

CHAIRMAN'S STATEMENT

主席報告書



Performance

The Board of Directors would like to report that, for the year ended 31st March, 2003, the Group registered a consolidated turnover of HK\$2,228 million, an increase of 1.6% over the previous year.

Profit attributable to shareholders was HK\$139 million, compared to HK\$87 million last year.

Earnings per share were HK14.3 cents (2002: HK8.9 cents per share).

Dividends

The Board of Directors is recommending a final dividend of HK5.7 cents per share (2002 final dividend: HK5.1 cents per share) at the forthcoming Annual General Meeting. This, together with the interim dividend of HK2.8 cents per share (2002 interim dividend: HK2.8 cents per share), will make a total dividend of HK8.5 cents per share for the whole year (2002 total dividend: HK7.9 cents per share). On top of that, in view of our strong balance sheet, the Board of Directors is also recommending a special dividend of HK5.0 cents per share.

表現

董事會謹此報告，本集團於截至二零零三年三月三十一日止年度錄得綜合營業額達港幣2,228,000,000元，較上年度增加1.6%。

股東應佔溢利為港幣139,000,000元，上年度則為港幣87,000,000元。

每股盈利為港幣14.3仙（二零零二年：每股港幣8.9仙）。

股息

董事會將於應屆股東週年大會上建議派發末期股息每股港幣5.7仙（二零零二年末期股息：每股港幣5.1仙），連同已派發之中期股息每股港幣2.8仙（二零零二年中期股息：每股港幣2.8仙）在內，全年度股息總額為每股港幣8.5仙（二零零二年股息總額：每股港幣7.9仙）。此外，鑑於本集團之資產負債情況強健，董事會建議派發特別股息每股港幣5.0仙。

We achieve strong profit growth of 60%.

Product development and brand strengthening drive continuous growth.

本集團盈利大幅增長達六成。

貫徹產品發展及品牌強化策略帶動業務持續增長。

General Review

I am pleased to report that the Group's overall results for fiscal 2002/2003 were a significant improvement over the previous year, especially in terms of profitability, notwithstanding economic uncertainties at home and in most of our overseas markets.

Basically, the Group's business strategies in all major markets around the world continued to focus on brand strengthening and product development. Sales increased steadily in all our major markets, including Hong Kong, the Mainland, and Australia and New Zealand, with the only exception being North America where the focus of the year was consolidation and cost reduction. In terms of profitability, however, improvement was witnessed in all these markets without exception. On the whole, sales growth was more pronounced in the first half of the year in all these markets, slowing down in the second half. Strategy-wise, our focus on market diversification and product development continued to yield very satisfactory results. New product launches and re-launches in Hong Kong were highly successful, which reflects the effectiveness of that strategy in boosting sales and ensuring our market leadership in this market. Production-wise, our Mainland plants have been making good progress in terms of utilisation and our new Australian plant has also been functioning smoothly, generating segment profit for the Group already in its first full year of operation. Vitasoy USA Inc. now operates under one roof and the potential savings in operating costs should give rise to a continuing reduction in losses.

In Hong Kong, we continued to grow our sales and profit steadily, notwithstanding a still sluggish retail market coupled with severe price competition brought about by the prevailing economic downturn, deflation and unemployment. We were fully aware that consumers would invariably look for value for money under such economic climate. We were, therefore, focused on launching new products that could bring better value to consumers. At the same time, we continued to support our product launches and re-launches with innovative and effective marketing and promotion programmes. For example, VITA Fresh Green Tea, CHA T DIN Iced Tea, CHA T DIN Iced Green Tea, VITASOY Premium Organic Soya Drink of different flavours, and VITA Juice Drinks and Jelly Drinks with Juice of various flavours, among others, were launched with very good response from the market

概覽

本人欣然呈報，縱然本港及本集團大部份海外市場均呈現經濟不景，惟本集團於二零零二／二零零三財政年度之整體業績仍較上年度明顯有所改善，尤其在盈利能力方面。

基本上，本集團在世界各地所有主要市場採取之業務策略仍以提高品牌知名度及產品發展為重點。本集團所有之主要市場，包括香港、中國大陸、澳洲及新西蘭之銷售額均見穩定增加，只有北美洲於年內因致力進行合併及削減成本而未能有所增長。然而，各地市場在溢利方面均全面有所改善。整體而言，銷量增長以上半年較為明顯，下半年則轉趨放緩。業務策略方面，本集團在擴展市場及產品發展方面繼續取得理想成績。在香港推出之新產品和重新推出之產品均極為成功，證明上述策略對於刺激銷量及穩守本集團之市場領導地位均見成效。生產方面，本集團設於中國大陸之廠房在使用率方面亦有所改善，而澳洲新廠亦運作暢順，於投入運作首個整年已為本集團帶來分部溢利。現時Vitasoy USA Inc.在營運上已集中一地，此舉有助節省經營成本，從而減低虧損。

香港方面，雖然零售市場仍然呆滯，加以當前經濟放緩、通縮及失業率高企等不利因素促使割價競爭之情況日益嚴重，惟本集團在銷售額及溢利方面仍見穩步增長。本集團充份理解消費者在如此惡劣之經濟環境下難免追求物有所值之心態。因此，本集團致力推出令消費者感覺物超所值之新產品。與此同時，本集團繼續借助創新而有效之市場推廣及宣傳策略推出及重新推出產品。舉例而言，年內先後推出維他鮮綠茶、茶字典冰茶、茶字典冰綠茶，不同口味之維他奶高級有機豆奶、維他果汁飲品及果汁啫喱飲品，市場反

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during the year. The Group's tuck shop business operated under Vitaland Services Limited continued to expand in market share. The business of our kitchen facility under Hong Kong Gourmet Limited for supplying healthy and hygienic lunch boxes to schools was also growing steadily. Our export markets continued to grow, especially Singapore and Macau.

The year 2002/2003 was basically a transitional period for our North American Operation. Our goal was to consolidate our various businesses in the US under one roof in order to reduce operating expenses on the one hand and pave the way for stronger future growth on the other. That goal has been achieved as shown by the significant reduction of operating loss for the year. In terms of sales, while Aseptic Soymilk and Tofu were still on the decline, the Refrigerated Soymilk segment grew by a healthy percentage.

In the Mainland, we were able to improve our overall performance during the year. This resulted mainly from improved utilisation of our plants, a refined product mix and effective subcontracting arrangements with third parties. Our product launches such as ready-to-drink Tea and Sports Drinks in PET plastic bottle and Aseptic Soymilk with new flavours met with encouraging success. In terms of sales, we continued to experience growth in southern China. Sales declined in the eastern and northern regions because we were focused on consolidating our sales and distribution channels in Greater Shanghai and diversifying into second-tier cities in the neighbouring provinces, including Fujian and Hunan.

In Australia, our new joint-venture production plant in Wodonga, Victoria has been making excellent progress since its commissioning in mid-2001. Strong sales growth was reported in our LUSH Fruit-flavoured Soymilk launch in October 2002 and the plant has already started to bring in segment profit for the Group. Following a year of general decline, the soymilk market in Australia was growing again in 2002. We were able to capture this growth with our production capacity in Wodonga and at present we account for some 13% of the market share. The New Zealand market was also growing last year and we account for over one-third of that market share.

應非常熱烈。本集團屬下維他天地服務有限公司經營之學校食物部業務之市場佔有率不斷擴大。香港美食有限公司旗下之中央廚房為學校供應健康衛生之午餐餐盒，業務取得穩定增長。本集團之出口市場亦續有增長，其中以新加坡及澳門之表現尤其突出。

二零零二／二零零三年度對本集團之北美洲業務而言基本上屬於過渡期。本集團目標為將本集團於美國之業務併合為一，一方面可削減營運開支，另一方面可為日後大展拳腳鋪路。年內經營虧損大幅減少，足見目標已達。雖然無菌紙包裝豆奶及豆腐之銷量仍然下跌，惟鮮凍豆奶之銷量卻有穩定增長。

中國大陸方面，本集團於年內之整體表現已有所改善，主要因為廠房之使用率回升及重新整合銷售產品，而為第三者加工之合約亦享有盈利。PET塑膠瓶裝即飲茶類、運動飲品以及新口味之無菌紙包裝豆奶等新近推出之產品大受歡迎。就銷售額而言，華南地區繼續取得增長，惟華東及華北地區則呈下跌，因本集團專注於整固大上海地區之銷售及分銷渠道，及致力開拓鄰近省份，包括福建及湖南之二線城市。

澳洲方面，本集團新近在維多利亞省烏東加市設立之合營廠房自二零零一年中投產以來一直取得理想進展。於二零零二年十月推出之LUSH果味豆奶在銷量方面取得強勁增長，而該廠房亦已開始為本集團帶來分部溢利。澳洲豆奶市場在經過一年全面下滑之後，於二零零二年銷量已重新攀升。由於本集團已在烏東加市自設生產廠房，故得以在此增長勢頭中把握商機，現時在當地的市場佔有率約為13%。去年新西蘭市場亦取得增長，本集團在當地之市場佔有率逾三分之一。

In August 2002, we sold our equity interest in our associated company, Sodexho (Hong Kong) Limited, for a consideration of HK\$14 million, resulting in a gain on disposal of HK\$2.5 million.

The impact of the Severe Acute Respiratory Syndrome (SARS) was felt towards the end of the financial year. Management, in anticipation of the potential impact of SARS on the Group's business, set up a special taskforce at the early stage of the outbreak to implement a comprehensive business continuity plan. The taskforce closely monitored the situation, evaluated the impact and imposed stringent measures to minimise the risk of SARS on our staff. As a result, our operations in Hong Kong and the Mainland were largely unaffected. However, our business in Hong Kong was affected to some degree, whereas the impact we experienced in other markets was minimal.

Outlook

HONG KONG

In Hong Kong, it seems that the economic downturn and deflation we are experiencing would persist in the near future, so a quick rebound of the retail sector would be quite unlikely. The SARS crisis would only serve to prolong and aggravate the ailing economy and affect consumer spending. In view of the suspension of classes in schools and the reduction in outdoor and group activities, sales declined by around 20% year-on-year in April 2003. We are pleased to see that overall sales have been steadily recovering since May. For beverages, consumer sentiment has been improving and outdoor and group activities are back to normal. However, intense competition in price and increased need for advertising would have impact on our profit margin in the first half of the year. Our tuck shop business would also be affected by the fact that most schools have switched to half-day schooling for the remainder of the current school year and that there would only be one to two weeks' extension to cover some of the time lost due to the suspension of classes. We are now focusing our resources on securing more contracts in the coming school term so as to regain some of the lost ground. In the meantime, we have implemented a series of cost-cutting measures to contain the losses in the first quarter of the current fiscal year.

於二零零二年八月，本集團以港幣14,000,000元之代價出售於聯營公司索迪斯（香港）有限公司所持之股本權益，從中錄得溢利港幣2,500,000元。

在本財政年度即將完結之際，嚴重急性呼吸系統綜合症（非典型肺炎）之影響逐漸顯露。管理層有感非典型肺炎可能影響本集團之業務，早在疫症爆發初期已成立專責小組實施周詳之應變計劃令業務如常運作。專責小組密切注視形勢發展，評估影響程度及採取嚴格措施盡量減低員工感染非典型肺炎之機會。因此，本集團在香港及中國大陸之運作大致上不受影響。然而，本集團之香港業務在某程度上受到一定影響，惟其他市場則只受到輕微影響。

展望

香港

香港方面，目前所面對之經濟放緩及通縮情況相信於短期內仍會持續，零售業不大可能急速反彈。非典型肺炎危機只會拖慢經濟復甦及令疲弱之經濟加劇惡化，影響消費開支。由於學校停課及市民減少戶外及集體活動，二零零三年四月份之銷售額較去年同期減少約20%。可幸整體銷售額自五月份已見穩步回升。飲品方面，消費意欲漸見改善，戶外及集體活動亦恢復正常。然而，割價競爭之風日趨熾熱，加以需要增加廣告支出，足以影響本集團於上半年之溢利。大部份學校於本學年餘下時間轉行半日制，而為彌補停課期間損失之課堂而延長之授課日則只有一至兩週，令本集團旗下之學校食物部業務亦受影響。本集團現致力為下學年爭取更多合約，以求收復部份失地。與此同時，本集團已採取連串削減成本措施，藉以控制本財政年度第一季之虧損狀況。

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Notwithstanding the unexpected onslaught of SARS on the economy, we will continue with our strategy of developing new products and new tastes that can bring higher value to customers. Aggressive marketing and promotion will continue to support sales and further increase our market share. We have been conscious of the need of ensuring cost-effectiveness throughout our operation. In face of the uncertainties ahead, the Group's management has been taking practical steps to contain costs and conserve working capital.

While developing and marketing our products, we have also been taking all the precautionary measures necessary to ensure that these products are safe, healthy and hygienic for consumers in general, and school children in particular. Our production process complies strictly with the principles of Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Point (HACCP). GMP focuses on hygienic control whereas HACCP is an internationally recognised food safety management system. Our production plant and machinery operate in an enclosed and automated environment and under high temperature. All our production-line workers and front-line staff at school tuck shops wear uniforms, caps and masks at work, and the workplace is regularly cleaned and sanitised in accordance with the guidelines set by the Department of Health.

NORTH AMERICA

In North America, uncertainties are still hovering over the economy after the incidents of September 2001 and the recent war in Iraq. Consumers would therefore be more careful and selective with their spending. To ensure growth in this market, we will continue to develop more convenient and better-tasting new products that provide consumers with the soy protein they are looking for in their diets. In the current financial year, we are going to increase our investment in advertising and promotion as well as trade spending in order to drive market share growth in the North American market. Our marketing team in the US has been strengthened and is working closely with the research and development team to come up with innovative products in the coming months. In terms of distribution, apart from mainstream channels, we will also focus on alternate channels, including food service (such as hotels, restaurants, canteens, etc.), club stores, and industrial customers. This, we expect, will necessitate the development of new products and also drive sales growth.

雖然經濟受到非典型肺炎突如其來之擾害，惟本集團仍秉承一貫策略，繼續為顧客開發超值之新產品和新口味。本集團繼續採取積極進取之宣傳推廣活動進行促銷，進一步擴大市場佔有率。本集團深切體會整個營運過程必須講求成本效益。面對不明朗之前景，本集團之管理層已採取實際之措施致力控制成本及保留營運資金。

本集團在開發及推銷產品之餘，亦採取一切所需預防措施，確保產品對廣大消費者，尤其是學童，安全、有益及合符衛生。本集團之生產工序嚴格遵守優良製造守則 (GMP) 及危險分析與關鍵控制點 (HACCP) 之準則。GMP 着眼於衛生控制，而 HACCP 則為一套國際公認之食物安全管理系統。本集團之生產廠房及機器均在密封之自動化環境下操作，並設有高溫處理。根據衛生署發出之指引，本集團之生產線員工及在學校食物部工作之前線人員在工作時均須穿着制服、戴上帽子及口罩，工作地點亦須定期進行清洗消毒。

北美洲

北美洲方面，經過「九一一事件」及近期之伊拉克戰役後，經濟仍然瀰漫不明朗因素。因此，消費者在消費時較為審慎及揀擇。為確保在北美市場取得增長，本集團將繼續開發更方便食用及更美味之新產品，為消費者供應在日常飲食中攝取之大豆蛋白質。於本財政年度，本集團將增加在廣告及宣傳方面之投資及經營開支，務求加快北美洲市場之市場佔有率增長速度。本集團之美國營銷隊伍已加強實力，並與產品研究發展部門緊密合作，冀於未來數月推出創新產品。分銷方面，除主流銷售渠道外，本集團在開關另類銷售渠道方面亦不遺餘力，包括食品服務業如酒店、食肆、飯堂等、會所商店及工業客戶。預料此舉將帶動新產品之開發及刺激銷量增長。

The North American soyfoods category is expected to keep on evolving and consolidating throughout 2003. To succeed in this category, Vitasoy USA Inc. needs a more efficient "go-to-market" strategy that covers, among other things, capabilities for expanded regional production and distribution. In January 2003, HP Hood Inc. began producing VITASOY Refrigerated Soymilk. We believe HP Hood Inc.'s expertise in the dairy business and distribution, as well as national presence, will help enhance the VITASOY brand. At this stage, we are open to any options that would enhance the long-term development of the North American business.

In terms of cost management, improved procurement practices will further reduce packaging and raw material costs. Better inventory and distribution management can also result in savings.

Upon the completion of the consolidation exercise last year, we are optimistic that our North American Operation is able to achieve healthy sales growth and a continuing reduction in losses in the current fiscal year.

THE MAINLAND

We believe the business environment in the Mainland will continue to improve following her entry into the World Trade Organisation. With the robust growth of the retail sector and steady rise in consumer spending, we are confident that there will be many business opportunities in the coming years.

In the Mainland, our strategy is to carry on solidifying and building our leadership in the soymilk market. At the same time, we are also diversifying into fast-growing and profitable ready-to-drink products such as Tea, Juice and Sports Drinks.

To capture a bigger share of the Mainland's beverage market, we will continue to introduce more value-added and trendy new products while executing strategic sales and distribution initiatives in new channels and markets. We also have plans to expand into other key markets in the Mainland. We are confident that southern China will continue to grow as a market for our products, and Sichuan and Guangxi provinces will be our next targets. In the east, we shall go on capitalising on the growth potential of the provinces in the neighbourhood of Shanghai, notably Zhejiang, Jiangsu and Anhui. We are also actively seeking new

預期北美洲之大豆飲食潮流於二零零三年仍在不斷演變及整固。為求能在此飲食潮流中脫穎而出，Vitasoy USA Inc.需要一套更有效之「應市」策略，包括擴大地區生產及分銷能力等多方面安排。於二零零三年一月，HP Hood Inc.開始生產維他奶鮮凍豆奶。本集團相信憑藉HP Hood Inc.在乳品業及分銷方面的專長，加上其在美國國內之市場地位，將有助加強市場對「維他奶」品牌之認識。現階段本集團對任何有助加強北美洲業務長遠發展之方案均採取開放態度。

在成本控制方面，改善採購方式有助進一步削減包裝及原料成本。更佳之存貨及分銷管理亦能收節約之效。

於去年完成合併後，本集團對於北美洲業務可在銷售額方面取得穩定增長及於下一財政年度內進一步減少虧損表示樂觀。

中國大陸

本集團相信，在中國大陸加入世界貿易組織之後，當地之營商環境將不斷改善。隨著零售業高速增長及消費支出穩步上升，本集團深信未來數年將會湧現大量商機。

本集團在中國大陸所採取之策略為繼續鞏固及加強本身在豆奶市場之領導地位。與此同時，本集團亦將業務範圍擴展至迅速增長及利潤可觀之即飲產品，如茶類、果汁及運動飲品。

為擴大本集團在中國大陸飲品市場之佔有率，本集團將繼續推出更多物超所值之潮流新產品，另一方面則透過新銷售渠道、新市場實施其策略性銷售及分銷計劃。本集團亦計劃拓展中國大陸其他重點市場。本集團深信華南地區將繼續增長成為本集團產品市場之一，而拓展四川省及廣西省市場將成為本集團下一個目標。華東方面，本集團將把握上海鄰近各省（尤其是浙江、江蘇及

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business opportunities that can further improve the utilisation of the Shanghai plant.

Barring unforeseen circumstances, we are hopeful that the Mainland's beverage market will witness good growth in the coming years and the Group is well poised to benefit from it.

AUSTRALIA AND NEW ZEALAND

In Australia and New Zealand, sales trends at the close of fiscal 2002/2003 were very encouraging. The sales team has been bringing good results to all areas of our business. Our focus in the current financial year is to regain lost share in the Aseptic Soymilk market while maximising the growth in the Refrigerated Soymilk segment. In terms of volume, we expect strong growth in the following months. While we will continue with product development to ensure a larger market share in the growth categories, major improvements in volume are expected from existing products through the development and execution of a successful pricing and promotional strategy.

In terms of operation, we will continue to improve in production efficiency and supply chain management. A logistics manager has been added to the management team for coordinating various operations.

Despite a very severe drought in Australia, the supply of organically grown beans remains stable for us as a result of our forward commitments. Our Operation will not be adversely affected and the unit manufacturing cost is expected to decrease.

THE GROUP

The Group's financial position remains very healthy. We are in an even stronger cash position than a year earlier and we maintain a very low gearing ratio. That means we are very well equipped to face up to unexpected challenges in the foreseeable future and to take up any investment and expansion opportunities that may arise.

安徽)之增長潛力。本集團亦積極發掘有助進一步改善上海廠房使用率之新商機。

如無不可逆料之情況出現，本集團期待中國大陸之飲品市場可於未來數年取得理想增長，而本集團已具備優越條件，將可從中受惠。

澳洲及新西蘭

澳洲及新西蘭方面，銷售額於接近二零零二／二零零三財政年度終結時出現令人鼓舞之走勢。銷售隊伍在各個業務環節上均取得美滿成績。本集團於本財政年度之重點工作為收復無菌紙包裝豆奶市場之失地，盡量提高鮮凍豆奶之增長率。銷量方面，預計未來數月將會出現強勁增長。雖然本集團將不斷開發新產品迎合增長之產品市場，以求擴大市場佔有率，惟亦不忘為現有產品系列進行研發工作，以及採取有效之定價及促銷策略，預計現有產品系列之銷量將會大幅回升。

營運方面，本集團將繼續改善生產效率及供應鏈管理。管理小組已加入一名物流經理專責協調各部門運作。

雖然澳洲發生嚴重旱災，但預期本集團有機豆之供應因遠期合約之簽訂而仍維持穩定。本集團之營運亦不致受影響，而單位生產成本亦可望下跌。

本集團

本集團之財政狀況仍然非常健全，現金狀況甚至較一年前更為充裕，借貸比率亦維持在偏低水平，意味本集團已作好準備面對可預見將來出現而不可預計之挑戰，及把握隨時出現之投資及擴展良機。

Recognitions/ Awards

The Company was awarded the logo of the "Caring Company" by the Hong Kong Council of Social Service that recognised its efforts in providing a caring environment for staff, donating to the community and demonstrating corporate citizenship. Vitaland Services Limited was granted the Employees Gold Star Award by the Employees Retraining Board of the HKSAR to mark its active participation in employee training programmes for helping the unemployed prepare for entering the retail sector. During the year, over 10,000 Yahoo! (Hong Kong) on-line users elected the VITASOY brand as a winner of the "Award For The Brand Yahoo HK! Users Are Most Loyal To".

Vote of Thanks

I wish to thank the Board of Directors for their professional advice and guidance. I also wish to thank our shareholders and business partners for their continued support and trust. I must of course thank our staff teams all over the world for their commitment and hard work, and I know I can count on their good work for sustaining the Group's success.

Winston Yau-lai LO

Executive Chairman

9th July, 2003

表揚／嘉許

本公司獲香港社會服務聯會頒贈「商界展關懷」標誌，以表揚本公司致力提供關懷員工之工作環境，回饋社會及發揮良好企業公民精神。維他天地服務有限公司獲香港特區僱員再培訓局頒發「僱主金星獎」，以表揚該公司積極參與協助失業人士投身零售業之僱員培訓課程。年內逾10,000名香港雅虎網上用戶推選維他奶為「最忠心品牌獎」之一。

鳴謝

本人謹此感謝董事會所提供之專業意見及指導。承蒙股東及業務夥伴之不斷支持及信賴，本人亦謹此致謝。最後，本集團屬下分佈世界各地之員工盡忠職守，努力不懈，對於本集團得以維持佳績實功不可抹，本人謹此致以萬分謝意。

羅友禮

執行主席

二零零三年七月九日



聞名遐邇 globalisation

we are one of the leading global producers and distributors of soy beverages and foods
本集團生產的大豆飲品及食品行銷全球，地位舉足輕重