

MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析



TURNOVER

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

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

營業額

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

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

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

GROSS PROFIT

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

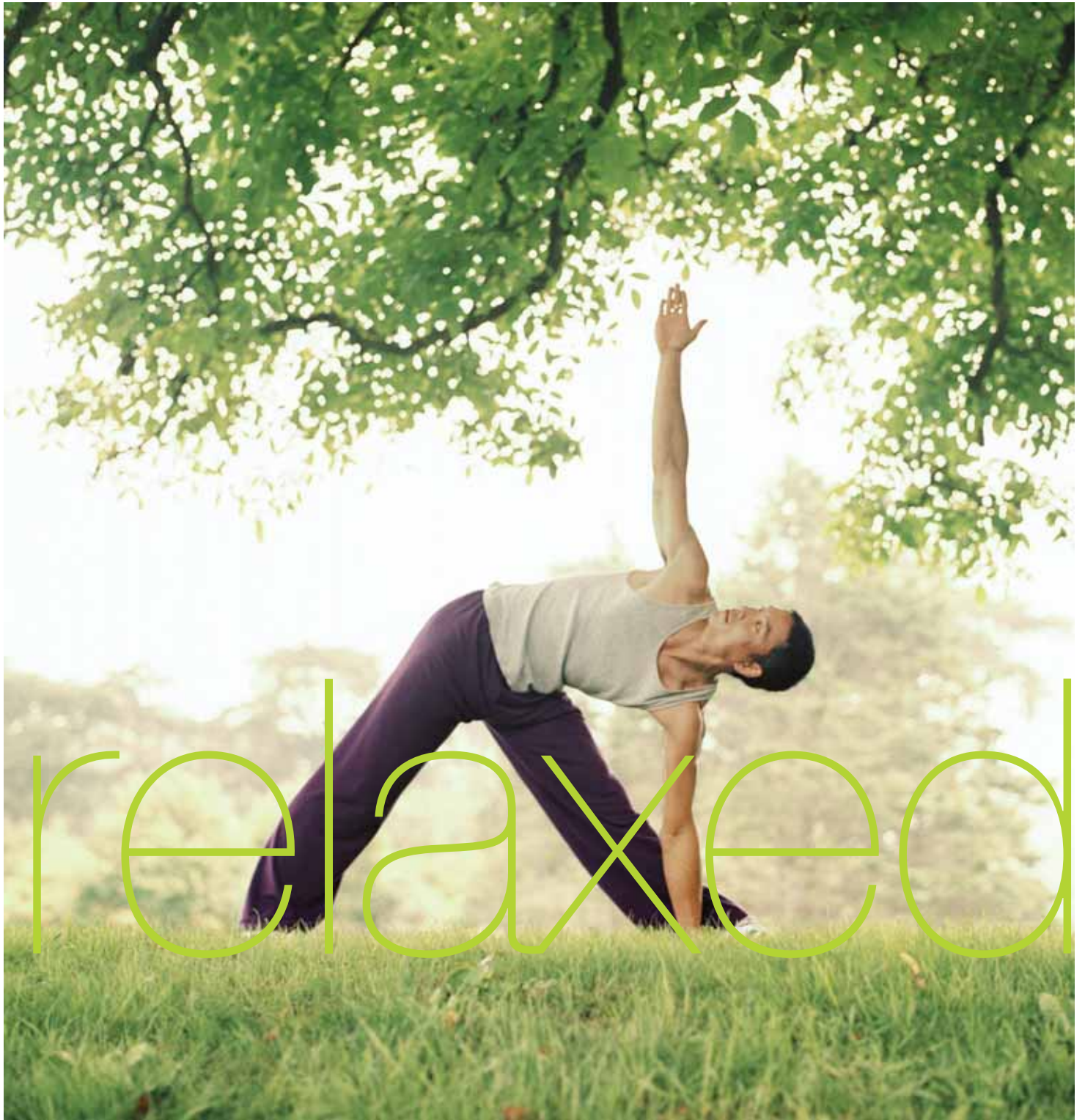
On top of ensuring our brands' market leadership through product innovation and enhancement as well as increased marketplace investment, we have been

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

毛利

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

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



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

DISTRIBUTION, ADMINISTRATIVE AND OTHER OPERATING EXPENSES

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

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

分銷、行政及其他經營費用

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

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Smile



offset by our disciplined approach regarding price discounts and promotions.

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

RESTRUCTURING COST

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

團嚴格控制價格折扣及推廣費用，故能減少有關費用之增幅。

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

重組成本

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

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

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

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

經營溢利及未計利息、稅項、折舊及攤銷費用前 盈利 (EBITDA)

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

股東應佔溢利

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

流動資金及財務資源

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

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

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

CHARGES ON GROUP ASSETS

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

FINANCIAL RISK MANAGEMENT

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

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

EMPLOYMENT, TRAINING AND DEVELOPMENT

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

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

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

本集團資產之抵押

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

財務風險管理

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

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

僱員、培訓及發展

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

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

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



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

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

SERVING THE COMMUNITY

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

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

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

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

服務社會

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

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

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

RECOGNITIONS AND AWARDS

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

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

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

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

表揚及嘉許

本集團於年內獲得多項與企業公民及其他與業務有關之嘉許。

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

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



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HONG KONG

香港

Production Efficiency

生產效率

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

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

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

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

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

Market Performance

市場表現

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

HONG KONG (continued)

Market Performance (continued)

(1) Hong Kong Domestic Market

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

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

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

(2) Export Markets

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

香港(續)

市場表現(續)

(1) 香港本銷市場

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

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

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

(2) 出口市場

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

MANAGEMENT DISCUSSION
AND ANALYSIS

管理層之討論及分析

NORTH AMERICA

北美洲

Production Efficiency

生產效率

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

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

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

Market Performance

市場表現

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

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

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

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

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

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

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

MAINLAND CHINA

中國大陸

Production Efficiency

生產效率

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

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

本集團設於上海及深圳之生產廠房負責供應中國大陸及香港市場。

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

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

Market Performance

市場表現

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

管理層之討論及分析

MAINLAND CHINA (continued)

Market Performance (continued)

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

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

中國大陸(續)

市場表現(續)

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

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

AUSTRALIA AND NEW ZEALAND

澳洲及新西蘭

Production Efficiency

生產效率

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

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

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

Market Performance

市場表現

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

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

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

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

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

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

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