

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層之討論及分析

### BUSINESS HIGHLIGHTS

- The Group's turnover for the six months ended 30th September, 2004 was HK\$1,234 million, an increase of 8.0% over the same period last year (2003/2004 interim: HK\$1,143 million). Profit attributable to shareholders for the period was HK\$68 million, up 25.9% (2003/2004 interim: HK\$54 million).
- In view of the Group's strong balance sheet, the Board of Directors has declared an interim dividend of HK2.8 cents per share (2003/2004 interim: HK2.8 cents per share), payable on 10th January, 2005.
- We are glad to report that through the concerted effort of our various operations worldwide, we have been able to achieve healthy sales growth and higher productivity. Improvement in operating results was registered in all markets.
- In addition to the introduction of new products with new tastes and value packaging, a priority for the Group has been to maintain its trend of profit margin growth. Despite higher prices of raw materials, we succeeded in improving our overall production efficiency and supply chain management, which resulted in a higher gross profit of HK\$729 million for the interim period, compared to HK\$652 million for the same period last year. The gross profit margin increased to 59.1% of sales (2003/2004 interim: 57.0%).
- Marketing, selling and distribution expenses were HK\$498 million in the first six months of fiscal 2004/2005, compared to HK\$453 million for the same period last year. Administrative expenses decreased slightly to HK\$77 million, from HK\$79 million last year. Other operating expenses were HK\$58 million, compared to HK\$56 million last year. Total operating expenses amounted to 51.3% of sales (2003/2004 interim: 51.4%).
- To reinforce our market position as consumers' supplier of choice with high quality, great tasting and healthy products, we continued to invest in advertising and promotion to strengthen our brands and expand our markets. Despite higher spending on promotional and marketing campaigns, the increase in operating expenses was closely in line with sales growth.

### 業務摘要

- 本集團於截至二零零四年九月三十日止六個月之營業額為港幣 1,234,000,000 元，較去年同期增加 8.0%（二零零三／二零零四年度中期：港幣 1,143,000,000 元）。同期股東應佔溢利為港幣 68,000,000 元，上升 25.9%（二零零三／二零零四年度中期：港幣 54,000,000 元）。
- 鑑於本集團之資產負債狀況穩健，董事會宣布派發中期股息每股港幣 2.8 仙（二零零三／二零零四年度中期：每股港幣 2.8 仙），將於二零零五年一月十日派發。
- 本集團欣然報告，憑著全球各地業務單位之共同努力，本集團得以取得穩定之銷售額增長及更高之生產力。各個市場之經營業績均見改善。
- 除推出新口味及物超所值包裝之新產品外，本集團另一首要目標是維持利潤率增長。儘管原材料價格上升，本集團仍成功改善整體生產效率及供應鏈管理，令中期期間之毛利達港幣 729,000,000 元，較高於去年同期之港幣 652,000,000 元。毛利率增至銷售額之 59.1%（二零零三／二零零四年度中期：57.0%）。
- 二零零四／二零零五財政年度首六個月之推廣、銷售及分銷費用為港幣 498,000,000 元，而去年同期則為港幣 453,000,000 元。行政費用由上年度之港幣 79,000,000 元微跌至港幣 77,000,000 元。其他營運費用為港幣 58,000,000 元，而去年則為港幣 56,000,000 元。營運費用總額佔銷售額之百分比為 51.3%（二零零三／二零零四年度中期：51.4%）。
- 為鞏固市場地位及為消費者提供高質素、美味及健康有益之產品，本集團繼續貫徹推行有效之廣告及市場推廣策略，以提高品牌知名度及擴展市場。儘管市場推廣及宣傳活動開支上升，惟營運費用之增加與銷售額之增長比例相若。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之討論及分析

- The Group has decided to exit its Refrigerated Soymilk business in North America and consolidate all production facilities at the plant in Ayer, Massachusetts while closing the plant in Burke, California. The purpose of the consolidation is to provide US customers with the best possible products and utilise more fully the capacity available at our state-of-the-art facility in Ayer. This should result in substantial benefits to our North American Operation. As at 30th September, 2004, we have recognised an impairment loss on the fixed assets amounting to HK\$12 million.
- 本集團決定退出其北美洲鮮凍荳奶業務，將所有生產設施合併至位於麻省艾爾市之廠房並同時關閉加州 Burke 之廠房。合併之目的是向美國客戶提供更優質產品，及更充分利用本集團於艾爾市廠房之先進設施。此舉將對本集團之北美洲業務帶來重大得益。於二零零四年九月三十日，本集團確認固定資產減值虧損為港幣 12,000,000 元。

#### HONG KONG

##### Production Efficiency

By Location of Assets (Production Plants) 按資產（生產廠房）所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入（港幣元）	<b>688 million</b> <b>688,000,000 元</b>	599 million 599,000,000 元	14.9%
Segment Result (HK\$) 分部業績（港幣元）	<b>100 million</b> <b>100,000,000 元</b>	82 million 82,000,000 元	22.0%

The Group's production plant in Tuen Mun supports both domestic sales and exports to markets in Europe, Macau, Southern Asia and the Americas.

In the period under review, revenue generated from the plant and the Group's tuck shop business was HK\$688 million, an increase of 14.9% over the corresponding period last year. The segment result for the period was HK\$100 million, representing a very healthy growth of 22% from the same period last year. Through continuous improvement in sales and cost management, we succeeded in raising our gross margin and profitability of our Hong Kong Operation.

##### Market Performance

By Location of Customers 按客戶所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) – Hong Kong Domestic Market 收入（港幣元）—香港本銷市場	<b>810 million</b> <b>810,000,000 元</b>	715 million 715,000,000 元	13.3%
Revenue (HK\$) – Export Markets 收入（港幣元）—出口市場	<b>39 million</b> <b>39,000,000 元</b>	34 million 34,000,000 元	14.7%

#### 香港

##### 生產效率

本集團之屯門生產廠房供應本地市場，以及分佈歐洲、澳門、南亞及美洲之出口市場。

於回顧期間，廠房及本集團食物部業務之總收入為港幣 688,000,000 元，較去年同期增加 14.9%。期間之分部業績為港幣 100,000,000 元，較去年同期錄得 22% 之穩健增長。透過持續改善銷售及成本管理，本集團成功提高了香港業務之毛利率及盈利能力。

##### 市場表現

## HONG KONG (continued)

### Market Performance (continued)

#### (1) Hong Kong Domestic Market

Market sentiment continued to improve in the first half of fiscal 2004/2005 and the economy showed clearer signs of recovery from the impact of SARS in 2003. While Hong Kong's GDP was growing quite strongly, driven primarily by the tourist and retail sectors, the non-restaurant and non-alcoholic beverage market, where consumption is predominantly local, did not benefit directly from the influx of Mainland China tourists. Competition in price remained intense. Price promotions were often aggressive and price levels could drop lower than the previous year.

To further expand our customer base and strengthen customer loyalty, we continued to focus on building our brands and creating new products with higher value. The newly launched range of GOR YIN HAI "Icy Shake" Fruity Teas targeting young consumers has helped increase our brand's share in this market. The VITA LIGHT Chrysanthemum Tea and new flavours in the CHA T DIN range of PET drinks have also been well accepted by the market. We are fully aware that despite the bustle of city life in Hong Kong, most customers still look for taste, health value and good ways to feel at ease. To meet such needs, we launched VITA TSING SUM ZHAN in June 2004. The response has been encouraging. The re-launching of CALCI-PLUS as a soymilk with health elements in addition to high calcium and low fats has also been very well received. With the support of innovative marketing and promotion, our product development efforts have continued to see good results and outperform the local non-alcoholic beverage market.

The Group's school tuck shop business, operated by wholly owned subsidiary, Vitaland Services Limited, continues to be the market leader in the sector. With the growing recognition of the quality of our products and services, the number of tuck shops managed by Vitaland increased to 303 by the end of September 2004, an increase of 18.4% from 256 a year ago. Hong Kong Gourmet Limited, our modern kitchen facility for supplying lunch boxes, continues to provide quality, nutritious and delicious products to Hong Kong's school community.

## 香港(續)

### 市場表現(續)

#### (1) 香港本銷市場

二零零四／二零零五財政年度上半年之市場氣氛續有改善，經濟亦自二零零三年非典型肺炎爆發後呈明顯復蘇跡象。本地生產總值錄得相當升幅，惟主要由旅遊及零售界帶動，反觀主要由本地消費所支持之非食肆及非酒精類飲品市場，則未見因中國大陸遊客湧入而直接受惠。價格競爭仍然激烈，積極之減價促銷令價格回落甚至低於去年之水平。

為進一步擴大客戶基礎及加強客戶之支持度，本集團繼續專注建立品牌及創製更高價值之新產品。新推出以年輕消費者為對象之**菓然系「冰震」**果茶便有助提高本集團品牌於該市場之佔有率。**維他LIGHT**菊花茶及新口味**茶字典**系列之塑膠瓶裝飲品亦大受市場歡迎。本集團深明，縱使香港之城市生活節奏急速，但不少顧客仍嚮往具品味、健康價值及寫意之生活方式。為滿足此需求，本集團於二零零四年六月推出**維他清心棧**系列產品，市場反應不俗。**鈣思寶**豆奶產品以擁有健康元素，加上高鈣低脂，重新推出市場後，亦大受顧客歡迎。在創新之市場推廣及宣傳活動配合下，本集團之產品研製工作正不斷取得佳績，較本地非酒精飲品市場表現優越。

本集團之全資附屬公司維他天地服務有限公司經營之學校食物部業務持續為該市場之領導者。隨著本集團產品與服務質素日益受到肯定，維他天地管理之食物部數目已於二零零四年九月底增至303間，較去年之256間上升18.4%。本集團屬下專門供應午膳餐盒之現代化中央廚房—香港美食有限公司則繼續為本港學界提供優質、營養而美味之食品。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層之討論及分析

### HONG KONG (continued)

#### Market Performance (continued)

##### (2) Export Markets

Export sales showed similar growth as the new products we launched in overseas markets were also successful and after new distributors had been appointed in three of our export markets. In particular, we achieved a healthy sales growth in Macau where the economy has been growing strongly due to the expansion of the gambling industry.

### NORTH AMERICA

#### Production Efficiency

By Location of Assets (Production Plants) 按資產（生產廠房）所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入（港幣元）	213 million 213,000,000 元	218 million 218,000,000 元	(2.3%)
Segment Result (HK\$) 分部業績（港幣元）	(17 million) (17,000,000 元)	(18 million) (18,000,000 元)	5.6%

The focus of our North American Operation continued to be on narrowing its operating loss, rationalising its product portfolio to achieve a more profitable revenue base while developing innovative new products and new ways to attract and retain loyal consumers.

The Group's production plants in Massachusetts and California support the North American market. In the first half of fiscal 2004/2005, these plants generated HK\$213 million in revenue, a decrease of 2.3% from the same period last year. Excluding the impairment loss on restructuring, the segment result was a loss of HK\$17 million (2003/2004 interim: loss of HK\$18 million). In the first six months of the fiscal year, we have changed our co-packing arrangement and achieved significant savings in our transportation and supply chain operations.

With a change of local leadership and after careful competitiveness analysis studies, we have decided to exit the Refrigerated Soymilk business in North America and devote more resources to the development of new products. We are also consolidating all production facilities at the plant in Ayer, Massachusetts. These moves are an integral part of our plan to become a more marketing-oriented company and simultaneously improve the production efficiency of our operations in North America. Profitability is expected to improve with annual savings to the tune of more than HK\$10 million to be achieved through the consolidation exercise. As at 30th September, 2004, we have recognised an impairment loss of HK\$12 million on fixed assets.

### 香港（續）

#### 市場表現（續）

##### (2) 出口市場

本集團在海外市場推出之新產品表現成功，加上在三個出口市場新聘分銷商，故出口銷售額亦錄得穩健增長。尤其是，澳門賭業蓬勃發展帶動當地經濟增長，亦使本集團在澳門之銷售額穩步上升。

### 北美洲

#### 生產效率

本集團北美洲業務繼續集中於收窄經營虧損及改善產品組合，以達致較高利潤之收入基礎；並同時發展具創意之新產品及新構思以吸引及挽留忠實之消費者。

本集團設於麻省及加州之生產廠房供應北美洲市場。於二零零四／二零零五財政年度上半年，該等廠房之收入為港幣 213,000,000 元，較去年同期減少 2.3%。不計重組之減值虧損，分部業績虧損為港幣 17,000,000 元（二零零三／二零零四年度中期：虧損港幣 18,000,000 元）。於本財政年度首六個月，本集團改變包裝加工安排，大幅減省運輸及供應鏈之營運成本。

隨著當地新領導層更替及經過仔細之競爭力分析研究，本集團決定退出北美洲鮮凍豆奶業務，以增撥更多資源於發展新產品。本集團亦將所有生產設施合併至位於麻省艾爾市之廠房。此等措施乃為推動業務轉向市場主導之重要計劃之一，並同時改善北美洲業務之生產效率。通過以上整合行動，預期盈利能力將因每年可節省港幣 10,000,000 元而有所提高。於二零零四年九月三十日，本集團確認固定資產減值虧損港幣 12,000,000 元。

**NORTH AMERICA** (continued)

北美洲 (續)

**Market Performance**

市場表現

By Location of Customers 按客戶所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) – North American Market 收入 (港幣元) – 北美洲市場	<b>244 million</b> 244,000,000 元	250 million 250,000,000 元	(2.4%)

The market for soy foods in the US continued to grow. Despite signs of maturity in the market with some product categories appearing to be saturated, new products categories were also emerging, such as soymilk yogurts, soy-based snack foods and cereals. The introduction of Cooked and Seasoned Tofu products contributed to a growth of 1% in the Tofu category, reversing the negative trend since 2002. The Aseptic Soymilk category continued to contract. The Refrigerated Soymilk category, while growing, is dominated by two very large manufacturers who invest huge sums in promotion and distribution.

For the six months to 30th September, 2004, the Group's sales revenue in North America was HK\$244 million, down by 2.4% from the same period last year. However, operating loss dropped to HK\$17 million, compared to HK\$18 million last year. Although the Aseptic Soymilk category declined in size, we managed to gain market share in it. We achieved significant sales growth in Seasoned Tofu whereas our Unseasoned Tofu outperformed the industry. With wider distribution, our Tofu sales grew at a rate of 10.3% and we also continued to gain in market share.

On the product development front, we engineered VITASOY COMPLETE – a soymilk with lower carbohydrates, calories and fats and higher fibre and calcium than competing products. We are glad to report that the launch has been well received by the trade. Meanwhile, we have also been actively engaged in the development of more new products for the North American market.

美國之大豆食品市場持續增長。儘管市場中有多種產品類別出現飽和跡象，但新產品類別仍不斷湧現，例如豆奶乳酪、豆類零食及穀物等。由於熟食及調味豆腐之推出，豆腐產品之總銷售額錄得 1% 之增長，扭轉了自二零零二年以來之負增長劣勢。無菌紙包裝豆奶產品繼續萎縮。鮮凍豆奶產品雖有增長，惟已由兩大斥鉅資作宣傳及分銷之製造商壟斷。

於二零零四年九月三十日止六個月，本集團於北美洲之銷售收入為港幣 244,000,000 元，較去年同期下跌 2.4%。然而，經營虧損相較去年之港幣 18,000,000 元則收窄至港幣 17,000,000 元。無菌紙包裝豆奶產品市場規模雖有萎縮，本集團仍設法增加其市場佔有率。本集團之調味豆腐銷售額錄得強勁增長，而非調味豆腐產品銷售額亦較同業優勝。由於擴大經銷網絡，本集團豆腐之銷售額增長 10.3%，而本集團之豆腐市場佔有率亦繼續增加。

在產品發展方面，本集團研製之 VITASOY COMPLETE 豆奶，其碳水化合物、卡路里及脂肪含量皆較其他競爭產品為低，而纖維及鈣質含量則較其他競爭產品為高。本集團欣然報告，客戶對此新產品之評價甚高。與此同時，本集團亦積極就北美洲市場發展更多新產品。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之討論及分析

#### 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	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入（港幣元）	<b>266 million</b> 266,000,000 元	277 million 277,000,000 元	(4.0%)
Segment Result (HK\$) 分部業績（港幣元）	<b>38 million</b> 38,000,000 元	28 million 28,000,000 元	35.7%

The Group's production plants in Shanghai and Shenzhen support both the markets of Mainland China and Hong Kong. Commencing this fiscal year, we have implemented a more focused strategy of "core business, core brand and core competency" in Mainland China. We have been more focused on our core business of soymilk and have effectively executed the price increase of our returnable glass-bottle products. With much improved utilisation and efficiency in co-packing, all these measures contributed significantly to bottom-line improvement over the same period last year, despite the increase in raw material and transportation costs and the lower revenue.

In the first six months of fiscal 2004/2005, our HACCP-accredited plants in Mainland China contributed HK\$266 million to the Group's total revenue, representing a drop of 4.0% over the same period last year. The segment result for the period was HK\$38 million, up 35.7%.

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。自本財政年度起，本集團於中國大陸市場採取「核心業務、核心品牌及核心強項」等更專注策略。據此，本集團可更專注於本身之荳奶核心業務，並有效落實本集團可回樽產品之加價計劃。與去年同期比較，雖然原材料與運輸成本增加及收入減少，但該等策略計劃及承包加工合約所提升之使用率及效率均有助大幅改善淨收益。

於二零零四／二零零五財政年度首六個月，本集團設於中國大陸並獲頒發 HACCP「危害分析與關鍵控制點」認證之廠房為本集團之總收入帶來港幣 266,000,000 元之貢獻，較去年同期下跌 4.0%。本期間之分部業績為港幣 38,000,000 元，上升 35.7%。

##### Market Performance

##### 市場表現

By Location of Customers 按客戶所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) – Mainland China Market 收入（港幣元）－中國大陸市場	<b>71 million</b> 71,000,000 元	92 million 92,000,000 元	(22.8%)



## MAINLAND CHINA (continued)

### Market Performance (continued)

The non-alcoholic ready-to-drink beverage market continued to grow in Mainland China. The soymilk market remained soft, facing strong price pressure from the dairy segment. Revenue generated from the Mainland China market was HK\$71 million, a decrease of 22.8% from the same period last year. As explained above, this decrease was mainly due to a change in business strategy to focus on products that have a higher profit margin.

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

## AUSTRALIA AND NEW ZEALAND

### Production Efficiency

By Location of Assets (Production Plants) 按資產(生產廠房)所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入(港幣元)	<b>67 million</b> 67,000,000 元	48 million 48,000,000 元	39.6%
Segment Result (HK\$) 分部業績(港幣元)	<b>6 million</b> 6,000,000 元	(4 million) (4,000,000 元)	250.0%

The Group's joint-venture plant in Wodonga, Victoria supports the Australian and New Zealand markets. In the first half of fiscal 2004/2005, the plant generated HK\$67 million in revenue, an increase of 39.6% from the same period a year ago. With higher sales and improved manufacturing efficiency, profit derived from the Australian Operation was HK\$6 million.

### Market Performance

By Location of Customers 按客戶所在地	Six months ended 30th September, 2004 截至二零零四年 九月三十日止六個月	Six months ended 30th September, 2003 截至二零零三年 九月三十日止六個月	Movement 變動
Revenue (HK\$) – Australian and New Zealand Market 收入(港幣元) – 澳洲及新西蘭市場	<b>70 million</b> 70,000,000 元	52 million 52,000,000 元	34.6%

## 中國大陸(續)

### 市場表現(續)

中國大陸之非酒精即飲飲品市場持續增長。豆奶市場則仍然疲弱，此乃受壓於奶類產品強大之價格壓力。中國大陸市場之收入為港幣 71,000,000 元，較去年同期減少 22.8%。誠如上述，收入減少之主要原因乃改變業務策略集中利潤率較高之產品所致。

上海廠房順利與中國大陸某大奶品製造商續定包裝加工合同，使雙方合作更趨緊密，對生產使用率及盈利能力均有重要貢獻。

## 澳洲及新西蘭

### 生產效率

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。於二零零四／二零零五財政年度首六個月，此廠房錄得收入港幣 67,000,000 元，較去年同期增加 39.6%。由於銷售額增加及生產效率改善，澳洲業務獲得溢利港幣 6,000,000 元。

### 市場表現

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之討論及分析

#### AUSTRALIA AND NEW ZEALAND (continued)

##### Market Performance (continued)

The Australian soy beverage market has been growing again after a year of consolidation. The growth was driven mainly by Rice Milk and flavoured soymilk, but price competition remained very keen with a lot of discounting. The grocery soymilk market in Australia is growing at 3% this year whereas in New Zealand, the market is growing at 9% for the year.

During the first six months of fiscal 2004/2005, the Group's revenue generated from the Australian and New Zealand markets was HK\$70 million, an increase of 34.6% over the same period last year. This improvement was the result of our greater emphasis on product innovation and more creative marketing. With new products accounting for about 30% of the increase, total sales grew by 32% in volume and 27% in local currency value. Products like VITASOY Rice Milk and LUSH Chocolate Soymilk continued to perform well whereas VITASOY SO MILKY, launched in September 2004, has also been growing healthily in sales.

#### GENERAL OUTLOOK

While the local and global economies appear to be on track to gradual recovery, we are alert to the challenges ahead as intense competition in the non-alcoholic beverage market continues. The Group has been following a focused business development strategy around the world by means of brand enhancement, product innovation, aggressive marketing and in-store promotion. This strategy is expected to enhance our overall growth momentum. Our superior capabilities in certain product and market segments, coupled with our better sourcing and process management, should ensure higher profit margin for our core businesses.

In Hong Kong, we are pleased to see clearer signs of economic recovery. However, we also believe that price competition will remain intense and we need to focus on further improving our cost-efficiency and productivity. Our advertising campaigns for VITASOY and VITA TSING SUM ZHAN should bring us more success and we also expect to see good sales performance of new products such as GOR YIN HAI "Icy Shake" Fruity Teas. However, it is fair to expect that growth would slow down in the coming six months when compared to the strong performance in the months immediately following SARS, i.e., the second half of fiscal 2003/2004. Companies would continue to fight aggressively for market share, which leaves little room for price increases, although oil-led inflation

#### 澳洲及新西蘭(續)

##### 市場表現(續)

澳洲大豆飲品市場經過一年整固期後回復增長。增長主要由米奶及不同口味之豆奶帶動，但因高折扣率令價格競爭仍然激烈。澳洲之主要豆奶市場今年之增長率為3%，而新西蘭則為9%。

於二零零四／二零零五財政年度首六個月，本集團自澳洲及新西蘭市場錄得收入港幣70,000,000元，較去年同期增加34.6%。此改善乃本集團致力創新產品及推出具創意之市場推廣活動之成果。就此而言，新產品佔增長約30%，而總銷售額以銷量計上升了32%，以澳元計則上升了27%。產品如維他奶米奶及LUSH巧克力豆奶之表現持續良好，而二零零四年九月推出之VITASOY SO MILKY之銷量亦有穩健增長。

#### 整體展望

本地及全球經濟呈逐步復蘇之勢，惟非酒精飲品市場競爭持續激烈，本集團面對此等挑戰實不敢鬆懈。本集團奉行專注於提升品牌、創新產品、推行進取的市場推廣活動及店舖宣傳之全球業務發展策略。此一策略預期將可提升本集團之整體增長動力。憑著本集團於若干產品及市場類別之專長，加上配合更佳之採購及製程管理，本集團之核心業務定能取得較高利潤。

就香港而言，本集團喜見經濟有日益明顯復蘇跡象。然而，本集團亦相信價格競爭依然激烈，而本集團亦須要集中改善成本效益及生產力。本集團於維他奶及維他清心棧之廣告宣傳攻勢相信將會奏效，而菓然系「冰震」果茶等新產品之銷量亦預期將會獲得良好表現。然而，與緊隨非典型肺炎疫情後(即二零零三／二零零四財政年度下半年)之強勁表現比較，可以預見未來六個月之增長將會放緩。雖然油價帶動通脹上升而影響本集團主要原材料成本，但因各業內公司持續爭奪市場佔有率，限制了價格上升空間。另一方面，本



might affect the cost of our key raw materials. Meanwhile, we expect our tuck shop business to make further progress with the mission of providing healthy and hygienic food and drinks to young customers. With a view to further boosting business growth through consumer education, we will continue to organise seminars on nutrition and healthy dieting to be conducted by professionals.

As mentioned above, the Group is going to exit its Refrigerated Soymilk business in North America and consolidate all production facilities at the plant in Ayer, Massachusetts while closing the plant in Burke, California. The consolidation will sharpen the business focus of our North American Operation and ensure better utilisation of the capacity of our state-of-the-art facility in Ayer. The production efficiency to be gained from this consolidation is expected to more than cover the increase in distribution costs for providing superior service to our West Coast customers. Other than a recognised impairment loss of HK\$12 million, there will be a one-off charge of approximately HK\$9 million in the second half of 2004/2005 that is associated with the consolidation, including shutdown costs, severance and asset relocation. Ongoing annual savings from the consolidation are projected to be more than HK\$10 million. The exit from Refrigerated Soymilk is all but concluded and it has been well received by the trade. In short, the benefits of the consolidation would include increased asset utilisation, lower production costs, higher earnings and reduced working capital, which together will result in stronger foundation for further business development in the coming years. The overhead gap from the exit of Refrigerated Soymilk will be utilised through the introduction of value-added products in 2005/2006.

In Mainland China, soymilk continues to be under competitive pressure from dairy milk in terms of retail pricing and consumers' value perception. In the long term, as the longest established soy beverage market, Mainland China has tremendous potential in consumer upgrade from traditional bulk home-grind to ready-to-drink consumption. To tap this market potential, we will continue with our programme of brand building and expanding our product portfolio by developing and launching value-added and trendy products. We will continue to extend our success in margin improvement in southern China to eastern China. We will work on the expansion of in-sourcing for the Shenzhen Plant. Improvement on capacity utilisation remains our focus for better return on assets. On the whole, we now operate on a much healthier platform in the Mainland China market, which gives us an edge in pursuing our strategy of brand building and portfolio expansion in our core business – soymilk. At the same time, the Group is actively exploring other retail opportunities in Mainland China that may arise from the implementation of the Closer Economic Partnership Arrangement (CEPA).

集團食物部肩負向年輕客戶提供健康衛生食品及飲品之任務，業務預期將有進一步發展。為實現通過消費者教育以推動業務發展，本集團將繼續主辦營養及健康飲食研討會，並邀請專業人士到來主講。

誠如上述，本集團將退出其北美洲鮮凍豆奶業務，將所有生產設施合併至位於麻省艾爾市之廠房並同時關閉加州Burke之廠房。合併行動將使北美洲業務之發展方針更加清晰，並確保能更充分利用本集團於艾爾市廠房之先進設施。因合併而提高生產效率之裨益預期將足以彌補向西岸客戶提供優質服務所增加之分銷成本。除已確認減值虧損港幣12,000,000元外，於二零零四／二零零五年度下半年將仍有一筆約港幣9,000,000元有關合併之一次性支出，包括關閉廠房、遣散及資產重置等費用。合併所帶來之每年減省額預期將逾港幣10,000,000元。退出鮮凍豆奶業務已受確定並獲商戶接受。簡言之，合併之得益包括增加資產使用率、減低生產成本、提高盈利及降低營運資金等，此等得益將增強未來幾年業務發展之根基。因退出鮮凍豆奶業務而未被攤分吸收之固定開支將為二零零五／二零零六年度所生產物超所值之產品所吸收。

中國大陸方面，豆奶繼續面對來自奶類產品之競爭壓力，無論在零售價及顧客價值認知上均有競爭。長線而言，中國大陸作為最長歷史的大豆飲品市場，把消費者從傳統大量家庭作業磨製飲用引領到即飲消費，實存在極大商機。為把握此市場商機，本集團將繼續建立品牌，以及通過發展推出物超所值及時尚產品來擴大產品組合。本集團將繼續以華南地區成功提高利潤之經驗擴展至華東地區。本集團將擴大深圳廠房之內購。提高生產使用率仍將是本集團求取更佳資產回報之目標。整體而言，本集團目前身處更為穩健的中國大陸市場平台，已具備條件落實豆奶核心業務的品牌建立和產品組合擴充策略。與此同時，本集團亦正積極尋求因實施更緊密經貿關係安排(CEPA)後中國大陸可能出現之其他零售商機。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層之討論及分析

In Australia, we expect to see steady growth in both sales and profitability, driven by the continued performance of both Rice Milk and Soy milk. Our strategic focus continues to be the launching of new products in the “value soy beverage” area as well as flavour innovation.

As a whole, a complex mix of consumer preferences and changing demographics is boosting the market demand for healthy food products. We believe continued innovation in terms of health elements, convenience and variety for our brands is the recipe for growth in sales and market share in the long term. Our product innovation and capacity utilisation initiatives should enhance our profitability. We are confident that with our clearly-focused business development strategies and initiatives as well as a concerted global direction, we will continue to create shareholder value despite the challenges ahead.

### EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30th September, 2004, the number of full-time staff was 2,373, increasing by 2% from a year earlier. Our manpower management policy remains to maximise the contribution of staff resources for productivity gains and to equip the staff with the appropriate skill sets in order to cope with the Group's business plans.

This year, after an independent review of the discretionary bonus system, recommendations were approved by the Compensation Committee of the Company's Board of Directors. Discretionary bonuses will be granted, having regard to both business performance factors (revenue, profit and return on invested capital) and individual employees' performance. The new system aims at attracting, rewarding and retaining executives through offering annual cash awards to outstanding performers so as to motivate them to strive for excellence and value for their respective business units and hence the entire Group. This will in turn translate directly into growth, profitability and value for the Company and its investors and shareholders.

在米奶及豆奶之良好表現帶動下，本集團預期澳洲業務之銷售額及盈利能力會有穩定增長。本集團之策略重點將持續推出「高價值豆奶飲品」類新產品及不斷創新產品味道。

總括而言，隨著消費者之愛好，以及人口組合之變化，令市場對健康食品之需求提高。本集團相信只有令品牌於健康元素、便利及多元化上不斷創新，方為取得銷售額及市場佔有率長線增長之道。本集團採取產品創新及提高生產使用率等積極措施應能提升集團之盈利能力。本集團有信心以方向清晰之業務發展策略及積極措施，加上全球各地業務單位共同努力之配合下，本集團將克服前面種種挑戰並為股東帶來回報。

### 僱員、培訓及發展

於二零零四年九月三十日，全職僱員人數為2,373人，較上一年增加2%。本集團貫徹原有之人力資源管理政策，盡力發揮人力資源之最大潛質以提升生產力，並給員工發展適當技能以配合本集團之業務計劃。

本年，酌情花紅制度經獨立檢討後，本公司董事會薪酬委員會批准了有關推薦建議。酌情花紅將因應業務表現因素(收入、溢利及投資股本回報)及個別僱員表現而授出。新制度旨在透過向優秀員工發放年度現金獎賞，以吸引、獎勵、挽留行政人員，及激勵員工在各自的業務單位以及為本集團整體所作出之貢獻。員工加倍努力之結果，將直接提升本公司之業務增長、盈利能力，以及投資者及股東之回報。

## FINANCIAL REVIEW

With the generation of healthy cash flow, we are constantly assessing effective means for deploying our cash. After the payment of the special dividend in September 2004, the Group still maintained a healthy net cash position of HK\$251 million (31st March, 2004: HK\$270 million). Undrawn facilities available to the Group totalled HK\$312 million.

The total bank borrowings as at 30th September, 2004 amounted to HK\$165 million (31st March, 2004: HK\$181 million). The maturity profile is spread over a period of five years, with HK\$148 million repayable in the first year, HK\$5 million in the second year and HK\$12 million within the remaining three years. The amount of borrowings denominated in US Dollar, Renminbi and Australian Dollar were the equivalents of HK\$21 million, HK\$35 million and HK\$109 million respectively. The gearing ratio (total borrowings/shareholders' funds) was 13.6% (31st March, 2004: 14.5%).

With adequate funds and unused banking facilities, the Group's liquidity position remains strong. Capital expenditure during the period amounted to HK\$24 million (2003/2004 interim: HK\$24 million), which was primarily funded by cash from operations. There are no material changes in contingent liabilities, charges on assets and exposure to fluctuations in interest and exchange rates.

## 財務回顧

由於現金流量穩健，本集團不時評估運用現金之有效方式。於二零零四年九月派發特別股息後，本集團之現金淨額仍維持在港幣251,000,000元（二零零四年三月三十一日：港幣270,000,000元）之穩健水平。可供本集團動用惟仍未提取之信貸額共達港幣312,000,000元。

於二零零四年九月三十日之銀行借貸總額達港幣165,000,000元（二零零四年三月三十一日：港幣181,000,000元）。貸款年期最長為五年，其中港幣148,000,000元須於首年償還，港幣5,000,000元須於第二年償還，另港幣12,000,000元則須於餘下三年內償還。以美元、人民幣及澳元結算之借貸分別相等於港幣21,000,000元、港幣35,000,000元及港幣109,000,000元。借貸比率（借貸總額／股東資金）為13.6%（二零零四年三月三十一日：14.5%）。

由於資金充裕及尚有未動用之銀行信貸，本集團之流動資金狀況仍然雄厚。期內之資本支出達港幣24,000,000元（二零零三／二零零四年度中期：港幣24,000,000元），主要以營業所得現金支付。或然負債、資產抵押及利率和匯率波動風險概無重大變動。