

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, 2004.

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 17 on the financial statements.

The analysis of geographical locations of the operations of the Company and its subsidiaries ("the Group") during the year are set out in note 15 on the financial statements.

Financial statements

The profit of the Group for the year ended 31st March, 2004 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 59 to 126.

An interim dividend of HK2.8 cents per share (2003 interim dividend: HK2.8 cents per share) was paid on 9th January, 2004. The Directors now recommend the payment of a final dividend of HK5.7 cents per share and a special dividend of HK5.0 cents per share (2003: final dividend of HK5.7 cents per share and special dividend of HK5.0 cents per share) in respect of the year ended 31st March, 2004.

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
		應佔本集團 銷售總額百分比	應佔本集團 採購總額百分比
The largest customer	最大客戶	16%	
Five largest customers in aggregate	首五大客戶合計	37%	
The largest supplier	最大供應商		26%
Five largest suppliers in aggregate	首五大供應商合計		37%

董事會欣然提呈截至二零零四年三月三十一日止年度之年報及經審核財務報表。

主要業務

本公司之主要業務為製造及銷售食品及飲品。附屬公司之主要業務及其他詳情載於財務報表附註17。

本公司及其附屬公司(「本集團」)於本年度內按地區劃分之業務分析載於財務報表附註15。

財務報表

本集團截至二零零四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59至126頁之財務報表內。

本公司已於二零零四年一月九日派發中期股息每股港幣2.8仙(二零零三年中期股息：每股港幣2.8仙)。董事會現建議派發截至二零零四年三月三十一日止年度之末期股息每股港幣5.7仙及特別股息每股港幣5.0仙(二零零三年：末期股息每股港幣5.7仙及特別股息每股港幣5.0仙)。

主要客戶及供應商

以下所載為本年度主要客戶及供應商分別佔本集團銷售額及採購額之資料：

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Major customers and suppliers (continued)

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

Charitable donations

Charitable donations made by the Group during the year amounted to HK\$944,000 (2003: HK\$781,000).

Fixed assets

Movements in fixed assets of the Company and the Group during the year are set out in note 16 on the financial statements.

Bank loans

Particulars of bank loans of the Group as at 31st March, 2004 are set out in note 22 on the financial statements.

Share capital

Movements in share capital of the Company during the year are set out in note 28 on the financial statements.

Reserves

Movements in reserves of the Company and the Group during the year are set out in note 29 on the financial statements.

Directors

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

In accordance with Article 104 of the Company's Articles of Association, Mr. Chi-kian SHIU, Mr. Eric Fat YU and Mr. John Shek-hung LAU retire from the board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

主要客戶及供應商 (續)

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

慈善捐款

本年度內本集團之慈善捐款共達港幣944,000元 (二零零三年：港幣781,000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16。

銀行貸款

本集團於二零零四年三月三十一日之銀行貸款詳情載於財務報表附註22。

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28。

儲備

本公司及本集團於本年度內之儲備變動情況載於財務報表附註29。

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，邵志堅先生、余發先生及劉錫鴻先生須於應屆股東週年大會上輪值告退，並願膺選連任。

Directors (continued)

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.

Directors' interests

The Directors of the Company who held office at 31st March, 2004 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 (續)

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。

董事權益

根據證券及期貨條例(「證券及期貨條例」)第352條而保存之本公司權益及淡倉登記冊所記錄，本公司於二零零四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	Number of ordinary shares of HK\$0.25 each				% of total issued shares
		Personal interests	Family interests	Trusts and similar interests	Total interests	
姓名	附註	個人權益	家族權益	信託及同類權益	權益總數	佔已發行股份總數之百分比
Mr. Winston Yau-lai LO 羅友禮先生	(i), (v)	46,489,800	28,702,500	72,678,300	147,870,600	15.00
Mr. Frank Yau-yeo LO 羅友義先生	(ii), (v)	461,250	–	112,140,750	112,602,000	11.42
Ms. Yvonne Mo-ling LO 羅慕玲女士	(iii), (v)	31,866,450	843,750	72,678,300	105,388,500	10.69
Ms. Myrna Mo-ching LO 羅慕貞女士	(iv), (v)	–	–	100,653,000	100,653,000	10.21
Mr. Chi-kian SHIU 邵志堅先生		3,281,400	–	–	3,281,400	0.33
Mr. John Shek-hung LAU 劉錫鴻先生		19,000	–	–	19,000	0.00
Mr. Eric Fat YU 余發先生		75,000	–	–	75,000	0.01
Mr. Fransis Ming-yin KONG 江明彥先生		3,000	–	–	3,000	0.00
Dr. The Hon. David Kwok-po LI 李國寶博士		2,000,000	–	–	2,000,000	0.20

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Directors' interests (continued)

(1) Interests in issued shares (continued)

Notes:

- (i) Mr. Winston Yau-lai LO is deemed to be interested in 28,702,500 shares through interests of his wife.
- (ii) Mr. Frank Yau-ye LO is interested in 39,462,450 shares held by Benson Corporation which is the trustee of the Benson Unit Trust, the beneficiaries of which are members of his family.
- (iii) Ms. Yvonne Mo-ling LO is interested in 843,750 shares held in name of Yvonne WONG who holds the shares in trust for Ms. Yvonne Mo-ling LO's daughter who is under the age of 18.
- (iv) 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).
- (v) Each of Mr. Winston Yau-lai LO, Mr. Frank Yau-ye LO, Ms. Yvonne Mo-ling LO and Ms. Myrna Mo-ching LO is interested in 72,678,300 shares held by The Bank of East Asia (Nominees) Limited which holds such shares as a nominee for the K.S. Lo Foundation, a charitable trust. Each of them is a trustee of the K.S. Lo Foundation and is therefore deemed to be interested in such shares.

(2) Interests in underlying shares

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

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

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

董事權益 (續)

(1) 於已發行股份之權益 (續)

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) 羅友義先生擁有 Benson Corporation 所持有之 39,462,450 股股份之權益，該公司為 Benson Unit Trust 之受託人，其家族成員為 Benson Unit Trust 之受益人。
- (iii) 羅慕玲女士擁有 Yvonne WONG 名義持有之 843,750 股股份之權益，Yvonne WONG 以託管人身份代羅慕玲女士未滿十八歲之女兒持有該等股份。
- (iv) 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。
- (v) 羅友禮先生、羅友義先生、羅慕玲女士及羅慕貞女士均擁有由東亞銀行受託代管有限公司以代理人名義代慈善基金 K. S. Lo Foundation 持有之 72,678,300 股股份。彼等均為 K. S. Lo Foundation 之受託人，故被視為擁有該等股份之權益。

(2) 於相關股份之權益

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

於本公司股份及相關股份中之全部權益均為好倉。

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

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 may, 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 is the higher of (a) the nominal amount 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.
- The options are exercisable for a period to be notified by the Directors to each option holder, such period not to exceed 10 years from the date of grant.
- There is no minimum period which an option must be held before it can be exercised, but the Directors are empowered to impose at their discretion any such minimum period at the date of offer.
- The maximum number of shares in respect of which options may be granted may not exceed 10% of the issued share capital of the Company in issue from time to time (excluding shares issued under the share option scheme).
- The maximum aggregate number of shares over which options may be granted to any one participant, when added to the number of shares issued or issuable to that participant under the share option scheme must not exceed 25% of the maximum aggregate number of shares for the time being issued and issuable under the share option scheme.
- An offer of the grant of an option remains open for acceptance by an eligible Director or employee for a period of 28 days from the date of offer or such longer or shorter period as the Directors may in their discretion determine. An eligible Director or employee has to pay HK\$10 on acceptance of the option as a consideration.

購股權計劃

舊購股權計劃

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

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

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Share option schemes (continued)

Old share option scheme (continued)

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

The total number of ordinary shares available for issue under the Old Share Option Scheme at 31st March, 2004 is 14,418,000 shares, which represents 1.46% of the issued share capital of the Company at 31st March, 2004.

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 amount of a share.
- 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 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.

購股權計劃 (續)

舊購股權計劃 (續)

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

於二零零四年三月三十一日根據舊購股權計劃可供發行之普通股總數為14,418,000股，此乃佔本公司於二零零四年三月三十一日之已發行股本1.46%。

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，以使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12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%。

Share option schemes (continued)

New share option scheme (continued)

The total number of ordinary shares available for issue under the New Share Option Scheme at 31st March, 2004 is 97,409,550 shares, which represents 9.88% of the issued share capital of the Company at 31st March, 2004.

At 31st March, 2004, the Directors of the Company individually and other employees of the Group in aggregate had the following personal interests in options to subscribe for ordinary shares of the Company:

購股權計劃(續)

新購股權計劃(續)

於二零零四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97,409,550股，佔本公司於二零零四年三月三十一日之已發行股本9.88%。

於二零零四年三月三十一日，個別本公司董事及其他本集團之僱員在可認購本公司普通股之購股權中擁有如下個人權益：

Participants	Date granted	Period during which options are exercisable	Price per share on exercise of options HK\$ 行使購股權時須付之每股價格 港元	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 expired or forfeited during the year	Number of options outstanding at the end of the year	Weighted average market price per share on exercise of options HK\$ 於行使購股權時之每股加權平均市價 港元
參與者	授出日期	購股權行使期	每股價格 港元	年初尚未行使之購股權數目	年內已授出之購股權數目	年內已行使之購股權數目	於年內過期或沒收之購股權數目	年終尚未行使之購股權數目	購股權時之每股加權平均市價 港元
Directors									
董事									
Mr. Winston Yau-lai LO	28/6/1998 (Note附註 i)	1/8/1998 – 31/7/2003	1.104	2,737,500	-	2,736,000	1,500	-	1.67
羅友禮先生	4/7/2000 (Note附註 i)	7/9/2000 – 31/8/2005	1.193	3,450,000	-	-	-	3,450,000	-
	1/4/2003 (Note附註 ii)	1/4/2004 – 31/3/2013	1.688	-	2,220,000	-	-	2,220,000	-
Mr. Eric Fat YU	28/6/1998 (Note附註 i)	1/8/1998 – 31/7/2003	1.104	1,245,000	-	1,244,000	1,000	-	1.68
余發先生	4/7/2000 (Note附註 i)	7/9/2000 – 31/8/2005	1.193	1,953,000	-	-	-	1,953,000	-
	1/4/2003 (Note附註 ii)	1/4/2004 – 31/3/2013	1.688	-	738,000	-	-	738,000	-
Mr. John Shek-hung LAU	28/6/1998 (Note附註 i)	1/8/1998 – 31/7/2003	1.104	1,305,000	-	1,304,000	1,000	-	1.73
劉錫鴻先生	4/7/2000 (Note附註 i)	7/9/2000 – 31/8/2005	1.193	1,953,000	-	-	-	1,953,000	-
	1/4/2003 (Note附註 ii)	1/4/2004 – 31/3/2013	1.688	-	820,000	-	-	820,000	-
Mr. Fransis Ming-yin KONG	28/6/1998 (Note附註 i)	1/8/1998 – 31/7/2003	1.104	250	-	-	250	-	-
江明彥先生	4/7/2000 (Note附註 i)	7/9/2000 – 31/8/2005	1.193	2,331,000	-	-	-	2,331,000	-
	1/4/2003 (Note附註 ii)	1/4/2004 – 31/3/2013	1.688	-	1,526,000	-	-	1,526,000	-
Eligible employees working under employment contracts	28/6/1998 (Note附註 i)	1/8/1998 – 31/7/2003	1.104	657,750	-	528,000	129,750	-	1.63
根據僱傭合約工作之合資格僱員	4/7/2000 (Note附註 i)	7/9/2000 – 31/8/2005	1.193	7,976,000	-	2,972,000	273,000	4,731,000	1.81
	1/4/2003 (Note附註 ii)	1/4/2004 – 31/3/2013	1.688	-	8,650,000	-	-	8,650,000	-
				23,608,500	13,954,000	8,784,000	406,500	28,372,000	

REPORT OF THE DIRECTORS

董事會報告書

Share option schemes (continued)

New share option scheme (continued)

Notes:

- (i) Options granted in the years of 1998 and 2000 were granted under the Old Share Option Scheme.
- (ii) Options granted on 1st April, 2003 were granted under the New Share Option Scheme. The closing price of the shares of the Company quoted on the Stock Exchange on 31st March, 2003, being the business date immediately before the date on which share options were granted, was HK\$1.66. The options become exercisable after one year of the date of grant.

The share options granted are not recognised in the financial statements until they are exercised. The Directors consider that it is not appropriate to disclose the value of options granted during the year, since it would not be meaningful and, to a certain extent, would be misleading to the shareholders if the value of the options is calculated based on a set of speculated assumptions.

Subsequent to the year end date, the Company granted 8,556,000 options to eligible participants under the New Share Option Scheme.

購股權計劃(續)

新購股權計劃(續)

附註：

- (i) 於一九九八及二零零零年度授出之購股權乃根據舊購股權計劃授出。
- (ii) 於二零零三年四月一日授出之購股權乃根據新購股權計劃授出。本公司之股份於二零零三年三月三十一日(即緊接購股權授出日期前之營業日)在聯交所所報之收市價為港幣 1.66 元。購股權可於授出日期起計一年後行使。

授出之購股權於獲行使前將不會在財務報表予以確認。董事認為不宜披露期內授出之購股權之價值，理由是倘購股權之價值乃根據推定假設計算，則該等價值並無意義，且在某程度上將對股東造成誤導。

於年度結算日之後，本公司根據新購股權計劃向合資格參與者授予8,556,000項購股權。

Substantial shareholders' interests

At 31st March, 2004, the register of substantial shareholders maintained under section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors.

主要股東權益

於二零零四年三月三十一日，根據證券及期貨條例第336條保存之主要股東登記冊所示，本公司已獲知會下列主要股東權益，佔本公司已發行股本之5%或以上。該等權益不包括上文所披露之董事權益。

Name of shareholders 股東姓名	Note 附註	Personal interests 個人權益	Family interests 家族權益	Number of ordinary shares of HK\$0.25 each 每股面值港幣 0.25 元之普通股數目		Total interests 權益總數	% of total issued shares 佔已發行股份總數之百分比
				Corporate interests 公司權益	Trusts and similar interests 信託及類似權益		
Ms. Irene CHAN 陳羅慕連女士	(i), (ii)	27,974,700	750,000	-	72,678,300	101,403,000	10.29
Mr. Kai-tun LO 羅開敦先生	(ii)	18,508,950	-	-	72,678,300	91,187,250	9.25
Mr. Peter Tak-shing LO 羅德承先生	(ii)	750,000	-	-	72,678,300	73,428,300	7.45
Arisaig Greater China Fund ("Arisaig")	(iii)	71,925,500	-	-	-	71,925,500	7.30
Arisaig Partners (Mauritius) Limited ("Arisaig Mauritius")	(iv)	-	-	71,925,500	-	71,925,500	7.30
Mr. Lindsay William Ernest COOPER ("Cooper")	(v)	-	-	71,925,500	-	71,925,500	7.30
Commonwealth Bank of Australia 澳洲聯邦銀行	(vi)	-	-	52,699,000	-	52,699,000	5.35

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.

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。
- (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。

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Substantial shareholders' interests (continued)

- (v) These interests represented 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 represented Commonwealth Bank of Australia's interests through its indirect 100% interest in First State Investment Management (UK) Limited (which holds 43,731,000 shares of the Company's ordinary shares) and First State Investments (Hong Kong) Limited (which holds 8,968,000 shares of the Company's ordinary shares).

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.

Directors' interests in contracts

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

Directors' and officers' liability insurance

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

Connected transactions

- (1) During the year, the Company and its subsidiaries entered into connected transactions which need to be disclosed herein in accordance with the requirements of the waivers granted by the Stock Exchange. Details of these transactions are as follows:
- (a) The Company's subsidiary, Vitasoy Australia Products Pty. Ltd. ("VAP"), entered into the following transactions with National Foods Milk Limited ("NFML"), a fellow subsidiary of National Foods Holding Limited, a substantial shareholder holding 49% of the issued share capital of VAP.

主要股東權益(續)

- (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) 該等權益乃澳洲聯邦銀行透過間接持有 First State Investment Management (UK) Limited (該公司持有本公司 43,731,000 股普通股) 及首域投資 (香港) 有限公司 (該公司持有本公司 8,968,000 股普通股) 之全部權益而擁有之權益。

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。

董事於合約之權益

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

董事及行政人員之責任保險

本年度內，本公司已為董事及行政人員購買責任保險。

關連交易

- (1) 年內，本公司及其附屬公司進行多宗關連交易，該等交易根據聯交所授予之豁免規定必須在本年報中披露。以下為該等交易之詳情：
- (a) 本公司之附屬公司 Vitasoy Australia Products Pty. Ltd. (「VAP」) 與 National Foods Holdings Limited 之同系附屬公司 National Foods Milk Limited (「NFML」) 進行以下交易。National Foods Holdings Limited 為 VAP 之主要股東，持有其已發行股本 49%。

Connected transactions (continued)

(1) (a) (continued)

- (i) Since November 2000, the Company has entered into an arrangement with VAP whereby VAP would distribute in Australia on behalf of the Company a certain amount of products targeted for the mainstream market and manufactured by the Company (“HK Products”). VAP then entered into an arrangement with NFML whereby NFML would act as the exclusive distributor in Australia of the HK Products. In return, VAP would pay a management fee equal to 3.5% of the gross sales of HK Products distributed by NFML in Australia (“1st Arrangement”). During the year, management fee amounting to HK\$65,000 (2003: HK\$78,000) was charged by NFML in this connection.
- (ii) On 24th December, 1999, VAP and NFML entered into an agreement whereby NFML would provide services to VAP in relation to products manufactured by VAP (“VAP Products”). As part of the services provided, NFML would be the exclusive distributor in Australia of VAP Products. In return, VAP would pay a management fee equal to 3.5% of gross sales of VAP Products distributed by NFML in Australia (“2nd Arrangement”). During the year, management fee amounting to HK\$3,257,000 (2003: HK\$2,275,000) was charged by NFML in this connection.

In accordance with the requirements of the waiver, the Independent Non-executive Directors of the Company confirm that:

- the transactions were entered into in the ordinary and usual course of business;
- the transactions were conducted either on normal commercial terms or on terms that are fair and reasonable so far as the shareholders of the Company are concerned;
- the transactions were entered into in accordance with the terms of the agreement governing the transactions under the 2nd Arrangement; and are on terms no less favourable than those available from independent third parties for the transactions under the 1st Arrangement; and

關連交易 (續)

(1) (a) (續)

- (i) 自二零零零年十一月以來，本公司已與VAP訂立安排；據此，VAP代表本公司在澳洲分銷由本公司為主流市場生產之若干數量產品（「香港產品」）。VAP其後與NFML訂立另一項安排；據此，NFML擔任香港產品在澳洲之獨家分銷商，而VAP則支付相等於NFML在澳洲分銷香港產品總銷售額3.5%之服務費作為報酬（「第一項安排」）。年內NFML就此收取之服務費合共港幣65,000元（二零零三年：港幣78,000元）。
- (ii) 於一九九九年十二月二十四日，VAP與NFML訂立協議；據此，NFML就由VAP生產之產品（「VAP產品」）向VAP提供服務。NFML擔任VAP產品在澳洲之獨家分銷商，作為提供服務之一部份，而VAP則支付相等於NFML在澳洲分銷VAP產品總銷售額3.5%之服務費作為報酬（「第二項安排」）。年內NFML就此收取之服務費合共港幣3,257,000元（二零零三年：港幣2,275,000元）。

根據豁免之規定，本公司之獨立非執行董事確認：

- 交易乃於一般日常業務中進行；
- 交易乃按一般商業條款或對本公司股東公平合理之條款進行；
- 第二項安排是根據協議條款進行；而第一項安排則按不遜於與獨立第三者交易之條款進行；及

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Connected transactions (continued)

(1) (a) (continued)

- the consideration of the transactions under each of the 1st and 2nd Arrangements has not exceeded 1% of the total turnover of the Group for the year ended 31st March, 2004.

(b) On 10th December, 2002, the Company entered into a Milk Supply Agreement with Shenzhen Guang Ming Holdings Limited (“Guangming”), a substantial shareholder holding 30% of the registered capital of the Company’s subsidiary, Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited (“Shenzhen Vitasoy”), under which Guangming would supply milk products and provide milk processing and packaging services to the Company for a period of 3 years commencing on 14th March, 2003. The Milk Supply Agreement superseded an agreement entered into between the Company and Guangming on 2nd August, 1994 (“Compensated Trade Agreement”) whereby Guangming would grant to the Company the right to market fresh milk for the period from 1st April, 1995 up to 31st December, 2004. During the year, HK\$3,517,000 (2003: HK\$202,000) and HK\$Nil (2003: HK\$5,084,000) were charged by Guangming under the Milk Supply Agreement and the Compensated Trade Agreement respectively.

In accordance with the requirements of the waiver, the Independent Non-executive Directors of the Company confirm that:

- the transactions were entered into in the ordinary and usual course of business;
- the transactions were conducted either on normal commercial terms or on terms that are fair and reasonable so far as the shareholders of the Company as a whole are concerned;
- the transactions were entered into in accordance with the terms of the Milk Supply Agreement, order contracts and supplemental agreements governing such transactions; and
- the consideration of the transactions has not exceeded 3% of the Group’s net tangible assets at 31st March, 2004.

關連交易 (續)

(1) (a) (續)

- 根據第一項及第二項安排下交易之代價，均無超過本集團截至二零零四年三月三十一日止年度之總營業額1%。

(b) 於二零零二年十二月十日，本公司與深圳市光明集團有限公司(「光明」)訂立鮮奶供應協議；據此，光明將向本公司供應鮮奶產品及提供鮮奶加工及包裝服務，由二零零三年三月十四日起計為期三年。光明為持有本公司附屬公司深圳維他(光明)食品飲料有限公司(「深圳維他奶」)註冊資本30%之主要股東。鮮奶供應協議取代本公司與光明於一九九四年八月二日訂立之協議(「補償貿易協議」)；據此，光明授權本公司由一九九五年四月一日至二零零四年十二月三十一日止期間銷售鮮奶。年內，光明分別根據鮮奶供應協議及補償貿易協議收取港幣3,517,000元(二零零三年：港幣202,000元)及港幣零元(二零零三年：港幣5,084,000元)。

根據豁免之規定，本公司之獨立非執行董事確認：

- 交易乃於一般日常業務中進行；
- 交易乃按一般商業條款或對本公司股東公平合理之條款進行；
- 交易乃根據鮮奶供應協議、訂單合約及規定有關交易之補充協議之條款進行；及
- 交易之代價並無超過本集團於二零零四年三月三十一日之有形資產淨值3%。

Connected transactions (continued)

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

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

(a) Banking facilities of RMB 32,595,000 (equivalent to HK\$30,711,000) granted to Shenzhen Vitasoy on 26th August, 1999 and 30th June, 2003; and

(b) Banking facilities of A\$22,726,000 (equivalent to HK\$134,654,000) granted to VAP on 23rd March, 2001,

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

Employee retirement plans

Particulars of employee retirement plans of the Company and the Group are set out in note 25 on the financial statements.

Purchase, sale or redemption of the Company's listed securities

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

Five year summary

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on pages 127 and 128.

關連交易 (續)

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

(3) 本公司就下列銀行信貸向非全資附屬公司提供擔保：

(a) 於一九九九年八月二十六日及二零零三年六月三十日授予深圳維他奶人民幣32,595,000元(相當於港幣30,711,000元)之銀行信貸；及

(b) 於二零零一年三月二十三日授予VAP 22,726,000澳元(相當於港幣134,654,000元)之銀行信貸。

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

僱員退休計劃

有關本公司及本集團僱員退休計劃之詳情載於財務報表附註25。

購回、出售或贖回本公司之上市證券

年內本公司或其任何附屬公司概無購回、出售或贖回本公司之股份。

五年摘要

本集團於過去五年之業績、資產及負債摘要載於第127及128頁。

REPORT OF THE DIRECTORS

董事會報告書

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, 14th July, 2004

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，二零零四年七月十四日