect of the current year (note 11(a))	宣派本年度之 中期股息 (附註11(a))	-	-	-	-	-	-	(27,581)	(27,581)
Profit for the year	本年度溢利	-	-	-	-	-	-	116,025	116,025
At 31st March, 2004	於二零零四年三月三十一日	279,242	96,001	1,101	6,185	2,261	(26,975)	642,268	1,000,083
At 1st April, 2004	於二零零四年四月一日	279,242	96,001	1,101	6,185	2,261	(26,975)	642,268	1,000,083
Transfer from retained profits to legal reserve	自保留溢利轉撥至 法定儲備	-	-	-	341	-	-	(341)	-
Transfer from capital reserve to retained profits	自資本儲備轉撥至 保留溢利	-	(4,087)	-	-	-	-	4,087	-
Premium on shares issued on exercise of share options (note 25)	就行使購股權 而發行股份所產生 之溢價(附註25)	8,017	-	-	-	-	-	-	8,017
Exchange differences on translation of the financial statements of foreign subsidiaries	換算海外附屬公司 財務報表所產生 之匯兌 差額	-	-	-	-	-	972	-	972
Final dividend approved in respect of the previous year (note 11(b))	批准屬於上一年度之 末期股息 (附註11(b))	-	-	-	-	-	-	(56,395)	(56,395)
Special dividend approved in respect of the previous year (note 11(b))	批准屬於上一年度之 特別股息 (附註11(b))	-	-	-	-	-	-	(49,469)	(49,469)
Interim dividend declared in respect of the current year (note 11(a))	宣派本年度之 中期股息 (附註11(a))	-	-	-	-	-	-	(27,725)	(27,725)
Profit for the year	本年度溢利	-	-	-	-	-	-	123,747	123,747
At 31st March, 2005	於二零零五年三月三十一日	287,259	91,914	1,101	6,526	2,261	(26,003)	636,172	999,230

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

26 RESERVES (continued)

26 儲備(續)

(b) The Company

(b) 本公司

		Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Capital redemption reserve 資本贖回儲備 \$'000 千元	General reserve 一般儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 合計 \$'000 千元
At 1st April, 2003	於二零零三年四月一日	271,483	100,088	1,101	2,261	641,314	1,016,247
Transfer from capital reserve to retained profits	自資本儲備 轉撥至 保留溢利	-	(4,087)	-	-	4,087	-
Premium on shares issued on exercise of share options (note 25)	就行使購股權 而發行股份 所產生之溢價 (附註25)	7,759	-	-	-	-	7,759
Final dividend approved in respect of the previous year (note 11(b))	批准屬於上一 年度之 末期 股息 (附註11(b))	-	-	-	-	(56,100)	(56,100)
Special dividend approved in respect of the previous year (note 11(b))	批准屬於上一 年度之 特別 股息 (附註11(b))	-	-	-	-	(49,211)	(49,211)
Interim dividend declared in respect of the current year (note 11(a))	宣派 本年度之 中期 股息 (附註11(a))	-	-	-	-	(27,581)	(27,581)
Profit for the year (note 10)	本年度溢利 (附註10)	-	-	-	-	115,400	115,400
At 31st March, 2004	於二零零四年三月三十一日	279,242	96,001	1,101	2,261	627,909	1,006,514

26 RESERVES (continued)

(b) The Company (continued)

26 儲備(續)

(b) 本公司(續)

		Share premium 股份溢價 \$'000 千元	Capital reserve 資本儲備 \$'000 千元	Capital redemption reserve 資本贖回儲備 \$'000 千元	General reserve 一般儲備 \$'000 千元	Retained profits 保留溢利 \$'000 千元	Total 合計 \$'000 千元
At 1st April, 2004	於二零零四年四月一日	279,242	96,001	1,101	2,261	627,909	1,006,514
Transfer from capital reserve to retained profits	自資本儲備 轉撥至 保留溢利	-	(4,087)	-	-	4,087	-
Premium on shares issued on exercise of share options (note 25)	就行使購股權 而發行股份 所產生之溢價 (附註25)	8,017	-	-	-	-	8,017
Final dividend approved in respect of the previous year (note 11(b))	批准屬於上一 年度之 末期 股息 (附註11(b))	-	-	-	-	(56,395)	(56,395)
Special dividend approved in respect of the previous year (note 11(b))	批准屬於上一 年度之 特別 股息 (附註11(b))	-	-	-	-	(49,469)	(49,469)
Interim dividend declared in respect of the current year (note 11(a))	宣派 本年度之 中期 股息 (附註11(a))	-	-	-	-	(27,725)	(27,725)
Profit for the year (note 10)	本年度溢利 (附註10)	-	-	-	-	106,496	106,496
At 31st March, 2005	於二零零五年三月三十一日	287,259	91,914	1,101	2,261	604,903	987,438

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

26 RESERVES (continued)

(c) (i) The application of the share premium account and the capital redemption reserve is governed by sections 48B and 49H respectively of the Hong Kong Companies Ordinance.

(ii) As part of the restructuring of the Group in February 1994, the Company disposed of a property to a former subsidiary and consideration was received in the form of cash and another property. A total gain, representing the difference between the historical carrying value of the property disposed of and the fair value of the consideration received, resulted.

The gain arising from this transaction was divided into realised and unrealised portions in the ratio of the amount of cash and the fair value of the property received ("the property"). The unrealised gain was taken to capital reserve and is realised on depreciation of the property. During the year, \$4,087,000 (2004: \$4,087,000) is transferred from capital reserve to retained profits.

(iii) The legal reserve has been set up by Shenzhen Vitasoy and Vitasoja (Macau) Limitada in accordance with regulations in the People's Republic of China and Macau respectively.

(iv) The exchange reserve has been set up and will be dealt with in accordance with the accounting policy adopted for translation of the financial statements of foreign subsidiaries (note 1(o)).

(d) Reserves available for distribution

26 儲備(續)

(c) (i) 股份溢價賬及資本贖回儲備之用途分別受香港《公司條例》第48B及49H條監管。

(ii) 作為本集團於一九九四年二月進行之重組之一部份，本公司向一間前附屬公司出售一項物業，代價以現金及另一項物業支付。總收益指所出售物業歷史賬面值與已收代價公平價值之差額。

該項交易之收益按已收現金及物業(「物業」)公平價值之比例分為已變現及未變現部份。未變現收益已計入資本儲備，並於計算物業折舊時變現。於本年度內，4,087,000元(二零零四年：4,087,000元)自資本儲備轉撥往保留溢利。

(iii) 法定儲備由深圳維他奶及維他奶(澳門)有限公司分別根據中華人民共和國及澳門之法例設立。

(iv) 本集團已根據有關換算海外附屬公司財務報表之會計政策設立及維持匯兌儲備(附註1(o))。

(d) 可供分派儲備

		The Company 本公司	
		2005	2004
		\$'000 千元	\$'000 千元
General reserve	一般儲備	2,261	2,261
Retained profits	保留溢利	604,903	627,909
		607,164	630,170

27 EQUITY COMPENSATION BENEFITS

The Company adopted a share option scheme on 9th March, 1994 (the “Old Share Option Scheme”) whereby the Directors of the Company were authorised, at their discretion, to invite employees of the Group, including Directors of any company in the Group, to take up options to subscribe for ordinary shares of \$0.25 each in the Company. The exercise price of options was determined by the Directors of the Company and was the higher of (i) the nominal value of the shares and (ii) an amount not less than 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five business days immediately preceding the date of offer.

On 4th September, 2002, the Company terminated the Old Share Option Scheme and adopted a new share option scheme (the “New Share Option Scheme”) for a period of 10 years commencing from that date. Under the terms of this scheme, the exercise price of the options is determined by the Directors of the Company and is the highest of (i) the closing price of the shares on the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the shares.

No further options will be granted under the Old Share Option Scheme upon its termination and all outstanding options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the Old Share Option Scheme.

Under the Old Share Option Scheme and the New Share Option Scheme, there is no minimum period for which an option must be held before it can be exercised, but the Directors of the Company are empowered to impose at their discretion any such minimum period at the date of offer. Further details of the options exercise period are set out in note 27(b). The options are exercisable for a period not to exceed 10 years from the date of grant. Each option gives the holder the right to subscribe for one share.

27 股本補償福利

本公司於一九九四年三月九日採納一項購股權計劃(「舊購股權計劃」)；據此，本公司之董事獲授權酌情邀請本集團之僱員(包括本集團旗下任何公司之董事)接納購股權以認購本公司每股面值0.25元之普通股。購股權之行使價由本公司之董事釐定及須為以下兩者中之較高者：(i)股份之面值及(ii)不少於股份於要約認購購股權日期前五個營業日在香港聯合交易所有限公司(「聯交所」)之平均收市價之80%。

於二零零二年九月四日，本公司終止舊購股權計劃，並採納一項新購股權計劃(「新購股權計劃」)，有效期為十年，由採納當日起計。根據該計劃之條款，購股權之行使價由本公司董事釐定，為下列三者中之最高金額：(i)股份於授出日期(須為營業日)在聯交所之收市價；(ii)股份於截至授出日期止過去五個營業日在聯交所錄得之平均收市價；及(iii)股份之面值。

本公司將於終止舊購股權計劃後不再根據該計劃授予任何購股權，而所有根據該計劃所授出之未行使購股權仍維持有效，並可根據舊購股權計劃之條款行使。

根據舊購股權計劃及新購股權計劃，購股權毋須先行持有一段最短期間方可行使，惟本公司之董事獲授權於要約日期酌情附加任何最短持有期限。購股權行使期詳情載於附註27(b)。購股權之行使期不得超過授出日期起計之十年。每項購股權之持有人均有權認購一股股份。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

27 EQUITY COMPENSATION BENEFITS (continued)

27 股本補償福利(續)

(a) Movements in share options

(a) 購股權之變動

		2005	2004
		Number 數目 '000 以千計	Number 數目 '000 以千計
At 1st April	於四月一日	28,372	23,609
Granted during the year	於年內授出	9,456	13,954
Exercised during the year (note 25)	於年內行使(附註25)	(8,100)	(8,784)
Lapsed on expiry of exercise period	於行使期屆滿時失效	–	(134)
Forfeited on grantees ceasing employment with the Group	於承授人不再受聘於本集團時沒收	(2,022)	(273)
At 31st March	於三月三十一日	27,706	28,372
Options vested at 31st March	於三月三十一日生效之購股權	9,662	14,418

(b) Terms of unexpired and unexercised share options at balance sheet date

(b) 於資產負債表結算日之未屆滿及未行使購股權之詳情

Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價	2005 Number 數目 '000 以千計	2004 Number 數目 '000 以千計
4/7/2000	7/9/2000 – 31/8/2005	\$1.193	6,962	14,418
1/4/2003 (note 附註)	1/4/2004 – 31/3/2013	\$1.688	11,762	13,954
1/4/2004 (note 附註)	1/4/2005 – 31/3/2014	\$1.904	8,082	–
3/8/2004	3/8/2006 – 2/8/2014	\$1.910	900	–
			27,706	28,372

Note: The maximum percentage of the share options which may be exercised is determined in stages as follows:

附註：可行使購股權之最高百分比分階段釐定如下：

		Percentage of share options granted 佔獲授購股權之百分比
On or after 1st year anniversary of the date of grant	授出日期起計一週年或其後	25%
On or after 2nd year anniversary of the date of grant	授出日期起計兩週年或其後	another 另 25%
On or after 3rd year anniversary of the date of grant	授出日期起計三週年或其後	another 另 25%
On or after 4th year anniversary of the date of grant	授出日期起計四週年或其後	another 另 25%

27 EQUITY COMPENSATION BENEFITS (continued)

27 股本補償福利(續)

(c) Details of share options granted during the year

(c) 於年內授出購股權之詳情

Exercise period 行使期	Exercise price 行使價	2005 Number 數目 '000 以千計	2004 Number 數目 '000 以千計
1/4/2004 – 31/3/2013	\$1.688	–	13,954
1/4/2005 – 31/3/2014	\$1.904	8,556	–
3/8/2006 – 2/8/2014	\$1.910	900	–
		9,456	13,954

(d) Details of share options exercised during the year

(d) 於年內行使購股權之詳情

Exercise dates 行使日期	Exercise price 行使價	Weighted average closing market price per share 每股加權平均收市價	2005 Number 數目 '000 以千計	Proceeds received 所得款項 \$'000 千元	2004 Number 數目 '000 以千計	Proceeds received 所得款項 \$'000 千元
1/4/2003 – 6/6/2003	\$1.104	\$1.663	–	–	5,812	6,416
5/5/2003 – 4/3/2004	\$1.193	\$1.686	–	–	2,972	3,545
14/4/2004 – 24/3/2005	\$1.193	\$2.078	7,318	8,730	–	–
1/4/2004 – 1/9/2004	\$1.688	\$1.904	782	1,320	–	–
			8,100	10,050	8,784	9,961

(e) Details of share options lapsed or forfeited during the year

(e) 於年內失效或被沒收之購股權詳情

Exercise period 行使期	Exercise price 行使價	2005 Number 數目 '000 以千計	2004 Number 數目 '000 以千計
1/8/1998 – 31/7/2003	\$1.104	–	134
7/9/2000 – 31/8/2005	\$1.193	138	273
1/4/2004 – 31/3/2013	\$1.688	1,410	–
1/4/2005 – 31/3/2014	\$1.904	474	–
		2,022	407

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

27 EQUITY COMPENSATION BENEFITS (continued)

(f) Share options granted subsequent to the balance sheet date

On 1st June, 2005, 8,160,000 share options were granted to eligible participants under the New Share Option Scheme, with exercise period from 1st June, 2006 to 31st May, 2015 and exercise price of \$2.375.

28 COMMITMENTS

(a) At 31st March, 2005, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

The Group

		2005		2004	
		Land and buildings 土地及 樓宇 \$'000 千元	Factory machinery and equipment 工廠機器 及設備 \$'000 千元	Land and buildings 土地及 樓宇 \$'000 千元	Factory machinery and equipment 工廠機器 及設備 \$'000 千元
Within 1 year	一年內	26,513	839	22,781	996
After 1 year but within 5 years	一年後但 五年內	17,051	1,608	12,538	2,028
After 5 years	五年後	158	–	32	–
		43,722	2,447	35,351	3,024

The Company

		2005		2004	
		Land and buildings 土地及 樓宇 \$'000 千元	Factory machinery and equipment 工廠機器 及設備 \$'000 千元	Land and buildings 土地及 樓宇 \$'000 千元	Factory machinery and equipment 工廠機器 及設備 \$'000 千元
Within 1 year	一年內	764	–	910	–
After 1 year but within 5 years	一年後但 五年內	92	–	–	–
		856	–	910	–

27 股本補償福利(續)

(f) 於結算日後授出之購股權

於二零零五年六月一日，合資格參與者根據新購股權計劃獲授予可認購8,160,000股股份之購股權，行使期由二零零六年六月一日至二零一五年五月三十一日，行使價為2.375元。

28 承擔

(a) 於二零零五年三月三十一日，根據不可解除之經營租賃在日後應付之最低租賃付款總額如下：

本集團

本公司

28 COMMITMENTS (continued)

The Group leases a number of properties and items of factory machinery and equipment under operating leases. The leases typically run for an initial period of one to eight years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

- (b) Capital commitments outstanding at 31st March, 2005 not provided for in the financial statements were as follows:

	The Group 本集團		The Company 本公司	
	2005	2004	2005	2004
	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Contracted for 已訂約	4,401	1,949	–	1,371
Authorised but not contracted for 已批准但未訂約	66,364	59,189	27,347	42,748
	70,765	61,138	27,347	44,119

29 CONTINGENT LIABILITIES

- (a) At 31st March, 2005, the Company had contingent liabilities in respect of the following:

		2005	2004
		\$'000 千元	\$'000 千元
Guarantees issued in respect of facilities granted by banks to certain subsidiaries	因銀行為若干附屬公司提供備用信貸而作出之擔保	112,613	124,064

- (b) The Company has given undertakings to certain wholly-owned subsidiaries to provide them with such financial assistance as is necessary to maintain them as going concerns.

28 承擔(續)

本集團根據經營租賃租用多項物業與工廠機器及設備。該等租賃一般初步為期一年至八年，並且有權選擇在到期日後續期，屆時所有條款均可重新商定。各項經營租賃並不包括或有租金。

- (b) 於二零零五年三月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

29 或有負債

- (a) 本公司於二零零五年三月三十一日之或有負債如下：

- (b) 本公司亦承諾向若干全資附屬公司提供財政援助以確保彼等繼續經營運作。

NOTES ON THE FINANCIAL
STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars) (以港幣計算)

30 MATERIAL RELATED PARTY TRANSACTIONS

- (a) The Group has purchased milk products from a related party in the People's Republic of China (the "PRC"). The unit price of the milk products is pre-determined in an agreement entered into between the Group and the related party, and will be revised by reference to the prevailing market price of similar products in Hong Kong and the PRC. Total purchases from the related party amounted to \$3,054,000 (2004: \$3,517,000) during the year. The amount due to the related party as at 31st March, 2005 amounted to \$436,000 (2004: \$766,000). This transaction also constitutes a connected transaction under the Listing Rules.
- (b) During the year ended 31st March, 2004, the products of the Group were distributed by a related party in Australia and a management fee was charged as a consideration of the provision of services. The management fee was calculated based on a pre-determined percentage of the gross sales of products distributed by the related party, which was on normal commercial terms and was on terms comparable to the prevailing market rate. Total management fee charged by the related party for the year ended 31st March, 2004 amounted to \$3,322,000. The amount due to the related party as at 31st March, 2004 amounted to \$358,000. No such management fee was charged during the year ended 31st March, 2005.
- (c) There were no material transactions with Directors except for those relating to remuneration as set out in note 8, and share options and shareholdings as set out in the Report of the Directors.

31 POST BALANCE SHEET EVENTS

- (a) On 1st June, 2005, share options of 8,160,000 were granted to eligible participants under the New Share Option Scheme with exercise period from 1st June, 2006 to 31st May, 2015 and exercise price of \$2.375. Further details of the New Share Option Scheme are set out in note 27 and the Report of the Directors.
- (b) Subsequent to the balance sheet date the Directors proposed a final dividend and a special dividend. Further details are disclosed in note 11.

30 重大關連人士交易

- (a) 本集團向一名在中華人民共和國(「中國」)之關連人士採購奶類製品。奶類製品之單位價已在一份由本集團與該關連人士訂立之協議中預先釐定，並會參考香港及中國同類產品之市價作出調整。年內向該關連人士採購之貨品共值3,054,000元(二零零四年：3,517,000元)。於二零零五年三月三十一日應付該關連人士之款項為436,000元(二零零四年：766,000元)。根據上市規則，此項交易構成關連交易。
- (b) 於截至二零零四年三月三十一日止年度，本集團之產品由一名關連人士於澳洲分銷，該名關連人士收取服務費，作為提供服務之代價。服務費乃根據該名關連人士所分銷之產品總銷量按預先釐定之百分比計算，該百分比乃以一般商業條款及與當時市值相若之條款而釐定。該名關連人士於截至二零零四年三月三十一日止年度收取之服務費總額為3,322,000元。於二零零四年三月三十一日應付該名關連人士之欠款為358,000元。截至二零零五年三月三十一日止年度該名關連人士並無收取有關服務費。
- (c) 除附註8所載之酬金及董事會報告書所載之購股權及股權外，本集團並無與董事進行任何重大交易。

31 結算日後事項

- (a) 於二零零五年六月一日，合資格參與者根據新購股權計劃獲授予8,160,000項購股權，行使期由二零零六年六月一日至二零一五年五月三十一日止，行使價為2.375元。有關新購股權計劃之進一步詳情載於附註27及董事會報告書。
- (b) 董事會於結算日之後建議派發末期股息及特別股息，進一步詳情載於附註11。

FIVE YEAR SUMMARY

五年財務摘要

123

ANNUAL REPORT 年報
2004/05

(Expressed in Hong Kong dollars) (以港幣計算)

		2005	2004	2003	2002	2001
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Results	業績					
Turnover	營業額	2,379,955	2,269,422	2,228,227	2,192,156	2,012,372
Profit from operations	經營溢利	199,797	152,484	175,352	148,006	177,814
Finance costs	融資成本	(9,042)	(8,421)	(9,617)	(17,355)	(12,951)
Restructuring cost	重組成本	(24,782)	–	(1,213)	(12,558)	–
Compensation for traffic accident	交通意外之賠償金	765	1,464	(781)	(3,567)	–
Profit on disposal of an associate	出售聯營公司之溢利	–	–	2,484	–	–
Share of (losses)/profits of associates	應佔聯營公司之(虧損)/溢利	–	–	(273)	(3,308)	647
Profit from ordinary activities before taxation	來自正常業務之除稅前溢利	166,738	145,527	165,952	111,218	165,510
Income tax	所得稅	(40,403)	(35,019)	(27,760)	(32,953)	(35,555)
Profit from ordinary activities after taxation	來自正常業務之除稅後溢利	126,335	110,508	138,192	78,265	129,955
Minority interests	少數股東權益	(2,588)	5,517	1,186	8,251	(1,809)
Profit attributable to shareholders	股東應佔溢利	123,747	116,025	139,378	86,516	128,146
Assets and liabilities	資產及負債					
Fixed assets	固定資產	770,691	846,388	865,453	918,117	904,107
Bank deposits	銀行存款	38,427	93,397	100,000	–	–
Other non-current assets	其他非流動資產	3,212	1,875	1,461	11,593	20,961
Net current assets	淨流動資產	511,707	385,727	358,337	344,693	402,864
Total assets less current liabilities	總資產減流動負債	1,324,037	1,327,387	1,325,251	1,274,403	1,327,932
Non-current liabilities	非流動負債	(28,656)	(36,067)	(34,240)	(60,051)	(104,184)
Minority interests	少數股東權益	(47,669)	(44,780)	(42,267)	(33,648)	(45,873)
Net assets	淨資產	1,247,712	1,246,540	1,248,744	1,180,704	1,177,875

FIVE YEAR SUMMARY

五年財務摘要

(Expressed in Hong Kong dollars) (以港幣計算)

Notes:

- (1) Pursuant to the revised (December 2001) Hong Kong Statement of Standard Accounting Practice No. 11 "Foreign currency translation", the Group changed its accounting policy for translation of the results of foreign subsidiaries in 2003. Figures for the years 2001 and 2002 have not been adjusted for comparison purposes as the effect of this change in accounting policy is not material.
- (2) In order to comply with the Hong Kong Statement of Standard Accounting Practice No. 34 "Employee benefits", the Group adopted a new accounting policy for employees' annual leave entitlement in 2003. Figures for the year 2002 have been adjusted and it is not practicable to restate earlier year for comparison purposes.

附註：

- (1) 根據經修訂之《香港會計準則》(二零零一年十二月)第11號「外幣換算」，本集團於二零零三年就換算海外附屬公司業績而更改其會計政策。二零零一年及二零零二年年之數字並未作出調整以供比較，因更改此項會計政策之影響不大。
- (2) 為遵守《香港會計準則》第34號「僱員福利」之規定，本集團於二零零三年就僱員年假採納新會計政策。二零零二年度之數字已作出調整，惟重列以往年度之數字以供比較並不可行。

www.vitasoy.com
www.vitasoy.com.hk
www.vitaland.com.hk
www.hkgourmet.com.hk
www.vitasoy-chn.com
www.vitasoy-usa.com
www.vitasoy.com.au



Vitasoy International Holdings Limited

No.1, Kin Wong Street
Tuen Mun, New Territories
Hong Kong

維他奶國際集團有限公司
香港新界屯門建旺街一號

Tel 電話 (852) 2466 0333

Fax 傳真 (852) 2456 3441