

05/06

Annual Report 年報

forever natural, forever healthy



*forever natural,
forever healthy*

Vitasoy is renowned as a leading supplier of products made of soybeans that are natural, healthy and nutritious. The smiling face gives a healthy and sociable image that Vitasoy wishes to project. It is shaped like the globe which signifies the globalised nature of Vitasoy's business. The globe also shows Mainland China and Australia, two of Vitasoy's major markets with emerging potentials. The design gives the overall impression that Vitasoy products can be enjoyed anywhere, anytime and by anyone.

維他奶選用天然健康、營養豐富的大豆生產產品，為行業內處於領導地位的馳名豆品製造商。笑臉代表了維他奶一直努力建立的健康友善形象。圓形的地球笑臉標誌著維他奶業務遍佈全球，笑臉上突顯的中國大陸和澳洲地圖，正是維他奶兩大極具潛力的主要市場。這個設計告訴大家，不論何地、何時、何人也可以享用維他奶的產品。



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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. Sir David Kwok-po LI

Mr. Iain F. BRUCE

Mr. Chi-kian SHIU

Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)

Non-executive Directors

Ms. Myrna Mo-ching LO

Ms. Yvonne Mo-ling LO

Executive Directors

Mr. Ambrose Kam-shing CHAN (appointed on 11th July, 2005)

Mr. Eric Fat YU

Mr. John Shek-hung LAU

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

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

Australia and New Zealand Banking Group Limited

Rabobank

The Bank of Tokyo-Mitsubishi, Limited

PRINCIPAL LAWYER

Stephenson Harwood & Lo

董事會

執行主席

羅友禮先生

獨立非執行董事

李國寶爵士

布魯士先生

邵志堅先生

Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)

非執行董事

羅慕貞女士

羅慕玲女士

執行董事

陳錦勝先生 (於二零零五年七月十一日獲委任)

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任)

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

Australia and New Zealand Banking Group Limited

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,
Wanchai, Hong Kong

WEBSITE ADDRESSES

Vitasoy International Holdings Limited

- www.vitasoy.com (English & Chinese)
- www.vitasoy.com.hk (English & Chinese)

Vitaland Services Limited

- www.vitaland.com.hk (Chinese only)

Hong Kong Gourmet Limited

- www.hkgourmet.com.hk (Chinese only)

Shenzhen Vitasoy (Guang Ming) Foods and Beverage
Company Limited

Vitasoy (Shanghai) Company Limited

- www.vitasoy-chn.com (Chinese only)

Vitasoy USA Inc.

- www.vitasoy-usa.com (English only)

Vitasoy Australia Products Pty. Ltd.

- www.vitasoy.com.au (English only)

KEY DATES

Closure of Register

5th September, 2006 (Tuesday) to
11th September, 2006 (Monday)

Annual General Meeting

at 3:00 p.m., 11th September, 2006 (Monday),
Chater Rooms I & II, Function Room Level,
The Ritz-Carlton Hong Kong,
3 Connaught Road Central, Hong Kong

Final and Special Dividends Payable

21st September, 2006 (Thursday)

股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心46樓

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)

維他天地服務有限公司

- www.vitaland.com.hk (中文)

香港美食有限公司

- www.hkgourmet.com.hk (中文)

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 (英文)

Vitasoy Australia Products Pty. Ltd.

- www.vitasoy.com.au (英文)

重要日期

暫停辦理過戶登記

二零零六年九月五日(星期二)至
二零零六年九月十一日(星期一)

股東週年大會

於二零零六年九月十一日(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

派發末期及特別股息

二零零六年九月二十一日(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		2006 HK\$Mn 港幣百萬元	2005 HK\$Mn 港幣百萬元	% Change 變動
Turnover	營業額	2,520	2,380	5.9
Gross Profit	毛利	1,481	1,368	8.3
EBITDA	未計利息、稅項、折舊 及攤銷費用前盈利	333	281	18.5
Profit Attributable to Equity Shareholders of the Company	本公司股權持有人 應佔溢利	172	121	42.1
Basic Earnings per Share (HK cents)	每股基本盈利 (港仙)	17.2	12.2	41.0
Dividends per Share (HK cents)#	每股股息 (港仙)#	19.5	18.5	5.4

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		2006 HK\$Mn 港幣百萬元	2005 HK\$Mn 港幣百萬元	% Change 變動
Total Assets	總資產	1,799	1,796	0.2
Net Cash Balance	現金淨額	398	364	9.3
Total Equity Attributable to Equity Shareholders of the Company	本公司股權持有人 應佔權益總額	1,250	1,248	0.2

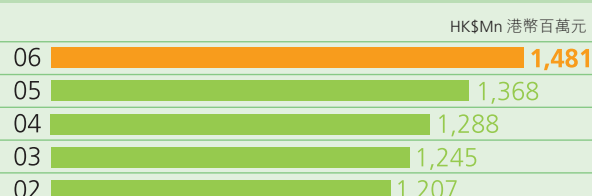
Turnover 營業額

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



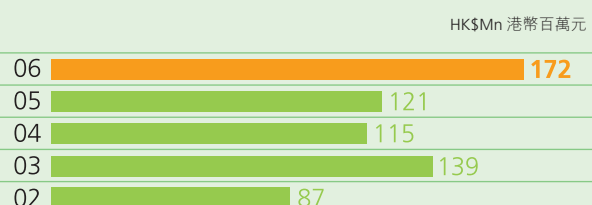
EBITDA 未計利息、稅項、折舊及攤銷費用前盈利

Year Ended 31st March 截至三月三十一日止年度



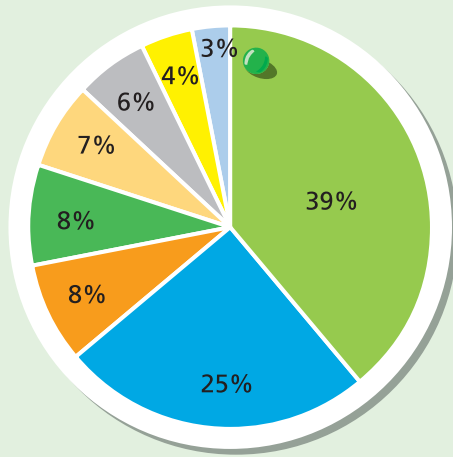
Profit Attributable to Equity Shareholders of the Company 本公司股權持有人應佔溢利

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)

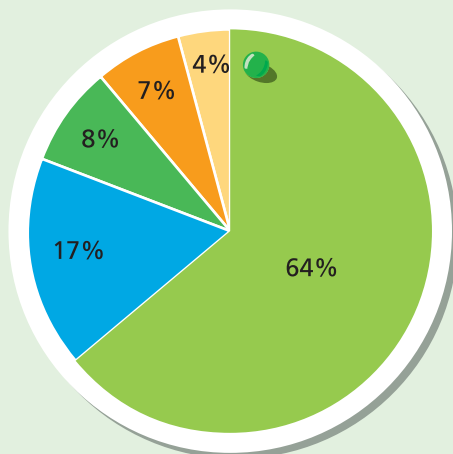
Year Ended 31st March 截至三月三十一日止年度



Soymilk 豆奶	39%
Tea 茶	25%
Tofu 豆腐	8%
Lunch Boxes and Snacks 午膳餐盒及小食	8%
Milk 牛奶	7%
Water 水	6%
Juice Drinks 果汁飲品	4%
Others 其他	3%

Sales Analysis by Location of Customers 銷售分析 (按顧客所在地)

Year Ended 31st March 截至三月三十一日止年度



Hong Kong 香港	64%
North America 北美洲	17%
Australia and New Zealand 澳洲及新西蘭	8%
Mainland China 中國大陸	7%
Others 其他	4%



anywhere

Always maintain
a healthy lifestyle
no matter where you are

無論身在何方，也要活得健康



Chairman's Statement

主席報告書

It gives me much pleasure to report that for the year ended 31st March, 2006, the Group recorded a profit attributable to equity shareholders of the Company of HK\$172 million, up 42.1% from fiscal 2004/2005. Total turnover increased by 5.9% year-on-year to HK\$2,520 million. The Group's gross profit for the year was HK\$1,481 million, up 8.3%. Earnings per share were HK\$0.172, compared to HK\$0.122 recorded for the previous year.

The Board of Directors is recommending a final dividend of HK6.7 cents per share at the upcoming Annual General Meeting on 11th September, 2006. This, together with the interim dividend of HK2.8 cents per share, will mean that the Group's total dividend for fiscal 2005/2006 will be HK9.5 cents per share (2004/2005 total dividend: HK8.5 cents per share). On top of that, given the Group's business performance and strong cash position, the Board is recommending a special dividend of HK10.0 cents per share (2004/2005 special dividend: HK10.0 cents per share). This marks the fourth consecutive year that a special dividend is

本人欣然匯報，本集團截至二零零六年三月三十一日止年度之本公司股權持有人應佔溢利為港幣172,000,000元，較二零零四／二零零五財政年度增加42.1%。總營業額按年計增加5.9%至港幣2,520,000,000元。本集團本年度之毛利為港幣1,481,000,000元，增加8.3%。每股盈利為港幣0.172元，去年則為港幣0.122元。

董事會將於二零零六年九月十一日舉行之股東週年大會上建議派發末期股息每股港幣6.7仙。連同已派發之中期股息每股港幣2.8仙，將使本集團於二零零五／二零零六財政年度之全年股息總額達每股港幣9.5仙(二零零四／二零零五年度股息總額：每股港幣8.5仙)。此外，基於本集團之良好業績表現及現金狀況，董事會建議派發特別股息每股港幣10.0仙(二零零四／二零零五年度特別股息：每股港幣10.0仙)。這已是本集團連續



*We care about
your health*

Winston Yau-lai LO
Executive Chairman

羅友禮
執行主席

being paid, which speaks strongly for the Group's commitment and capabilities to deliver higher value to shareholders.

I am also glad to report that, with effect from 30th November, 2005, the Company has become a constituent stock of MSCI HK Small Cap Index.

GENERAL REVIEW

The operating environment as a whole continued to improve in 2005, which was conducive to business growth and development. Taking advantage of the improved conditions in its major markets, the Group was able to implement its focused business strategies worldwide and achieve better financial results than the year before. In line with the economic performance and hence demand growth of our major markets, particularly Hong Kong, sales growth was stronger in the second half than the first half of the year. The Group's profitability also improved with the increase in sales and disciplined cost control. It should be noted that the Group's performance in Mainland China and Australia and New Zealand was particularly impressive during the year.

第四年派發特別股息，足以證明本集團能夠實踐為股東帶來更高回報之承諾。

本人亦欣然匯報，本公司已由二零零五年十一月三十日起成為摩根士丹利資本國際香港小型企業指數成份股。

概覽

整體營商環境於二零零五年持續好轉，有助於業務增長和發展。本集團把握各主要市場營商環境改善的機會，在全球各地採用重心業務策略，財務業績更勝往年。隨著各主要市場(尤其是香港)經濟表現向好以致需求上升，本年度下半年之銷售額增長更勝上半年。其盈利能力亦因銷售額上升以及嚴控成本而有所提升。年內，本集團於中國大陸以及澳洲及新西蘭等市場之表現尤其出色。

The Group was able to implement its focused business strategies worldwide and achieve better financial results than the year before.

本集團在全球各地採用重心業務策略，財務業績更勝往年。





We will achieve steady growth in both sales and profit by capitalising on our brand portfolio and investing in our brands.

本集團將會善用本身的品牌組合並投入資源強化本集團的品牌，達致銷售與盈利兩方面皆穩定增長。

In Hong Kong, the economy maintained its upward trend and registered a strong GDP growth of 7% in 2005. More importantly this growth was broad-based, resulting directly in the improvement of the job market and a general rise in household income. These positive trends have fuelled domestic consumption and therefore created a more buoyant retail sector. The non-alcoholic beverage sector also benefited to a certain extent. Profiting from the relatively positive market environment and continuing with our proactive and innovative approach in product development, marketing and brand building as well as process improvement, we were rewarded with higher sales. Sales in the Hong Kong market rose by 3.9%. Our export business conducted through Hong Kong also expanded steadily as a result of our market and product development efforts. Export sales were up by an encouraging 14.5% year-on-year. Our tuck shop and catering businesses run by Vitaland Services Limited and Hong Kong Gourmet Limited respectively also witnessed stable growth in turnover and have maintained high market shares.

The North American soyfood market experienced a mixed performance last year. While the water-packed tofu category continued to grow and gain popularity among consumers, the aseptic soymilk category kept declining in volume terms. Vitasoy USA's rationalisation exercise was completed last year and we could move ahead full steam with business development. We have been actively repositioning our products towards "healthy eating made delicious and convenient". At the same time, we succeeded in growing and reinforcing our market leadership in the water-packed tofu category. Total revenue dropped after the exit of some unprofitable products, but should these be excluded, our US revenue actually had a slight growth of nearly 2.0%. More importantly, in line with our expectation, operating loss narrowed further whereas gross profit margin improved.

香港的經濟增長趨勢持續，本地生產總值於二零零五年錄得7%之強勁增長。更為重要的是此全面的經濟增長是由就業市況獲改善和家庭入息普遍增加所直接帶動。上述的利好趨勢刺激本地消費增長，故能帶旺零售業，對非酒精類飲品行業亦帶來一定的幫助。受惠於近期市況向好，加上本集團繼續以積極創新的手法進行產品研究、市場推廣及品牌建立，以及改善工作流程，致令本集團錄得更高之銷售額。香港市場銷售額之升幅達3.9%。香港的出口業務亦因市場推廣及產品發展工作上的努力而穩步拓展。出口銷售額錄得14.5%之按年增長，成績令人鼓舞。本集團旗下的維他天地服務有限公司所經營之食物部業務，與香港美食有限公司所經營之膳食業務亦錄得穩定的營業額增長，並保持高市場佔有率。

北美洲大豆食品市場去年的表現則個別發展。雖然水裝豆腐產品市場繼續增長並受消費者歡迎，但無菌紙包裝豆奶產品之銷量持續下跌。本集團美國公司已於去年完成重組計劃，今後將能全力發展業務。本集團亦積極地將產品重新定位為「美味方便的健康食品」。與此同時，本集團成功提升並鞏固本身於水裝豆腐產品的市場領導地位。停售某些無利可圖之產品雖然使總收入下跌，但若撇除此類產品，本集團之美國收入實際上錄得近2.0%之輕微增長。更重要的是，一如本集團預期，經營虧損進一步收窄，而毛利率亦得到提升。



The performance of our Mainland China operation was strong on the back of the healthy growth of the domestic economy. By continuing to implement the focused strategy of “core business, core brand and core competency”, we succeeded in achieving more efficient product distribution with better outlet management, particularly in southern China. A very encouraging growth of 28.6% in revenue was recorded from domestic sales in the Mainland China market. Our brand building initiatives in this market were also bearing fruit with higher brand awareness and higher consumer off-take.

In terms of growth, the Group's operation in Australia and New Zealand was the star performer of fiscal 2005/2006. Riding on its growth momentum since the previous year and driven by intense marketing efforts, our revenue and profit derived from these two markets soared by 37.2% and 160.0% respectively. In addition to boosting sales through innovative marketing and successful product launches, we also attained the goal of gaining market share. The sales performance and prospects of these markets have been so encouraging that we have already commenced an expansion programme for the Wodonga plant in order to meet the demand for both existing and new products.

OUTLOOK AND STRATEGY

Going forward, while we believe the operating environment as a whole should remain basically stable, we will not underestimate the impact of various uncertainties, including the rise in the prices of oil and raw materials, inflation, volatile interest rates and the general increase in staff remuneration. All these will exert an upward pressure on operating costs.

內地經濟健康增長，本集團之中國大陸業務亦表現強勁。本集團繼續採用「核心業務、核心品牌及核心強項」這重心發展策略，成功達致更佳的销售點管理，使產品分銷更具效率，其中以華南地區的成績最為顯著。中國大陸市場之內銷收入錄得28.6%之驕人增長。本集團於此市場的品牌建立工作亦步入收成期，產品知名度與消費者購買量皆見提高。

本集團於澳洲及新西蘭之業務於二零零五／二零零六財政年度的增長率佔本集團首位。本集團承接當地市場去年之增長勢頭，再配合積極之市場推廣活動，兩地市場之收入與盈利分別攀升37.2%及160.0%。除透過創新的市場推廣活動及成功推出產品以刺激銷量外，本集團亦達到提高市場佔有率之目標。基於對澳洲及新西蘭市場之銷售表現及前景極為樂觀，本集團已開始進行擴充烏東加市廠房之計劃，以應付現有產品與新產品之需求。

展望與策略

展望將來，本集團相信整體營商環境將基本上保持穩定，但並不會因此而低估石油及原材料價格上升、通脹、息口波動及僱員薪酬普遍上升等不明朗因素之影響。此等因素將對經營成本構成上調之壓力。

We remain committed to maximising shareholder value and being customers' preferred choice. To ensure higher value for our shareholders and consumers, we will continue to pursue a market-driven and customer-oriented strategy by focusing on brand building, product innovation, aggressive marketing and promotion as well as the exploration of new business opportunities as a means for generating higher revenue and profit. We will also maintain disciplined cost control by achieving higher cost-efficiency across the board, not least in production and distribution.

Hong Kong

The prospects of the Hong Kong economy are expected to remain upbeat and unemployment should stay at a low level, though a certain degree of consolidation is likely after the boom in the recent past. There is some consensus in the market that the pace of GDP growth would slow down. At the same time, we should be mindful that inflation will be a challenge for cost management while there is still no sign that price competition in the non-alcoholic beverage market may subside.

In the coming year, our focus in Hong Kong is on achieving steady growth in both sales and profit by capitalising on our brand portfolio and investing in further strengthening of our brands in order to capture a bigger market share. Our attention will be devoted to product and packaging innovation as well as marketing and promotion. We will continue to invest in innovative and effective advertising campaigns to drive sales and support the launching of new products. At the same time, in view of looming inflationary pressure, we will exercise prudent cost management on a continuous basis.

本集團繼續承諾致力提高股東回報並成為顧客喜愛之品牌。為了給予股東與消費者更高的回報及價值，本集團將繼續採用以市場及顧客為主導之業務策略，專注品牌建立、產品創新、進取的市場推廣及宣傳活動以及發掘新商機，達到更高之收入和盈利。本集團更會全面嚴控成本以提高成本效益，尤其是生產及分銷等方面。

香港

預期香港經濟前景將保持興旺，失業率可望處於低水平；但經過最近好景之市況後，經濟應會出現一定程度之整固。市場普遍認為，本地生產總值之增長步伐將會放緩。與此同時，本集團會密切留意通脹將對成本管理構成威脅，另一方面，非酒精類飲品市場之價格競爭暫時仍未有歇息跡象。

展望來年，本集團於香港之重點將會是善用本身的牌組合以達致銷售額與盈利兩方面皆穩定增長，並進一步投入資源強化本集團的品牌以求取得更大之市場佔有率。本集團將致力於產品及包裝創新以及市場推廣及宣傳活動上，並將繼續投資創新有效的廣告宣傳，以增加銷量並推動新產品上市。與此同時，面對通脹壓力，本集團將奉行一貫之審慎成本管理原則。



On the question of brand building, while we will continue to leverage the advantages inherent in our core brands, VITASOY and VITA, we will also take advantage of the potential already demonstrated by our new brands like CALCI-PLUS and VITA TSING SUM ZHAN. These new members of our brand portfolio are expected to grow and gain in popularity, especially among the younger generation of consumers.

The Group's tuck shops and meal box business still demonstrate good prospects for further growth. Our focus in the foreseeable future is to increase our share in these markets through quality assurance and service enhancement.

North America

In North America, although the market for soy products is unlikely to show significant improvement in the near future, the demand for health products is on the rise as consumers are becoming increasingly attuned to the concept of healthy eating. The repositioning of Vitasoy USA is therefore most timely as it allows us to go up-market by offering value-added products that justify higher prices.

In the coming year, we will leverage our product innovation capabilities to drive the sales of Tofu and consolidate our market leadership in this category through new product launches. At the same time, we will adopt the product innovation approach as well as a flexible pricing strategy in respect of Aseptic Soymilk to stimulate growth. All these initiatives are to be supported by aggressive marketing and promotion campaigns which, though having an initial impact on net profit, are crucial for reinforcing our brands and ensuring long-term gains.

於建立品牌方面，本集團將繼續借助維他奶及維他這兩個核心品牌的固有知名度，並會發揮鈣思寶和維他清心棧等新品牌之潛力。本集團預期品牌組合中的新品牌銷量將會持續增長並且更受歡迎，特別是年青一代的消費者。

本集團之食物部及餐盒業務的增長前景良好。可見將來之重點策略將是透過品質保證及提升服務質素來提高該等市場之佔有率。

北美洲

北美洲方面，雖然大豆產品市場在可見將來難有重大增長，惟隨著更多消費者養成健康飲食習慣，健康產品之需求正逐步上升。因此，本集團美國公司之重新定位策略正切合時宜，以價格合理之增值產品來進軍高檔產品市場。

於來年，本集團將善用本身的產品發展能力來增加豆腐產品之銷量，並透過推出新產品鞏固本集團於此產品類別之市場領導地位。與此同時，本集團將採取產品創新的方向方法及靈活的定價策略來刺激無菌紙包裝豆奶產品之銷量。本集團將以進取的市場推廣及宣傳活動以配合上述各項發展策略。雖然淨盈利初時難免會受到影響，惟此策略卻是鞏固品牌及確保長遠利益之關鍵。



To ensure higher value for our shareholders and consumers, we will continue to pursue a market-driven and customer-oriented strategy.

為了給予股東與消費者更高的回報及價值，本集團將繼續採用以市場及顧客為主導之業務策略。



Mainland China

The Chinese economy is expected to continue with its upward trend in the foreseeable future. The general affluence of the urban population will still be the chief stimulant for the growth of domestic consumption.

The soymilk market in Mainland China is likely to remain soft due to the fierce challenge from the dairy milk segment that has been engaging in a nationwide price war in recent years. The Chinese Government's policy of supporting rural development would, however, imply more opportunities for penetrating into the smaller cities and big towns. Our focus will be on capturing these new business opportunities by capitalising on our existing sales and marketing capabilities. On the other hand, we will continue to profit from our success in the co-packing business to ensure better utilisation of our two production plants in Mainland China. We have already taken the first step forward to make use of the opportunities arising from CEPA (Closer Economic Partnership Arrangements) by starting to import some products from Hong Kong in the past few months. We will keep exploring such opportunities in the coming years.

Australia and New Zealand

Given our successful marketing and pricing strategy as well as the encouraging results achieved last year, we are confident that Vitasoy Australia will sustain healthy growth in sales, profitability and market share in the coming year. In order to sustain the advantageous position we have built up in Australia and New Zealand, we will devote ourselves to reinforce the VITASOY's position as "the soy expert" by developing and launching new products in the "value soy beverage" area and also by introducing new flavours. As mentioned earlier, we have already started implementing an expansion plan in the Wodonga plant so as to equip ourselves properly for future growth.

中國大陸

相信中國經濟於可見將來將保持增長勢頭。城市人口日趨富裕，仍為刺激國內消費增長之主要動力。

近數年奶類業的全國性減價戰對中國大陸之荳奶行業構成嚴峻挑戰，故預期內地之荳奶市場仍會持續疲弱。惟中央政府支持農區發展之政策亦創造不少機會，本集團可藉此進軍較小的城市與大城鎮。本集團之重點策略將會是利用現有的銷售及市場推廣能力把握上述之新商機。另一方面，本集團將會持續從成功拓展的包裝加工業務中獲利，並藉此增加本集團中國大陸兩間生產廠房之使用率。本集團已把握更緊密經貿關係安排所提供的機會而邁出第一步，在過去數月開始從香港輸入部份產品。本集團將於未來數年繼續發展此方面之商機。

澳洲及新西蘭

憑藉本集團成功的市場推廣和定價策略，加上去年之理想成績，本集團充份相信本集團澳洲公司之銷售、盈利能力及市場佔有率於來年可維持健康增長。為保持本集團於澳洲及新西蘭建立之優勢，本集團將在「高價值荳類飲品」方面發展，推出新產品及口味，從而鞏固VITASOY品牌作為「荳奶專家」的地位。誠如前文所述，本集團已開始進行烏東加市廠房之擴充計劃，為未來增長打穩根基。

We will devote ourselves to reinforce the VITASOY's position as "the soy expert" by developing and launching new products in the "value soy beverage" area.

本集團將在「高價值荳類飲品」方面發展，推出新產品及口味，從而鞏固VITASOY品牌作為「荳奶專家」的地位。



In May, 2005, San Miguel Corporation, through its subsidiary in Australia, acquired the controlling interest in National Foods Limited, our joint-venture partner in Australia. The robust growth experienced by the Group in this market in fiscal 2005/2006 has demonstrated clearly that the said acquisition has had no negative impact at all on our Australian and New Zealand operation. We are optimistic that going forward, this situation is unlikely to change.

THE BOARD OF DIRECTORS

Taking this opportunity, I would like to extend my thanks to Mr. Chi-kian SHIU, Independent Non-executive Director, who will retire as a Director at the forthcoming Annual General Meeting in September.

On behalf of the Board, I would like to welcome Mr. Jan P. S. ERLUND, who joined as an Independent Non-executive Director with effect from 6th July, 2006. I am confident that the Board will benefit from Mr. Erlund's wealth of experience and knowledge.

VOTE OF THANKS

I must thank the Board of Directors for their continued guidance and support. I also wish to thank our shareholders and customers for their trust and loyalty. Last but not least, I wish to convey my heartfelt appreciation to our staff worldwide for their commitment and industry that are crucial for us as we move forward to excel ourselves and achieve higher goals.

Winston Yau-lai LO

Executive Chairman

6th July, 2006

於二零零五年五月，San Miguel Corporation (生力集團) 透過其澳洲附屬公司收購本集團在澳洲的合營夥伴National Foods Limited之控制股權。本集團於二零零五／二零零六財政年度在該市場錄得之強勁增長，可清楚說明上述收購活動對本集團之澳洲及新西蘭業務全無負面影響。展望將來，本集團相信此形勢將保持不變。

董事會

獨立非執行董事邵志堅先生將於九月之應屆股東週年大會上退任，本人謹借此機會向邵先生致謝。

本人謹代表董事會歡迎Jan P. S. ERLUND先生。ERLUND先生由二零零六年七月六日起出任獨立非執行董事。本人相信，董事會將受惠於Erlund先生之豐富經驗與知識。

鳴謝

本人謹此衷心感謝董事會於過去一年不斷之指導與支持。本人亦感謝股東與客戶之信賴和忠實支持。最後，本人衷心感謝本集團遍佈全球業務之全體員工，全賴他們盡忠職守及勤奮工作，本集團才得以繼續進步，再創新高。

羅友禮

執行主席

二零零六年七月六日





anytime

Keep eating and drinking
healthy any time of the day

不論早午晚，健康飲食總相宜



Management Report

管理層報告書

TURNOVER

The Group's total turnover for the fiscal year ended 31st March, 2006 was HK\$2,520 million, up 5.9% from HK\$2,380 million registered in the preceding fiscal year. This growth was made possible by the Group's active implementation of growth initiatives, including product innovation, brand reinforcement, strengthening of distribution, and global expansion.

Following a relatively modest growth of 2.3% in the first half of the year, sales soared in the second half by 9.8%, which was in line with the market growth trend and was also the result of our strong marketing and promotion effort. The performances of the Group's Australian and New Zealand operation and Mainland China operation were particularly impressive. Positioned as "the soy expert", Vitasoy Australia continued to deliver remarkable sales performance, which rose 37.2% to HK\$214 million. The Mainland also saw double-digit sales growth under our focused strategy of "core business, core brand and core competency". After a relatively slow first half, Hong Kong regained its growth momentum and achieved a sales growth of 10.0% in the second half. Sales in North America declined by 6.0% due mainly to a major restructuring project involving the exit of Refrigerated Soymilk as well as the weaker demand for Aseptic Soymilk in the US market. Should the exited products be excluded, sales in this market would have registered a positive growth of nearly 2.0%.

營業額

本集團截至二零零六年三月三十一日止財政年度之總營業額為港幣2,520,000,000元，較上一個財政年度錄得之港幣2,380,000,000元上升5.9%。業績增長有賴本集團採用積極之增長策略，包括創新產品、鞏固品牌、加強分銷以及拓展全球業務。

本集團於本年度上半年錄得較平穩之2.3%增長後，銷售額於下半年急升9.8%，與市場增長趨勢同步，亦有賴於本集團凌厲的市場推廣及宣傳活動。本集團的澳洲及新西蘭業務以及中國大陸業務之表現尤其出眾。本集團澳洲公司以「荳奶專家」定位繼續取得卓越之銷售表現，銷售額上升37.2%至港幣214,000,000元。內地業務方面，本集團繼續採用「核心業務、核心品牌及核心強項」的重心策略，其銷售額亦錄得雙位數增長。香港業務在經歷銷情稍為放緩之上半年後重拾增長動力，於下半年錄得10.0%之銷售額增長。北美洲之銷售額下跌6.0%，乃由於在大型重組計劃下結束鮮凍荳奶業務，以及美國市場對無菌紙包裝荳奶之需求下降所致。若撇除已停產之產品，此市場之銷售額可錄得近2.0%之正增長。



We will leverage our product innovation capabilities to drive the sales of Tofu and consolidate our market leadership in this category through new product launches.

本集團將善用本身的產品發展能力來增加豆腐產品之銷量，並透過推出新產品鞏固本集團於此產品類別之市場領導地位。

GROSS PROFIT

Notwithstanding the rise in production costs, especially sugar and energy costs, we managed to improve our gross margin to 58.8% of sales, as compared to 57.5% a year before. The Group's gross profit for the year totalled HK\$1,481 million (2004/2005: HK\$1,368 million), an increase of 8.3%.

The higher gross margin reflected the effectiveness of the Group's strategy to improve margins by continually introducing value-added products, capitalising on our brand portfolio and leveraging business volume growth. At the same time, we have persisted in implementing our productivity enhancement programmes and improving our supply chain management.

OPERATING EXPENSES

The Group is committed to prudent cost management as a means for sustaining profit growth. Owing primarily to the need to drive sales growth, brand reinforcement and market expansion, total operating expenses increased 8.0% to HK\$1,298 million. Marketing, selling and distribution expenses were HK\$985 million, up 7.5% due mainly to increased marketing activities for strengthening our brands and expanding our market share at the same time. Administrative expenses amounted to HK\$164 million, an increase of 3.1%. Other operating expenses amounted to HK\$149 million, compared to HK\$127 million last year. We consider such increases well justified as we have continued to deliver profit growth and higher dividend payouts. For 2005/2006, the Group's total operating expenses amounted to 51.5% of sales (2004/2005: 50.5%).

毛利

雖然生產成本上升，尤以糖及能源成本為甚，但本集團仍能將毛利率（與銷售額比較）改善至58.8%，而去年則為57.5%。本集團於本年度之毛利共為港幣1,481,000,000元（二零零四／二零零五年：港幣1,368,000,000元），增長8.3%。

毛利率上升，證明本集團透過不斷推出增值產品、善用品牌組合和把握業務增長來提高毛利率之策略奏效。本集團亦同時繼續實行生產力提升計劃及改善供應鏈管理。

經營費用

本集團致力執行審慎的成本管理工作，以保持盈利持續增長。總經營費用增加8.0%至港幣1,298,000,000元，主要是由於需要增加銷量、鞏固品牌及拓展市場。推廣、銷售及分銷費用為港幣985,000,000元，上升7.5%，主要是因為本集團同時進行強化品牌和提高市場佔有率的工作，致使市場推廣活動有所增加。行政費用為港幣164,000,000元，增加3.1%。其他經營費用為港幣149,000,000元，去年則為港幣127,000,000元。本集團認為，由於本集團能持續保持利潤增長以及較高的股息率，開支有所增加亦為合理。於二零零五／二零零六年，本集團之經營費用總額佔銷售額的51.5%（二零零四／二零零五年：50.5%）。



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

EBITDA for the year amounted to HK\$333 million, up 18.5% from HK\$281 million a year earlier. With stringent cost management measures and a programme for continuous productivity improvement, we were able to sustain high productivity by lifting our gross margin to 58.8% of sales. Despite higher marketing and promotional expenses for expanding market share and reinforcing market leadership, we managed to grow our EBITDA margin to 13.2% of sales (2004/2005: 11.8%). All these numbers speak for the success of our focused business development strategy.

PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

For the year ended 31st March, 2006, profit attributable to equity shareholders of the Company was HK\$172 million, an increase of 42.1% from HK\$121 million a year ago.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's financial position has remained very strong. As at 31st March, 2006, the Group was in a healthy net cash position of HK\$398 million (31st March, 2005: HK\$364 million). Banking facilities available to but not used by the Group amounted to HK\$367 million.

As at 31st March, 2006, the Group's borrowings amounted to HK\$119 million (31st March, 2005: HK\$169 million). The

經營溢利及未計利息、稅項、折舊及攤銷費用前盈利 (EBITDA)

本年度之EBITDA為港幣333,000,000元，較去年之港幣281,000,000元增長18.5%。憑藉嚴謹之成本管理措施及持續改善生產力之計劃，本集團將毛利率提升至佔銷售額的58.8%，亦保持高水平之生產力。雖然本集團為擴大市場佔有率及鞏固市場領導地位而提高了市場推廣開支，但本集團仍能成功將EBITDA利潤率提升至佔銷售額的13.2%（二零零四／二零零五年：11.8%）。諸此種種皆證明本集團的重心業務發展策略奏效。

本公司股權持有人應佔溢利

於截至二零零六年三月三十一日止年度，本公司股權持有人應佔溢利為港幣172,000,000元，較去年之港幣121,000,000元增加42.1%。

流動資金及財務資源

本集團之財務狀況仍然保持穩健。於二零零六年三月三十一日，本集團之現金淨額維持在港幣398,000,000元（二零零五年三月三十一日：港幣364,000,000元）之穩健水平。本集團可動用而未提取之銀行信貸額達港幣367,000,000元。

於二零零六年三月三十一日，本集團之借貸為港幣119,000,000元（二零零五年三月三十一日：港



borrowings denominated in US dollars, Renminbi and Australian dollars were the equivalents of HK\$14 million, HK\$10 million and HK\$95 million respectively. The maturity profile of the borrowings is spread over a period of three years, with HK\$41 million repayable in the first year and HK\$78 million in the third year. The gearing ratio (total borrowings/total equity attributable to equity shareholders of the Company) was 9.5% (31st March, 2005: 13.5%).

The Group incurred capital expenditure totalling HK\$64 million in 2005/2006 (2004/2005: HK\$53 million), which was primarily funded by cash generated from various operations.

CHARGES ON GROUP ASSETS

As at 31st March, 2006, certain assets of the Group with an aggregate carrying value of HK\$34 million (31st March, 2005: HK\$37 million) were pledged to secure loan facilities utilised by subsidiaries.

FINANCIAL RISK MANAGEMENT

The Group's financial management focuses on controlled management of risks, with transactions being directly related to the underlying businesses of the Group. We operate a central cash and treasury management system for all our subsidiaries. Borrowings are normally taken out in local currencies by the Group's operating subsidiaries to fund and partially hedge their investments.

幣169,000,000元)。該等借貸分別以美元、人民幣及澳元為單位，分別相等於港幣14,000,000元、港幣10,000,000元及港幣95,000,000元。有關借貸可分三年攤還，其中港幣41,000,000元須於首年償還，另港幣78,000,000元須於第三年償還。借貸比率(借貸總額與本公司股權持有人應佔權益總額之比率)為9.5%(二零零五年三月三十一日：13.5%)。

本集團於二零零五/二零零六年錄得之資本開支共達港幣64,000,000元(二零零四/二零零五年：港幣53,000,000元)，主要以經營業務所得之現金撥款支付。

本集團資產之抵押

於二零零六年三月三十一日，本集團賬面值合共港幣34,000,000元(二零零五年三月三十一日：港幣37,000,000元)之若干資產已用作附屬公司所用貸款融資之抵押。

財務風險管理

本集團之財務工作重點在於管控風險，所有交易必須與本集團之相關業務有直接關係。本集團為其所有附屬公司實行中央現金及財政管理制度。本集團之各營運附屬公司一般以當地貨幣舉債，以資助及部份對沖其投資。



Our focus will be on capturing the new business opportunities by capitalising on our existing sales and marketing capabilities.

本集團之重點策略將會是利用現有的銷售及市場推廣能力把握新商機。

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 2005/2006, 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 manpower resources to maximise productivity and, therefore, adopts a prudent approach with regard to manpower. As at 31st March, 2006, the Group's workforce increased by 2.5% during the year with the number of full-time staff increasing slightly to 2,361.

In terms of staff development, the Group continued to support a wide range of skills training and staff development programmes in Hong Kong, Mainland China, North America and Australia, with a view to improving job-related competencies and overall efficiency. The Group also encouraged employees to attend external training and education programmes, including MBA and other degree courses, by offering financial sponsorship in accordance with certain criteria.

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 operations are responsible for constantly improving safety and health in the workplace

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。於二零零五／二零零六財政年度年結日，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

本集團充份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。於二零零六年三月三十一日，本集團之員工人數於年內增加2.5%，當中全職僱員人數微升至2,361名。

在員工發展方面，本集團繼續支持在香港、中國大陸、北美洲及澳洲等地舉辦之各項技能培訓及員工發展課程，藉以提升員工與工作有關之技能及整體效率。本集團亦依據若干準則提供資助，從而鼓勵僱員參加外間主辦之培訓及教育課程，包括工商管理碩士及其他學位課程。

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



New members of our brand portfolio are expected to grow and gain in popularity, especially among the younger generation of consumers.

本集團預期品牌組合中的新品牌銷量將會持續增長並且更受歡迎，特別是年青一代的消費者。

by carrying out risk assessment of work sites regularly and by establishing policies and guidelines for improvement and taking corrective actions where necessary. Regular and intensive training on safety and health is also provided for staff.

The Group's remuneration policies remained unchanged during the year. The remuneration packages for the staff (including the executive directors) that covered basic salaries, discretionary bonuses, share options and other long-term benefits were pegged to the performance of both the Group and the individual employees, and were meant to reflect the value generated by everyone during the year.

COMMUNITY SERVICE

In the year under review, the Group continued to fulfil its responsibilities as a corporate citizen by participating in and supporting various relevant organisations and activities, some of which are highlighted below.

The Group continued to support university education through various education bursaries. Vitasoy Hong Kong donated to local charitable organisations, including the Corporate and Employee Contribution Programme of the Community Chest of Hong Kong. We also took part in the Oxfam Trailwalker 2005 for fundraising.

We sponsored a number of programmes related to health and teenagers, including fun fairs of secondary schools, orientation camps of universities, award schemes for

引，並在需要情況下，作出糾正行動。本集團亦就工業安全及健康等環節定期為員工提供深入之培訓。

本集團之薪酬政策於年內保持不變。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鈎，亦藉此反映各員工於年內作出之貢獻。

服務社會

於回顧年度，本集團透過參與和支持不同組織及活動來繼續履行企業公民之責任，以下為一些重要活動。

本集團透過不同的助學金持續支持大學教育。本集團香港公司向本地慈善團體捐款，受助團體包括香港公益金之商業及僱員募捐計劃。本集團亦參加2005樂施會毅行者籌款活動。

本集團亦贊助多項與健康及青少年有關的活動，包括中學賣物會或嘉年華會、大學迎新營、宣揚校內健康飲食習慣的獎勵計劃，以及學校的慈善



promoting healthy eating at school and school charitable walkathons. We also supported major fundraising events staged by organisations such as Hong Kong World Vision, Arts with the Disabled Association of Hong Kong, Salvation Army Hong Kong, etc.. Vitasoy USA donated soymilk to Hurricane Katrina Relief and Food Banks.

The Group was a participant in the School-Business Partnership Programme of the Education and Manpower Bureau of HKSAR Government to enhance students' understanding of the business sector by giving school talks and arranging student tours and work attachments.

RECOGNITIONS AND AWARDS

The Group received the Caring Company Award from the Hong Kong Council of Social Service for providing a caring environment for employees and demonstrating corporate citizenship.

Vitaland Services Limited was given the Certificate of Outstanding Performance by the Employees Retraining Board for its active participation in employee retraining programmes. Vitaland Services Limited and Hong Kong Gourmet Limited were honoured with the Caring Employer Award and Caring Employer Honorable Award respectively by the New Territories Association Retraining Centre for providing job opportunities for job seekers.

VITASOY won the "Yahoo! Emotive Brand Award" organised by Yahoo! Hong Kong in the beverage category for the fourth consecutive year. VITA received the Gold Award in the Juice Category of Reader's Digest Hong Kong Trusted Brands 2006.

Vitasoy Hong Kong was recognised by PARKnSHOP as Best Supplier of the Year 2005 for sales performance, promotion efforts and overall customer service.

步行籌款。本集團亦贊助香港宣明會、香港展能藝術會、香港救世軍等機構舉辦之大型籌款活動。本集團美國公司亦捐贈荳奶予颶風卡特里娜賑災活動及Food Banks。

本集團亦參加香港特別行政區政府教育統籌局舉辦之「商校合作計劃」，通過主持學校講座、安排學生參觀和提供在職實習機會，加深學生對商界的認識。

表揚及嘉許

本集團榮獲香港社會服務聯會商界展關懷的嘉許，表揚本集團為僱員提供親切之工作環境及示範企業公民責任。

維他天地服務有限公司因積極參與僱員再培訓計劃，獲僱員再培訓局頒發僱主優異獎。維他天地服務有限公司及香港美食有限公司為求職者提供就業機會，獲新界社團聯會再培訓中心分別頒發愛心僱主大獎及愛心僱主榮譽大獎。

維他奶品牌連續第四年在「Yahoo!感情品牌大獎」飲品類別中奪得殊榮。**維他**品牌則榮獲2006年「讀者文摘香港區信譽品牌(果汁類別)」之金獎。

本集團香港公司憑其銷售表現、產品推動活動及整體客戶服務而獲百佳超級市場頒發「2005年度最傑出供應商大獎」。

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		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue	收入	1,419	1,331	6.6%
Segment Result	分部業績	213	210	1.4%
Segment Net Operating Assets	分部淨營運資產	463	458	1.1%

The Group's production plant in Tuen Mun supports both domestic sales and exports to markets in Europe, Macau, Southeast Asia and the Americas. For the year ended 31st March, 2006, the revenue generated by the plant and the Group's tuck shop business reached HK\$1,419 million, an increase of 6.6% over the previous year. The segment result for the year was HK\$213 million (2004/2005: HK\$210 million).

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。截至二零零六年三月三十一日止年度，廠房及本集團食品部業務之收入為港幣1,419,000,000元，較去年上升6.6%。本年度之分部業績為港幣213,000,000元(二零零四/二零零五年：港幣210,000,000元)。

Market Performance

市場表現

By Location of Customers 按客戶所在地		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue – Hong Kong	收入 – 香港	1,608	1,547	3.9%
Domestic Market	本銷市場			
Revenue – Export Markets	收入 – 出口市場	87	76	14.5%

HONG KONG (continued)

Market Performance (continued)

(1) Hong Kong Domestic Market

The Hong Kong economy continued to flourish during the year under review. Despite the adverse impact of high oil prices and rising interest rates, a real GDP growth of 7% was recorded in 2005 as solid export growth and domestic demand continued to give impetus to economic recovery. Under this basically positive environment, the non-alcoholic beverage industry also saw a growth of 4% in value amidst intense competition.

Sales fell slightly in the first half of the year due to severe price competition in the market, but we had a strong rebound in the second half after readjusting our pricing strategy to enhance our competitiveness and create higher demand from our target customers. Sales in the second half of the year rose by a substantial 10.0%. As a result, total revenue from the Hong Kong market was up 3.9% for the full year.

Product innovation was also a crucial factor for the Group's incremental growth. Targeting the kids and teens segment, VITA SUPERICY Lemon Tea appeals to them with its long-lasting icy sensation. The launch of the new 125ml single pack has been welcomed by the pre-teen sector. Developed and marketed as healthy beverages, CALCI-PLUS Soya Bean Oat Drink and VITA Hi-Calcium Low Fat Milk Beverage have proved to be popular amongst the health-conscious. New variants of VITA TSING SUM ZHAN and VITA CHA T DIN have boosted sales by meeting the taste preference of mass consumers. This, together with our efforts in marketing and distribution, has enabled us to reinforce our market leadership in various beverage categories.

香港(續)

市場表現(續)

(1) 香港本銷市場

香港經濟於回顧年度繼續興旺。儘管受到高油價及息口上升之不利影響，但強勁的出口增長與內部需求繼續帶動經濟復蘇，故香港本地生產總值於二零零五年錄得7%之實質增長。在此利好之經濟環境配合下，儘管非酒精類飲品行業競爭激烈，但整個行業仍錄得4%之增長。

由於市場內價格競爭激烈，本年度上半年之銷量微跌；但本集團在重新調整定價策略以提升競爭力及刺激目標客戶之需求後，本集團於下半年之銷售額成功錄得強勁反彈，大幅增長10.0%。因此，香港市場之全年總收入上升3.9%。

創新產品亦是增長之重要因素。維他 SUPERICY檸檬茶以兒童和青少年為目標顧客，其持久的清涼口感正迎合他們的口味。新推出的125毫升輕巧紙包裝備受小孩歡迎。以健康飲品為概念研製和推廣的鈣思寶大荳燕麥飲品和維他高鈣低脂奶類飲品，亦為關心健康一族所愛戴。維他清心棧與維他茶字典產品系列的新款口味亦受廣大消費者喜愛，銷售額隨之增加；再加上市場推廣及分銷工作上的努力，成功鞏固本集團在不同飲品類別之市場領導地位。

HONG KONG (continued)

Market Performance (continued)

(1) Hong Kong Domestic Market (continued)

During the year, our tuck shop business and catering business faced keen competition in the industry. Although it was tougher than before to win tenders, Vitaland Services Limited and Hong Kong Gourmet Limited have still maintained high market shares. Supported by marketing activities and new products, Vitaland achieved 9% sales growth. With the expansion of new central kitchen facilities, Hong Kong Gourmet achieved 25% in volume growth.

(2) Export Markets

Our export sales sustained a healthy year-on-year growth of 14.5%. The appointment of distributors for Central and South American markets and the launching of new products like VITA SUPERICY Lemon Tea Drink, CALCI-PLUS Soya Bean Oat Drink and new variants of both VITA CHA T DIN Tea Drink and VITA TSING SUM ZHAN Tea Drink supported the growth. Sales growth in Macau was outstanding, up 20%, driven mainly by the booming economy, construction and gambling industries as well as tourism.

香港(續)

市場表現(續)

(1) 香港本銷市場(續)

年內，本集團之食物部業務及膳食業務面對業內的激烈競爭。雖然成功投標比以往困難，但維他天地服務有限公司及香港美食有限公司仍維持高市場佔有率。維他天地藉推廣活動及新產品錄得9%之銷售額增長。隨著中央廚房擴充新設施，香港美食取得25%之營業額增長。

(2) 出口市場

本集團出口市場之銷售額錄得穩健之按年增長14.5%。於中南美洲市場委任分銷商，推出如維他SUPERICY檸檬茶及鈣思寶大荳燕麥飲品等新產品，以及推出多款新口味之維他茶字典與維他清心棧茶類飲品，均有助出口市場之增長。澳門之銷售額增長顯著，達20%，乃由於當地經濟、基建及博彩業以及旅遊業發展蓬勃所帶動。

NORTH AMERICA

北美洲

Production Efficiency

生產效率

By Location of Assets (Production Plant) 按資產(生產廠房)所在地		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue	收入	386	415	(7.0)%
Segment Result	分部業績	(20)	(37)	45.9%
Segment Net Operating Assets	分部淨營運資產	205	196	4.6%

The Group's production plant in Massachusetts supports the North American market. During the year, the plant generated HK\$386 million in revenue, a decrease of 7.0%. The segment result was an operating loss of HK\$20 million, compared to HK\$37 million a year ago.

本集團位於麻省之生產廠房供應北美洲市場。年內，該廠房之收入為港幣386,000,000元，下跌7.0%。分部業績錄得經營虧損港幣20,000,000元，去年為港幣37,000,000元。

Market Performance

市場表現

By Location of Customers 按客戶所在地		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue – North American Market	收入 – 北美洲市場	440	468	(6.0)%

During the year under review, the North American soyfood market experienced a mixed performance. The US market for water-packed tofu grew slightly by 1%. The whole market for aseptic soymilk continued to contract as consumers shifted their preference to refrigerated soymilk. The overall aseptic soymilk category dropped 7% year-on-year.

於回顧年度，北美洲大荳食品市場的表現則個別發展。美國之水裝荳腐產品市場輕微增長1%。隨著消費者轉向選擇鮮凍荳奶產品，令無菌紙包裝荳奶產品之整體市場繼續萎縮。無菌紙包裝荳奶產品之整體按年跌幅達7%。

NORTH AMERICA (continued)

Market Performance (continued)

Fiscal 2005/2006 was the first full year of operation after the Group's rationalisation initiatives taken last year to exit from the non-profitable Refrigerated Soymilk business and to consolidate all production facilities at Ayer, Massachusetts. We have been actively repositioning our products toward "healthy eating made delicious and convenient". We also reorganised our sales team for greater focus on natural food stores, supermarkets and national accounts. We have forged new relationships with retailers and grown our core businesses. Total revenue dropped after the exit of some unprofitable products, but should these be excluded, our US revenue actually had a slight growth of nearly 2.0%. More importantly, in line with our expectation, operating loss narrowed further whereas gross profit margin improved.

A notable achievement for us was that we succeeded in growing and reinforcing our market leadership in the water-packed tofu category. Our business grew substantially through the development and launching of new products and packages that helped stimulate sales. Vitasoy USA was in fact the key driver of the national water-packed tofu market growth. The sales of our NASOYA brand grew 4% and that of our AZUMAYA brand 5%. On the other hand, despite the contraction of the aseptic soymilk market, we maintained our market share.

北美洲(續)

市場表現(續)

本集團於去年進行重組，結束無利可圖之鮮凍豆奶業務及整合位於麻省艾爾市廠房內的所有生產設施，而二零零五／二零零六財政年度正是本集團完成重組後的首個營運年度。本集團積極地將產品重新定位為「美味方便的健康食品」，亦重整銷售隊伍，主力開拓天然食品店、超級市場及全國性客戶。本集團與零售商重新建立關係，核心業務亦隨之增長。停售一些無利可圖之產品雖然使總收入下跌，但若撇除此類產品，本集團之美國收入實際上錄得近2.0%之輕微增長。更重要的是，一如本集團預期，經營虧損進一步收窄，而毛利率亦得到提升。

另一突出成就是成功提升並鞏固本身於水裝豆腐產品的市場領導地位。隨著本集團發展並推出新產品及新包裝以刺激銷量後，業務錄得大幅增長。事實上，美國水裝豆腐市場之增長主要由本集團美國公司所帶動。本集團之NASOYA品牌的銷售額增長4%，而AZUMAYA品牌之銷售額亦增長5%。另一方面，雖然無菌紙包裝豆奶市場萎縮，本集團仍能保持市場佔有率。

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		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue	收入	509	485	4.9%
Segment Result	分部業績	56	56	-
Segment Net Operating Assets	分部淨營運資產	228	217	5.1%

The Group's production plants in Shanghai and Shenzhen support the Mainland China and Hong Kong markets. During the year under review, the two HACCP-accredited plants together generated HK\$509 million in revenue, representing an increase of 4.9%. Owing to an additional spending investment of HK\$9 million in marketing and brand-building programmes, the segment result for the year was basically the same as the previous year.

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。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509,000,000元，上升4.9%。由於投資市場推廣及品牌建立的費用增加港幣9,000,000元，年內之分部業績與去年相約。

Market Performance

市場表現

By Location of Customers 按客戶所在地		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue – Mainland China Market	收入 – 中國大陸 市場	171	133	28.6%

The flourishing Chinese economy continued to favour the growth of the dairy milk industry, which expanded in total market size. The soy beverage industry witnessed active launches of new products and new brands in the low-cost powder segment, which reflected rising demand in the low-price segment, while competition in the ready-to-drink category remained fierce.

受惠於中國經濟蓬勃發展，內地奶類產品行業之整體市場亦持續增長。至於荳類飲品行業方面，廉價粉劑沖調飲品不斷有新產品和新品牌湧現，由此可見廉價飲品市場的需求持續上升，而即飲飲品市場之競爭仍然激烈。

MAINLAND CHINA (continued)

Market Performance (continued)

The fiscal year under review was the second year for implementing the focused strategy of “core business, core brand and core competency” in Mainland China. Revenue generated from this market was HK\$171 million, an increase of 28.6% over last year. We have rigorously pursued the core city strategy and are glad to report that we have made good progress in strengthening product distribution with better outlet management in southern China. The investment in the VITASOY brand also yielded higher brand awareness and higher consumer off-take. Under the CEPA (Closer Economic Partnership Arrangements), our product portfolio also expanded into the family consumption segment through the launching of products of one-litre pack imported from Hong Kong.

During the year, we continued to pursue co-packing opportunities for improving capacity utilisation and for better return on assets. Through cooperative packaging agreements, our plants in both Shenzhen and Shanghai improved substantially in asset utilisation and operating efficiency.

中國大陸 (續)

市場表現 (續)

回顧之財政年度已是中國大陸業務第二年採用「核心業務、核心品牌及核心強項」這重心發展策略。此市場之收入為港幣171,000,000元，較去年增加28.6%。本集團積極採用核心城市策略，喜見憑藉華南地區之更佳銷售點管理，在加強產品分銷工作上進展良好。維他奶品牌的投資亦提高了品牌知名度和消費者購買量。通過更緊密經貿關係安排，本集團之產品組合亦透過銷售從香港進口之1公升包裝產品而拓展至家庭消費市場。

年內，本集團繼續開拓包裝加工業務的商機，以改善廠房使用率及提升資產回報。透過包裝加工業務協議，本集團設於深圳及上海的廠房資產使用率及經營效率均獲大幅改善。

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		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue	收入	207	149	38.9%
Segment Result	分部業績	26	10	160.0%
Segment Net Operating Assets	分部淨營運資產	161	164	(1.8)%

The Group's joint-venture plant in Wodonga, Victoria supports the Australian and New Zealand markets. For the twelve months to 31st March, 2006, the plant generated HK\$207 million in revenue, representing a strong increase of 38.9%. The segment result was HK\$26 million, an increase of HK\$16 million or 160.0% 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。於截至二零零六年三月三十一日止十二個月，該廠房錄得收入港幣207,000,000元，較上年度大幅增長38.9%。分部業績為港幣26,000,000元，較去年增加港幣16,000,000元，上升160.0%。

Market Performance

市場表現

By Location of Customers 按客戶所在地		2005/2006 HK\$million 港幣百萬元	2004/2005 HK\$million 港幣百萬元	Movement 變動
Revenue – Australian and New Zealand Markets	收入－澳洲及 新西蘭市場	214	156	37.2%

The market for soymilk (including flavoured soymilk and rice milk) continued to grow steadily in both Australia and New Zealand, expanding by 5% and 17% respectively. The major driver of category growth has been product innovation. The introduction of house brand product ranges and new product launches by almost all industry players resulted in keener competition and put increased pressure on shelf space in all sales outlets. However, with the support of successful marketing initiatives, revenue generated from the Australian and New Zealand markets was HK\$214 million, up 37.2% from last year.

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，分別擴大5%及17%，其增長之主要原動力來自創新產品。由於絕大部份同業也推出自家品牌產品系列及新產品，令競爭更加激烈，使到各銷售點之上架位置供應更形緊張。惟憑著成功的市場推廣攻勢，澳洲及新西蘭市場的收入為港幣214,000,000元，較去年上升37.2%。

AUSTRALIA AND NEW ZEALAND (continued)

Market Performance (continued)

During the year, Vitasoy Australia maintained its focus on product innovation with five new products successfully launched – VITASOY LUSH Aseptic Soymilk Caramel, VITASOY LUSH Aseptic Soymilk Vanilla, VITASOY LUSH Refrigerated Soymilk Berry Bliss, VITASOY LUSH Refrigerated Soymilk Vanilla and VITASOY Aseptic Ricemilk Protein Enriched. Apart from successful product innovation, our sales growth was also driven by our strong marketing programme, effective retail pricing strategy and our reputation as a supplier of high quality products. We have also continued to work closely with naturopaths, dieticians and physicians to educate consumers about the benefits of soymilk.

Owing to Vitasoy Australia's remarkable growth, the Wodonga production facility has almost reached its maximum capacity. For this reason, we have commenced a capacity expansion programme to double the factory's volume capability. This capacity expansion, due to be completed in the second half of 2006/2007, will enable us to meet the rising demand of the burgeoning Australian and New Zealand soyfood market and capture new business opportunities.

澳洲及新西蘭 (續)

市場表現 (續)

年內，本集團澳洲公司繼續專注研製新產品，並成功推出五款新產品－VITASOY LUSH無菌紙包裝焦糖味豆奶、VITASOY LUSH無菌紙包裝雲呢拿味豆奶、VITASOY LUSH鮮凍草莓味豆奶、VITASOY LUSH鮮凍雲呢拿味豆奶及VITASOY高蛋白無菌紙包裝米奶。除成功創新產品外，本集團凌厲的市場攻勢、有效的零售定價策略及本集團作為優質產品供應商之聲譽，皆有助推動銷售額增長。本集團亦繼續與自然醫療師、營養師和醫生緊密合作，教授消費者有關豆奶的益處。

由於本集團澳洲公司的增長強勁，烏東加市之廠房已接近生產能力上限。因此，本集團已開始推行擴充計劃，以倍增廠房的生產能力。於二零零六／二零零七年度下半年完成擴充廠房生產量後，本集團將可應付需求日增的澳洲及新西蘭大豆食品市場及把握新商機。



Anyone

Health is most
important for you
no matter who you are

不管年紀大小，健康體魄最重要



Corporate Governance Report

企業管治報告書

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. The Board of Directors reviews the corporate governance practices from time to time to ensure alignment of interests and expectations from our shareholders, the investing public and the other stakeholders.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has, throughout the year ended 31st March, 2006, complied with the Code Provisions on the Code on Corporate Governance Practices set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the Code Provision A.2.1 for the separation of the roles of Executive Chairman and Chief Executive Officer.

BOARD OF DIRECTORS

The general management of the Company's business is vested in the Board. The Board has established various committees to manage and oversee the specified affairs of the Company. The Board has delegated the day-to-day management power of the Company to the Executive Directors and senior management of the Company.

The Board is committed to the Company's mission to creating value for our shareholders. The Board is responsible for developing strategic directions for the Company and continuous monitoring of the performance of the general management of the Company. Strategic planning cycles are generally five years. The Board has recently adopted Five Year Strategic Plan and will continuously monitor the actual performance against the Strategic Plan on a regular basis.

本集團奉行法定及監管企業管治標準，並時刻遵循注重透明度、獨立、問責、負責與公平之企業管治原則。董事會不時檢討企業管治常規，確保有關常規能符合各股東、公眾投資者及其他利益人士之利益與期望。

企業管治常規守則

本公司於截至二零零六年三月三十一日止年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則中的守則條文，惟守則條文第A.2.1條有關執行主席與行政總裁角色區分之守則除外。

董事會

董事會負責本公司業務之整體管理工作，其已成立不同之委員會來管理及監察本公司特定範疇之事務。董事會已將本公司之日常管理權力交予本公司之執行董事及高層管理人員。

董事會致力執行為股東創造價值之使命。董事會負責制定本公司之策略方向，不斷監察本公司整體管理表現。本公司的策略計劃一般為五年。董事會最近已採納五年策略計劃，並將定期不斷監察策略計劃與其實際進展之差距。

A defined schedule of matters reserved for Board decision has been adopted by the Board. Apart from strategic planning, certain important matters involving finance and shareholders' interests are reserved for approval by the Board, including, for example, annual budget, financial statements against budget, dividend policy, material investments, material acquisitions and disposals; major financing activities and appointment of Director(s) following the recommendation(s) by the Remuneration and Nomination Committee.

BOARD COMPOSITION

The Board currently comprises six Non-executive Directors and four Executive Directors. Four of the Non-executive Directors are independent, from different business and professional fields. The category, position and brief biographical information of each Director, together with the relationship among each other, are set out in the "Directors and Senior Management" section in this Annual Report. The Directors, including the Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective delivery of the Board functions.

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

The Company has arranged Directors' and Officers' Liability Insurance for the Directors and Officers of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code Provision A.2.1 of the Listing Rules sets out that the roles of the Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Winston Yau-lai LO is the Executive Chairman and Chief Executive Officer of the Company. At the present stage, the roles of the Chairman of the Board and Chief Executive Officer of the Company are performed basically by Mr. Winston Yau-lai LO. However, the Board of Directors and the Executive

董事會已採納一個正式的預定計劃表，列載特別須要董事會作決定的事項。除策略計劃外，涉及財政及股東權益等重要事宜均須經董事會審批，舉例來說，有關事項包括年度預算、財務報表與預算之比較、股息政策、重大投資、重大收購及出售；主要融資活動及根據薪酬及提名委員會之建議委任董事。

董事會組成

董事會現由六位非執行董事及四位執行董事組成。其中四位非執行董事為來自不同行業及專業界別之獨立人士。各董事所屬之類別、職位及簡歷以及彼此間的關係載於本年報「董事及高層管理人員」一節。董事們(包括非執行董事)廣泛而寶貴之業務經驗、知識及專業精神，有助董事會有效及高效地履行其職責。

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。

本公司已為本公司董事及行政人員投保董事及行政人員之責任保險。

主席及行政總裁

上市規則之守則條文A.2.1條規定，主席與行政總裁的角色應有區分，並不應由同一人同時兼任。羅友禮先生為本公司之執行主席及行政總裁。在現階段，本公司的董事會主席及行政總裁之角色基本上由羅友禮先生出任。惟本公司董事會與執行主席皆充份明白主席與行政總裁之角色終需予以劃分，確保更佳的相互制衡，達致良好的公司管治。我們預計有關的過程或會需時，

Chairman of the Company fully recognise that the respective roles of the Chairman and the Chief Executive Officer should be separated in the course of time to ensure better checks and balances and hence better corporate governance. It is envisaged that the transition process will take some time so as to minimise any negative impact on the operation of the Company but it is hoped to achieve that goal by 31st March, 2008. The Company has taken a significant step forward with the appointment of Mr. Ambrose Kam-shing CHAN as the Chief Executive, Asia, who is also the Executive Director of the Company, in July, 2004. Mr. Ambrose Kam-shing CHAN is not connected with Mr. Winston Yau-lai LO or any of the other Directors. After this appointment, the Board has already established a mechanism whereby the executive responsibilities originally assumed by the Executive Chairman have gradually been, and will continue to be, delegated to the Chief Executive, Asia. We are glad to report that the Company has been progressing smoothly in assigning the executive responsibilities from the Executive Chairman to the Chief Executive, Asia.

BOARD PROCEEDINGS

The Board met six times in fiscal year of 2005/2006 to mainly discuss and approve the overall strategies, including the Five Year Strategic Plan for the Group; to review and monitor the financial and operating performance of the Group and its business units respectively and to consider and approve the annual budget for the Group.

All Directors have full and timely access to all relevant information in relation to the Company. There are established procedures for Directors to seek independent professional advice for them to discharge their duties and responsibilities, where appropriate, at the Company's expense.

藉此將公司運作可能受到的影響減至最低，但希望可以在二零零八年三月三十一日前完成。事實上，本公司於二零零四年七月委任現同為執行董事的亞洲區行政總裁陳錦勝先生後，已向前邁出了重要一步。陳錦勝先生與羅友禮先生或任何其他董事並無關連。在其獲委任後，本公司董事會已訂下機制，而執行主席亦把其原先肩負的行政責任逐步並將繼續移交給亞洲區行政總裁。本集團欣然匯報，本公司就執行主席將行政職責移交予亞洲區行政總裁方面之進展順利。

董事會程序

於二零零五／二零零六財政年度內董事會共開會六次，主要討論及批准整體策略（包括本集團之五年策略計劃）、檢討及監察本集團及各業務單位之財務及營運表現，及考慮與批准本集團之全年預算。

各董事均可全面而適時地獲得一切有關本公司之資料。本公司已訂有程序讓董事可為履行職責及責任（視情況而定）而諮詢獨立專業意見，費用由本公司支付。

Individual attendance of each Board member at these meetings is as follows:

董事會各成員於該等會議之出席率表列如下：

		Attendance 出席率
Independent Non-executive Directors		
獨立非執行董事		
Dr. The Hon. Sir David Kwok-po LI	李國寶爵士	6/6
Mr. Iain F. BRUCE	布魯士先生	6/6
Mr. Chi-kian SHIU	邵志堅先生	6/6
Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)	Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)	N/A不適用
Non-executive Directors		
非執行董事		
Ms. Myrna Mo-ching LO	羅慕貞女士	6/6
Ms. Yvonne Mo-ling LO	羅慕玲女士	6/6
Executive Directors		
執行董事		
Mr. Winston Yau-lai LO (Chairman)	羅友禮先生(主席)	6/6
Mr. Ambrose Kam-shing CHAN (appointed on 11th July, 2005)	陳錦勝先生 (於二零零五年七月十一日獲委任)	4/4
Mr. Eric Fat YU	余發先生	6/6
Mr. John Shek-hung LAU	劉錫鴻先生	6/6
Mr. Fransis Ming-yin KONG (resigned on 18th April, 2005)	江明彥先生 (於二零零五年四月十八日辭任)	0/0

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The appointment of a new Director is made on the recommendation of the Remuneration and Nomination Committee of the Company or by shareholders in general meeting. Any Director who is appointed by the Board shall retire at the next General Meeting.

The Non-executive Directors of the Company do not have a specific term of appointment. Under the Company's current Articles of Association, all Directors are subject to retirement by rotation at least every three years and one-third (or the number nearest to but not exceeding one-third) of Directors shall retire from office every year at the Company's Annual General Meeting. The term of appointment of a Director cannot exceed three years.

董事之委任、重選及罷免

本公司乃根據本公司薪酬及提名委員會之建議或通過股東大會委任新董事。凡董事會委任之董事均須於下一屆股東大會上告退。

本公司之非執行董事並非以指定任期委任。根據本公司現行之章程細則，全體董事均須最少每三年輪值告退，而每年須有三分之一(或最接近但不能超越三分之一)的董事於本公司股東週年大會上退任。委任董事之年數不得超過三年。

Induction programmes are arranged for the newly appointed Directors on the general business of the Company. On appointment, new Directors will also be given an induction programme kit advising them of their responsibilities and duties as Directors under various regulatory requirements and the Board procedures, including the Terms of Reference of the Board Committees.

RESPONSIBILITIES OF DIRECTORS

Directors acknowledge their responsibilities for preparing the financial statements of the Company. Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Annual Financial Statements for 2005/2006 are prepared on a going-concern basis. All the new accounting standards and policies adopted by the Company have been thoroughly discussed and approved at the Audit Committee before adoption by the Board.

The Group has adopted its own Code for Securities Transactions by Directors (the "Code") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rules. Specific enquiry was made of all Directors and all Directors have confirmed compliance with the required standard set out in the Code for the year ended 31st March, 2006.

BOARD COMMITTEES

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

本公司會安排為新委任董事介紹本公司業務概況。新任董事獲委任後亦會獲發一套就任須知資料，以便彼等了解董事在不同監管規定及董事會程序(包括董事委員會之職權範圍)下之責任及職責。

董事責任

董事對編製本公司財務報表承擔責任。董事並不知悉有任何重大不明朗的事件或情況可能會嚴重影響本公司持續經營的能力。二零零五／二零零六年之全年財務報表乃按持續經營基準編製。本公司採納之所有新會計準則及政策先由審核委員會經周詳討論後批准，然後再提交予董事會採納。

本集團已就董事之證券交易採納一套行為守則(「守則」)，其條款不比上市規則附錄10所載之上市公司董事進行證券交易的標準守則載列之規定標準寬鬆。本公司已對各董事作出具體查詢，而各董事於截至二零零六年三月三十一日止年度均確認遵守守則載列之規定標準。

董事委員會

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

Executive Committee

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

Mr. Winston Yau-lai LO (Chairman)
Mr. Ambrose Kam-shing CHAN
Mr. Eric Fat YU
Mr. John Shek-hung LAU

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.

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 four Independent Non-executive Directors and two Non-executive Directors and its current members are:

Independent Non-executive Directors

Dr. The Hon. Sir David Kwok-po LI (Chairman)
Mr. Iain F. BRUCE
Mr. Chi-kian SHIU
Mr. Jan P. S. ERLUND
(appointed on 6th July, 2006)

Non-executive Directors

Ms. Myrna Mo-ching LO
Ms. Yvonne Mo-ling LO

The Committee was set up to consider and approve the remuneration packages of Executive Directors and Senior Management of the Group, including salaries, benefits in kind and bonuses; the bonus schemes and the other long-term incentive schemes, including share option and other plans. 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.

執行委員會

執行委員會於二零零一年成立，現成員包括全部四位執行董事，分別為：

羅友禮先生(主席)
陳錦勝先生
余發先生
劉錫鴻先生

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。

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，委員會成員包括四位獨立非執行董事及兩位非執行董事，現成員為：

獨立非執行董事

李國寶爵士(主席)
布魯士先生
邵志堅先生
Jan P. S. ERLUND先生
(於二零零六年七月六日獲委任)

非執行董事

羅慕貞女士
羅慕玲女士

委員會之成立旨在審批本集團執行董事及高層管理人員之薪酬福利組合，包括薪金、非金錢利益及花紅；花紅計劃及其他長期獎勵計劃，包括購股權及其他計劃。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。

The Committee met three times in fiscal year of 2005/2006. Individual attendance of each Committee member at these meetings is as follows:

於二零零五／二零零六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：

		Attendance 出席率
Independent Non-executive Directors		
獨立非執行董事		
Dr. The Hon. Sir David Kwok-po LI (Chairman)	李國寶爵士 (主席)	3/3
Mr. Iain F. BRUCE	布魯士先生	3/3
Mr. Chi-kian SHIU	邵志堅先生	3/3
Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)	Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)	N/A不適用
Non-executive Directors		
非執行董事		
Ms. Myrna Mo-ching LO	羅慕貞女士	3/3
Ms. Yvonne Mo-ling LO	羅慕玲女士	3/3
Attendance By Invitation:		
Executive Chairman		
應邀出席：		
執行主席		
Mr. Winston Yau-lai LO	羅友禮先生	3/3

Report of the Remuneration and Nomination Committee

The Committee has reviewed, discussed and approved the remuneration of Senior Management including the Executive Directors and key executives of the Group by reference to the individuals' job responsibilities and performances, industry benchmarks and prevailing market conditions. The Committee has also approved the discretionary bonuses and the grant of share options, having given due consideration to both the Group's financial performance and the individuals' performances during the year in accordance with the performance-based compensation policy recommended by an independent consultant. No individual Executive Director is involved in the decision process for his own remuneration.

薪酬及提名委員會之報告

委員會已審議、討論及批准本集團高層管理人員(包括執行董事及主要行政人員)之酬金，當中已參考個別人士之職責及表現、同業水平及主要市場環境。委員會根據獨立顧問建議之按表現而釐定的薪酬政策，充份考慮本集團之財務表現及有關人士年內之個人表現後，已批准發放酌情花紅及授出購股權。各執行董事並無參與釐定其薪酬之決策程序。

During the year, the Committee nominated Mr. Ambrose Kam-shing CHAN, the Chief Executive, Asia, as the Executive Director for approval of appointment by the Board. Mr. Ambrose Chan was duly appointed as an Executive Director by the Board on 11th July, 2005.

年內，委員會提名亞洲區行政總裁陳錦勝先生出任執行董事以供董事會批准。陳錦勝先生於二零零五年七月十一日獲董事會正式委任為執行董事。

Audit Committee

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

Mr. Iain F. BRUCE (Chairman)
Dr. The Hon. Sir David Kwok-po LI
Mr. Chi-kian SHIU
Mr. Jan P. S. ERLUND
(appointed on 6th July, 2006)

The Audit Committee's terms of reference are to make recommendations 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, 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.

審核委員會

審核委員會於一九九九年成立，現成員包括四位獨立非執行董事，分別為：

布魯士先生（主席）
李國寶爵士
邵志堅先生
Jan P. S. ERLUND先生
(於二零零六年七月六日獲委任)

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稽核師及外聘核數師間之協調；確保內部稽核職能備有足夠資源及地位；及審議自行或由董事會委派或因應管理層回應等關於內部監控等事宜的主要調查結果。

The Audit Committee met three times in fiscal year of 2005/2006. Individual attendance of each Committee member at these meetings is as follows:

於二零零五／二零零六財政年度內審核委員會共開會三次。各成員於該等會議之出席率表列如下：

		Attendance 出席率
Independent Non-executive Directors		
獨立非執行董事		
Mr. Iain F. BRUCE (Chairman)	布魯士先生(主席)	3/3
Dr. The Hon. Sir David Kwok-po LI	李國寶爵士	2/3
Mr. Chi-kian SHIU	邵志堅先生	3/3
Mr. Jan P. S. ERLUND (appointed on 6th July, 2006)	Jan P. S. ERLUND先生 (於二零零六年七月六日獲委任)	N/A不適用
Attendance by Invitation:		
應邀出席：		
Executive Chairman		
Mr. Winston Yau-lai LO	羅友禮先生	2/2
Executive Director and Chief Financial Officer		
執行董事兼財務總監		
Mr. John Shek-hung LAU	劉錫鴻先生	3/3
Internal Auditor		
內部稽核師		
External Auditors	外聘核數師	3/3

Report of the Audit Committee

The Audit Committee has reviewed the revised accounting standards, the 2005/2006 interim financial report and annual financial statements with management and the Company's External Auditors and recommended their adoption by the Board. The Committee also reviewed with the Internal Auditor the Company's internal control systems and the periodic audit reports prepared by the Internal Auditor and approved the 2006/2007 audit plan.

審核委員會報告

審核委員會已連同管理層及本公司外聘核數師審閱經修訂之會計準則、二零零五／二零零六年度之中期財務報告及全年財務報表，並建議董事會予以採納。委員會亦與內部稽核師檢討本公司之內部監控系統及審閱內部稽核師定期編製之稽核報告，並已批准二零零六／二零零七年之稽核方案。

The Committee has met with the External Auditors to discuss with them the nature and scope of the audit and reporting obligations prior to the commencement of the audit. The Audit Committee has also reviewed and considered the terms of engagement of the External Auditors, including assessing their independence and objectivity. The Audit Committee has also reviewed and approved/pre-approved the audit and non-audit services provided by the External Auditors, together with their respective fees.

委員會已於審核工作開始前，與外聘核數師開會討論審核工作之性質及範疇以及匯報責任。審核委員會亦已審閱及考慮外聘核數師之委聘條件，包括評估其獨立客觀性。審核委員會已審閱並批准/預先批准外聘核數師提供之審核及非審核服務及各有關收費。

SYSTEM OF INTERNAL CONTROL

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.

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 at 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 under audit. 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. An amount of HK\$2.8 million (2004/2005: HK\$2.5 million) was charged for the fiscal year of 2005/2006 for KPMG's statutory audits for the Company and subsidiaries. The amount for the other non-audit services provided by KPMG for the Company and subsidiaries during the year was HK\$2.3 million (2004/2005: HK\$0.5 million). The non-audit services mainly comprised tax advisory services, risk advisory services and executive recruitment.

The responsibilities of the External Auditors with respect to the 2005/2006 financial statements are set out in the section of "Report of the Auditors" on pages 65 to 66.

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。

內部稽核

本集團之內部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稽核方案。本集團內部稽核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。本集團之內部稽核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檢討結果。

外聘核數師

畢馬威會計師事務所已於股東週年大會上獲股東委聘為本公司外聘核數師。畢馬威會計師事務所為本公司及其附屬公司所提供之二零零五／二零零六年財務年度法定審核服務之費用為港幣2,800,000元(二零零四／二零零五年：港幣2,500,000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非核數服務費用為港幣2,300,000元(二零零四／二零零五年：港幣500,000元)。非核數服務主要包括稅務顧問服務、風險諮詢服務及行政人員招聘。

外聘核數師就二零零五／二零零六年財務報表所負之責任列載於第65至66頁之「核數師報告書」一節。

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, our corporate governance policy, and other relevant 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, correspondences, 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 enquiries raised by the investing public, individual and institutional investors and investment analysts.

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、本集團之公司管治政策及其他相關股東資訊。

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，藉以發布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 65, 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, a listed company in Hong Kong, 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. Sir David Kwok-po LI, aged 67, was appointed a Director of the Company in 1994. Sir David 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 both the Executive Council and the Legislative Council of the Hong Kong Special Administrative Region. Sir David is also a director of China Merchants China Direct Investments Limited, China Overseas Land & Investment Limited, COSCO Pacific Limited, Dow Jones & Company, Inc., Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited and SCMP Group Limited, all being companies listed either in Hong Kong or overseas.

董事會成員

執行主席

羅友禮先生，六十五歲，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(香港上市公司)及平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

李國寶爵士，六十七歲，於一九九四年獲委任為本公司董事。李爵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。李爵士亦為香港特別行政區行政會議成員及立法會議員。李爵士亦出任以下於香港或海外上市之公司之董事，包括招商局中國基金有限公司、中國海外發展有限公司、中遠太平洋有限公司、道瓊斯公司、粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、電訊盈科有限公司、香港生力啤酒廠有限公司及SCMP集團有限公司。

Directors and Senior Management

董事及高層管理人員

BOARD OF DIRECTORS (continued)

Independent Non-executive Directors (continued)

Mr. Iain F. BRUCE, aged 65, 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 the chairman of KCS Limited. Mr. Bruce is a director of China Medical Technologies, Inc., Noble Group Limited, Paul Y Engineering Group Limited, Tencent Holdings Limited and Wing On Company International Limited, all being companies listed either in Hong Kong or overseas.

Mr. Chi-kian SHIU, aged 74, 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.

Mr. Jan P. S. ERLUND, aged 67, was appointed a Director of the Company on 6th July, 2006. Mr. Erlund is currently a partner of Gorrissen Federspiel Kierkegaard, a law firm in Copenhagen, Denmark. Mr. Erlund is a practising lawyer and specialises in corporate and commercial law and arbitration. He was the president of the Danish Bar and Law Association, president of the Danish Maritime Law Association and chairman of the Maritime and Transport Committee of the International Bar Association, and most recently president of Copenhagen Rotary Club. Mr. Erlund is the chairman of the board of directors of The East Asiatic Company Ltd., Dansk Skovseiskab A/S and deputy chairman of Rederiet Fabricius Marine A/S, all being listed on the Stock Exchanges in Denmark.

董事會成員(續)

獨立非執行董事(續)

布魯士先生，六十五歲，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。彼為KCS Limited之主席。布魯士先生為以下於香港或海外上市之公司之董事，包括中國醫療技術公司、Noble Group Limited、保華建業集團有限公司、騰訊控股有限公司及永安國際有限公司。

邵志堅先生，七十四歲，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。

Jan P. S. ERLUND先生，67歲，於二零零六年七月六日獲委任為本公司董事。Erlund先生現為Gorrissen Federspiel Kierkegaard(一間位於丹麥哥本哈根之律師行)的合夥人。彼為執業律師，為企業及商事法及仲裁之專家。彼曾任Danish Bar and Law Association(丹麥大律師及事務律師公會)主席、Danish Maritime Law Association(丹麥海事法律師公會)主席及國際大律師公會屬下Maritime and Transport Committee(海事及運輸委員會)之主席，最近更出任哥本哈根扶輪社之主席。Erlund先生為The East Asiatic Company Ltd.及Dansk Skovseiskab A/S之董事會主席及Rederiet Fabricius Marine A/S之副主席，此三間公司均於丹麥之證券交易所上市。

BOARD OF DIRECTORS (continued)

Non-executive Directors

Ms. Myrna Mo-ching LO, aged 67, 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 58, was appointed a Director of the Company in 1993. Ms. Lo joined the Group in 1980 and was the President of Vitasoy USA 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. Ambrose Kam-shing CHAN, aged 52, was appointed a Director of the Company in 2005. Mr. Chan is the Group's Chief Executive, Asia. Mr. Chan joined the Group in 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. He is currently responsible for the overall strategic planning, business development and general management of the Group in Asia Pacific, including Hong Kong, Mainland China and Australian operations.

Mr. Eric Fat YU, aged 56, was appointed a Director of the Company in 1989. Mr. Yu is 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 59, was appointed a Director of the Company in 1990. Mr. Lau is 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，六十七歲，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，五十八歲，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，並為本集團美國公司之主席，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

陳錦勝先生，五十二歲，於二零零五年獲委任為本公司董事。彼為本集團之亞洲區行政總裁。陳先生於二零零四年加入本集團，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。陳先生現時負責本集團於亞太區(包括香港、中國大陸及澳洲業務)之整體策略企劃、業務發展及一般管理。

余發先生，五十六歲，於一九八九年獲委任為本公司董事。余先生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，五十九歲，於一九九零年獲委任為本公司董事。劉先生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

Hong Kong Operation

Mr. Laurence P. EISENTRAGER, aged 54, Chief Executive, Hong Kong. Mr. Eisentrager is responsible for the general management and development of the Group's operations in Hong Kong. He joined the Group in 2002 and was the General Manager of the Group's operation in Australia until 2005. He has very extensive experience in the food and beverage industry in Hong Kong, Australia and internationally.

North American Operation

Mr. Robert C. JONES, aged 58, 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. Jack Jie YUAN, aged 37, Managing Director of Vitasoy (China) Investments Company Limited. Mr. Yuan is responsible for the general management and development of the Group's operation in Mainland China. Mr. Yuan joined the Group in 2004 as the General Manager of the Group's Shenzhen joint venture operation. He has extensive experience in the beverage industry and has previously worked with a number of multinational companies in Mainland China.

Australian and New Zealand Operation

Mr. Scott A. PANNELL, aged 36, General Manager of Vitasoy Australia Products Pty. Ltd.. Mr. Pannell is responsible for the general management and development of the Group's operations in Australia and New Zealand. He joined the Group in 2005. He has very extensive experience in the fast moving consumer goods (FMCG) industry within Australia and New Zealand. He has experience in working in manufacturing businesses operating within the retail grocery, route and convenience and food service markets. Prior to joining Vitasoy Australia he was general manager of National Foods New Zealand dairy foods operation, with this role following on from his general management position with National Foods King Island Dairy Group. Previous to these roles, he held senior sales and marketing roles with several renowned FMCG companies.

高層管理人員

香港業務

黎信彥先生，五十四歲，香港區行政總裁。黎信彥先生負責管理及發展本集團在香港之業務。彼於二零零二年加入本集團，於二零零五年前為本集團澳洲業務之總經理。彼於香港、澳洲及其他國家之食品及飲品行業均擁有豐富經驗。

北美洲業務

Robert C. JONES先生，五十八歲，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

袁杰先生，三十七歲，維他奶(中國)投資有限公司之董事總經理。袁先生負責管理及發展本集團在中國大陸之業務。彼於二零零四年加入本集團，出任本集團深圳之合營企業的總經理。彼於飲品行業擁有豐富經驗，曾於中國大陸內的多間跨國公司工作。

澳洲及新西蘭業務

Scott A. PANNELL先生，三十六歲，Vitasoy Australia Products Pty. Ltd.之總經理。Pannell先生負責管理及發展本集團在澳洲及新西蘭之業務。彼於二零零五年加入本集團，於澳洲及新西蘭之高流量消費品行業擁有豐富經驗。彼曾從事零售雜貨、便利商店以及食品服務市場內的生產業務運作。在加入本集團澳洲公司前，彼為National Foods 新西蘭之奶類食品業務之總經理，在此之前則出任National Foods King Island Dairy Group之管理職位。彼於任職上述公司前曾在數間著名的高流量消費品公司中出任高級銷售及市場推廣之職位。

Report of the Directors

董事會報告書

The Directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31st March, 2006.

PRINCIPAL PLACE OF BUSINESS

Vitasoy International Holdings Limited ("the Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at No. 1 Kin Wong Street, Tuen Mun, New Territories, Hong Kong.

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 16 to the financial statements.

The analysis of geographical locations of the operations of the Company and its subsidiaries ("the Group") during the financial year are set out in note 14 to the financial statements.

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:

		Percentages of the Group's total	
		Sales	Purchases
		佔本集團	佔本集團
		銷售總額百分比	採購總額百分比
The largest customer	最大客戶	15%	
Five largest customers in aggregate	首五大客戶合計	37%	
The largest supplier	最大供應商		26%
Five largest suppliers in aggregate	首五大供應商合計		38%

At no time during the year have the Directors, their associates or any shareholder 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.

董事會欣然提呈截至二零零六年三月三十一日止年度之年報及經審核財務報表。

主要營業地點

維他奶國際集團有限公司(「本公司」)為植根於香港及於香港註冊成立之公司，其註冊辦事處及主要營業地點位於香港新界屯門建旺街一號。

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16。

本公司及其附屬公司(「本集團」)於本財政年度內按地區劃分之業務分析載於財務報表附註14。

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：

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。

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st March, 2006 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 67 to 166.

TRANSFER TO RESERVES

Profit for the year, before dividends, of HK\$185,025,000 (2005 (restated): HK\$123,570,000) has been transferred to reserves. Other movements in reserves are set out in note 27 to the financial statements.

An interim dividend of HK2.8 cents per ordinary share (2005: HK2.8 cents per ordinary share) was paid on 12th January, 2006. The Directors now recommend the payment of a final dividend of HK6.7 cents per ordinary share (2005: HK5.7 cents per ordinary share) and a special dividend of HK10.0 cents per ordinary share (2005: HK10.0 cents per ordinary share) in respect of the year ended 31st March, 2006.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$92,000 (2005: HK\$1,489,000).

FIXED ASSETS

Movements in fixed assets of the Company and the Group during the year are set out in note 15 to the financial statements.

BANK LOANS

Particulars of bank loans of the Group as at 31st March, 2006 are set out in note 25 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 27 to the financial statements. Shares were issued during the year on exercise of share options.

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year.

財務報表

本集團截至二零零六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67至166頁之財務報表內。

轉撥入儲備

本年度溢利(未計股息)港幣185,025,000元(二零零五年(重列):港幣123,570,000元)已轉撥入儲備。儲備之其他變動載於財務報表附註27。

本公司已於二零零六年一月十二日派發中期股息每股普通股港幣2.8仙(二零零五年:每股普通股港幣2.8仙)。董事會現建議派發截至二零零六年三月三十一日止年度之末期股息每股普通股港幣6.7仙(二零零五年:每股普通股港幣5.7仙)及特別股息每股普通股港幣10.0仙(二零零五年:每股普通股港幣10.0仙)。

慈善捐款

本集團於本年度內之慈善捐款共達港幣92,000元(二零零五年:港幣1,489,000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15。

銀行貸款

本集團於二零零六年三月三十一日之銀行貸款詳情載於財務報表附註25。

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27。本公司因購股權獲行使而於本年度內發行股份。

本公司或其任何附屬公司於本年度內概無購回、出售或贖回本公司之上市證券。

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, Dr. The Hon. Sir David Kwok-po LI and Mr. Eric Fat YU retire from the board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 104 of the Company's Articles of Association, Mr. Chi-kian SHIU retires from the board by rotation at the forthcoming Annual General Meeting but will not offer himself for re-election.

Mr. Jan P. S. ERLUND, appointed to the board on 6th July, 2006, retires from the board in accordance with Article 110 of the Company's Articles of Association, and offers himself for re-election at the forthcoming Annual General Meeting.

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.

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，李國寶爵士及余發先生須於應屆股東週年大會上輪值告退，並願膺選連任。

根據本公司之章程細則第104條，邵志堅先生須於應屆股東週年大會上輪值告退，惟不會膺選連任。

Jan P. S. ERLUND先生於二零零六年七月六日獲委任加入董事會，彼須根據本公司之章程細則第110條告退，並願於應屆股東週年大會上膺選連任。

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, 2006 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

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》第352條而保存之本公司董事權益及淡倉登記冊所記錄，本公司於二零零六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

Name	Note	Ordinary shares of HK\$0.25 each 每股面值港幣0.25元之普通股				% 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	Trusts and similar interests 信託及同類權益	Total number of shares held 所持股份總數	
Mr. Winston Yau-lai LO 羅友禮先生	(i), (iii)	49,939,800	28,702,500	72,678,300	151,320,600	15.08%
Dr. The Hon. Sir David Kwok-po LI 李國寶爵士		6,000,000	-	-	6,000,000	0.60%
Mr. Chi-kian SHIU 邵志堅先生		3,281,400	-	-	3,281,400	0.33%
Ms. Myrna Mo-ching LO 羅慕貞女士	(ii), (iii)	-	-	100,653,000	100,653,000	10.03%
Ms. Yvonne Mo-ling LO 羅慕玲女士	(iii)	31,866,450	-	72,678,300	104,544,750	10.42%
Mr. Eric Fat YU 余發先生		509,000	-	-	509,000	0.05%
Mr. John Shek-hung LAU 劉錫鴻先生		1,971,000	-	-	1,971,000	0.20%

Notes:

- (i) Mr. Winston Yau-lai LO is deemed to be interested in 28,702,500 shares through interests of his wife.
- (ii) 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).
- (iii) Each of Mr. Winston Yau-lai LO, Ms. Myrna Mo-ching LO and Ms. Yvonne Mo-ling 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。
- (iii) 羅友禮先生、羅慕貞女士及羅慕玲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。

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.

Apart from the foregoing and other than certain nominee shares in subsidiaries held by the Directors in trust for the Company, none of the Directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, any of its subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

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 were as follows:

- The exercise price of the options was 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") on the five business days immediately preceding 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。

除上文所述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，本公司各董事或彼等之配偶或未滿十八歲之子女概無在本公司、其任何附屬公司或其他相聯公司之股份、相關股份或債權證中擁有任何權益或淡倉為記錄在根據證券及期貨條例第352條須存置之登記冊或須根據上市公司董事進行證券交易的標準守則知會本公司。

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%。

SHARE OPTION SCHEMES (continued)

Old share option scheme (continued)

- The options were 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 was no minimum period which an option must be held before it could be exercised, but the Directors were empowered to impose at their discretion any such minimum period at the date of offer.
- The maximum number of shares in respect of which options could be granted should 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 could 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 remained 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 might in their discretion determine. An eligible Director or employee had to pay HK\$10 on acceptance of the option as a consideration.

As a result of the changes to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 were granted under the Old Share Option Scheme upon its termination and all outstanding options granted thereunder continued to be valid and exercisable in accordance with the terms of the Old Share Option Scheme until the expiry of the exercise period.

購股權計劃(續)

舊購股權計劃(續)

- 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。
- 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香港聯合交易所有限公司證券上市規則(「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於行使期屆滿前根據舊購股權計劃之條款予以行使。

SHARE OPTION SCHEMES (continued)

Old share option scheme (continued)

No share options granted under the Old Share Option Scheme were outstanding at 31st March, 2006 as they were either exercised or lapsed on expiry of exercise period during the year.

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, 2006 is 88,382,550 shares (including options for 22,543,000 ordinary shares that have been granted but not yet exercised), which represents 8.81% of the issued share capital of the Company at 31st March, 2006.

購股權計劃(續)

舊購股權計劃(續)

由於根據舊購股權計劃授出之購股權已於本年度內獲行使或因行使期屆滿而失效，故於二零零六年三月三十一日，並無根據舊購股權計劃授出之購股權尚未行使。

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%。

於二零零六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88,382,550股(包括已授出但尚未行使之購股權涉及之22,543,000股普通股)，佔本公司於二零零六年三月三十一日之已發行股本8.81%。

Report of the Directors

董事會報告書

SHARE OPTION SCHEMES (continued)

New share option scheme (continued)

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 during the year and at the end of the year:

購股權計劃(續)

新購股權計劃(續)

於本年度及年結時，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之個人權益如下：

Participants	Date of grant	Note	Period during which options are exercisable	Price per share on exercise of options	Number of options outstanding at the beginning of the year	Number of options granted during the year	Number of options exercised during the year	Number of options expiry of exercise period during the year	Number of options forfeited on termination of employment of eligible participants during the year	Number of options outstanding at the end of the year	* Market value per share at date of grant of options	* Market value per share on exercise of options	
													行使購股權
參與者	授出日期	附註	購股權行使期	時須付之每股價格 HK\$港元	尚未行使之購股權數目	於年內授出之購股權數目	於年內行使之購股權數目	於年內失效之購股權數目	期屆滿而	因合資格	尚未行使之購股權數目	購股權當日之每股市價 * HK\$港元	購股權時之每股市價 * HK\$港元
Directors													
董事													
Mr. Winston Yau-lai LO 霍友禮先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	3,450,000	-	3,450,000	-	-	-	1.530	2.425	
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	2,220,000	-	-	-	-	2,220,000	1.660	-	
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	1,700,000	-	-	-	-	1,700,000	1.920	-	
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	1,472,000	-	-	-	1,472,000	2.425	-	
Mr. Ambrose Kam-shing CHAN (appointed on 11th July, 2005) 陳錦勝先生(於二零零五年七月十一日獲委任)	3/8/2004	(ii)	3/8/2006 – 2/8/2014	1.910	900,000	-	-	-	-	900,000	1.910	-	
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	2,392,000	-	-	-	2,392,000	2.425	-	
Mr. Eric Fat YU 余發先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	435,000	-	434,000	1,000	-	-	1.530	2.425	
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	738,000	-	-	-	-	738,000	1.660	-	
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	450,000	-	-	-	-	450,000	1.920	-	
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	392,000	-	-	-	392,000	2.425	-	
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	-	1,952,000	1,000	-	-	1.530	2.325	
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	820,000	-	-	-	-	820,000	1.660	-	
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	500,000	-	-	-	-	500,000	1.920	-	
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	392,000	-	-	-	392,000	2.425	-	
Mr. Francis Ming-yin KONG (resigned on 18th April, 2005) 江明彥先生(於二零零五年四月十八日辭任)	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	1,000	-	-	-	1,000	-	1.530	-	
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	1,526,000	-	762,000	-	764,000	-	1.660	2.250	
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	978,000	-	244,000	-	734,000	-	1.920	2.250	
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	1,123,000	-	380,000	742,000	1,000	-	1.530	2.307	
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	6,458,000	-	1,868,000	-	663,000	3,927,000	1.660	2.654	
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	4,454,000	-	270,000	-	680,000	3,504,000	1.920	2.376	
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	3,512,000	-	-	376,000	3,136,000	2.425	-	
					27,706,000	8,160,000	9,360,000	744,000	3,219,000	22,543,000			

SHARE OPTION SCHEMES (continued)

New share option scheme (continued)

- * being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were granted or exercised, as applicable.

Information on the accounting policy for share options granted and the value per option is provided in note 1(p)(iv) and note 28 to the financial statements respectively.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Notes:

- (i) Options were granted under the Old Share Option Scheme.
- (ii) Options were granted under the New Share Option Scheme.

For options granted on 1st April, 2003, 1st April, 2004 and 1st June, 2005, they are exercisable progressively 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%

購股權計劃(續)

新購股權計劃(續)

- * 即本公司普通股於緊接購股權授出或獲行使(如適用)前之加權平均收市價。

有關已授出購股權之會計政策及每項購股權之價值之資料分別載於財務報表附註1(p)(iv)及附註28。

除上文所披露者外，在本年度之任何時間，本公司或其任何附屬公司概無參與任何安排，致使本公司董事可藉購入本公司或任何其他公司之股份或債權證而獲益。

附註：

- (i) 授出之購股權乃根據舊購股權計劃授出。
- (ii) 授出之購股權乃根據新購股權計劃授出。

就二零零三年四月一日、二零零四年四月一日及二零零五年六月一日授出之購股權而言，可予行使之購股權數目乃逐步增加，而各階段可行使購股權之百分比上限如下：

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

The Company has been notified of the following interests in the Company's issued shares at 31st March, 2006 amounting to 5% or more of the ordinary shares in issue. These interests are in addition to those disclosed above in respect of the Directors.

主要股東及其他人士於股份及相關股份之權益及淡倉

於二零零六年三月三十一日，本公司已獲知會下列佔本公司已發行普通股之5%或以上的本公司已發行股份權益。該等權益不包括上文所披露之董事權益。

Substantial shareholders 主要股東	Note 附註	Ordinary shares of HK\$0.25 each 每股面值港幣0.25元之普通股數目					
		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	Total number of shares held 所持股份總數	% of total issued shares 佔已發行股份總數之百分比
Ms. Irene CHAN 陳羅慕連女士	(i), (ii)	23,514,700	750,000	–	72,678,300	96,943,000	9.66%
Mr. Kai-tun LO 羅開敦先生	(ii)	18,508,950	–	–	72,678,300	91,187,250	9.09%
Mr. Peter Tak-shing LO 羅德承先生	(ii)	7,548,000	–	–	72,678,300	80,226,300	8.00%
Arisaig Greater China Fund ("Arisaig")	(iii)	64,301,500	–	–	–	64,301,500	6.41%
Arisaig Partners (Mauritius) Limited ("Arisaig Mauritius")	(iv)	–	–	64,301,500	–	64,301,500	6.41%
Mr. Lindsay William Ernest COOPER ("Cooper")	(v)	–	–	64,301,500	–	64,301,500	6.41%
Matthews International Capital Management LLC	(vi)	–	–	61,323,750	–	61,323,750	6.11%
Commonwealth Bank of Australia 澳洲聯邦銀行	(vii)	–	–	60,339,000	–	60,339,000	6.01%

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

Notes:

- (i) Ms. Irene CHAN is interested in 750,000 shares held for her daughter Alexandra CHAN who is under the age of 18.
- (ii) Each of 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.
- (iii) These interests are held by Arisaig in the capacity of beneficial owner.
- (iv) 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 (iii) above.
- (v) These interests represent Cooper's interests through his indirect 33% interest in Arisaig Mauritius. These interests are duplicated by the interests disclosed in Notes (iii) and (iv) above.
- (vi) These interests are held by Matthews International Capital Management LLC in the capacity of investment manager.
- (vii) These interests represent Commonwealth Bank of Australia's interests through its indirect 100% interest in First State Investment Management (UK) Limited (which holds 49,185,000 shares of the Company's ordinary shares) and First State Investments (Hong Kong) Limited (which holds 11,154,000 shares of the Company's ordinary shares).

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.

主要股東及其他人士於股份及相關股份之權益及淡倉(續)

附註：

- (i) 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。
- (ii) 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。
- (iii) 該等權益乃由Arisaig 以實益擁有人身份持有。
- (iv) 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(iii)所述者為同一份權益。
- (v) 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(iii)及(iv)所披露者為同一份權益。
- (vi) 該等權益乃由Matthews International Capital Management LLC以投資經理身份持有。
- (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49,185,000股普通股)及首域投資(香港)有限公司(該公司持有本公司11,154,000股普通股)之全部權益而擁有之權益。

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。

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, 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

On 10th December, 2002, the Company entered into a Milk Supply Agreement (the "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\$2,827,000 (2005: HK\$3,054,000) was charged by Guangming under the 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 continuing 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本公司董事所知，於本年報日期，本公司一直保持上市規則規定之公眾持股量。

董事於合約之權益

本公司或其任何附屬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，本公司已投保董事及行政人員之責任保險。

關連交易

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（「該協議」）；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，光明根據該協議收取港幣2,827,000元（二零零五年：港幣3,054,000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)條項下的持續關連交易，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)

The Directors, including the Independent Non-executive Directors, considered that the transactions during the year ended 31st March, 2006:

- (i) were entered in the ordinary and usual course of business of the Company and in accordance with the terms of the 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 from 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 agreed prices as set out in the Agreement; and
- (iii) the consideration for the transactions had not exceeded the annual cap of HK\$4,000,000 for the year ended 31st March, 2006.

On 21st March, 2006, the Company entered into a new Milk Supply Agreement (the "New Agreement") with Guangming, under which Guangming will supply milk products to the Company for a period of 3 years commencing 1st April, 2006.

The transactions will constitute continuing connected transactions under Rule 14A.34(1) of the Listing Rules, which are only subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirement. The Directors propose to set the amount of HK\$5,000,000, HK\$6,000,000 and HK\$7,000,000 as the annual cap amounts for the transactions for the years ending 31st March, 2007, 2008 and 2009 respectively. An announcement was made by the Company on 21st March, 2006 in this respect.

關連交易 (續)

董事(包括獨立非執行董事)認為有關交易於截至二零零六年三月三十一日止年度乃:

- (i) 根據該協議之條款及於一般日常業務過程中進行;
- (ii) 按一般商業條款進行,而交易條款公平合理,並且符合股東的整體利益;及
- (iii) 按正常商業條款或按不遜於獨立第三者給予之條款進行(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) 交易乃根據該協議所載之協定價格進行;及
- (iii) 交易之代價並無超過截至二零零六年三月三十一日止年度之年度上限港幣4,000,000元。

於二零零六年三月二十一日,本公司與光明訂立新的鮮奶供應協議(「新協議」);據此,光明將向本公司供應鮮奶產品,由二零零六年四月一日起計為期三年。

根據上市規則第14A.34(1)條,有關交易將構成持續關連交易,並只須遵守申報及公布規定而獲豁免獨立股東批准之規定。董事會建議有關交易於截至二零零七年、二零零八年及二零零九年三月三十一日止各年度之年度上限金額分別為港幣5,000,000元、港幣6,000,000元及港幣7,000,000元。本公司已於二零零六年三月二十一日就此發表公告。

EMPLOYEE RETIREMENT PLANS

Particulars of employee retirement plans of the Company and the Group are set out in note 17 to the financial statements.

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 167 and 168 of the annual report.

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, 6th July, 2006

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17。

五年財務摘要

本集團於過去五年之業績、資產及負債摘要載於本年報第167及168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，二零零六年七月六日

Report of the Auditors

核數師報告書



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 67 to 166 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.

BASIS OF OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing 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.

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」)已審核刊於第67至166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。

意見的基礎

我們是按照香港會計師公會頒布的《香港核數準則》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。

Report of the Auditors

核數師報告書

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, 2006 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, 6th July, 2006

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。在提出意見時，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二零零六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，二零零六年七月六日

Consolidated Income Statement

綜合損益報表

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars) 截至二零零六年三月三十一日止年度(以港幣計算)

		Note 附註	2006 \$'000 千元	2005 (restated)(重列) \$'000 千元
Turnover	營業額	3 及 14	2,520,409	2,379,955
Cost of sales	銷售成本		(1,039,615)	(1,012,415)
Gross profit	毛利		1,480,794	1,367,540
Other revenue	其他收入	4	51,507	31,369
Marketing, selling and distribution expenses	推廣、銷售及分銷費用		(985,153)	(915,777)
Administrative expenses	行政費用		(164,116)	(159,302)
Other operating expenses	其他經營費用		(149,257)	(126,798)
Profit from operations	經營溢利		233,775	197,032
Finance costs	融資成本	5	(8,372)	(9,042)
Restructuring cost	重組成本	6	–	(24,782)
Write back of provision for compensation for traffic accident	交通意外賠償之撥備撥回	7	–	765
Profit before taxation	除稅前溢利	5	225,403	163,973
Income tax	所得稅	8(a)	(40,378)	(40,403)
Profit for the year	本年度溢利		185,025	123,570
Attributable to:	應佔：			
Equity shareholders of the Company	本公司股權持有人	11 及 27(a)	172,076	120,982
Minority interests	少數股東權益	27(a)	12,949	2,588
Profit for the year	本年度溢利	27(a)	185,025	123,570
Dividends payable to equity shareholders of the Company attributable to the year:	應付予本公司股權持有人之本年度股息：	12(a)		
Interim dividend declared during the year	年內宣派之中期股息		28,091	27,725
Final dividend proposed after the balance sheet date	結算日後擬派之末期股息		67,370	57,105
Special dividend proposed after the balance sheet date	結算日後擬派之特別股息		100,552	100,183
			196,013	185,013
Earnings per share	每股盈利	13		
Basic	基本		17.2 cents 仙	12.2 cents 仙
Diluted	攤薄		17.1 cents 仙	12.1 cents 仙

The notes on pages 77 to 166 form part of these financial statements.

第77至166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, 2006 (Expressed in Hong Kong dollars) 於二零零六年三月三十一日 (以港幣計算)

		2006		2005 (restated)(重列)		
		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	15(a)				
- Property, plant and equipment	- 物業、廠房及設備			700,863		754,341
- Investment property	- 投資物業			10,405		10,931
- Interests in leasehold land held for own use under operating leases	- 根據經營租賃持有作自用之租賃土地權益			5,364		5,419
				716,632		770,691
Employee retirement benefit assets	僱員退休福利資產	17(b)		1,467		1,988
Deferred tax assets	遞延稅項資產	18(b)		2,952		1,224
Bank deposits	銀行存款	19		22,768		38,427
Other financial asset	其他金融資產	20		13,922		-
				757,741		812,330
Current assets	流動資產					
Inventories	存貨	21		208,111		185,340
Trade and other receivables	應收賬款及其他應收款	22		352,131		304,452
Bank deposits	銀行存款	19		78,497		91,606
Cash and cash equivalents	現金及現金等值項目	19		402,540		402,673
				1,041,279		984,071
Current liabilities	流動負債					
Trade and other payables	應付賬款及其他應付款	24		345,986		303,678
Bank loans	銀行貸款	25		41,279		154,250
Obligations under finance leases	融資租賃之債務	26		2,945		3,235
Current tax payable	應付現期稅項	18(a)		10,561		11,201
				400,771		472,364
Net current assets	淨流動資產			640,508		511,707
Total assets less current liabilities carried forward	總資產減流動負債結轉			1,398,249		1,324,037

		2006		2005 (restated) (重列)		
		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			1,398,249		1,324,037
Non-current liabilities	非流動負債					
Bank loans	銀行貸款	25	78,050		14,595	
Obligations under finance leases	融資租賃之債務	26	2,763		5,708	
Employee retirement benefit liabilities	僱員退休福利負債	17(b)	2,951		3,745	
Deferred tax liabilities	遞延稅項負債	18(b)	5,551		4,608	
				89,315		28,656
NET ASSETS	淨資產			1,308,934		1,295,381
CAPITAL AND RESERVES	資本及儲備	27(a)				
Share capital	股本			250,822		248,482
Reserves	儲備			999,546		999,230
Total equity attributable to equity shareholders of the Company	本公司股權持有人應佔權益總額			1,250,368		1,247,712
Minority interests	少數股東權益			58,566		47,669
TOTAL EQUITY	權益總額			1,308,934		1,295,381

Approved and authorised for issue by the Board of Directors on 6th July, 2006

於二零零六年七月六日獲董事會通過並批准發布

Winston Yau-lai LO
Director

John Shek-hung LAU
Director

羅友禮
董事

劉錫鴻
董事

The notes on pages 77 to 166 form part of these financial statements.

第77至166頁之附註乃本財務報表之一部份。

Balance Sheet

資產負債表

At 31st March, 2006 (Expressed in Hong Kong dollars) 於二零零六年三月三十一日 (以港幣計算)

			2006		2005	
		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	15(b)				
– Property, plant and equipment	– 物業、廠房及設備			155,460		165,719
– Investment property	– 投資物業			10,405		10,931
				165,865		176,650
Interest in subsidiaries	附屬公司權益	16		143,425		273,901
Employee retirement benefit assets	僱員退休福利資產	17(b)		1,659		2,166
Bank deposits	銀行存款	19		22,768		38,427
Other financial asset	其他金融資產	20		13,922		–
				347,639		491,144
Current assets	流動資產					
Inventories	存貨	21	90,418		83,426	
Trade and other receivables	應收賬款及其他應收款	22	229,562		199,377	
Amounts due from subsidiaries	應收附屬公司款項	23	400,646		242,176	
Bank deposits	銀行存款	19	50,055		70,593	
Cash and cash equivalents	現金及現金等值項目	19	269,447		314,242	
			1,040,128		909,814	
Current liabilities	流動負債					
Trade and other payables	應付賬款及其他應付款	24	168,827		146,498	
Current tax payable	應付現期稅項	18(a)	6,164		10,488	
			174,991		156,986	
Net current assets	淨流動資產			865,137		752,828
Total assets less current liabilities carried forward	總資產減流動負債結轉			1,212,776		1,243,972

		2006		2005		
		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			1,212,776		1,243,972
Non-current liabilities	非流動負債					
Employee retirement benefit liabilities	僱員退休福利負債	17(b)	2,834		3,595	
Deferred tax liabilities	遞延稅項負債	18(b)	5,050		4,457	
				7,884		8,052
NET ASSETS	淨資產			1,204,892		1,235,920
CAPITAL AND RESERVES	資本及儲備	27(b)				
Share capital	股本			250,822		248,482
Reserves	儲備			954,070		987,438
TOTAL EQUITY	權益總額			1,204,892		1,235,920

Approved and authorised for issue by the Board of Directors on 6th July, 2006

於二零零六年七月六日獲董事會通過並批准發布

Winston Yau-lai LO
Director

John Shek-hung LAU
Director

羅友禮
董事

劉錫鴻
董事

The notes on pages 77 to 166 form part of these financial statements.

第77至166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, 2006 (Expressed in Hong Kong dollars) 截至二零零六年三月三十一日止年度(以港幣計算)

	Note 附註	2006		2005 (restated)(重列)	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total equity at 1st April	於四月一日之權益總額				
As previously reported:	以往呈報:				
- attributable to equity shareholders of the Company	- 本公司股權持有人應佔	27(a)	1,247,712		1,246,540
- minority interests	- 少數股東權益	27(a)	47,669		44,780
				1,295,381	1,291,320
Opening balance adjustment arising from change in accounting policy for financial instruments	有關金融工具之會計政策變動引致之期初結餘調整	2(f) & 27(a)		(1,749)	-
As restated, after opening balance adjustment	重列(已作出期初結餘調整)	27(a)		1,293,632	1,291,320
Net income recognised directly in equity:	直接確認為權益之收入淨額:				
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額	27(a)		1,109	2,194
Net profit for the year:	本年度溢利淨額:				
As previously reported:	以往呈報:				
- attributable to equity shareholders of the Company	- 本公司股權持有人應佔				123,747
- minority interests	- 少數股東權益				2,588
					126,335
Prior period adjustment arising from change in accounting policy for share-based payment	有關以股份為基礎的付款之會計政策變動引致之前期調整	2(a)(i)			(2,765)
Net profit for the year (2005: as restated)	本年度溢利淨額(二零零五年: 重列)	27(a)		185,025	123,570
Total recognised income and expense for the year (2005: as restated)	本年度確認之收入及開支總額(二零零五年: 重列)			186,134	125,764

		2006		2005 (restated) (重列)		
		Note 附註	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Attributable to:	應佔：					
- equity shareholders of the Company	- 本公司股權持有人		174,421		121,954	
- minority interests	- 少數股東權益		11,713		3,810	
			186,134		125,764	
Dividends	股息	27(a)				
Final dividend approved in respect of the previous year	批准屬於上一年度之末期股息		(57,139)		(56,395)	
Special dividend approved in respect of the previous year	批准屬於上一年度之特別股息		(100,244)		(49,469)	
Interim dividend declared in respect of the current year	已宣派之本年度中期股息		(28,091)		(27,725)	
Dividend paid to minority shareholder	支付予少數股東之股息		(816)		(921)	
				(186,290)		(134,510)
Movements in equity arising from capital transactions:	因資本交易而產生之權益變動：					
Shares issued under share option schemes	根據購股權計劃發行股份	27(a)	12,824		10,042	
Equity settled share-based transactions (2005: as restated)	以股份為基礎之支付之交易 (二零零五年：重列)	27(a)	2,634		2,765	
				15,458		12,807
Total equity at 31st March	於三月三十一日之權益總額		1,308,934		1,295,381	

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars) 截至二零零六年三月三十一日止年度(以港幣計算)

	Note 附註	2006		2005 (restated)(重列)	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Restatement of total recognised income and expense for the year is attributable to:	重列本年度 確認之收入及 開支總額 應佔：				
Equity shareholders of the Company	本公司股權 持有人				(2,765)
Minority interests	少數股東權益				-
					(2,765)
Arising from restatement of:	重列以下項目：				
- net income recognised directly in equity	- 直接確認為權益之 收入淨額				-
- net profit for the year	- 本年度溢利淨額				(2,765)
					(2,765)

The notes on pages 77 to 166 form part of these financial statements.

第77至166頁之附註乃本財務報表之一部份。

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars) 截至二零零六年三月三十一日止年度(以港幣計算)

		2006		2005 (restated)(重列)	
Note 附註		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Operating activities	經營業務				
Profit before taxation	除稅前溢利	225,403		163,973	
Adjustments for:	調整:				
- Depreciation of property, plant and equipment	- 物業、廠房及設備之折舊	110,671		112,329	
- Depreciation of investment property	- 投資物業之折舊	526		527	
- Amortisation of interests in leasehold land held for own use under operating leases	- 根據經營租賃持有作自用之租賃土地權益之攤銷	216		209	
- Impairment loss on property, plant and equipment	- 物業、廠房及設備之減值虧損	-		15,020	
- Interest expenses	- 利息支出	7,951		8,349	
- Finance charges on obligations under finance leases	- 融資租賃債務之財務費用	421		693	
- Interest income	- 利息收入	(12,474)		(5,255)	
- Loss on disposal of property, plant and equipment	- 出售物業、廠房及設備之虧損	831		1,803	
- Equity settled share-based payment expenses	- 以股份為基礎之支付之費用	2,634		2,765	
- Change in fair value of financial asset	- 金融資產公允值之變動	(53)		-	
Foreign exchange (gain)/loss	外匯(收益)/虧損	(2,516)		750	
Operating profit before changes in working capital	未計營運資金變動之經營溢利	333,610		301,163	
(Increase)/decrease in inventories	存貨(增加)/減少	(22,771)		26,695	
Increase in trade and other receivables	應收賬款及其他應收款增加	(47,679)		(14,750)	
Increase in trade and other payables	應付賬款及其他應付款增加	40,487		4,855	
Decrease in net employee retirement benefit liabilities	僱員退休福利負債淨額減少	(273)		(1,846)	
Cash generated from operations	經營業務所得現金	303,374		316,117	
Tax paid	已繳稅項				
- Hong Kong Profits Tax paid	- 已繳香港利得稅	(39,503)		(35,895)	
- Taxation outside Hong Kong paid	- 已繳香港以外地區稅項	(2,300)		(1,581)	
Net cash generated from operating activities	經營業務所得現金淨額		261,571		278,641

Consolidated Cash Flow Statement

綜合現金流量表

For the year ended 31st March, 2006 (Expressed in Hong Kong dollars) 截至二零零六年三月三十一日止年度(以港幣計算)

		2006		2005 (restated)(重列)	
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 property, plant and equipment	購物業、廠房及設備之款項		(62,207)		(50,071)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		612		1,980
Placement of bank deposits	新造銀行存款		(333,450)		(314,166)
Maturity of bank deposits	到期銀行存款		347,307		334,126
Interest received	已收利息		12,474		5,255
Net cash used in investing activities	投資活動所用現金淨額				
			(35,264)		(22,876)
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		(3,234)		(6,324)
Proceeds from new bank loans	新增銀行貸款		115,962		-
Repayment of bank loans	償還銀行貸款		(157,594)		(14,129)
Interest element of finance lease rentals paid	已付融資租賃租金之利息部份		(421)		(693)
Interest paid	已付利息		(7,951)		(8,349)
Proceeds from shares issued on exercise of share options	根據購股權計劃發行股份所得款項	27(c)(ii)	12,824		10,042
Dividends paid to equity shareholders of the Company	向本公司股權持有人派發股息		(185,474)		(133,589)
Dividend paid to minority shareholder	向少數股東派發股息		(816)		(921)
Net cash used in financing activities	融資活動所用現金淨額				
			(226,704)		(153,963)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目(減少)/增加淨額				
			(397)		101,802
Cash and cash equivalents at 1st April	四月一日之現金及現金等值項目				
			402,673		300,624
Effect of foreign exchange rate changes	匯率變動之影響				
			264		247
Cash and cash equivalents at 31st March	三月三十一日之現金及現金等值項目	19			
			402,540		402,673

The notes on pages 77 to 166 form part of these financial statements.

第77至166頁之附註乃本財務報表之一部份。

Notes to the Financial Statements

財務報表附註

(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 (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January, 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in note 2.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31st March, 2006 comprise the Company and its subsidiaries (together referred to as the “Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets at fair value through profit or loss are stated at their fair values as explained in the accounting policy set out in note 1(k).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 主要會計政策

(a) 遵例聲明

本財務報表是按照所有適用的《香港財務報告準則》而編製。《香港財務報告準則》一詞包括香港會計師公會頒布之所有適用的《香港財務報告準則》、《香港會計準則》及詮釋，香港公認會計原則及香港《公司條例》之規定。本財務報表亦符合適用的香港聯合交易所有限公司證券上市規則（「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。

香港會計師公會已頒布多項新訂及經修訂的《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或可供提早採納。開始應用此等新訂及經修訂的《香港財務報告準則》所引致當期及以往會計期間之會計政策變動已於本財務報表內反映，有關資料載於附註2。

(b) 財務報表之編製基準

截至二零零六年三月三十一日止年度之綜合財務報表包括本公司及其附屬公司（統稱「本集團」）。

除按公允值計量且其變動於損益確認之金融資產是以公允值列賬（詳見附註1(k)所載之會計政策的說明）外，編製財務報表時是以歷史成本作為計量基準。

管理層需在編製符合《香港財務報告準則》之財務報表時作出會影響會計政策應用，以及資產、負債、收入及支出之報告數額的判斷、估計及假設。此等估計及相關假設是根據以往經驗和管理層因應當時情況認為合理之多項其他因素作出，其結果構成了管理層在無法依循其他途徑即時得知資產與負債之賬面值時所作出判斷之基礎。實際結果可能有別於估計數額。

Notes to the Financial Statements

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 35.

(c) 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. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised profits but only to the extent that there is no evidence of impairment.

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 and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

1 主要會計政策 (續)

(b) 財務報表之編製基準 (續)

管理層會不斷審閱各項估計和相關假設。倘若會計估計之修訂只影響某一期間，其影響便會在該期間內確認；如果修訂對當期和未來期間均有影響，則在作出修訂之期間和未來期間確認。

有關管理層在應用《香港財務報告準則》時所作出對財務報表有重大影響之判斷，以及作出極可能在下一年度構成重大調整風險之估計的討論內容，載於附註35。

(c) 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。倘若本公司有權直接或間接監控公司之財務及經營政策以從有關公司之活動中得益，則附屬公司被視為受本公司控制。

於受控制之附屬公司之投資由控制權開始之日起在綜合財務報表中合併計算，直至本公司不再擁有控制權為止。

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。如無減值證據，本集團內部交易產生之未變現虧損按與未變現溢利相同之方式抵銷。

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及權益變動表之權益部份內，與本公司股權持有人應佔權益分開呈列。少數股東所佔本集團業績之權益在綜合損益報表呈列，作為本年度之總溢利或虧損於少數股東權益與本公司股權持有人之間的分配。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Subsidiaries (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable 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 additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits 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)).

(d) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

Investment properties are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(g)).

Depreciation is calculated to write off the cost of investment properties, less their estimated residual values, if any, using the straight-line method over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

Both the useful life and the residual value, if any, are reviewed annually.

(e) Property, plant and equipment

The following property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 1(g)):

- freehold land and buildings;
- land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not held under an operating lease;

1 主要會計政策(續)

(c) 附屬公司(續)

倘少數股東應佔虧損超出附屬公司權益中的少數股東權益，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作出額外投資以彌補有關虧損除外。倘附屬公司其後錄得盈利，有關盈利將全數分配予本集團，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。

(d) 投資物業

投資物業是指為賺取租金收入及／或為資本增值而擁有或以租賃權益持有的土地及／或樓宇。

投資物業按成本減累計折舊及減值虧損(見附註1(g))後記入資產負債表。

折舊乃將投資物業成本減其剩餘價值(如有)，在未屆滿租賃期及其估計可使用年期(即落成日期起計不超過50年)，兩者中較短期間以直線法計算而撇銷。

本公司會每年檢討投資物業之可使用年期及其剩餘價值(如有)。

(e) 物業、廠房及設備

下列物業、廠房及設備按成本減累計折舊及減值虧損(見附註1(g))後記入資產負債表：

- 永久業權之土地及樓宇；
- 根據經營租賃持有之土地及建於其上之建築物，而有關土地及建築物之租賃權益的公允值無法於租賃開始時分開計量，以及有關建築物並非根據經營租賃持有；

Notes to the Financial Statements

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment (continued)

- buildings situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease; and
- other items of plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives as follows:

- (i) Leasehold land and buildings over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

No depreciation is provided for freehold land.

- (ii) Other plant and equipment at the following rates:

Factory machinery and equipment	6 – 25%
Fixtures, furniture and office equipment	9 – 33%
Motor vehicles	18 – 25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 主要會計政策 (續)

(e) 物業、廠房及設備 (續)

- 建於租賃土地上之建築物，而於租賃開始時可將建築物之公允值與租賃土地之公允值分開計量；及
- 其他廠房及設備項目。

一項物業、廠房及設備報廢或出售時產生之損益為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售日在損益內確認。

折舊乃按物業、廠房及設備之成本減其剩餘價值(如有)，在其估計可使用年期採用直線法以下列方式撇銷：

- (i) 租賃土地及樓宇：按未屆滿租賃期及估計可使用年期(即落成日期起計不超過50年)兩者中之較短者。

永久業權之土地不計提折舊。

- (ii) 其他廠房及設備按以下年率：

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%

倘一項物業、廠房及設備中的不同部份有不同的可使用年期，該項目之成本將合理地分配至各部份，而各部份則獨立地計提折舊。

本公司會每年檢討資產之可使用年期及其剩餘價值(如有)。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leased assets

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

However, for land held for own use under an operating lease, where the fair value of the land cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

(ii) 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 property, plant and equipment 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 over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 1(e). 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 profit or loss 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.

1 主要會計政策(續)

(f) 租賃資產

(i) 本集團承租之資產的分類

若本集團根據租賃持有資產，而有關租賃將擁有資產之絕大部份風險及報酬轉予本集團，有關資產歸類為根據融資租賃持有之資產。並未將擁有資產之絕大部份風險及報酬轉予本集團之租賃，則歸類為經營租賃。

然而，以經營租賃持有作自用，但無法在租賃開始時將土地之公允值與建於其上的建築物的公允值分開計量的土地是按以融資租賃持有方式入賬；但清楚地以經營租賃持有的樓宇除外。就此而言，租賃的開始時間是指本集團首次訂立租賃時，或自前承租人接收樓宇時，或有關樓宇的建造日(如為較遲的時間)。

(ii) 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允值或該等資產之最低租賃付款現值(如為較低之數額)列為物業、廠房及設備，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，按比率沖銷資產之成本值，詳見附註1(e)。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，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。

Notes to 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 (continued)

(iii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(g) Impairment of assets

(i) Impairment of receivables

Current receivables that are stated at cost or amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is determined and recognised as follows:

- For current receivables that are carried at cost, the impairment loss is measured as the difference between the asset's carrying amount and the estimated future cash flows, discounted at the current market rate of return for a similar asset where the effect of discounting is material. Impairment losses are reversed if in a subsequent period the amount of the impairment loss decreases.
- For current receivables that are carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of the asset).

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1 主要會計政策 (續)

(f) 租賃資產 (續)

(iii) 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於租賃期所涵蓋之會計期間內，以等額在損益內扣除。

根據經營租賃購入之土地的成本，乃以直線法按租期攤銷。

(g) 資產減值

(i) 應收款之減值

本集團於各結算日檢討按成本值或攤銷成本列賬之即期應收款，以確定是否有客觀之減值跡象。倘有任何減值跡象，則按以下方式釐定並確認減值虧損：

- 就按成本值列賬之即期應收款而言，減值虧損按資產之賬面值與其估計未來現金流量（若貼現之影響重大，估計未來現金流量則按類似資產目前之市場回報率貼現）兩者之差額計量。倘減值虧損之數額於往後之期間減少，減值虧損則予以轉回。
- 就按攤銷成本列賬之即期應收款，減值虧損按資產之賬面值與使用資產之原訂實際利率（即首次確認資產時計算之實際利率）而貼現之估計未來現金流量的現值之間的差額計量。

倘減值虧損之數額於往後期間減少，而有關減少可客觀地與確認減值虧損後發生的事件有聯繫，則減值虧損於損益轉回。轉回減值虧損不應引致資產之賬面值高於假若以往年度並無確認減值虧損時原應釐定之數。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other 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:

- property, plant and equipment;
- investment property;
- interests in leasehold land held for own use under operating leases, and
- interest in subsidiaries.

If any such indication exists, the asset's recoverable amount is estimated.

(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) Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

1 主要會計政策(續)

(g) 資產減值(續)

(ii) 其他資產之減值

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：

- 物業、廠房及設備；
- 投資物業；
- 根據經營租賃持有作自用之租賃土地權益；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。

(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，會使用除稅前貼現率將估計未來現金流量貼現至現值。該貼現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組合（即現金產生單位）來釐定可收回金額。

(ii) 確認減值虧損

凡資產或其所屬之現金產生單位的賬面值高於其可收回金額時，則會於損益確認減值虧損。就現金產生單位確認之減值虧損乃予以分配，以按比例削減現金產生單位（或一組單位）內資產的賬面值，惟資產賬面值不可下調至低於其獨立之公允值減銷售成本或在用價值（如能釐定）。

Notes to the Financial Statements

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

(iii) 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 an impairment loss 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 profit or loss in the year in which the reversals are recognised.

(h) Inventories

Inventories are carried 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 is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Receivables

Receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 1(g)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 1(g)).

1 主要會計政策 (續)

(g) 資產減值 (續)

(ii) 其他資產之減值 (續)

(iii) 減值虧損轉回

倘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。

(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。存貨數額撇減至可變現淨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) 應收款

應收款之初值按公允值確認，其後則按攤銷成本減去呆壞賬減值虧損後所得數額入賬(見附註1(g))；惟倘若應收款為借予關連人士且無固定償還年期的免息貸款，或貼現影響輕微者則除外。在該等情況下，應收款會按成本減去呆壞賬減值虧損後所得數額入賬(見附註1(g))。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, 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.

(k) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognised at fair value. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss.

(l) Payables

Payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings using the effective interest method.

(n) 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 expenditure 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.

1 主要會計政策(續)

(j) 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、存於銀行及其他財務機構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。

(k) 按公允值計量且其變動於損益確認之金融資產

按公允值計量且其變動於損益確認之金融資產之初值按公允值確認。有關公允值於各結算日重新計算，所得盈虧於損益內確認。

(l) 應付款

應付款之初值按公允值確認，其後按攤銷成本入賬；但如貼現影響並不重大，則按成本入賬。

(m) 附息借貸

附息借貸之初值按公允值扣除交易成本後確認。於隨後，該等借貸將按攤銷成本法確認，而成本與贖回值之間的差額則以實際利率法於借貸期內於損益內確認。

(n) 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。

Notes to the Financial Statements

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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 profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises 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 tax or other sales taxes and is after deduction of returns.

(ii) Service fees

Service fees are recognised when the related services are provided.

(iii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method.

(v) Dividends

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

(p) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

1 主要會計政策 (續)

(o) 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，方會按下列基準於損益內確認：

(i) 貨物之銷售

貨物之銷售收入於貨物送交客戶之處所(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) 服務費

服務費於提供有關服務時確認。

(iii) 經營租賃之租金收入

根據經營租賃應收之租金收入會於租賃期所涵蓋之期間內，以等額在損益內確認。

(iv) 利息收入

利息收入按實際利率法累計確認。

(v) 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。

(p) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃之供款

薪酬、年終花紅、有薪年假、向界定供款退休計劃之供款及非金錢福利之成本均於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。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

(ii) Defined benefit retirement plan obligation

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, if 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 profit or loss 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.

(iii) Long service payments obligation

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 by a qualified actuary using the projected unit credit method.

1 主要會計政策(續)

(p) 僱員福利(續)

(ii) 界定福利退休計劃承擔

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貼現，並扣除任何計劃資產之公允值。貼現率為優質公司債券(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允值(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之現值等各項目之總和。

(iii) 長期服務金承擔

本集團就根據香港《僱傭條例》須在若干情況下於終止僱用僱員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貼現，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)。貼現率為優質公司債券(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。

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

(iv) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share-based compensation reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share-based compensation reserve). The equity amount is recognised in the share-based compensation reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(q) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred.

1 主要會計政策(續)

(p) 僱員福利(續)

(iv) 以股份為基礎的付款

授予僱員之購股權的公允值乃確認為僱員成本，並相應增加權益項下的股份基礎補償儲備。購股權公允值乃於授出日期使用二項式點陣模式計量，並考慮到授出購股權之條款及條件。若僱員須履行歸屬條件後方可無條件享有購股權，則購股權之估計公允值總額會在歸屬期間攤分，並考慮到購股權會歸屬持有人所有之成數。

於歸屬期間，本公司會檢討預期將歸屬的購股權數目。於過往年度確認的任何累計公允值調整會在檢討年度從損益扣除／計入損益(除非原有僱員開支合資格確認為資產)，並相應調整股份基礎補償儲備。於歸屬日期，確認為開支的數額會作出調整，以反映所歸屬之購股權之實際數目(而股份基礎補償儲備亦會作出相應調整)。權益金額乃於股份基礎補償儲備確認，直至購股權獲行使(當有關金額轉撥至股份溢價賬)或購股權屆滿(當有關金額撥至保留溢利)為止。

(q) 借貸成本

借貸成本在產生之期間在損益列作支出。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

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

(s) 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.

1 主要會計政策(續)

(r) 外幣換算

年度內之外幣交易按交易當日之匯率換算。以外幣計算之貨幣資產及負債按結算日之匯率換算。匯兌損益於損益內確認。

按歷史成本法以外幣計算之非貨幣資產及負債，則按交易當日之適用匯率換算。

海外業務之業績以接近交易當日之匯率換算為港元，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直接確認於權益之獨立部份。

於出售一項海外業務時，涉及該海外業務並已於權益確認之累積匯兌差額均計入出售損益。

(s) 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。

Notes to the Financial Statements

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

- (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 profits 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 profits will be available.

1 主要會計政策(續)

(s) 所得稅(續)

- (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賬面金額之間之差異。遞延稅項資產也可以是未使用之稅損及稅款抵減。

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賬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貼現計算。

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溢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溢利時，則予以撥回，但以該等溢利為限。

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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 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.

1 主要會計政策(續)

(s) 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。

Notes to the Financial Statements

財務報表附註

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

1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) 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 (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individual, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

(u) 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 property, plant and equipment. 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 entities within a single segment.

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

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

1 主要會計政策(續)

(t) 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(即關鍵管理人員、重要股東及／或與彼等關係密切的家族成員)或其他公司，並且包括受到本集團屬於個人身份的關連人士重大影響的公司，以及為本集團或作為本集團關連人士的任何公司的僱員福利而設的離職後福利計劃。

(u) 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、應收賬款及物業、廠房及設備。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。

分部資本支出為期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金融及企業資產、銀行貸款、稅項結餘、企業及融資費用。

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1st January, 2005.

The accounting policies of the Group after the adoption of these new and revised HKFRSs have been summarised in note 1. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 36).

(a) Restatement of prior period balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated income statement and balance sheet and the Company's balance sheet and other significant related disclosure items as previously reported for the year ended 31st March, 2005. The effects of the changes in accounting policies on the reserves at 1st April, 2004 are disclosed in note 27.

2 會計政策變動

香港會計師公會已頒布了多項新訂及經修訂之《香港財務報告準則》，而該等準則於二零零五年一月一日或之後開始之會計期間生效。

本集團於採納該等新訂及經修訂之《香港財務報告準則》後之會計政策概述於附註1。以下為財務報表中的本會計期間及過往會計期間之會計政策之重大變動資料。

本集團並無採納任何尚未於本會計期間生效之新準則或詮釋(見附註36)。

(a) 重列前期結餘

下表披露根據相關《香港財務報告準則》之過渡條文，對截至二零零五年三月三十一日止年度綜合損益報表及資產負債表以及本公司之資產負債表內各個項目及以往呈報之其他主要相關披露項目作出之調整。會計政策變動對二零零四年四月一日之儲備的影響已於附註27中披露。

Notes to the Financial Statements

財務報表附註

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

2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior period balances (continued)

(i) Effect on the consolidated financial statements

Consolidated income statement for the year ended 31st March, 2005

2 會計政策變動(續)

(a) 重列前期結餘(續)

(i) 對綜合財務報表之影響

截至二零零五年三月三十一日止年度之綜合損益報表

		2005 (as previously reported) (按以往呈報) \$'000千元	Effect of new policy (increase/(decrease) in profit for the year) 新政策之影響(本年度溢利之 增加/(減少))			2005 (as restated) (重列) \$'000千元
			HKFRS 2 (note 2(c)) 《香港財務 報告準則》 第2號 (附註2(c)) \$'000千元	HKAS 17 (note 2(d)) 《香港 會計準則》 第17號 (附註2(d)) \$'000千元	HKAS 1 (note 2(e)) 《香港 會計準則》 第1號 (附註2(e)) \$'000千元	
Turnover	營業額	2,379,955	-	-	-	2,379,955
Cost of sales	銷售成本	(1,012,415)	-	-	-	(1,012,415)
Gross profit	毛利	1,367,540	-	-	-	1,367,540
Other revenue	其他收入	31,369	-	-	-	31,369
Marketing, selling and distribution expenses	推廣、銷售及 分銷費用	(915,777)	-	-	-	(915,777)
Administrative expenses	行政費用	(159,302)	-	-	-	(159,302)
Other operating expenses	其他經營費用	(124,033)	(2,765)	-	-	(126,798)
Profit from operations	經營溢利	199,797	(2,765)	-	-	197,032
Finance costs	融資成本	(9,042)	-	-	-	(9,042)
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	-	-	-	765
Profit before taxation	除稅前溢利	166,738	(2,765)	-	-	163,973
Income tax	所得稅	(40,403)	-	-	-	(40,403)
Profit after taxation	除稅後溢利	126,335	(2,765)	-	-	123,570
Minority interests	少數股東權益	(2,588)	-	-	2,588	-
Profit for the year	本年度溢利	123,747	(2,765)	-	2,588	123,570

2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior period balances (continued)

(i) Effect on the consolidated financial statements

(continued)

Consolidated income statement for the year ended 31st March, 2005 (continued)

2 會計政策變動(續)

(a) 重列前期結餘(續)

(i) 對綜合財務報表之影響

(續)

截至二零零五年三月三十一日止年度之綜合損益報表(續)

		Effect of new policy (increase/(decrease) in profit for the year) 新政策之影響(本年度溢利之 增加/(減少))				
		2005 (as previously reported)	HKFRS 2 (note 2(c)) 《香港財務 報告準則》 第2號	HKAS 17 (note 2(d)) 《香港 會計準則》 第17號	HKAS 1 (note 2(e)) 《香港 會計準則》 第1號	2005 (as restated)
		(按以往呈報)	(附註2(c))	(附註2(d))	(附註2(e))	(重列)
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
Attributable to:	應佔:					
Equity shareholders of the Company	本公司股權 持有人	123,747	(2,765)	-	-	120,982
Minority interests	少數股東權益	-	-	-	2,588	2,588
Profit for the year	本年度溢利	123,747	(2,765)	-	2,588	123,570
Earnings per share	每股盈利					
Basic	基本	12.5 cents仙	(0.3 cents仙)	-	-	12.2 cents仙
Diluted	攤薄	12.4 cents仙	(0.3 cents仙)	-	-	12.1 cents仙
Other significant disclosure items:	其他主要 披露項目:					
Staff costs	員工成本	(440,868)	(2,765)	-	-	(443,633)
Amortisation of interests in leasehold land held for own use under operating leases	根據經營租賃持有 作自用之租賃 土地權益之攤銷	-	-	(209)	-	(209)
Depreciation – other assets	折舊 – 其他資產	(108,375)	-	209	-	(108,166)

Notes to the Financial Statements

財務報表附註

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

2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior period balances (continued)

(i) Effect on the consolidated financial statements

(continued)

Consolidated balance sheet at 31st March, 2005

2 會計政策變動(續)

(a) 重列前期結餘(續)

(i) 對綜合財務報表之影響

(續)

於二零零五年三月三十一日之綜合資產負債表

	2005 (as previously reported)	Effect of new policy (increase/(decrease) in net assets)			Reclassification of balance (note 34)	2005 (as restated)
		HKFRS 2 (note 2(c))	HKAS 17 (note 2(d))	HKAS 1 (note 2(e))		
	(按以往呈報)	(附註2(c))	(附註2(d))	(附註2(e))	結餘 重新分類 (附註34)	(重列)
	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
Non-current assets						
Property, plant and equipment	770,691	-	(5,419)	-	(10,931)	754,341
Investment property	-	-	-	-	10,931	10,931
Interests in leasehold land held for own use under operating leases	-	-	5,419	-	-	5,419
Other non-current assets	41,639	-	-	-	-	41,639
	812,330	-	-	-	-	812,330
Net current assets	511,707	-	-	-	-	511,707
Total assets less current liabilities	1,324,037	-	-	-	-	1,324,037
Non-current liabilities	(28,656)	-	-	-	-	(28,656)
Minority interests	(47,669)	-	-	47,669	-	-
Net assets	1,247,712	-	-	47,669	-	1,295,381
Capital and reserves						
Attributable to equity shareholders of the Company						
Share capital	248,482	-	-	-	-	248,482
Reserves						
- Share-based compensation reserve	-	3,997	-	-	-	3,997
- Other reserves	363,058	-	-	-	-	363,058
- Retained profits	636,172	(3,997)	-	-	-	632,175
	1,247,712	-	-	-	-	1,247,712
Attributable to minority interests	-	-	-	47,669	-	47,669
Total equity	1,247,712	-	-	47,669	-	1,295,381

2 CHANGES IN ACCOUNTING POLICIES (continued)

(a) Restatement of prior period balances (continued)

(ii) Effect on the Company's balance sheet at 31st March, 2005

2 會計政策變動(續)

(a) 重列前期結餘(續)

(ii) 對本公司於二零零五年三月三十一日之資產負債表之影響

		2005 (as previously reported)	Effect of new policy (increase/ (decrease) in net assets) 新政策之影響 (淨資產之 增加/(減少))	Reclassification of balance (note 34)	2005 (as restated)
		(按以往呈報)	HKFRS 2 (note 2(c)) 《香港財務 報告準則》 第2號 (附註2(c))	結餘重新分類 (附註34)	(重列)
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	176,650	-	(10,931)	165,719
Investment property	投資物業	-	-	10,931	10,931
Other non-current assets	其他非流動資產	314,494	-	-	314,494
		491,144	-	-	491,144
Net current assets	淨流動資產	752,828	-	-	752,828
Total assets less current liabilities	總資產減 流動負債	1,243,972	-	-	1,243,972
Non-current liabilities	非流動負債	(8,052)	-	-	(8,052)
Net assets	淨資產	1,235,920	-	-	1,235,920
Capital and reserves	資本及儲備				
Share capital	股本	248,482	-	-	248,482
Reserves	儲備				
- Share-based compensation reserve	- 股份基礎 補償儲備	-	3,997	-	3,997
- Other reserves	- 其他儲備	382,535	-	-	382,535
- Retained profits	- 保留溢利	604,903	(3,997)	-	600,906
Total equity	權益總額	1,235,920	-	-	1,235,920

Notes to the Financial Statements

財務報表附註

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

2 CHANGES IN ACCOUNTING POLICIES (continued)

(b) Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement and balance sheet and the company's balance sheet and other significant related disclosure items for the year ended 31st March, 2006 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

(i) Estimated effect on the consolidated financial statements

Estimated effect on the consolidated income statement for the year ended 31st March, 2006

2 會計政策變動(續)

(b) 會計政策變動對本期間之估計影響

下表載列假設繼續採用過往會計政策，計算截至二零零六年三月三十一日止年度綜合損益報表及資產負債表以及本公司之資產負債表內各個項目及其他主要相關披露項目時，可能增加或減少之估計金額(如可估計)。

(i) 對綜合財務報表之估計影響

對截至二零零六年三月三十一日止年度綜合損益報表之估計影響

		Estimated effect of new policy (increase/ (decrease) in profit for the year 新政策之估計影響(本年度溢利之增加/(減少))				
		HKFRS 2 (note 2(c)) 《香港財務 報告準則》 第2號 (附註2(c)) \$'000千元	HKAS 17 (note 2(d)) 《香港 會計準則》 第17號 (附註2(d)) \$'000千元	HKAS 1 (note 2(e)) 《香港 會計準則》 第1號 (附註2(e)) \$'000千元	HKAS 39 (note 2(f)) 《香港 會計準則》 第39號 (附註2(f)) \$'000千元	Total 總額 \$'000千元
Other revenue	其他收入	-	-	-	53	53
Other operating expenses	其他經營費用	(2,634)	-	-	-	(2,634)
Profit after taxation	除稅後溢利	(2,634)	-	-	53	(2,581)
Minority interests	少數股東權益	-	-	12,949	-	12,949
Profit for the year	本年度溢利	(2,634)	-	12,949	53	10,368
Attributable to:	應佔：					
Equity shareholders of the Company	本公司股權持有人	(2,634)	-	-	53	(2,581)
Minority interests	少數股東權益	-	-	12,949	-	12,949
Profit for the year	本年度溢利	(2,634)	-	12,949	53	10,368
Earnings per share	每股盈利					
Basic	基本	(0.3 cents)	-	-	-	(0.3 cents)
Diluted	攤薄	(0.3 cents)	-	-	-	(0.3 cents)
Other significant disclosure items:	其他主要披露項目：					
Staff costs	員工成本	(2,634)	-	-	-	(2,634)
Amortisation of interests in leasehold land held for own use under operating leases	根據經營租賃持有作自用之租賃土地權益之攤銷	-	(216)	-	-	(216)
Depreciation – other assets	折舊 – 其他資產	-	216	-	-	216
Change in fair value of financial asset at fair value through profit or loss	按公允值計量且其變動於損益確認之金融資產之公允值變動	-	-	-	53	53

2 CHANGES IN ACCOUNTING POLICIES (continued)
 (b) Estimated effect of changes in accounting policies on the current period (continued)

- (i) Estimated effect on the consolidated financial statements (continued)
 Estimated effect on the consolidated balance sheet at 31st March, 2006

2 會計政策變動(續)
 (b) 會計政策變動對本期間之估計影響(續)

- (i) 對綜合財務報表之估計影響(續)
 對二零零六年三月三十一日之綜合資產負債表之估計影響

		Estimated effect of new policy (increase/(decrease) in net assets) 新政策之估計影響(淨資產之增加/減少)				
		HKFRS 2 (note 2(c)) 《香港財務 報告準則》 第2號 (附註2(c)) \$'000千元	HKAS 17 (note 2(d)) 《香港 會計準則》 第17號 (附註2(d)) \$'000千元	HKAS 1 (note 2(e)) 《香港 會計準則》 第1號 (附註2(e)) \$'000千元	HKAS 39 (note 2(f)) 《香港 會計準則》 第39號 (附註2(f)) \$'000千元	Total 總額 \$'000千元
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	–	(5,364)	–	–	(5,364)
Interests in leasehold land held for own use under operating leases	根據經營租賃持有作自用之租賃土地權益	–	5,364	–	–	5,364
Bank deposits	銀行存款	–	–	–	(15,618)	(15,618)
Other financial asset	其他金融資產	–	–	–	13,922	13,922
		–	–	–	(1,696)	(1,696)
Minority interests	少數股東權益	–	–	58,566	–	58,566
Net assets	淨資產	–	–	58,566	(1,696)	56,870
Capital and reserves	資本及儲備					
Attributable to equity shareholders of the Company	本公司股權持有人應佔					
Reserves	儲備					
– Share premium	– 股份溢價	712	–	–	–	712
– Share-based compensation reserve	– 股份基礎補償儲備	5,919	–	–	–	5,919
– Retained profits	– 保留溢利	(6,631)	–	–	(1,696)	(8,327)
		–	–	–	(1,696)	(1,696)
Attributable to minority interests	少數股東權益應佔	–	–	58,566	–	58,566
Total equity	權益總額	–	–	58,566	(1,696)	56,870

Notes to the Financial Statements

財務報表附註

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

2 CHANGES IN ACCOUNTING POLICIES (continued)

(b) Estimated effect of changes in accounting policies on the current period (continued)

(ii) Estimated effect on the Company's balance sheet at 31st March, 2006

2 會計政策變動(續)

(b) 會計政策變動對本期間之估計影響(續)

(ii) 對本公司於二零零六年三月三十一日之資產負債表之估計影響

		Estimated effect of new policy (increase/(decrease) in net assets) 新政策之估計影響 (淨資產之增加/減少)		
		HKFRS 2 (note 2(c)) 《香港財務 報告準則》 第2號 (附註2(c)) \$'000千元	HKAS 39 (note 2(f)) 《香港 會計準則》 第39號 (附註2(f)) \$'000千元	Total 總額 \$'000千元
Non-current assets	非流動資產			
Bank deposits	銀行存款	–	(15,618)	(15,618)
Other financial asset	其他金融資產	–	13,922	13,922
Net assets	淨資產	–	(1,696)	(1,696)
Capital and reserves	資本及儲備			
Reserves	儲備			
– Share premium	– 股份溢價	712	–	712
– Share-based compensation reserve	– 股份基礎 補償儲備	5,919	–	5,919
– Retained profits	– 保留溢利	(6,631)	(1,696)	(8,327)
Total equity	權益總額	–	(1,696)	(1,696)

2 CHANGES IN ACCOUNTING POLICIES (continued)

(c) Employee share option schemes (HKFRS 2 “Share-based payment”)

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option’s exercise price receivable.

With effect from 1st April, 2005, in order to comply with HKFRS 2, the Group has adopted a new policy for employee share options. Under the new policy, the Group recognises the fair value of such share options as an expense with a corresponding increase recognised in a share-based compensation reserve within equity. Further details of the new policy are set out in note 1(p)(iv).

This new accounting policy has been applied retrospectively with comparatives restated, except that the Group has taken advantage of the transitional provisions set out in HKFRS 2, under which the new recognition and measurement policies have not been applied to the following grants of options:

- (i) all options granted to employees on or before 7th November, 2002; and
- (ii) all options granted to employees after 7th November, 2002 but which had vested before 1st April, 2005.

The adjustments for each financial statement line affected for the years ended 31st March, 2005 and 2006 are set out in notes 2(a) and (b).

Details of the share option schemes are set out in note 28.

(d) Leasehold land and buildings held for own use (HKAS 17 “Leases”)

In prior years, all interests in leasehold land held for own use were presented together with the buildings situated on that land and were stated at cost less accumulated depreciation and impairment losses.

2 會計政策變動(續)

(c) 僱員購股權計劃(《香港財務報告準則》第2號「以股份為基礎的付款」)

於過往年度，在僱員(包括董事)獲授本公司股份之購股權時，本集團概不確認任何金額入賬。倘僱員選擇行使購股權，則股本及股份溢價賬項僅會以應收之購股權行使價為限入賬。

自二零零五年四月一日起，為符合《香港財務報告準則》第2號，本集團就僱員購股權採納新政策。根據新政策，本集團確認該等購股權之公允值為開支，並會相應增加在權益項下之股份基礎補償儲備。此項新政策之進一步詳情載於附註1(p)(iv)。

本集團已追溯採用此項新會計政策，並重列比較數字，惟本集團根據《香港財務報告準則》第2號所載之過渡條文，毋須就以下購股權採用新的確認及計量政策：

- (i) 所有於二零零二年十一月七日或之前授予僱員之購股權；及
- (ii) 所有於二零零二年十一月七日後授予僱員但於二零零五年四月一日前歸屬之購股權。

截至二零零五年及二零零六年三月三十一日止年度財務報表中受此影響之各項目的調整載於附註2(a)及(b)。

購股權計劃之詳情載於附註28。

(d) 持有作自用的租賃土地及樓宇(《香港會計準則》第17號「租賃」)

於過往年度，持有作自用的租賃土地的所有權益乃與建於有關土地上的建築物一同按成本減累計折舊及減值虧損入賬。

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

2 CHANGES IN ACCOUNTING POLICIES (continued)

(d) Leasehold land and buildings held for own use (HKAS 17 "Leases") (continued)

With effect from 1st April, 2005, in order to comply with HKAS 17, the Group has adopted a new policy for leasehold land and buildings held for own use. Under the new policy, the leasehold interest in the land held for own use is accounted for as being held under an operating lease, where the fair value of the interest in any buildings situated on the leasehold land could be measured separately from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later.

Any buildings held for own use which are situated on such land leases continue to be presented as property, plant and equipment. Further details of the new policy are set out in notes 1(e) and (f).

The above new accounting policy has been adopted retrospectively. The adjustments for each financial statement line item affected for the years ended 31st March, 2005 and 2006 are set out in notes 2(a) and (b).

(e) Minority interests (HKAS 1 "Presentation of financial statements" and HKAS 27 "Consolidated and separate financial statements")

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the consolidated income statement as a deduction before arriving at the profit attributable to shareholders (the equity shareholders of the Company).

With effect from 1st April, 2005, in order to comply with HKAS 1 and HKAS 27, the Group has changed its accounting policy relating to the presentation of minority interests. Under the new policy, minority interests are presented as part of equity, separately from interests attributable to the equity shareholders of the Company. Further details of the new policy are set out in note 1(c). These changes in presentation have been applied retrospectively with comparatives restated as showed in note 2(a).

2 會計政策變動(續)

(d) 持有作自用的租賃土地及樓宇(《香港會計準則》第17號「租賃」)(續)

自二零零五年四月一日起，為符合《香港會計準則》第17號，本集團就持有作自用的租賃土地及樓宇採納新政策。根據新政策，若位於租賃土地上的任何建築物權益的公允值能與本集團首次訂立租賃時或自前度承租人接收時或有關建築物興建日(如為較遲者)的租賃土地權益公允值分開計量，持有作自用土地之租賃權益便會按持作經營租賃列賬。

位於這類租賃土地上的任何自用建築物仍列作物業、廠房及設備入賬。此項新政策之進一步詳情載於附註1(e)及(f)。

本集團已追溯採用上述之新會計政策。截至二零零五年及二零零六年三月三十一日止年度財務報表中受此影響之各項目的調整載於附註2(a)及(b)。

(e) 少數股東權益(《香港會計準則》第1號「財務報表的呈列」及《香港會計準則》第27號「綜合及獨立財務報表」)

於過往年度，結算日時之少數股東權益乃列入綜合資產負債表並獨立於負債分開呈報，並列作淨資產的扣減款項。本集團於該年度業績中的少數股東權益亦獨立列於綜合損益報表，作為計算股東(本公司之股權持有人)應佔溢利前扣減之款項。

自二零零五年四月一日起，為符合《香港會計準則》第1號及《香港會計準則》第27號，本集團已更改其呈列少數股東權益之會計政策。根據新政策，少數股東權益乃列作權益之一部份，與本公司股權持有人應佔權益分開呈報。此項新政策之進一步詳情載於附註1(c)。本集團已追溯採用此等呈列方式之改變，重列之比較數字載於附註2(a)。

2 CHANGES IN ACCOUNTING POLICIES (continued)

(f) Financial instruments (HKAS 32 “Financial instruments: Disclosure and presentation” and HKAS 39 “Financial instruments: Recognition and measurement”)

In prior years, structured deposit contract with bank entered into by the Group was classified as bank deposits and stated at cost less provision.

With effect from 1st April, 2005, and in accordance with HKAS 39, such structured deposit is classified as a financial asset at fair value through profit or loss and carried at fair value. Changes in the fair value are recognised in profit or loss. Further details of the new policy are set out in note 1(k).

This change in accounting policy was adopted by way of an opening balance adjustment to retained profits as at 1st April, 2005. The adjustment includes re-designation of the structured deposit with a carrying value of \$15,618,000 at 31st March, 2005 as financial asset at fair value through profit or loss at 1st April, 2005. As at that date, such financial asset was restated to the fair value of \$13,869,000 by way of an opening balance adjustment to reduce retained profits by \$1,749,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

The adjustments for each financial statement line item affected for the year ended 31st March, 2006 are set out in note 2(b).

(g) Definition of related parties (HKAS 24 “Related party disclosures”)

As a result of the adoption of HKAS 24, Related party disclosures, the definition of related parties as disclosed in note 1(t) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had Statement of Standard Accounting Practice 20, Related party disclosures, still been in effect.

2 會計政策變動(續)

(f) 金融工具(《香港會計準則》第32號「金融工具：披露及呈列」及《香港會計準則》第39號「金融工具：確認及計量」)

於過往年度，本集團與銀行訂立之結構性存款合約乃列作銀行存款，並按成本減撥備列賬。

自二零零五年四月一日起，根據《香港會計準則》第39號，該等結構性存款乃列作按公允值計量且其變動於損益確認之金融資產，並按公允值列賬。公允值變動於損益確認。此項新政策之進一步詳情載於附註1(k)。

採納此項會計政策之變動是透過對二零零五年四月一日之保留溢利作出期初結餘調整。有關調整包括將二零零五年三月三十一日賬面值為15,618,000元之結構性存款，重新設定為於二零零五年四月一日按公允值計量且其變動於損益確認之金融資產。於該日，有關金融資產乃透過期初結餘調整將保留溢利削減1,749,000元，從而重列至13,869,000元之公允值。比較金額並無重列，蓋《香港會計準則》第39號之過渡安排禁止此做法。

截至二零零六年三月三十一日止年度財務報表中受此影響之各項目的調整載於附註2(b)。

(g) 關連人士之定義(《香港會計準則》第24號「關連人士披露」)

由於採納《香港會計準則》第24號「關連人士披露」，附註1(t)所披露之關連人士的定義已予擴大，從而釐清關連人士包括受到屬於個人身份的關連人士(即關鍵管理人員、重要股東及／或與彼等關係密切的家族成員)重大影響的公司，以及為本集團或作為本集團關連人士的任何公司的僱員福利而設的離職後福利計劃。相比於《會計實務準則》第20號「關連人士披露」仍然生效時，釐清關連人士之定義並無使到以往呈報之關連人士交易的披露出現任何重大變動，對本期間所作出的披露亦無任何重大影響。

Notes to the Financial Statements

財務報表附註

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

3 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.

3 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。

4 OTHER REVENUE

4 其他收入

		2006	2005
		\$'000 千元	\$'000 千元
Interest income	利息收入	12,474	5,255
Service fee	服務費	31,465	19,204
Rental income	租金收入	1,748	1,296
Change in fair value of financial asset at fair value through profit or loss	按公允值計量且其變動於損益確認之金融資產之公允值變動	53	-
Sundry income	雜項收入	5,767	5,614
		51,507	31,369

5 PROFIT BEFORE TAXATION

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

5 除稅前溢利

除稅前溢利已扣除／(計入)：

		2006	2005
		\$'000 千元	(restated) (重列) \$'000 千元
(a) Finance costs:	(a) 融資成本：		
Interest on bank loans	銀行貸款之利息	7,951	8,349
Finance charges on obligations under finance leases	融資租賃債務之財務費用	421	693
		8,372	9,042
(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	18,237	16,809
Expense/(income) recognised in respect of:	以下項目之已確認費用／(收入)：		
– retirement gratuities (note 17(c)(ii))	– 退休金 (附註17(c)(ii))	1,125	1,008
– long service payments (note 17(d)(ii))	– 長期服務金 (附註17(d)(ii))	(406)	(207)
Retirement costs	退休成本	18,956	17,610
Equity settled share-based payment expenses	以股份為基礎之支付之費用	2,634	2,765
Salaries, wages and other benefits	薪酬、工資及其他福利	425,396	423,258
		446,986	443,633
(c) Other items:	(c) 其他項目：		
Amortisation of interests in leasehold land held for own use under operating leases	根據經營租賃持有作自用之租賃土地權益的攤銷	216	209
Depreciation	折舊		
– assets leased out under operating leases	– 以經營租賃出租之資產	526	527
– assets acquired under finance leases	– 以融資租賃購入之資產	3,696	4,163
– other assets	– 其他資產	106,975	108,166
Impairment losses	減值虧損		
– trade and other receivables	– 應收賬款及其他應收款	(816)	616
– property, plant and equipment	– 物業、廠房及設備	–	15,020
Auditors' remuneration	核數師酬金		
– audit services	– 審核服務	2,778	2,476
– tax services	– 稅務服務	433	504
– other services	– 其他服務	1,823	33
Operating lease charges:	經營租賃費用：		
– minimum lease payments	– 最低租賃付款		
– hire of properties	– 租用物業	37,527	34,912
– hire of factory machinery and equipment	– 租用工廠機器及設備	2,270	2,558
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	831	1,803
Net foreign exchange loss	淨外匯虧損	1,874	81

Notes to the Financial Statements

財務報表附註

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

6 RESTRUCTURING COST

During the year ended 31st March, 2005, the Group had undergone a restructuring of its operations in the United States of America which included 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 comprised:

		2005
		\$'000 千元
Impairment loss on property, plant and equipment (note 15(a))	物業、廠房及設備之減值虧損(附註15(a))	15,020
Severance payments	遣散費	2,363
Compensation for early termination of refrigerated soymilk copack agreement	提早終止鮮凍豆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
		24,782

7 WRITE BACK OF PROVISION FOR COMPENSATION FOR TRAFFIC ACCIDENT

This represented the write back of over-provision for compensation for traffic accident relating to one of the Company's subsidiaries, Vitasoy USA Inc., which occurred in 2000. During the year ended 31st March, 2005, the injury claim was settled and an over-provision of \$765,000 was written back to the income statement.

6 重組成本

於截至二零零五年三月三十一日止年度內，本集團重組其於美國之業務，當中包括結束鮮凍豆奶業務、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：

7 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。於截至二零零五年三月三十一日止年度，該宗受傷索償已和解繳付，其超額撥備765,000元已相應地撥回至損益報表。

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

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

8 綜合損益報表之所得稅

(a) 綜合損益報表內之所得稅代表：

		2006 \$'000 千元	2005 \$'000 千元
Current tax	本期稅項		
– Hong Kong Profits Tax	– 香港利得稅		
Provision for the year	年內撥備	36,992	38,544
Over-provision in respect of prior years	以往年度之超額撥備	(145)	(103)
		36,847	38,441
Current tax	本期稅項		
– Outside Hong Kong	– 香港以外地區		
Provision for the year	年內撥備	3,920	1,039
Under-provision in respect of prior years	以往年度之撥備不足	396	124
		4,316	1,163
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	源自及撥回暫時差異	(785)	1,154
Effect of increase in tax rate on deferred tax balance	因稅率上升對遞延稅項之影響	–	(355)
		(785)	799
		40,378	40,403

The provision for Hong Kong Profits Tax is calculated at 17.5% (2005: 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% (二零零五年：17.5%) 之稅率計算。香港以外地區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。

Notes to the Financial Statements

財務報表附註

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

8 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

8 綜合損益報表之所得稅 (續)

(b) 稅項支出與會計溢利以適用稅率計算之對賬：

		2006	2005
		\$'000 千元	(restated) (重列) \$'000 千元
Profit before taxation	除稅前溢利	225,403	163,973
Notional tax on profit 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除稅前溢利之稅項	36,170	16,122
Tax effect of non-deductible expenses	不可扣減支出之稅務影響	1,767	2,344
Tax effect of non-taxable revenue	非課稅收入之稅務影響	(1,814)	(1,554)
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	4,004	23,825
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-provision in respect of prior years	以往年度稅項撥備不足	251	21
Actual tax expense	實際稅項支出	40,378	40,403

9 DIRECTORS' REMUNERATION

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

9 董事酬金

根據香港《公司條例》第161條及上市規則披露之董事酬金如下：

		2006						
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payments	Total
		董事袍金	薪金、津貼及實物福利	酌情發放之花紅	退休計劃供款	小計	以股份為基礎的付款	總計
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
Executive Directors	執行董事							
Mr. Winston Yau-lai LO	羅友禮先生	153	3,598	2,712	126	6,589	636	7,225
Mr. Ambrose Kam-shing CHAN (note (i))	陳錦勝先生 (附註(i))	54	3,143	1,005	177	4,379	537	4,916
Mr. Eric Fat YU	余發先生	76	1,434	308	92	1,910	177	2,087
Mr. John Shek-hung LAU	劉錫鴻先生	76	1,898	387	107	2,468	187	2,655
Mr. Fransis Ming-yin KONG (note (ii))	江明彥先生 (附註(ii))	2	556	936	38	1,532	-	1,532
Non-executive Directors	非執行董事							
Ms. Myrna Mo-ching LO	羅慕貞女士	84	-	-	-	84	-	84
Ms. Yvonne Mo-ling LO	羅慕玲女士	84	-	-	-	84	-	84
Independent Non-executive Directors	獨立非執行董事							
Dr. The Hon. Sir David Kwok-po LI	李國寶爵士	248	-	-	-	248	-	248
Mr. Iain F. BRUCE	布魯士先生	255	-	-	-	255	-	255
Mr. Chi-kian SHIU	邵志堅先生	250	-	-	-	250	-	250
		1,282	10,629	5,348	540	17,799	1,537	19,336

Notes to the Financial Statements

財務報表附註

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

9 DIRECTORS' REMUNERATION (continued)

9 董事酬金(續)

		2005						
		Salaries, allowances and benefits in kind 薪金、 津貼及 實物福利 (restated)(重列)	Discretionary bonuses 酌情發放 之花紅	Retirement scheme contributions 退休 計劃供款	Sub-total 小計	Share- based payments 以股份為 基礎的付款 (restated)(重列)	Total 總計 (restated)(重列)	
		Directors' fees 董事袍金						
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	
Executive Directors		執行董事						
Mr. Winston Yau-lai LO	羅友禮先生	165	3,631	2,471	149	6,416	573	6,989
Mr. Eric Fat YU	余發先生	76	1,413	271	111	1,871	166	2,037
Mr. John Shek-hung LAU	劉錫鴻先生	76	1,778	419	129	2,402	185	2,587
Mr. Fransis Ming-yin KONG	江明彥先生	76	2,160	792	160	3,188	354	3,542
Non-executive Directors		非執行董事						
Mr. Frank Yau-yee LO (note (iii))	羅友義先生(附註(iii))	46	-	-	-	46	-	46
Ms. Myrna Mo-ching LO	羅慕貞女士	84	-	-	-	84	-	84
Ms. Yvonne Mo-ling LO	羅慕玲女士	84	-	-	-	84	-	84
Independent Non-executive Directors		獨立非執行董事						
Dr. The Hon. Sir David Kwok-po LI	李國寶爵士	255	-	-	-	255	-	255
Mr. Iain F. BRUCE	布魯士先生	282	-	-	-	282	-	282
Mr. Chi-kian SHIU	邵志堅先生	148	-	-	-	148	-	148
		1,292	8,982	3,953	549	14,776	1,278	16,054

Share-based payments represent the estimated value of share options granted to the Directors under the Company's share option schemes. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(p)(iv).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option schemes" in the Report of the Directors and note 28.

以股份為基礎的付款指根據本公司之購股權計劃授予董事之購股權的估計價值。此等購股權之價值乃根據附註1(p)(iv)所載本集團就以股份為基礎之付款交易採用的會計政策而計量。

此等實物福利(包括已授出之購股權之主要條款及數目)之詳情已於董事會報告書「購股權計劃」一段及附註28中披露。

9 DIRECTORS' REMUNERATION (continued)

Notes:

- (i) Mr. Ambrose Kam-shing CHAN was appointed as an Executive Director on 11th July, 2005.
- (ii) Mr. Fransis Ming-yin KONG resigned as an Executive Director on 18th April, 2005.
- (iii) Mr. Frank Yau-ye LO resigned as a Non-executive Director on 19th January, 2005.

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2005 (restated): four) are Directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other two (2005 (restated): one) individuals is as follows:

		2006	2005
		\$'000 千元	(restated) (重列) \$'000 千元
Salaries and other emoluments	薪金及其他酬金	4,944	1,608
Retirement scheme contributions	退休計劃供款	113	33
Discretionary bonuses	酌情發放之花紅	1,128	955
Share-based payments	以股份為基礎的付款	170	154
		6,355	2,750

Share-based payments represent the estimated value of share options granted to the individuals under the Company's share option schemes. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(p)(iv). The principal terms of the share option schemes are disclosed under the paragraph "Share option schemes" in the Report of the Directors and note 28.

9 董事酬金(續)

附註：

- (i) 陳錦勝先生於二零零五年七月十一日獲委任為執行董事。
- (ii) 江明彥先生於二零零五年四月十八日辭任執行董事。
- (iii) 羅友義先生於二零零五年一月十九日辭任非執行董事。

10 最高酬金人士

在五名最高酬金人士中，三名(二零零五年(重列)：四名)為董事，彼等之酬金於附註9中披露。其餘兩名(二零零五年(重列)：一名)最高酬金人士之酬金總額如下：

以股份為基礎的付款指根據本公司之購股權計劃授予個別人士之購股權的估計價值。此等購股權之價值乃根據附註1(p)(iv)所載本集團就以股份為基礎之付款交易採納的會計政策而計量。購股權計劃之主要條款已於董事會報告書「購股權計劃」一段及附註28中披露。

Notes to the Financial Statements

財務報表附註

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

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

The emoluments of the two (2005 (restated): one) individuals with the highest emoluments are within the following bands:

		2006	2005 (restated) (重列)
		Number 人數	Number 人數
\$2,500,001 to \$3,000,000	2,500,001元至3,000,000元	–	1
\$3,000,001 to \$3,500,000	3,000,001元至3,500,000元	2	–

10 最高酬金人士 (續)

兩名(二零零五年(重列)：一名)最高酬金人士之酬金介乎以下組別：

11 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of \$134,963,000 (2005 (restated): \$98,673,000) 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:

11 本公司股權持有人應佔溢利

本公司股權持有人應佔綜合溢利包括已列入本公司財務報表中之溢利134,963,000元(二零零五年(重列)：98,673,000元)。

上述金額與本公司本年度溢利之對賬：

		2006	2005 (restated) (重列)
		\$'000 千元	\$'000 千元
Amount of consolidated profit attributable to equity shareholders dealt with in the Company's financial statements	已列入本公司財務報表之本公司股權持有人應佔綜合溢利數額	134,963	98,673
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	來自附屬公司上一個財政年度溢利，並於本年度批准及支付之末期股息	5,774	5,058
Company's profit for the year (note 27(b))	本公司之本年度溢利(附註27(b))	140,737	103,731

12 DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year

		2006 \$'000 千元	2005 \$'000 千元
Interim dividend declared and paid of 2.8 cents per ordinary share (2005: 2.8 cents per ordinary share) (note 27)	已宣派及已支付中期股息每股普通股2.8仙 (二零零五年：每股普通股2.8仙) (附註27)	28,091	27,725
Final dividend proposed after the balance sheet date of 6.7 cents per ordinary share (2005: 5.7 cents per ordinary share)	於結算日後擬派末期股息每股普通股6.7仙 (二零零五年：每股普通股5.7仙)	67,370	57,105
Special dividend proposed after the balance sheet date of 10.0 cents per ordinary share (2005: 10.0 cents per ordinary share)	於結算日後擬派特別股息每股普通股10.0仙 (二零零五年：每股普通股10.0仙)	100,552	100,183
		196,013	185,013

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。

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

		2006 \$'000 千元	2005 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the year, of 5.7 cents per ordinary share (2005: 5.7 cents per ordinary share) (note 27)	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普通股5.7仙 (二零零五年：每股普通股5.7仙) (附註27)	57,139	56,395
Special dividend in respect of the previous financial year, approved and paid during the year, of 10.0 cents per ordinary share (2005: 5.0 cents per ordinary share) (note 27)	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普通股10.0仙 (二零零五年：每股普通股5.0仙) (附註27)	100,244	49,469
		157,383	105,864

12 股息

(a) 應付予本公司股權持有人之本年度股息

(b) 屬於上一財政年度，並於本年度批准及支付予本公司股權持有人之股息

Notes to the Financial Statements

財務報表附註

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

13 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$172,076,000 (2005 (restated): \$120,982,000) and the weighted average number of 1,001,624,000 ordinary shares (2005: 989,658,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

		2006	2005
		Number of shares 股份數目 '000千股	Number of shares 股份數目 '000千股
Issued ordinary shares at 1st April (note 27(c))	於四月一日之已發行普通股 (附註27(c))	993,928	985,828
Effect of share options exercised	已行使之購股權 的影響	7,696	3,830
Weighted average number of ordinary shares for the year (note (b))	本年度普通股之 加權平均股數 (附註(b))	1,001,624	989,658

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of \$172,076,000 (2005 (restated): \$120,982,000) and the weighted average number of 1,008,726,000 ordinary shares (2005: 996,448,000 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

		2006	2005
		Number of shares 股份數目 '000千股	Number of shares 股份數目 '000千股
Weighted average number of ordinary shares for the year (note (a))	本年度普通股之 加權平均股數 (附註(a))	1,001,624	989,658
Effect of deemed issue of ordinary shares under the Company's share option schemes for nil consideration	假設因根據本公司之 購股權計劃 以無償方式 發行普通股 之影響	7,102	6,790
Weighted average number of ordinary shares (diluted) for the year	本年度普通股之 加權平均股數 (攤薄)	1,008,726	996,448

13 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司股權持有人應佔溢利172,076,000元(二零零五年(重列): 120,982,000元)及本年度內已發行普通股之加權平均股數1,001,624,000股(二零零五年: 989,658,000股普通股)計算。普通股之加權平均股數之計算如下:

普通股之加權平均股數

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司股權持有人應佔溢利172,076,000元(二零零五年(重列): 120,982,000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1,008,726,000股(二零零五年: 996,448,000股普通股)計算。普通股之加權平均股數(攤薄)之計算如下:

普通股之加權平均股數(攤薄)

14 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.

14 分部報告

分部資料乃就本集團之地區分部呈報。由於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，故此選擇此為分部呈報資料之形式。

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		北美洲		中國大陸		澳洲及新西蘭		未分配之項目		綜合	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		(restated) (重列)		(restated) (重列)		(restated) (重列)		(restated) (重列)		(restated) (重列)		(restated) (重列)	
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
Revenue from external customers	來自外間顧客之收入	1,418,752	1,331,417	385,713	414,829	509,078	484,897	206,866	148,812	-	-	2,520,409	2,379,955
Other revenue from external parties	來自外界人士之其他收入	6,120	5,854	289	1,249	32,571	19,011	-	-	12,527	5,255	51,507	31,369
Total revenue	總收入	1,424,872	1,337,271	386,002	416,078	541,649	503,908	206,866	148,812	12,527	5,255	2,571,916	2,411,324
Segment result	分部業績	213,148	210,309	(19,583)	(36,822)	55,907	55,803	26,495	9,626			275,967	238,916
Unallocated operating income and expenses	未分配經營收入及費用											(42,192)	(41,884)
Profit from operations	經營溢利											233,775	197,032
Finance costs	融資成本											(8,372)	(9,042)
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	-	-	-	-			-	765
Income tax	所得稅											(40,378)	(40,403)
Profit for the year	本年度溢利											185,025	123,570
Depreciation and amortisation for the year	本年度之折舊及攤銷	48,701	48,614	18,949	23,188	32,942	29,896	10,821	11,367			111,413	113,065
Impairment of -- trade and other receivables	減值 - 應收賬款及其他應收款	(849)	215	-	117	33	636	-	(352)			(816)	616
-- property, plant and equipment	- 物業、廠房及設備	-	-	-	15,020	-	-	-	-			-	15,020

Notes to the Financial Statements

財務報表附註

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

14 SEGMENT REPORTING (continued)

14 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	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
Segment assets 分部資產	628,559	601,875	237,355	237,581	349,813	317,745	182,310	179,461	1,398,037	1,336,662
Unallocated assets 未分配之資產									400,983	459,739
Total assets 總資產									1,799,020	1,796,401
Segment liabilities 分部負債	165,793	144,064	32,010	41,671	122,088	100,326	21,694	15,267	341,585	301,328
Unallocated liabilities 未分配之負債									148,501	199,692
Total liabilities 總負債									490,086	501,020
Capital expenditure incurred during the year 本年度產生之資本支出	42,125	34,344	3,205	10,581	9,512	3,332	9,431	5,025	64,273	53,282

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：

		2006	2005
		\$'000 千元	\$'000 千元
Hong Kong	香港	1,608,346	1,546,954
North America	北美洲	440,239	467,501
Mainland China	中國大陸	170,653	133,085
Australia and New Zealand	澳洲及新西蘭	213,751	156,369
Others	其他地區	87,420	76,046
		2,520,409	2,379,955

15 FIXED ASSETS

(a) The Group

15 固定資產

(a) 本集團

		Property, plant and equipment 物業、廠房及設備					Investment property	Interests in leasehold land held for own use under operating leases 根據經營 租賃持有作 自用之租賃 土地權益		Total fixed assets 固定 資產總計
		Land and buildings held for own use 持有 作自用的 土地及樓宇 (restated)(重列) \$'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	Sub-total 小計 (restated)(重列) \$'000千元		Investment property 投資物業 (restated)(重列) \$'000千元	operating leases 自用之租賃 土地權益 (restated)(重列) \$'000千元	
Cost:	成本值：									
At 1st April, 2004	於二零零四年四月一日	547,723	945,121	132,415	60,585	1,685,844	22,698	7,119	1,715,661	
Exchange adjustments	匯兌調整	1,680	2,013	61	3	3,757	-	4	3,761	
Additions	添置	229	34,666	11,029	7,358	53,282	-	-	53,282	
Disposals	出售	(1,809)	(75,627)	(11,213)	(4,086)	(92,735)	-	-	(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	533,708	920,288	132,292	63,860	1,650,148	22,698	7,123	1,679,969	
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、 折舊及 減值虧損：									
At 1st April, 2004	於二零零四年四月一日	129,899	573,395	98,671	54,573	856,538	11,240	1,495	869,273	
Exchange adjustments	匯兌調整	139	697	33	3	872	-	-	872	
Charge for the year	本年度折舊	17,655	79,810	11,961	2,903	112,329	527	209	113,065	
Impairment loss for the year	本年度減值虧損	-	15,020	-	-	15,020	-	-	15,020	
Written back on disposal	出售時撥回	(1,020)	(73,166)	(10,900)	(3,866)	(88,952)	-	-	(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	145,616	596,813	99,765	53,613	895,807	11,767	1,704	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	388,092	323,475	32,527	10,247	754,341	10,931	5,419	770,691	

Notes to the Financial Statements

財務報表附註

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

15 FIXED ASSETS (continued)

(a) The Group (continued)

Impairment loss

The impairment loss represented the write down of the carrying value of certain property, plant and equipment in respect of the operations in the United States of America 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 was included in "Restructuring cost" in the consolidated income statement (note 6).

15 固定資產(續)

(a) 本集團(續)

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物業、廠房及設備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6)。

		Property, plant and equipment 物業、廠房及設備					Investment property	Interests in leasehold land held for own use under operating leases 根據經營 租賃持有作 自用之租賃 土地權益	Total fixed assets 固定 資產總計
		Land and buildings held for own use 持有 作自用的 土地及樓宇 (restated)(重列) \$'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	Sub-total 小計 (restated)(重列) \$'000千元			
Cost:	成本值:								
At 1st April, 2005	於二零零五年四月一日	533,708	920,288	132,292	63,860	1,650,148	22,698	7,123	1,679,969
Exchange adjustments	匯兌調整	(2,874)	1,082	308	216	(1,268)	-	214	(1,054)
Additions	添置	3,502	38,215	13,459	9,097	64,273	-	-	64,273
Disposals	出售	(297)	(19,329)	(6,051)	(3,807)	(29,484)	-	-	(29,484)
At 31st March, 2006	於二零零六年三月三十一日	534,039	940,256	140,008	69,366	1,683,669	22,698	7,337	1,713,704
Accumulated amortisation, depreciation and impairment losses:	累計攤銷、 折舊及 減值虧損:								
At 1st April, 2005	於二零零五年四月一日	145,616	596,813	99,765	53,613	895,807	11,767	1,704	909,278
Exchange adjustments	匯兌調整	516	3,428	266	159	4,369	-	53	4,422
Charge for the year	本年度折舊	18,468	73,587	14,928	3,688	110,671	526	216	111,413
Written back on disposal	出售時撥回	(158)	(18,474)	(5,690)	(3,719)	(28,041)	-	-	(28,041)
At 31st March, 2006	於二零零六年三月三十一日	164,442	655,354	109,269	53,741	982,806	12,293	1,973	997,072
Net book value:	賬面淨值:								
At 31st March, 2006	於二零零六年三月三十一日	369,597	284,902	30,739	15,625	700,863	10,405	5,364	716,632

15 FIXED ASSETS (continued)

(b) The Company

15 固定資產(續)

(b) 本公司

		Property, plant and equipment 物業、廠房及設備						Total fixed assets
		Land and buildings held for own use 持有 作自用的 土地及樓宇 (restated)(重列) \$'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	Sub-total (restated)(重列) 小計 \$'000千元	Investment property 投資物業 (restated)(重列) \$'000千元	Total fixed assets 固定 資產總計 \$'000千元
Cost:	成本值：							
At 1st April, 2004	於二零零四年四月一日	141,773	338,038	64,211	49,518	593,540	22,698	616,238
Additions	添置	-	13,655	2,227	6,307	22,189	-	22,189
Disposals	出售	-	(2,511)	(1,927)	(3,139)	(7,577)	-	(7,577)
At 31st March, 2005	於二零零五年三月三十一日	141,773	349,182	64,511	52,686	608,152	22,698	630,850
Accumulated depreciation:	累計 折舊：							
At 1st April, 2004	於二零零四年四月一日	42,832	273,523	53,675	45,578	415,608	11,240	426,848
Charge for the year	本年度折舊	4,213	23,802	4,007	2,123	34,145	527	34,672
Written back on disposal	出售時撥回	-	(2,289)	(1,909)	(3,122)	(7,320)	-	(7,320)
At 31st March, 2005	於二零零五年三月三十一日	47,045	295,036	55,773	44,579	442,433	11,767	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	94,728	54,146	8,738	8,107	165,719	10,931	176,650

Notes to the Financial Statements

財務報表附註

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

15 FIXED ASSETS (continued)

15 固定資產(續)

(b) The Company (continued)

(b) 本公司(續)

		Property, plant and equipment 物業、廠房及設備						
		Land and buildings held for own use 持有 作自用的 土地及樓宇 (restated)(重列) \$'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	Sub-total 小計 (restated)(重列) \$'000千元	Investment property 投資物業 (restated)(重列) \$'000千元	Total fixed assets 固定 資產總計 \$'000千元
Cost:	成本值:							
At 1st April, 2005	於二零零五年四月一日	141,773	349,182	64,511	52,686	608,152	22,698	630,850
Additions	添置	-	14,351	2,128	7,702	24,181	-	24,181
Disposals	出售	-	(8,643)	(3,021)	(2,882)	(14,546)	-	(14,546)
At 31st March, 2006	於二零零六年三月三十一日	141,773	354,890	63,618	57,506	617,787	22,698	640,485
Accumulated depreciation:	累計 折舊:							
At 1st April, 2005	於二零零五年四月一日	47,045	295,036	55,773	44,579	442,433	11,767	454,200
Charge for the year	本年度折舊	4,213	22,728	3,845	3,100	33,886	526	34,412
Written back on disposal	出售時撥回	-	(8,104)	(3,014)	(2,874)	(13,992)	-	(13,992)
At 31st March, 2006	於二零零六年三月三十一日	51,258	309,660	56,604	44,805	462,327	12,293	474,620
Net book value:	賬面淨值:							
At 31st March, 2006	於二零零六年三月三十一日	90,515	45,230	7,014	12,701	155,460	10,405	165,865

15 FIXED ASSETS (continued)

(c) The analysis of net book value of properties is as follows:

15 固定資產(續)

(c) 物業之賬面淨值之分析如下：

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
In Hong Kong	在香港				
– medium-term leases	– 中期租約	220,430	229,343	100,920	105,659
Outside Hong Kong	香港以外地區				
– freehold	– 永久業權	106,642	115,858	–	–
– medium-term leases	– 中期租約	34,397	35,401	–	–
– short-term leases	– 短期租約	23,897	23,840	–	–
		385,366	404,442	100,920	105,659
Representing:	代表：				
Land and buildings held for own use	持有作自用之土地及樓宇	369,597	388,092	90,515	94,728
Investment property	投資物業	10,405	10,931	10,405	10,931
Interests in leasehold land held for own use under operating leases	根據經營租賃持有作自用之租賃土地權益	5,364	5,419	–	–
		385,366	404,442	100,920	105,659

(d) Fixed assets held under finance leases

In addition to the leasehold land classified as being held under finance leases, the Group leases factory machinery and equipment under finance leases expiring in four 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, 2006 was \$6,466,000 (2005: \$10,529,000).

(d) 以融資租賃持有之固定資產

除列作以融資租賃持有之租賃土地外，本集團透過於四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二零零六年三月三十一日之賬面淨值為6,466,000元(二零零五年：10,529,000元)。

Notes to the Financial Statements

財務報表附註

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

15 FIXED ASSETS (continued)

(e) Fixed assets leased out under operating leases

The Group and the Company leases out investment property under an operating lease. The lease runs for an initial period of three years, with an option to renew the lease after that date at which time all terms are renegotiated. The lease does not include contingent rentals.

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

		The Group and the Company 本集團及本公司	
		2006	2005
		\$'000 千元	\$'000 千元
Within 1 year	一年內	2,090	540
After 1 year but within 5 years	一年後 但五年內	2,960	—
		5,050	540

(f) The fair value of investment property

The fair value of investment property at 31st March, 2006 is \$23,500,000 which is estimated on the basis of capitalisation of the net rental income with due allowance for reversionary income potential. The valuation was carried out by an independent firm of surveyors, Sallmanns (Far East) Limited, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

15 固定資產(續)

(e) 根據經營租賃租出之固定資產

本集團及本公司以一項經營租賃租出投資物業。該項租賃一般初步為期三年，並且有權選擇在所有條款商定後續約。該項租賃並無包括或有租金。

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：

(f) 投資物業之公允值

投資物業於二零零六年三月三十一日之公允值為23,500,000元，此乃將淨租金收入資本化並計入租約屆滿後續約時淨租金收入增加的可能性為基礎進行重新計量。估值乃由獨立測量師行西門(遠東)有限公司進行，其部份職員為香港測量師學會的資深專業會員，在所估值房產的地區及類別具有近期相關之經驗。

16 INTEREST IN SUBSIDIARIES

16 附屬公司權益

		The Company 本公司	
		2006 \$'000 千元	2005 \$'000 千元
Unlisted investments, at cost	非上市投資，按成本值	93,072	93,072
Amounts due from subsidiaries	應收附屬公司款項	718,749	823,022
		811,821	916,094
Less: Impairment losses	減：減值虧損	(668,396)	(642,193)
		143,425	273,901

At 31st March, 2006 and 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.

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.

The following list contains the particulars of the subsidiaries of the Group. The class of shares held is ordinary unless otherwise stated.

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

於二零零六年及二零零五年三月三十一日，應收附屬公司款項屬無抵押、免息及無固定還款期。預期全部結餘可於超過一年後收回。

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。

下表載有本集團附屬公司之詳情。除另有註明外，本集團持有之附屬公司股份均為普通股。

此等附屬公司均為附註1(c)所界定之受控制附屬公司，並在本集團之財務報表內綜合計算。

Notes to the Financial Statements

財務報表附註

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

16 INTEREST IN SUBSIDIARIES (continued)

16 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	Particulars of issued and paid-up capital 已發行及繳足股本詳情	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 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
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	Common stock: US\$12,061,000 普通股： 12,061,000美元 Convertible series A preferred stock: US\$25,400,000 可換股A類優先股： 25,400,000美元	–	100	Manufacture and sale of soy related products 生產及銷售 荳製產品
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	Registered capital: RMB80,000,000 註冊資本： 人民幣80,000,000元	70	–	Manufacture and sale of beverages 生產及 銷售飲品

16 INTEREST IN SUBSIDIARIES (continued)

16 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	Particulars of issued and paid-up capital 已發行及繳足股本詳情	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 (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
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	Registered capital: RMB191,476,367 註冊資本： 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	V class shares: A\$8,925,000 V類股： 8,925,000澳元 N class shares: A\$8,575,000 N類股： 8,575,000澳元	–	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

Notes to the Financial Statements

財務報表附註

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

16 INTEREST IN SUBSIDIARIES (continued)

16 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	Particulars of issued and paid-up capital 已發行及繳足股本詳情	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 %	
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

Notes:

附註：

- | | |
|--|---|
| <p>(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.</p> | <p>(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。</p> |
| <p>(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.</p> | <p>(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。</p> |
| <p>(iii) The Group has an interest in 51% of the equity of Vitasoy Australia Products Pty. Ltd..</p> | <p>(iii) 本集團持有Vitasoy Australia Products Pty. Ltd. 51%之股本權益。</p> |

17 EMPLOYEE RETIREMENT BENEFITS

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

(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. The employees are entitled to 100% of the employer's contributions after 10 complete membership years, or at an increasing scale of between 50% to 90% after completion of 5 to 9 membership years.

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 the 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. Contributions to the plan vest immediately.

17 僱員退休計劃

本集團在香港及香港以外地區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。在參予計劃滿10年後,僱員可享有全部僱主供款,而參予計劃達5至9年可享有之僱主供款百分比則由50%逐步增至90%。

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。本集團須按僱員薪金之某一百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。向計劃支付之供款即時生效。

Notes to the Financial Statements

財務報表附註

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

17 EMPLOYEE RETIREMENT BENEFITS (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. Contributions to the plan vest immediately.

- (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 U.S. income tax purposes, of up to 100% of each employee's annual salary, subject to a cap of US\$ 15,000 (2005: 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) 6% of each employee's gross annual salary. The employees are entitled to 100% of the employer's contributions after 4 complete years' service, or at an increasing scale of between 25% to 75% after completion of 1 to 3 years' service.

Where there are employees who leave prior to vesting fully in the contributions, the forfeited employer's contributions shall be used to reduce the future contributions of the employer. During the year, forfeited contributions of \$174,000 (2005: \$62,000) was utilised. At the balance sheet date, the total amount of forfeited contributions which are available to reduce the contributions payable in the future years was \$47,000 (2005: \$154,000).

17 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。向計劃支付之供款即時生效。

- (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15,000美元(二零零五年：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6%。服務年資達4年的僱員可享有全部僱主供款，而服務年資達1至3年可享有之僱主供款百分比則由25%逐步增至75%。

如僱員在未享有全部供款前離職，因此沒收之僱主供款將用於扣減日後之僱主供款。年內，本集團已動用174,000元(二零零五年：62,000元)之沒收供款。於結算日，共有47,000元(二零零五年：154,000元)之沒收供款可用於扣減往後應付供款。

17 EMPLOYEE RETIREMENT BENEFITS (continued)

(b) Defined benefit retirement plans

At 31st March, 2006, the Group and the Company recognised employee retirement benefit assets/(liabilities) in respect of the following employee retirement benefits:

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Employee retirement benefit assets	僱員退休福利資產				
– retirement gratuities (note (c))	– 退休金 (附註(c))	1,467	1,988	1,659	2,166
Employee retirement benefit liabilities	僱員退休福利負債				
– long service payments (note (d))	– 長期服務金 (附註(d))	(2,951)	(3,745)	(2,834)	(3,595)
		(1,484)	(1,757)	(1,175)	(1,429)

(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.

The latest actuarial valuation of the plan was at 31st March, 2006 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 148% (2005: 134%) covered by the plan assets held by the trustee.

17 僱員退休計劃(續)

(b) 界定福利退休計劃

於二零零六年三月三十一日，本集團及本公司就下列僱員退休福利確認僱員退休福利資產／(負債)：

(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。

該計劃之最新精算估值乃於二零零六年三月三十一日由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148%(二零零五年：134%)受信託人持有之計劃資產保障。

Notes to the Financial Statements

財務報表附註

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

17 EMPLOYEE RETIREMENT BENEFITS (continued)

(c) Retirement gratuities (continued)

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

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'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	(52,659)	(53,917)	(50,977)	(52,463)
Fair value of plan assets	計劃資產之公允值	78,181	72,192	76,400	70,740
Net unrecognised actuarial gains	未確認之精算收益淨額	(24,055)	(16,287)	(23,764)	(16,111)
Employee retirement benefit assets	僱員退休福利資產	1,467	1,988	1,659	2,166

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.

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

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
At 1st April	於四月一日	1,988	510	2,166	668
Contributions paid to the plan	向計劃供款已付福利	604	2,486	475	2,380
Net expense recognised in profit or loss (note 5(b))	於損益確認之淨支出(附註5(b))	(1,125)	(1,008)	(982)	(882)
At 31st March	於三月三十一日	1,467	1,988	1,659	2,166

17 僱員退休計劃(續)

(c) 退休金(續)

- (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。

- (ii) 已在資產負債表上確認之淨資產變動如下：

17 EMPLOYEE RETIREMENT BENEFITS (continued)

(c) Retirement gratuities (continued)

(iii) Net expense recognised in profit or loss is as follows:

		2006	2005
		\$'000 千元	\$'000 千元
Current service cost	現有服務成本	(3,647)	(3,843)
Interest cost	利息成本	(2,244)	(1,869)
Actuarial expected return on plan assets	計劃資產之精算 預計回報	3,748	3,358
Net actuarial gains recognised	已確認精算 收益淨額	1,018	1,346
		(1,125)	(1,008)

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

		2006	2005
		\$'000 千元	\$'000 千元
Cost of sales	銷售成本	(241)	(225)
Marketing, selling and distribution expenses	推廣、銷售及 分銷費用	(314)	(282)
Administrative expenses	行政費用	(413)	(354)
Other operating expenses	其他經營 費用	(157)	(147)
		(1,125)	(1,008)

The actual return on plan assets (taking into account all changes in the fair value of the plan assets excluding contributions paid and received) was net income of \$9,030,000 (2005: net loss of \$1,599,000).

17 僱員退休計劃(續)

(c) 退休金(續)

(iii) 於損益確認之淨支出如下：

上述淨支出列入綜合損益報表中之項目如下：

計劃資產之實際回報(計及計劃資產公允值之所有變動，惟不包括已付及已收供款)為淨收入9,030,000元(二零零五年：淨虧損1,599,000元)。

Notes to the Financial Statements

財務報表附註

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

17 EMPLOYEE RETIREMENT BENEFITS (continued)

(c) Retirement gratuities (continued)

- (iv) The principal actuarial assumptions used as at 31st March, 2006 are as follows:

		The Group and the Company 本集團及本公司	
		2006	2005
Discount rate	貼現率	4.50%	4.25%
Expected rate of return on plan assets	計劃資產之 預計回報率	5.50%	5.25%
Future salary increases	未來薪酬增幅	3.25%	3.00%

(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, 2006, 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	
		2006	2005	2006	2005
		\$'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	(602)	(1,225)	(437)	(1,031)
Net unrecognised actuarial gains	未確認精算 收益淨額	(2,349)	(2,520)	(2,397)	(2,564)
Employee retirement benefit liabilities	僱員退休 福利負債	(2,951)	(3,745)	(2,834)	(3,595)

17 僱員退休計劃(續)

(c) 退休金(續)

- (iv) 於二零零六年三月三十一日所採用之主要精算假設如下：

(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。

長期服務金亦於二零零六年三月三十一日由 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：

17 EMPLOYEE RETIREMENT BENEFITS (continued)

(d) Long service payments (continued)

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

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
At 1st April	於四月一日	(3,745)	(4,113)	(3,595)	(3,977)
Net income recognised in profit or loss (note 5(b))	於損益確認之淨收入(附註5(b))	406	207	439	261
Benefits paid	已付福利	388	161	322	121
At 31st March	於三月三十一日	(2,951)	(3,745)	(2,834)	(3,595)

(iii) Net income recognised in profit or loss is as follows:

		2006	2005
		\$'000千元	\$'000千元
Current service cost	現有服務成本	(31)	(25)
Interest cost	利息成本	(50)	(73)
Net actuarial gains recognised	已確認精算收益淨額	487	305
		406	207

The net income is recognised in the following line items in the consolidated income statement:

		2006	2005
		\$'000千元	\$'000千元
Cost of sales	銷售成本	108	57
Marketing, selling and distribution expenses	推廣、銷售及分銷費用	76	13
Administrative expenses	行政費用	152	94
Other operating expenses	其他經營費用	70	43
		406	207

17 僱員退休計劃(續)

(d) 長期服務金(續)

(ii) 於資產負債表確認之淨負債變動如下：

(iii) 於損益確認之淨收入如下：

上述淨收入列入綜合損益報表中之項目如下：

Notes to the Financial Statements

財務報表附註

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

17 EMPLOYEE RETIREMENT BENEFITS (continued)

(d) Long service payments (continued)

(iv) The principal actuarial assumptions used as at 31st March, 2006 are as follows:

17 僱員退休計劃(續)

(d) 長期服務金(續)

(iv) 於二零零六年三月三十一日所採用之主要精算假設如下：

		The Group and the Company 本集團及本公司	
		2006	2005
Discount rate	貼現率	4.50%	4.25%
Future salary increases	未來薪酬增幅	3.25%	3.00%

18 INCOME TAX IN THE BALANCE SHEET

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

18 資產負債表之所得稅

(a) 資產負債表之應付現期稅項代表：

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'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	36,992	38,544	33,620	36,571
Provisional Profits Tax paid	已繳付之預繳利得稅	(29,248)	(28,144)	(27,456)	(26,083)
		7,744	10,400	6,164	10,488
Taxation outside Hong Kong	香港以外地區稅項	2,817	801	-	-
		10,561	11,201	6,164	10,488

18 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

		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	Employee retirement benefits 僱員退休福利 \$'000千元	Provisions 撥備 \$'000千元	Total 總計 \$'000千元
Deferred tax arising from:	來自各項之遞延稅項：					
At 1st April, 2004	於二零零四年四月一日	(27,794)	10,319	5,386	9,504	(2,585)
(Charged)/credited to profit or loss	於損益(扣除)/計入	(6,326)	9,054	(1,885)	(1,642)	(799)
At 31st March, 2005	於二零零五年三月三十一日	(34,120)	19,373	3,501	7,862	(3,384)
At 1st April, 2005	於二零零五年四月一日	(34,120)	19,373	3,501	7,862	(3,384)
Credited/(charged) to profit or loss	於損益計入/(扣除)	2,435	(2,037)	(1,621)	2,008	785
At 31st March, 2006	於二零零六年三月三十一日	(31,685)	17,336	1,880	9,870	(2,599)

18 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

Notes to the Financial Statements 財務報表附註

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

18 INCOME TAX IN THE BALANCE SHEET (continued)

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

The Company

18 資產負債表之所得稅(續)

(b) 已確認遞延稅項資產及負債: (續)

本公司

		Depreciation allowances in excess of related depreciation 超出有關折舊之折舊免稅額 \$'000千元	Employee retirement benefits 僱員退休福利 \$'000千元	Provisions 撥備 \$'000千元	Total 總計 \$'000千元
Deferred tax arising from:	來自各項之遞延稅項:				
At 1st April, 2004	於二零零四年四月一日	(11,184)	5,250	1,984	(3,950)
Credited/(charged) to profit or loss	於損益計入/(扣除)	1,044	(1,886)	335	(507)
At 31st March, 2005	於二零零五年三月三十一日	(10,140)	3,364	2,319	(4,457)
At 1st April, 2005	於二零零五年四月一日	(10,140)	3,364	2,319	(4,457)
Credited/(charged) to profit or loss	於損益計入/(扣除)	985	(1,601)	23	(593)
At 31st March, 2006	於二零零六年三月三十一日	(9,155)	1,763	2,342	(5,050)

Summary

概要

		The Group 本集團		The Company 本公司	
		2006 \$'000千元	2005 \$'000千元	2006 \$'000千元	2005 \$'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	2,952	1,224	-	-
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	(5,551)	(4,608)	(5,050)	(4,457)
		(2,599)	(3,384)	(5,050)	(4,457)

18 INCOME TAX IN THE BALANCE SHEET (continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 1(s), the Group has not recognised deferred tax assets of \$153,127,000 (2005: \$156,443,000) in respect of tax losses of \$478,786,000 (2005: \$489,327,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities.

Included in unrecognised tax losses is an amount of \$81,296,000 (2005: \$92,119,000) which can be carried forward up to five years from the year in which the loss originated. The remaining balance of \$397,490,000 (2005: \$397,208,000) does not expire under current tax legislation.

18 資產負債表之所得稅(續)

(c) 未確認之遞延稅項資產

根據附註1(s)所載之會計政策，本集團並無確認有關於稅務虧損478,786,000元(二零零五年：489,327,000元)之遞延稅項資產153,127,000元(二零零五年：156,443,000元)，原因在有關稅項司法管轄區及實體不大可能產生應課稅溢利以抵銷有關虧損。

根據現行稅例，未確認稅務虧損中有81,296,000元(二零零五年：92,119,000元)將可自產生日起五年屆滿，其餘397,490,000元(二零零五年：397,208,000元)稅務虧損不會逾期屆滿。

19 BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

19 銀行存款與現金及現金等值項目

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'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	122,862	76,919	15,962	23,107
Bank deposits maturing within 3 months when placed	存款期少於三個月之銀行存款	279,678	325,754	253,485	291,135
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表中的現金及現金等值項目	402,540	402,673	269,447	314,242
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	78,497	91,606	50,055	70,593
Bank deposits maturing after 1 year when placed	存款期多於一年之銀行存款	22,768	38,427	22,768	38,427
		503,805	532,706	342,270	423,262

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

19 BANK DEPOSITS AND CASH AND CASH EQUIVALENTS (continued)

Included in bank deposits and cash and cash equivalents are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		'000千	'000千	'000千	'000千
Hong Kong dollars	港元	HKD 港元42,364	HKD 港元11,023	-	-
United States dollars	美元	USD 美元3,768	USD 美元7,306	USD 美元3,768	USD 美元7,306
Australian dollars	澳元	AUD 澳元3,401	AUD 澳元2,784	AUD 澳元2,855	AUD 澳元2,382

20 OTHER FINANCIAL ASSET

20 其他金融資產

		The Group and the Company 本集團及本公司	
		2006	2005
		\$'000 千元	\$'000 千元
Financial asset at fair value through profit or loss	按公允值計量且其變動於損益確認之金融資產	13,922	-

This represents a long-term structured deposit contract with a bank. The contract will mature in 2008 and the principal amount is US\$2,000,000. Interest is receivable semi-annually in the first year at 8% per annum and in subsequent years at rates based on the difference between 8% and two times of LIBOR.

The contract will automatically be terminated early once the sum of interest amounts receivable on all interest payment dates up to and including the early maturity date equals to or exceeds US\$200,000, and the bank will repay the full principal amount plus accrued interest.

After the adoption of HKAS 39 "Financial instruments: Recognition and measurement" on 1st April, 2005, the structured deposit is classified as a financial asset at fair value through profit or loss and carried at fair value, with changes in fair value recognised in the consolidated income statement. Comparative amount has not been restated as this is prohibited by the transitional arrangements in HKAS 39. Further details of the transitional arrangements are set out in note 2(f).

19 銀行存款與現金及現金等值項目 (續)

銀行存款與現金及現金等值項目包括下列以有關實體之功能貨幣以外貨幣作計值貨幣：

此項資產指與一間銀行訂立之長期結構性存款合約。該合約將於二零零八年到期，其本金額為2,000,000美元。利息將每半年收取，首年的利息按8厘之年利率計算，而往後年度之利息則按8厘與倫敦銀行同業拆息兩倍之間的差額為利率計算。

倘若直至提早贖回日的累計利息相等或高於200,000美元，該合約將自動提早終止，而銀行將會償還全部本金額以及累計利息。

於二零零五年四月一日採納《香港會計準則》第39號「金融工具：確認及計量」後，該結構性存款乃列作按公允值計量且其變動於損益確認之金融資產，並按公允值列賬，其公允值變動則於綜合損益報表確認。比較金額並無重列，蓋《香港會計準則》第39號之過渡安排禁止此做法。有關過渡安排之進一步詳情載於附註2(f)。

20 OTHER FINANCIAL ASSET (continued)

This structured deposit was classified as bank deposits at 31st March, 2005.

The financial asset is denominated in a currency other than the functional currency of the entity to which it relates:

20 其他金融資產(續)

此結構性存款於二零零五年三月三十一日乃列作銀行存款。

該金融資產之計值貨幣是有關實體之功能貨幣以外之貨幣：

		The Group and the Company 本集團及本公司	
		2006	2005
		'000 千	'000 千
United States dollars	美元	USD 美元 1,792	—

21 INVENTORIES

(a) Inventories in the balance sheets comprise:

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Raw materials	原料	111,128	111,062	58,102	54,972
Finished goods	製成品	96,983	74,278	32,316	28,454
		208,111	185,340	90,418	83,426

21 存貨

(a) 資產負債表中的存貨包括：

(b) The analysis of the amount of inventories recognised as an expense is as follows:

(b) 已確認為開支之存貨金額分析如下：

		The Group 本集團	
		2006	2005
		\$'000 千元	\$'000 千元
Carrying amounts of inventories sold	已售存貨之賬面值	1,122,840	1,092,643
Write down of inventories	撇減存貨	5,574	3,969
		1,128,414	1,096,612

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

22 TRADE AND OTHER RECEIVABLES

22 應收賬款及其他應收款

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'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	315,013	275,961	223,152	192,727
Deposits, prepayments and other debtors	按金、預付款項及 其他應收款	37,118	28,491	6,410	6,650
		352,131	304,452	229,562	199,377

All of the trade and other receivables are expected to be recovered within one year, except rental and utility deposits amounting to \$7,201,000 (2005: \$7,451,000) for the Group and \$464,000 (2005: \$285,000) for the Company which are expected to be recovered after more than one year.

Included in trade and other receivables are trade debtors and bills receivable (net of impairment losses for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

本集團預期所有應收賬款及其他應收款可於一年內收回，惟本集團7,201,000元(二零零五年：7,451,000元)及本公司464,000元(二零零五年：285,000元)之租賃及水電按金則預期於一年後收回。

於結算日，在應收賬款及其他應收款中，應收賬款及應收票據(已扣除呆壞賬之減值虧損)之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
By date of invoice	以發票日期計算				
0 - 3 months	零至三個月	267,932	240,157	177,276	157,754
4 - 6 months	四至六個月	45,802	35,685	44,795	34,973
Over 6 months	六個月以上	1,279	119	1,081	-
		315,013	275,961	223,152	192,727

The Group's credit policy is set out in note 29(a).

本集團之信貸政策載於附註29(a)。

23 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.

Included in amounts due from subsidiaries are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The Company 本公司	
		2006	2005
		'000 千	'000 千
Euros	歐羅	EUR歐羅7,211	EUR歐羅7,112
United States dollars	美元	USD美元34,812	USD美元16,084

23 應收附屬公司款項

應收附屬公司款項均為無抵押及免息，且無固定還款期。全部結餘可望於一年內償還。

應收附屬公司款項包括下列以有關實體之功能貨幣以外貨幣作計值貨幣：

24 TRADE AND OTHER PAYABLES

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'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	165,899	153,547	105,758	87,281
Accrued expenses and other payables	應計費用及其他應付款	180,087	150,131	63,069	59,217
		345,986	303,678	168,827	146,498

24 應付賬款及其他應付款

All of the trade and other payables are expected to be settled within one year, except customer deposits amounting to \$14,421,000 (2005: \$14,047,000) for the Group and \$14,319,000 (2005: \$13,912,000) for the Company which are expected to be settled after more than one year.

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis as of the balance sheet date:

本集團預期所有應付賬款及其他應付款將於一年內償還，惟本集團14,421,000元（二零零五年：14,047,000元）及本公司14,319,000元（二零零五年：13,912,000元）之客戶按金則預期於一年後償還。

於結算日，在應付賬款及其他應付款中，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	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
By date of invoice	以發票日期計算				
0 - 3 months	零至三個月	162,219	149,774	102,903	84,375
4 - 6 months	四至六個月	2,178	1,548	1,363	1,111
Over 6 months	六個月以上	1,502	2,225	1,492	1,795
		165,899	153,547	105,758	87,281

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

24 TRADE AND OTHER PAYABLES (continued)

Included in trade and other payables are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		'000千	'000千	'000千	'000千
United States dollars	美元	USD美元683	USD美元574	USD美元683	USD美元572
Japanese yen	日圓	JPY日圓22,718	-	JPY日圓22,718	-

25 BANK LOANS

At 31st March, 2006, the bank loans were repayable as follows:

		The Group 本集團	
		2006	2005
		\$'000千元	\$'000千元
Within 1 year	一年內	41,279	154,250
After 1 year but within 2 years	一年後但兩年內	-	4,490
After 2 years but within 5 years	兩年後但五年內	78,050	10,105
		78,050	14,595
		119,329	168,845

At 31st March, 2006, bank loans totalling \$14,517,000 (2005: \$19,085,000) were secured by charges over property, plant and equipment with net book values totalling \$33,804,000 (2005: \$37,069,000).

One of the Group's banking facilities is subject to the fulfilment of a covenant relating to a balance sheet ratio of the Group, as is commonly found in lending arrangements with financial institutions. If the Group were to breach the covenant the drawn down facility would become payable on demand. The Group regularly monitors its compliance with the covenant. Further details of the Group's management of liquidity risk are set out in note 29(b). As at 31st March, 2006, the Group had complied with the covenant.

24 應付賬款及其他應付款(續)

應付賬款及其他應付款包括下列以有關實體之功能貨幣以外貨幣作計值貨幣：

25 銀行貸款

於二零零六年三月三十一日，銀行貸款須於下列期限償還：

於二零零六年三月三十一日，總數為14,517,000元(二零零五年：19,085,000元)之銀行貸款乃以賬面淨值共33,804,000元(二零零五年：37,069,000元)之物業、廠房及設備作抵押。

本集團其中一項銀行信貸須符合一項與本集團之資產負債表比率有關之契諾，這是與財務機構訂立貸款安排時的常見規定。倘若本集團違反有關契諾，則須按要求償還已提取之信貸額。本集團定期監察本身是否已遵守該契諾。有關本集團管理流動資金風險之詳情載於附註29(b)。於二零零六年三月三十一日，本集團已遵守該契諾。

26 OBLIGATIONS UNDER FINANCE LEASES

At 31st March, 2006, the Group had obligations under finance leases repayable as follows:

26 融資租賃之債務

於二零零六年三月三十一日，本集團根據融資租賃須償還之債務如下：

		2006			2005		
		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	2,945	253	3,198	3,235	423	3,658
After 1 year but within 2 years	一年後但兩年內	2,763	77	2,840	2,945	253	3,198
After 2 years but within 5 years	兩年後但五年內	-	-	-	2,763	77	2,840
		2,763	77	2,840	5,708	330	6,038
		5,708	330	6,038	8,943	753	9,696

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

27 CAPITAL AND RESERVES

(a) The Group

27 股本及儲備

(a) 本集團

		Attributable to equity shareholders of the Company 本公司股東持有人應佔											
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Legal reserve	General reserve	Exchange reserve	Share-based compensation reserve	Retained profits	Total	Minority interests	Total equity
		股本	股份溢價	贖回儲備	資本儲備	法定儲備	一般儲備	匯兌儲備	股份基礎補償儲備	保留溢利	合計	少數股東權益	權益總額
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
At 1st April, 2004	於二零零四年四月一日												
- as previously reported	一按以往呈報	246,457	279,242	1,101	96,001	6,185	2,261	(26,975)	-	642,268	1,246,540	44,780	1,291,320
- prior period adjustment in respect of equity settled share-based transactions	一有關以股份為基礎之支付之交易之前期調整	-	-	-	-	-	-	-	1,232	(1,232)	-	-	-
- as restated	一重列	246,457	279,242	1,101	96,001	6,185	2,261	(26,975)	1,232	641,036	1,246,540	44,780	1,291,320
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	972	-	-	972	1,222	2,194
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	-	-	-
Shares issued on exercise of share options	就行使購股權而發行股份	2,025	8,017	-	-	-	-	-	-	-	10,042	-	10,042
Equity settled share-based transactions (restated)	以股份為基礎之支付之交易(重列)	-	-	-	-	-	-	-	2,765	-	2,765	-	2,765
Final dividend approved in respect of the previous year (note 12(b))	批准屬於上一年度之末期股息(附註12(b))	-	-	-	-	-	-	-	-	(56,395)	(56,395)	-	(56,395)
Special dividend approved in respect of the previous year (note 12(b))	批准屬於上一年度之特別股息(附註12(b))	-	-	-	-	-	-	-	-	(49,469)	(49,469)	-	(49,469)
Interim dividend declared in respect of the current year (note 12(a))	宣派本年度之中期股息(附註12(a))	-	-	-	-	-	-	-	-	(27,725)	(27,725)	-	(27,725)
Dividend paid to minority shareholder	向少數股東派發股息	-	-	-	-	-	-	-	-	-	-	(921)	(921)
Profit for the year (restated)	本年度溢利(重列)	-	-	-	-	-	-	-	-	120,982	120,982	2,588	123,570
At 31st March, 2005 (as restated)	於二零零五年三月三十一日(重列)	248,482	287,259	1,101	91,914	6,526	2,261	(26,003)	3,997	632,175	1,247,712	47,669	1,295,381

27 CAPITAL AND RESERVES (continued)

(a) The Group (continued)

27 股本及儲備(續)

(a) 本集團(續)

		Attributable to equity shareholders of the Company 本公司股權持有人應佔											
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Legal reserve	General reserve	Exchange reserve	Share-based compensation reserve	Retained profits	Total	Minority interests	Total equity
		股本	股份溢價	贖回儲備	資本儲備	法定儲備	一般儲備	匯兌儲備	股份基礎補償儲備	保留溢利	合計	少數股東權益	總額
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
At 1st April, 2005	於二零零五年四月一日												
- as previously reported	- 按以往呈報	248,482	287,259	1,101	91,914	6,526	2,261	(26,003)	-	636,172	1,247,712	47,669	1,295,381
- prior period adjustment in respect of equity settled share-based transactions (note 2(a))	- 有關以股份為基礎之支付之交易之前期調整(附註2(a))	-	-	-	-	-	-	-	3,997	(3,997)	-	-	-
- as restated, before opening balance adjustment	- 重列(未作期初結餘調整)	248,482	287,259	1,101	91,914	6,526	2,261	(26,003)	3,997	632,175	1,247,712	47,669	1,295,381
- opening balance adjustment in respect of financial instruments (note 2(f))	- 有關金融工具之期初結餘調整(附註2(f))	-	-	-	-	-	-	-	-	(1,749)	(1,749)	-	(1,749)
- as restated, after opening balance adjustment	- 重列(已作期初結餘調整)	248,482	287,259	1,101	91,914	6,526	2,261	(26,003)	3,997	630,426	1,245,963	47,669	1,293,632
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	2,345	-	-	2,345	(1,236)	1,109
Transfer from retained profits to legal reserve	自保留溢利轉撥至法定儲備	-	-	-	-	304	-	-	-	(304)	-	-	-
Transfer from capital reserve to retained profits	自資本儲備轉撥至保留溢利	-	-	-	(4,086)	-	-	-	-	4,086	-	-	-
Shares issued on exercise of share options	就行使購股權而發行股份	2,340	10,484	-	-	-	-	-	-	-	12,824	-	12,824
Transfer from share-based compensation reserve to share premium on exercise of share options	就行使購股權而自股份基礎補償儲備轉撥至股份溢價	-	712	-	-	-	-	-	(712)	-	-	-	-
Equity settled share-based transactions	以股份為基礎之支付之交易	-	-	-	-	-	-	-	2,634	-	2,634	-	2,634
Final dividend approved in respect of the previous year (note 12(b))	批准屬於上一年度之末期股息(附註12(b))	-	-	-	-	-	-	-	-	(57,139)	(57,139)	-	(57,139)
Special dividend approved in respect of the previous year (note 12(b))	批准屬於上一年度之特別股息(附註12(b))	-	-	-	-	-	-	-	-	(100,244)	(100,244)	-	(100,244)
Interim dividend declared in respect of the current year (note 12(a))	宣派本年度之中期股息(附註12(a))	-	-	-	-	-	-	-	-	(28,091)	(28,091)	-	(28,091)
Dividend paid to minority shareholder	向少數股東派發股息	-	-	-	-	-	-	-	-	-	-	(816)	(816)
Profit for the year	本年度溢利	-	-	-	-	-	-	-	-	172,076	172,076	12,949	185,025
At 31st March, 2006	於二零零六年三月三十一日	250,822	298,455	1,101	87,828	6,830	2,261	(23,658)	5,919	620,810	1,250,368	58,566	1,308,934

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

27 CAPITAL AND RESERVES (continued)

(b) The Company

27 股本及儲備(續)

(b) 本公司

	Share capital	Share premium	Capital redemption reserve	Capital reserve	General reserve	Share-based compensation reserve	Retained profits	Total equity
	股本	股份溢價	資本贖回儲備	資本儲備	一般儲備	股份基礎補償儲備	保留溢利	權益總額
	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
At 1st April, 2004								
– as previously reported	246,457	279,242	1,101	96,001	2,261	–	627,909	1,252,971
– prior period adjustment in respect of equity settled share-based transactions	–	–	–	–	–	1,232	(1,232)	–
– as restated	246,457	279,242	1,101	96,001	2,261	1,232	626,677	1,252,971
Transfer from capital reserve to retained profits	–	–	–	(4,087)	–	–	4,087	–
Shares issued on exercise of share options	2,025	8,017	–	–	–	–	–	10,042
Equity settled share-based transactions (restated)	–	–	–	–	–	2,765	–	2,765
Final dividend approved in respect of the previous year (note 12(b))	–	–	–	–	–	–	(56,395)	(56,395)
Special dividend approved in respect of the previous year (note 12(b))	–	–	–	–	–	–	(49,469)	(49,469)
Interim dividend declared in respect of the current year (note 12(a))	–	–	–	–	–	–	(27,725)	(27,725)
Profit for the year (restated) (note 11)	–	–	–	–	–	–	103,731	103,731
At 31st March, 2005 (as restated)	248,482	287,259	1,101	91,914	2,261	3,997	600,906	1,235,920

27 CAPITAL AND RESERVES (continued)

(b) The Company (continued)

		Share capital	Share premium	Capital redemption reserve	Capital reserve	General reserve	Share-based compensation reserve	Retained profits	Total equity
		股本	股份溢價	資本贖回儲備	資本儲備	一般儲備	股份基礎補償儲備	保留溢利	權益總額
		\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元	\$'000千元
At 1st April, 2005	於二零零五年四月一日								
- as previously reported	- 按以往呈報	248,482	287,259	1,101	91,914	2,261	-	604,903	1,235,920
- prior period adjustment in respect of equity settled share-based transactions (note 2(a))	- 有關以股份為基礎之支付之交易之前期調整(附註2(a))	-	-	-	-	-	3,997	(3,997)	-
- as restated, before opening balance adjustment	- 重列(未作期初結餘調整)	248,482	287,259	1,101	91,914	2,261	3,997	600,906	1,235,920
- opening balance adjustment in respect of financial instruments (note 2(f))	- 有關金融工具之期初結餘調整(附註2(f))	-	-	-	-	-	-	(1,749)	(1,749)
- as restated, after opening balance adjustment	- 重列(已作期初結餘調整)	248,482	287,259	1,101	91,914	2,261	3,997	599,157	1,234,171
Transfer from capital reserve to retained profits	自資本儲備轉撥至保留溢利	-	-	-	(4,086)	-	-	4,086	-
Shares issued on exercise of share options	就行使購股權而發行股份	2,340	10,484	-	-	-	-	-	12,824
Transfer from share-based compensation reserve to share premium on exercise of share options	就行使購股權而自股份基礎補償儲備轉撥至股份溢價	-	712	-	-	-	(712)	-	-
Equity settled share-based transactions	以股份為基礎之支付之交易	-	-	-	-	-	2,634	-	2,634
Final dividend approved in respect of the previous year (note 12(b))	批准屬於上一年度之末期股息(附註12(b))	-	-	-	-	-	-	(57,139)	(57,139)
Special dividend approved in respect of the previous year (note 12(b))	批准屬於上一年度之特別股息(附註12(b))	-	-	-	-	-	-	(100,244)	(100,244)
Interim dividend declared in respect of the current year (note 12(a))	宣派本年度之中期股息(附註12(a))	-	-	-	-	-	-	(28,091)	(28,091)
Profit for the year (note 11)	本年度溢利(附註11)	-	-	-	-	-	-	140,737	140,737
At 31st March, 2006	於二零零六年三月三十一日	250,822	298,455	1,101	87,828	2,261	5,919	558,506	1,204,892

27 股本及儲備(續)

(b) 本公司(續)

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

27 CAPITAL AND RESERVES (continued)

(c) Share capital

(i) Authorised and issued share capital

27 股本及儲備(續)

(c) 股本

(i) 法定及已發行股本

		2006		2005	
		Number of shares	Amount	Number of shares	Amount
		股數	金額	股數	金額
		'000千	\$'000千元	'000千	\$'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
Ordinary shares, issued and fully paid:	已發行及已繳足普通股：				
At 1st April	於四月一日	993,928	248,482	985,828	246,457
Shares issued on exercise of share options	就購股權行使而發行之股份	9,360	2,340	8,100	2,025
At 31st March	於三月三十一日	1,003,288	250,822	993,928	248,482

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股之持有人可收取不時宣派之股息，並可於本公司之大會上就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

(ii) Shares issued under share option schemes

During the year, options were exercised to subscribe for 9,360,000 (2005: 8,100,000) ordinary shares in the Company. The net consideration was \$12,824,000 (2005: \$10,042,000) of which \$2,340,000 (2005: \$2,025,000) was credited to share capital and the balance of \$10,484,000 (2005: \$8,017,000) was credited to the share premium account. An amount of \$712,000 (2005: Nil) has been transferred from the share-based compensation reserve to the share premium account in accordance with the accounting policy set out in note 1(p)(iv).

(ii) 根據購股權計劃發行之股份

年內可認購本公司普通股9,360,000股(二零零五年：8,100,000股)之購股權獲行使。所得代價淨額為12,824,000元(二零零五年：10,042,000元)，其中2,340,000元(二零零五年：2,025,000元)已撥入股本，其餘10,484,000元(二零零五年：8,017,000元)則撥入股份溢價賬。712,000元(二零零五年：無)之款項已根據附註1(p)(iv)所載之會計政策自股份基礎補償儲備轉撥至股份溢價賬。

27 CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves

(i) Share premium and capital redemption reserve

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) Capital reserve

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, \$4,086,000 (2005: \$4,087,000) is transferred from capital reserve to retained profits.

(iii) Legal reserve

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) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(r).

(v) Share-based compensation reserve

Share-based compensation reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for share-based payments in note 1(p)(iv).

27 股本及儲備(續)

(d) 儲備之性質及用途

(i) 股份溢價賬及資本贖回儲備

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) 資本儲備

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允值之差額。

該項交易之收益按已收現金及物業(「物業」)公允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，4,086,000元(二零零五年：4,087,000元)自資本儲備轉撥往保留溢利。

(iii) 法定儲備

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律設立。

(iv) 匯兌儲備

匯兌儲備包含換算外地業務財務報表產生之所有匯兌差額。該儲備將根據附註1(r)所載之會計政策維持。

(v) 股份基礎補償儲備

股份基礎補償儲備包含授予本集團僱員之實際或估計尚未行使購股權的公允值，有關購股權乃根據附註1(p)(iv)所載就以股份為基礎的付款採納之會計政策而確認。

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

27 CAPITAL AND RESERVES (continued)

(e) Distributability of reserves

At 31st March, 2006, the amounts of reserves available for distribution to equity shareholders of the Company are as follows:

		The Company 本公司	
		2006	2005
		\$'000 千元	(restated)(重列) \$'000 千元
General reserve	一般儲備	2,261	2,261
Retained profits	保留溢利	558,506	600,906
		560,767	603,167

After the balance sheet date the directors proposed a final dividend and a special dividend of 6.7 cents per ordinary share (2005: 5.7 cents per ordinary share) and 10.0 cents per ordinary share (2005: 10.0 cents per ordinary share) respectively, amounting to \$167,922,000 (2005: \$157,383,000). These dividends have not been recognised as liabilities at the balance sheet date.

27 股本及儲備(續)

(e) 可供分派儲備

於二零零六年三月三十一日，可供分派予本公司股權持有人之儲備數額如下：

於結算日後，董事建議派發末期股息每股普通股6.7仙(二零零五年：每股普通股5.7仙)及特別股息每股普通股10.0仙(二零零五年：每股普通股10.0仙)，總數為167,922,000元(二零零五年：157,383,000元)。有關股息於結算日並未確認為負債。

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS

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 were granted under the Old Share Option Scheme upon its termination and all outstanding options granted thereunder continued to be valid and exercisable in accordance with the terms of the Old Share Option Scheme until the expiry of the exercise period.

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. 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 in the Company.

28 以股份為基礎之支付之交易

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，並可於行使期屆滿前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本公司股份。

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

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

(a) The terms and conditions of the unexpired and unexercised share options at balance sheet date are as follows, whereby all options are settled by physical delivery of shares:

28 以股份為基礎之支付之交易 (續)

(a) 於結算日之未屆滿及未行使購股權之條款及條件如下，所有購股權均以股份之實物交收結算：

Date of grant 授出日期	Exercise period 行使期	Contractual life of options 購股權之 合約年期	Exercise price 行使價 \$元	2006		2005	
				Remaining contractual life 尚餘 合約年期	Number of option 購股權 之數目 '000千	Remaining contractual life 尚餘 合約年期	Number of options 購股權 之數目 '000千
4/7/2000	7/9/2000 to 31/8/2005	5 years年	1.193	-	-	1 year年	6,962
1/4/2003	1/4/2004 to 31/3/2013 (note附註)	10 years年	1.688	7 years年	7,705	8 years年	11,762
1/4/2004	1/4/2005 to 31/3/2014 (note附註)	10 years年	1.904	8 years年	6,154	9 years年	8,082
3/8/2004	3/8/2006 to 2/8/2014	10 years年	1.910	8 years年	900	9 years年	900
1/6/2005	1/6/2006 to 31/5/2015 (note附註)	10 years年	2.375	9 years年	7,784	-	-
				22,543		27,706	

Note: The options are exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

附註：可予行使之購股權數目乃逐步增加，而各階段可行使購股權之百分比上限如下：

		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%

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS
(continued)

(b) The number and weighted average exercise prices of share options are as follows:

28 以股份為基礎之支付之交易
(續)

(b) 購股權之數目及加權平均行使價如下：

		2006		2005	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	購股權之數目	加權平均行使價	購股權之數目
		\$元	'000千	\$元	'000千
Outstanding at 1st April	於四月一日尚未行使	1.634	27,706	1.436	28,372
Exercised during the year	於年內行使	1.371	(9,360)	1.241	(8,100)
Granted during the year	於年內授出	2.375	8,160	1.905	9,456
Lapsed on expiry of exercise period during the year	因行使期屆滿而在年內失效	1.193	(744)	-	-
Forfeited on termination of employment of eligible participants during the year	因合資格參與者離職而於年內沒收	1.863	(3,219)	1.705	(2,022)
Outstanding at 31st March	於三月三十一日尚未行使	1.993	22,543	1.634	27,706
Exercisable at 31st March	於三月三十一日可行使		4,588		9,662

The weighted average share price at the date of exercise for share options exercised during the year was \$2.405 (2005: \$2.061).

已行使之購股權於年內的行使日期之加權平均股價為2.405元(二零零五年：2.061元)。

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

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a binomial lattice model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the binomial lattice model.

Fair values of share options and the related assumptions are as follows:

		Date of grant 授出日期			
		1/4/2003	1/4/2004	3/8/2004	1/6/2005
Fair value at measurement date	於計量日期之公允值	\$0.356	\$0.405	\$0.442	\$0.522
Share price	股價	\$1.640	\$1.880	\$1.910	\$2.375
Exercise price	行使價	\$1.688	\$1.904	\$1.910	\$2.375
Expected volatility	預期波幅	35%	35%	35%	35%
Expected option life	預期購股權之有效期	10 years年	10 years年	10 years年	10 years年
Expected dividends	預期股息	7.50%	7.50%	7.50%	7.50%
Risk-free interest rate	無風險利率	3.91%	3.34%	4.18%	3.52%

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

HKFRS 2 "Share-based payment" does not apply to the share options granted on 4th July, 2000 as those shares were granted before 7th November, 2002.

28 以股份為基礎之支付之交易 (續)

(c) 購股權之公允值及假設

本集團以授出購股權來獲得之服務的公允值，乃參考已授出購股權之公允值計量。所收取服務費之估計公允值以二項式點陣模式計量。購股權之合約年期用作該模式之一項輸入參數。有關提早行使之預期已計入二項式點陣模式之內。

購股權之公允值及相關假設如下：

預期波幅按歷史波幅釐定，並根據因公開資料導致未來波幅之任何預期變化予以調整。預期股息按歷史股息釐定。所採用主觀假設之變動可對公允值之估計產生重大影響。

購股權是根據服務條件而授出。此項條件在計量所得服務的公允值(於授出購股權日)時不在考慮之列。授出購股權並無附有市場條件。

《香港財務報告準則》第2號「以股份為基礎的付款」不適用於二零零零年七月四日授出之購股權，因為有關購股權乃於二零零二年十一月七日前授出。

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

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

Subsequent to the balance sheet date, on 5th June, 2006, 5,640,000 share options were granted to eligible participants under the New Share Option Scheme, with an exercise period from 5th June, 2007 to 4th June, 2016 and exercise price of \$2.90.

29 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

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.

At the balance sheet date, the Group has a certain concentration of credit risk as 17.4% (2005: 19.3%) and 58.3% (2005: 58.6%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively.

The Group's cash and bank deposits are placed with financial institutions with sound credit ratings. Management does not expect any investment counterparty to fail to meet its obligations.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

28 以股份為基礎之支付之交易 (續)

(d) 於結算日後授出之 購股權

於結算日後，在二零零六年六月五日，合資格參與者根據新購股權計劃獲授予可認購5,640,000股股份之購股權，行使期由二零零七年六月五日至二零一六年六月四日，行使價為2.90元。

29 金融工具

信貸、流動資金、利率及外匯面對之風險從本集團業務之正常過程中產生。本集團之財務管理政策與慣例能限制有關風險，載述如下。

(a) 信貸風險

本集團之信貸風險主要來自應收賬款及其他應收款。管理層備有信貸政策，而該等信貸面對之風險持續受到監控。

本集團一般因應客戶本身之財政實力而給予客戶不同之信貸期。為有效地管控有關應收賬款之信貸風險，本集團會定期評估客戶之信貸情況。

於結算日，本集團在某程度上出現信貸風險集中之情況，蓋本集團之最大客戶與五大客戶之欠款分別佔應收賬款及其他應收款總額之17.4% (二零零五年：19.3%) 及58.3% (二零零五年：58.6%)。

本集團之現金及銀行存款乃存放於有良好信貸評級之財務機構。管理層並不預期任何投資對方會不能履行責任。

本集團因信貸而面對最大之風險以資產負債表之各項金融資產之賬面值為限。

Notes to the Financial Statements

財務報表附註

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

29 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

(c) Interest rate risk

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or the maturity dates, if earlier.

The Group

29 金融工具(續)

(b) 流動資金風險

本集團之政策是按時監控現時及預期流動資金需要，以確保本集團能維持充足現金儲備及足夠的主要金融機關之信貸額以應付短期及長期之流動資金需要。

(c) 利率風險

就可產生收入之金融資產及計息金融負債而言，下表列出有關金融資產及金融負債於結算日之實際利率以及重新訂價之期間或到期日(如屬較早日期)。

本集團

		2006				2005			
		Effective interest rate	1 year or less	1-2 years	2-5 years	Effective interest rate	1 year or less	1-2 years	2-5 years
		實際利率	總計	一年或以內	一至兩年	實際利率	總計	一年或以內	一至兩年
		%	\$'000千元	\$'000千元	\$'000千元	%	\$'000千元	\$'000千元	\$'000千元
Repricing dates for assets/(liabilities) which reprice before maturity	於到期日前重訂價格之資產/(負債)之重訂價格日期								
Cash at bank and in hand	銀行結存及庫存現金	0.74	122,862	122,862	-	0.53	76,919	76,919	-
Bank deposits	銀行存款	-	-	-	-	1.93	15,618	15,618	-
Other financial asset	其他金融資產	1.80	13,922	13,922	-	-	-	-	-
Bank loans	銀行貸款	5.61	(119,329)	(119,329)	-	4.84	(168,845)	(168,845)	-
			17,455	17,455	-		(76,308)	(76,308)	-
Maturity dates for assets/(liabilities) which do not reprice before maturity	於到期日前並無重訂價格之資產/(負債)之到期日								
Bank deposits	銀行存款	3.92	380,943	358,175	-	2.03	440,169	417,360	-
Obligations under finance leases	融資租賃之債務	5.50	(5,708)	(2,945)	(2,763)	5.55	(8,943)	(3,235)	(2,945)
			375,235	355,230	(2,763)		431,226	414,125	(2,945)
					22,768				20,046

29 FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

The Company

		2006					2005				
		Effective interest rate	1 year or less		1-2 years	2-5 years	Effective interest rate	1 year or less		1-2 years	2-5 years
		實際利率	總計	一年或以內	一至兩年	二至五年	實際利率	總計	一年或以內	一至兩年	二至五年
		%	\$'000千元	\$'000千元	\$'000千元	\$'000千元	%	\$'000千元	\$'000千元	\$'000千元	\$'000千元
Repricing dates for assets which reprice before maturity	於到期日前重訂價格之資產之重訂價格日期										
Cash at bank and in hand	銀行結存及庫存現金	0.06	15,962	15,962	-	-	0.02	23,107	23,107	-	-
Bank deposits	銀行存款	-	-	-	-	-	1.93	15,618	15,618	-	-
Other financial asset	其他金融資產	1.80	13,922	13,922	-	-	-	-	-	-	-
			29,884	29,884	-	-		38,725	38,725	-	-
Maturity dates for assets which do not reprice before maturity	於到期日前並無重訂價格之資產之到期日										
Bank deposits	銀行存款	4.11	326,308	303,540	-	22,768	2.05	384,537	361,728	-	22,809

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States dollars, Japanese yen and Sterling. Management monitors the Group's exposure to foreign currency risk and will consider hedging significant foreign currency exposure should the need arise.

All the Group's borrowings are denominated in the functional currency of the entity taking out the loan. Given this, management does not expect that there will be any significant currency risk associated with the Group's borrowings.

29 金融工具(續)

(c) 利率風險(續)

本公司

(d) 外匯風險

本集團面對之外匯風險主要來自並非以有關業務之功能貨幣的貨幣所進行之買賣。產生外匯風險之貨幣主要是美元、日圓及英鎊。管理層監控本集團之外匯風險，並會於需要時考慮對沖主要外匯風險。

本集團之借貸均以借取貸款之公司的功能貨幣計值。因此，管理層並不預期本集團之借貸會附帶任何重大之外匯風險。

Notes to the Financial Statements

財務報表附註

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

29 FINANCIAL INSTRUMENTS (continued)

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31st March, 2006 and 2005 except as follows:

		The Group and the Company 本集團及本公司			
		2006		2005	
		Carrying value 賬面值 \$'000千元	Fair value 公允值 \$'000千元	Carrying value 賬面值 \$'000千元	Fair value 公允值 \$'000千元
Other financial asset (2005: Bank deposits)	其他金融資產 (二零零五年：銀行存款)	13,922	13,922	15,618	13,869

In accordance with the transitional provisions in HKAS 39, the carrying value of the financial asset at 31st March, 2005 has not been restated and is therefore stated at cost (see note 2(f)).

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms. Given these terms, it is not meaningful to disclose fair values.

(f) Estimation of fair values

The fair value of the long-term structured deposit contract (note 20) is estimated by discounted cash flow techniques. Estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date.

29 金融工具(續)

(e) 公允值

所有金融工具之賬面值與其於二零零六年及二零零五年三月三十一日之公允值並無重大差異，惟下述者除外：

根據《香港會計準則》第39號之過渡條文，金融資產於二零零五年三月三十一日之賬面值並無重列，故有關金融資產按成本值列賬(見附註2(f))。

應收附屬公司款項均為無抵押及免息，且無固定還款期。鑑於應收附屬公司款項之條款如此，故披露其公允值之意義不大。

(f) 公允值之估計

本集團以貼現現金流量法估計長期結構性存款合約(附註20)之公允值。估計未來現金流量乃根據管理層之最佳估計而作出，貼現率為以結算日同類工具之市場相關利率。

30 COMMITMENTS

- (a) At 31st March, 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

The Group

		2006		2005	
		Properties	Factory machinery and equipment	Properties	Factory machinery and equipment
		物業	工廠機器及設備	物業	工廠機器及設備
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Within 1 year	一年內	24,888	735	26,513	839
After 1 year but within 5 years	一年後但五年內	22,178	858	17,051	1,608
After 5 years	五年後	86	-	158	-
		47,152	1,593	43,722	2,447

The Company

		2006		2005	
		Properties	Factory machinery and equipment	Properties	Factory machinery and equipment
		物業	工廠機器及設備	物業	工廠機器及設備
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Within 1 year	一年內	876	-	764	-
After 1 year but within 5 years	一年後但五年內	-	-	92	-
		876	-	856	-

The Group leases a number of properties and items of factory machinery and equipment under operating leases. The leases 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.

30 承擔

- (a) 於二零零六年三月三十一日，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

		2006		2005	
		Properties	Factory machinery and equipment	Properties	Factory machinery and equipment
		物業	工廠機器及設備	物業	工廠機器及設備
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Within 1 year	一年內	24,888	735	26,513	839
After 1 year but within 5 years	一年後但五年內	22,178	858	17,051	1,608
After 5 years	五年後	86	-	158	-
		47,152	1,593	43,722	2,447

本公司

		2006		2005	
		Properties	Factory machinery and equipment	Properties	Factory machinery and equipment
		物業	工廠機器及設備	物業	工廠機器及設備
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Within 1 year	一年內	876	-	764	-
After 1 year but within 5 years	一年後但五年內	-	-	92	-
		876	-	856	-

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。

Notes to the Financial Statements

財務報表附註

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

30 COMMITMENTS (continued)

- (b) Capital commitments outstanding at 31st March, 2006 not provided for in the financial statements were as follows:

		The Group 本集團		The Company 本公司	
		2006	2005	2006	2005
		\$'000千元	\$'000千元	\$'000千元	\$'000千元
Contracted for	已訂約	11,520	4,401	249	-
Authorised but not contracted for	已批准 但未訂約	77,557	66,364	40,457	27,347
		89,077	70,765	40,706	27,347

31 CONTINGENT LIABILITIES

- (a) At 31st March, 2006, the Company had contingent liabilities in respect of the following:

		2006	2005
		\$'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	58,673	112,613

- (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.

30 承擔(續)

- (b) 於二零零六年三月三十一日，未在財務報表中撥備之未付資本承擔詳情如下：

31 或有負債

- (a) 本公司於二零零六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。

32 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with a related party

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 \$2,827,000 (2005: \$3,054,000) during the year. The amount due to the related party as at 31st March, 2006 amounted to \$631,000 (2005: \$436,000).

These transactions also constitute continuing connected transactions under the Listing Rules, in respect of which the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

(b) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

		2006 \$'000 千元	2005 \$'000 千元
Short-term employee benefits	短期僱員福利	27,158	19,629
Post-employment benefits	離職後福利	743	655
Equity compensation benefits	股本補償福利	1,891	1,373
		29,792	21,657

Total remuneration is included in "staff costs" (see note 5(b)).

32 重大關連人士交易

除財務報表另有披露之交易及結餘外，本集團已訂立以下重大關連人士交易。

(a) 與一名關連人士之交易

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2,827,000元（二零零五年：3,054,000元）。於二零零六年三月三十一日應付該關連人士之款項為631,000元（二零零五年：436,000元）。

根據上市規則，此等交易亦構成持續關連交易，而本公司亦已就此遵守上市規則第14A章之披露規定。

(b) 關鍵管理人員之酬金

關鍵管理人員之酬金（包括附註9所述向本公司董事支付之款項以及附註10所述向若干最高薪僱員支付之款項）如下：

總酬金已計入「員工成本」（見附註5(b)）。

Notes to the Financial Statements

財務報表附註

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

33 NON-ADJUSTING POST BALANCE SHEET EVENTS

- (a) On 5th June, 2006, 5,640,000 share options were granted to eligible participants under the New Share Option Scheme with exercise period from 5th June, 2007 to 4th June, 2016 and exercise price of \$2.90. Further details of the New Share Option Scheme are set out in note 28 and the Report of the Directors.
- (b) After the balance sheet date the Directors proposed a final dividend and a special dividend. Further details are disclosed in note 12.

34 COMPARATIVE FIGURES

- (a) Certain comparative figures have been adjusted or re-classified as a result of the changes in accounting policies. Further details are disclosed in note 2.
- (b) Certain land and buildings with an aggregate net book value of \$10,931,000, which were included in "Fixed assets" in the 2004/2005 financial statements, have been separately shown as "Investment property" on the face of the consolidated balance sheet in these financial statements. The Directors consider that the revised presentation reflects more appropriately the nature of these assets.

33 毋須作出調整之結算日後事項

- (a) 於二零零六年六月五日，合資格參與者根據新購股權計劃獲授予5,640,000項購股權，行使期由二零零七年六月五日至二零一六年六月四日止，行使價為2.90元。有關新購股權計劃之進一步詳情載於附註28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12。

34 比較數字

- (a) 由於會計政策之變更，若干比較數字已作出調整或重新分類。進一步詳情於附註2披露。
- (b) 於二零零四／二零零五年財務報表列作「固定資產」中總賬面淨值共10,931,000元之若干土地及樓宇於本年度財務報表之綜合資產負債表上已分開列作「投資物業」。董事認為經修訂之呈列方式能夠更貼切地反映此等資產的性質。

35 ACCOUNTING ESTIMATES AND JUDGEMENTS

Notes 17, 28 and 29(f) contain information about the assumptions and their risk factors relating to defined benefit retirement obligations, fair value of share options granted and fair value of financial asset at fair value through profit or loss respectively. Apart from the above, the Group believes the following critical accounting policies also involve significant judgements and estimates used in the preparation of the financial statements:

(a) Impairment of property, plant and equipment and investment property

If the circumstances indicate that the carrying values of property, plant and equipment and investment property may not be recoverable, the assets may be considered “impaired”, and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of assets”. The carrying amounts of property, plant and equipment and investment property are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the net selling price and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sale volume, selling price and amount of operating costs.

35 會計估計及判斷

附註17、28及29(f)分別載有關於界定福利退休責任、已授出購股權之公允值及按公允值計量且其變動於損益確認之金融資產的公允值之假設及相關風險因素。除上述者外，本集團相信於編製財務報表時，以下關鍵會計政策亦涉及重大判斷及估計：

(a) 物業、廠房及設備以及投資物業之減值

倘有情況顯示物業、廠房及設備以及投資物業的賬面值可能無法收回，該等資產可能被視為「已減值」，而減值虧損可能會根據《香港會計準則》第36號「資產減值」作出確認。物業、廠房及設備以及投資物業的賬面值均定期作出審閱，以評估有關可收回數額有否降至賬面值以下。凡有事件或變動顯示有關賬面值可能無法收回，該等資產將進行減值測試。如減值已出現，賬面值將減至可收回數額。可收回數額為售價淨額與使用價值兩者中之較高者。釐定使用價值時，將根據銷量、售價及營運成本金額的水平作出重大判斷，將該資產產生的預期現金流量貼現至其現值。本集團運用所有可用的資料以釐定與可收回數額合理地接近的金額，該等資料包括根據對銷量、售價及營運成本金額的合理及有證據支持的假設及預計所作出的估計。

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

35 ACCOUNTING ESTIMATES AND JUDGEMENTS
(continued)

(b) Depreciation of property, plant and equipment and investment property

Property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(c) Impairment loss for bad and doubtful debts

The Group maintains an impairment loss for bad and doubtful debts for estimated losses resulting from the inability of the debtors to make required payments. The Group bases the estimates of future cash flows on the ageing of the trade receivables balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

(d) Write down of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption and management judgement. Based on this review, write down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable values. However, actual consumption may be different from estimation and profit or loss could be affected by differences in this estimation.

35 會計估計及判斷
(續)

(b) 物業、廠房及設備以及投資物業之折舊

物業、廠房及設備以及投資物業之折舊是根據資產之估計可使用年期扣除估計剩餘價值後以直線法計算。本集團定期審閱資產之估計可使用年期，以釐定在任何報告期間應被記錄之折舊費用數額。可使用年期乃根據本集團以往在類似資產上之經驗而作出，並考慮到預期發生之技術上之變化。倘若原來估計發生任何重大變化，未來期間內之折舊費用將被調整。

(c) 呆壞賬減值虧損

本集團為債務人無力付款而產生之呆壞賬減值虧損進行估計。本集團對未來現金流量之估計是根據應收賬款餘額之賬齡、債務人之信用及以往撇賬方面之經驗而作出。倘若債務人之財務狀況惡化，實際撇賬額可能高於估計。

(d) 撇減存貨

本集團參考存貨賬齡分析、預期未來耗用量及管理層之判斷來對存貨之賬面值作出定期審閱。倘存貨之賬面值跌至低於其估計可變現淨值，則本集團會根據審閱之結果而撇減存貨之價值。然而，實際耗用量可能與估計的不同，而此估計之出入可能影響損益。

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31ST MARCH, 2006

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting period ended 31st March, 2006 and which have not been adopted in these financial statements.

Of these developments, the following relate to matters that may be relevant to the Group's operations and financial statements:

36 已頒布但在截至二零零六年三月三十一日止全年會計期間尚未生效的修訂、新準則及詮釋的潛在影響

截至本財務報表刊發之日，香港會計師公會已頒布以下在截至二零零六年三月三十一日止會計期間尚未生效，亦沒有在本財務報表採用的修訂、新訂準則及詮釋。

於此等發展中，以下為可能與本集團業務及財務報表有關之事項：

		Effective for accounting periods beginning on or after 對以下日期或以後 開始之會計期間有效
Amendments to HKAS 19 《香港會計準則》第19號之修訂	Employee benefits – Actuarial gains and losses, group plans and disclosures 僱員福利－精算收益及虧損、 集體計劃及披露	1st January, 2006 二零零六年一月一日
Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to:	由於香港《2005公司(修訂)條例》 而對以下準則作出修訂：	
– HKAS 1 –《香港會計準則》第1號	Presentation of financial statements 財務報表之呈列	1st January, 2006 二零零六年一月一日
– HKAS 27 –《香港會計準則》第27號	Consolidated and separate financial statements 綜合及獨立財務報表	1st January, 2006 二零零六年一月一日
– HKFRS 3 –《香港財務報告準則》第3號	Business combinations 業務合併	1st January, 2006 二零零六年一月一日
HKFRS 7 《香港財務報告準則》第7號	Financial instruments: Disclosures 金融工具：披露	1st January, 2007 二零零七年一月一日

Notes to the Financial Statements

財務報表附註

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

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31ST MARCH, 2006 (continued)

36 已頒布但在截至二零零六年三月三十一日止全年會計期間尚未生效的修訂、新準則及詮釋的潛在影響(續)

		Effective for accounting periods beginning on or after 對以下日期或以後 開始之會計期間有效
Amendment to HKAS 1 《香港會計準則》第1號之修訂	Presentation of financial statements: Capital disclosures 財務報表之呈列：股本披露	1st January, 2007 二零零七年一月一日
Amendment to HKAS 39 《香港會計準則》第39號之修訂	Financial instruments: Recognition and measurement – Financial guarantee contracts 財務報表之呈列：確認及計量－財務擔保合約	1st January, 2006 二零零六年一月一日

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1st December, 2005 and would be first applicable to the Group's financial statements for the period beginning 1st April, 2006.

此外，香港《2005公司(修訂)條例》於二零零五年十二月一日開始生效，此條例將會於二零零六年四月一日開始期間之本集團財務報表首次適用。

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that while the adoption of them may result in new or amended disclosures, it is unlikely to have a significant impact on the Group's results of operations and financial position.

本集團現正評估此等修訂、新訂準則及新訂詮釋預期於最初應用期間產生之影響。直至目前，概括而言，雖然採納上述規定可能導致需作出新訂或修訂披露，惟本集團之營運業績及財務狀況受重大影響之機會甚微。

Five Year Summary

五年財務摘要

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

		2006	2005	2004	2003	2002
		(restated) (重列)	(restated) (重列)	(restated) (重列)	(restated) (重列)	(restated) (重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Results	業績					
Turnover	營業額	2,520,409	2,379,955	2,269,422	2,228,227	2,192,156
Profit from operations	經營溢利	233,775	197,032	151,252	175,352	148,006
Finance costs	融資成本	(8,372)	(9,042)	(8,421)	(9,617)	(17,355)
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 of associates	應佔聯營公司之虧損	–	–	–	(273)	(3,308)
Profit before taxation	除稅前溢利	225,403	163,973	144,295	165,952	111,218
Income tax	所得稅	(40,378)	(40,403)	(35,019)	(27,760)	(32,953)
Profit for the year	本年度溢利	185,025	123,570	109,276	138,192	78,265
Attributable to:	應佔：					
– Equity shareholders of the Company	– 本公司股權持有人	172,076	120,982	114,793	139,378	86,516
– Minority interests	– 少數股東權益	12,949	2,588	(5,517)	(1,186)	(8,251)
Profit for the year	本年度溢利	185,025	123,570	109,276	138,192	78,265
Assets and liabilities	資產及負債					
Fixed assets	固定資產	716,632	770,691	846,388	865,453	918,117
Bank deposits	銀行存款	22,768	38,427	93,397	100,000	–
Other non-current assets	其他非流動資產	18,341	3,212	1,875	1,461	11,593
Net current assets	淨流動資產	640,508	511,707	385,727	358,337	344,693
Total assets less current liabilities	總資產減流動負債	1,398,249	1,324,037	1,327,387	1,325,251	1,274,403
Non-current liabilities	非流動負債	(89,315)	(28,656)	(36,067)	(34,240)	(60,051)
Net assets	淨資產	1,308,934	1,295,381	1,291,320	1,291,011	1,214,352

Five Year Summary 五年財務摘要

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

		2006	2005	2004	2003	2002
		(restated)(重列)	(restated)(重列)	(restated)(重列)	(restated)(重列)	(restated)(重列)
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Capital and reserves	資本及儲備					
Share capital	股本	250,822	248,482	246,457	244,261	243,148
Reserves	儲備	999,546	999,230	1,000,083	1,004,483	937,556
Total equity attributable to equity shareholders of the Company	本公司股權持有人應佔權益總額	1,250,368	1,247,712	1,246,540	1,248,744	1,180,704
Minority interests	少數股東權益	58,566	47,669	44,780	42,267	33,648
Total equity	權益總額	1,308,934	1,295,381	1,291,320	1,291,011	1,214,352
Earnings per share	每股盈利					
– Basic	– 基本	17.2 cents 仙	12.2 cents 仙	11.7 cents 仙	14.3 cents 仙	8.9 cents 仙
– Diluted	– 攤薄	17.1 cents 仙	12.1 cents 仙	11.6 cents 仙	14.2 cents 仙	8.9 cents 仙

Notes:

- (i) The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1st January, 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs is provided in note 2 to the financial statements. Figures for 2005 and 2006 have been adjusted for these new and revised policies in accordance with the transitional provisions and as disclosed in note 2. Earlier years have only been restated to the extent that the new accounting policies are adopted retrospectively as disclosed in note 2.
- (ii) 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 year 2002 have not been adjusted for comparison purposes as the effect of this change in accounting policy is not material.

附註：

- (i) 香港會計師公會已頒布多項新訂及修訂之《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或可供提早採納。由於首次應用該等新訂及經修訂之《香港財務報告準則》所導致之會計政策變動的資料，已載於財務報表附註2。二零零五年及二零零六年數據已因應該等新訂及經修訂之政策作出調整以符合過渡條文並載列於附註2。倘附註2披露的新會計政策中有須追溯應用者，則會就此重列早年之數據。
- (ii) 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外地附屬公司業績而更改其會計政策。二零零二年年度的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。



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