

Report of the Directors

董事會報告書

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

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are the manufacture and sale of food and beverages. The principal activities and other particulars of the subsidiaries are set out in note 16 to the financial statements.

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

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the year is as follows:

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

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

董事會欣然提呈截至二零零六年三月三十一日止年度之年報及經審核財務報表。

主要營業地點

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

主要業務

本公司之主要業務為製造及銷售食品及飲品。附屬公司之主要業務及其他詳情載於財務報表附註16。

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

主要客戶及供應商

以下所載為本年度主要客戶及供應商分別佔本集團銷售額及採購額之資料：

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

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31st March, 2006 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 67 to 166.

TRANSFER TO RESERVES

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

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

CHARITABLE DONATIONS

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

FIXED ASSETS

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

BANK LOANS

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

SHARE CAPITAL

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

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

財務報表

本集團截至二零零六年三月三十一日止年度之溢利及本公司與本集團於該日之財務狀況載於第67至166頁之財務報表內。

轉撥入儲備

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

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

慈善捐款

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

固定資產

本公司及本集團於本年度內之固定資產變動詳情載於財務報表附註15。

銀行貸款

本集團於二零零六年三月三十一日之銀行貸款詳情載於財務報表附註25。

股本

本公司於本年度內之股本變動情況載於財務報表附註27。本公司因購股權獲行使而於本年度內發行股份。

本公司或其任何附屬公司於本年度內概無購回、出售或贖回本公司之上市證券。

DIRECTORS

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

In accordance with Article 104 of the Company's Articles of Association, Dr. The Hon. Sir David Kwok-po LI and Mr. Eric Fat YU retire from the board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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

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

None of the Directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligation.

Non-executive Directors are appointed under the same terms for rotational retirement as other Directors, pursuant to the Articles of Association of the Company.

董事

於本年度內及截至本年報之日期各在任董事之名單載於第2頁。

根據本公司之章程細則第104條，李國寶爵士及余發先生須於應屆股東週年大會上輪值告退，並願膺選連任。

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

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

擬於應屆股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司簽訂本公司或其任何附屬公司不得於一年內終止而不作出賠償（一般法定賠償除外）之服務合約。

根據本公司之章程細則，非執行董事乃按與其他董事相同之輪值告退條款獲委任。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office at 31st March, 2006 had the following interests in the shares or underlying shares of the Company at that date as recorded in the register of directors' interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

(1) Interests in issued shares

董事於股份、相關股份及債權證之權益及淡倉

根據《證券及期貨條例》第352條而保存之本公司董事權益及淡倉登記冊所記錄，本公司於二零零六年三月三十一日之在職董事當日在本公司已發行股份或相關股份中擁有下列權益：

(1) 於已發行股份之權益

Name	Note	Ordinary shares of HK\$0.25 each 每股面值港幣0.25元之普通股				% of total issued shares 佔已發行股份總數之百分比
		Personal interests	Family interests	Trusts and similar interests	Total number of shares held	
姓名	附註	個人權益	家族權益	信託及同類權益	所持股份總數	
Mr. Winston Yau-lai LO 羅友禮先生	(i), (iii)	49,939,800	28,702,500	72,678,300	151,320,600	15.08%
Dr. The Hon. Sir David Kwok-po LI 李國寶爵士		6,000,000	-	-	6,000,000	0.60%
Mr. Chi-kian SHIU 邵志堅先生		3,281,400	-	-	3,281,400	0.33%
Ms. Myrna Mo-ching LO 羅慕貞女士	(ii), (iii)	-	-	100,653,000	100,653,000	10.03%
Ms. Yvonne Mo-ling LO 羅慕玲女士	(iii)	31,866,450	-	72,678,300	104,544,750	10.42%
Mr. Eric Fat YU 余發先生		509,000	-	-	509,000	0.05%
Mr. John Shek-hung LAU 劉錫鴻先生		1,971,000	-	-	1,971,000	0.20%

Notes:

- (i) Mr. Winston Yau-lai LO is deemed to be interested in 28,702,500 shares through interests of his wife.
- (ii) Ms. Myrna Mo-ching LO is interested in 27,974,700 shares held by Supreme Luck Holdings Limited which in turn holds such shares in trust for Myrna Lo Trust (formerly known as The Lo Kwee Seong 1987 Trust).
- (iii) Each of Mr. Winston Yau-lai LO, Ms. Myrna Mo-ching LO and Ms. Yvonne Mo-ling LO is interested in 72,678,300 shares held by The Bank of East Asia (Nominees) Limited which holds such shares as a nominee for the K.S. Lo Foundation, a charitable trust. Each of them is a trustee of the K.S. Lo Foundation and is therefore deemed to be interested in such shares.

附註：

- (i) 羅友禮先生由於其妻室擁有28,702,500股股份，故被視為擁有該等股份之權益。
- (ii) 羅慕貞女士擁有由Supreme Luck Holdings Limited 持有之27,974,700股股份之權益，該公司以託管人身份為Myrna Lo Trust (前稱The Lo Kwee Seong 1987 Trust) 持有該等股份。
- (iii) 羅友禮先生、羅慕貞女士及羅慕玲女士均擁有由東亞銀行受託代管有限公司以代理人名義代慈善基金K. S. Lo Foundation持有之72,678,300股股份。彼等均為K. S. Lo Foundation之受託人，故被視為擁有該等股份之權益。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(2) Interests in underlying shares

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

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

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

SHARE OPTION SCHEMES

Old share option scheme

On 9th March, 1994, the Company adopted a share option scheme (the "Old Share Option Scheme") under which the Directors might, at their discretion, grant options to employees and Directors of the Company or any of its subsidiaries to subscribe for ordinary shares of HK\$0.25 each in the Company. This scheme was valid for 10 years ending 8th March, 2004, unless otherwise cancelled or amended. The purpose of this scheme was to provide incentives and rewards to employees for their contribution to the Group. The principal terms of this scheme were as follows:

- The exercise price of the options was the higher of (a) the nominal value of the shares and (b) an amount not less than 80% of the average of the closing prices of the shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the five business days immediately preceding the date of offer.

董事於股份、相關股份及債權證之權益及淡倉

(續)

(2) 於相關股份之權益

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

於本公司股份及相關股份中之全部權益均為好倉。

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

購股權計劃

舊購股權計劃

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

- 購股權之行使價須為以下兩者中之較高者：
(a) 股份之面值及 (b) 不少於股份於要約認購購股權日期前五個營業日在香港聯合交易所有限公司（「聯交所」）之平均收市價之80%。

SHARE OPTION SCHEMES (continued)

Old share option scheme (continued)

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

As a result of the changes to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which governs the operation of share option schemes, the Company terminated the Old Share Option Scheme and adopted a new share option scheme (the "New Share Option Scheme") on 4th September, 2002. No further options were granted under the Old Share Option Scheme upon its termination and all outstanding options granted thereunder continued to be valid and exercisable in accordance with the terms of the Old Share Option Scheme until the expiry of the exercise period.

購股權計劃(續)

舊購股權計劃(續)

- 購股權之行使期限由董事會知會每名購股權持有人，該期限由購股權授出日期起計不得超過十年。
- 購股權毋須先行持有一段最短期限方可行使，惟董事會獲授權可酌情於要約日期時附加任何最短持有期。
- 所授出購股權可認購之股份數目最多不得超過本公司不時之已發行股本(不包括根據購股權計劃發行之股份)之10%。
- 授予任何參與者之購股權所能認購之股份數目，在與根據購股權計劃已發行或可發行予該名參與者之股份數目合計，最多不得超過根據購股權計劃當時已發行及可發行之股份最高總數之25%。
- 合資格之董事或僱員可於要約認購購股權日期起計28日或董事會酌情決定之較長或較短期間內接納購股權之要約。合資格之董事或僱員須於接納購股權時支付港幣10元作為代價。

由於監管購股權計劃運作之香港聯合交易所有限公司證券上市規則(「上市規則」)第17章的更改，本公司於二零零二年九月四日終止舊購股權計劃及採納一項新購股權計劃(「新購股權計劃」)。本公司於終止舊購股權計劃後不再根據該計劃授予任何購股權，而所有根據該計劃已授出之未行使購股權將維持有效及可於行使期屆滿前根據舊購股權計劃之條款予以行使。

SHARE OPTION SCHEMES (continued)

Old share option scheme (continued)

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

New share option scheme

The New Share Option Scheme became effective on 4th September, 2002 and, unless otherwise cancelled or amended, remains in force for 10 years from that date. The Directors may, at their discretion, grant options to any employee of the Group, including Directors of any company in the Group, to subscribe for ordinary shares of HK\$0.25 each in the Company. The purpose and the terms of the New Share Option Scheme are the same as the Old Share Option Scheme, except for the following:

- The exercise price of the options is the highest of (a) the closing price of the shares on the Stock Exchange on the date of grant, which must be a business day; (b) the average of the closing prices of the shares on the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares.
- The maximum number of shares which may be issued upon exercise of all options to be granted must not exceed 10% of the shares in issue on the date of approval and adoption of the scheme.
- Unless approved by shareholders of the Company in a general meeting, the total number of shares issued and which may fall to be issued upon exercise of the options granted (including exercised, cancelled and outstanding options) to any one participant in any 12-month period up to the date of grant shall not exceed 1% of the shares in issue as at the date of grant.

The total number of ordinary shares available for issue under the New Share Option Scheme at 31st March, 2006 is 88,382,550 shares (including options for 22,543,000 ordinary shares that have been granted but not yet exercised), which represents 8.81% of the issued share capital of the Company at 31st March, 2006.

購股權計劃(續)

舊購股權計劃(續)

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

新購股權計劃

新購股權計劃於二零零二年九月四日生效，除非另行取消或修訂該計劃，計劃由當日起計為期十年。董事會可酌情向本集團任何僱員(包括本集團旗下任何公司之董事)授予購股權，以認購本公司每股面值港幣0.25元普通股。除以下所述者外，新購股權計劃之目的及條款與舊購股權計劃相同：

- 購股權之行使價為下列三者中之最高價：(a) 股份於授出日期(當日必須為營業日)在聯交所錄得之收市價；(b) 股份於截至授出日期止過去五個營業日在聯交所錄得之平均收市價；及(c) 股份之面值。
- 就行使全部將授予之購股權而可予發行之股份數目，最多不得超過批准及採納計劃當日之已發行股份10%。
- 除獲本公司股東於股東大會上批准外，於截至授出日期止之任何十二個月期間內，就任何一名參予者行使授予之購股權(包括已行使、已註銷及未行使之購股權)而已發行及須予發行之股份總數，不得超過於授出日期之已發行股份1%。

於二零零六年三月三十一日根據新購股權計劃可供發行之普通股總數為88,382,550股(包括已授出但尚未行使之購股權涉及之22,543,000股普通股)，佔本公司於二零零六年三月三十一日之已發行股本8.81%。

Report of the Directors 董事會報告書

SHARE OPTION SCHEMES (continued)

New share option scheme (continued)

The Directors of the Company individually and other employees of the Group in aggregate had the following personal interests in options to subscribe for ordinary shares of the Company during the year and at the end of the year:

購股權計劃(續)

新購股權計劃(續)

於本年度及年結時，個別本公司董事及其他本集團之僱員在可認購本公司普通股之購股權中擁有之個人權益如下：

Participants	Date of grant	Note	Period during which options are exercisable	Price per share on exercise of options	Number of options outstanding at the beginning of the year	Number of options granted during the year	Number of options exercised during the year	Number of options expiry of exercise period during the year	Number of options forfeited on termination of employment of eligible participants during the year	Number of options outstanding at the end of the year	* Market value per share at date of grant of options	* Market value per share on exercise of options
參與者	授出日期	附註	購股權行使期	時須付之每股價格 HK\$港元	尚未行使之購股權數目	於年內授出之購股權數目	於年內行使之購股權數目	於年內失效之購股權數目	參與者離職而於年內失效之購股權數目	尚未行使之購股權數目	購股權當日之每股市價 * HK\$港元	購股權時之每股市價 * HK\$港元
Directors												
董事												
Mr. Winston Yau-lai LO 霍友禮先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	3,450,000	-	3,450,000	-	-	-	1.530	2.425
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	2,220,000	-	-	-	-	2,220,000	1.660	-
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	1,700,000	-	-	-	-	1,700,000	1.920	-
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	1,472,000	-	-	-	1,472,000	2.425	-
Mr. Ambrose Kam-shing CHAN (appointed on 11th July, 2005) 陳錦勝先生(於二零零五年七月十一日獲委任)	3/8/2004	(ii)	3/8/2006 – 2/8/2014	1.910	900,000	-	-	-	-	900,000	1.910	-
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	2,392,000	-	-	-	2,392,000	2.425	-
Mr. Eric Fat YU 余發先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	435,000	-	434,000	1,000	-	-	1.530	2.425
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	738,000	-	-	-	-	738,000	1.660	-
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	450,000	-	-	-	-	450,000	1.920	-
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	392,000	-	-	-	392,000	2.425	-
Mr. John Shek-hung LAU 劉錫鴻先生	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	1,953,000	-	1,952,000	1,000	-	-	1.530	2.325
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	820,000	-	-	-	-	820,000	1.660	-
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	500,000	-	-	-	-	500,000	1.920	-
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	392,000	-	-	-	392,000	2.425	-
Mr. Francis Ming-yin KONG (resigned on 18th April, 2005) 江明彥先生(於二零零五年四月十八日辭任)	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	1,000	-	-	-	1,000	-	1.530	-
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	1,526,000	-	762,000	-	764,000	-	1.660	2.250
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	978,000	-	244,000	-	734,000	-	1.920	2.250
Eligible employees working under employment contracts 根據僱傭合約工作之合資格僱員	4/7/2000	(i)	7/9/2000 – 31/8/2005	1.193	1,123,000	-	380,000	742,000	1,000	-	1.530	2.307
	1/4/2003	(ii)	1/4/2004 – 31/3/2013	1.688	6,458,000	-	1,868,000	-	663,000	3,927,000	1.660	2.654
	1/4/2004	(ii)	1/4/2005 – 31/3/2014	1.904	4,454,000	-	270,000	-	680,000	3,504,000	1.920	2.376
	1/6/2005	(ii)	1/6/2006 – 31/5/2015	2.375	-	3,512,000	-	-	376,000	3,136,000	2.425	-
					27,706,000	8,160,000	9,360,000	744,000	3,219,000	22,543,000		

SHARE OPTION SCHEMES (continued)

New share option scheme (continued)

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

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

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

Notes:

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

For options granted on 1st April, 2003, 1st April, 2004 and 1st June, 2005, they are exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

		Percentage of options granted 佔獲授購股權之百分比
On or after 1st year anniversary of the date of grant	授出日期起計一週年 或其後	25%
On or after 2nd year anniversary of the date of grant	授出日期起計兩週年 或其後	another另25%
On or after 3rd year anniversary of the date of grant	授出日期起計三週年 或其後	another另25%
On or after 4th year anniversary of the date of grant	授出日期起計四週年 或其後	another另25%

購股權計劃(續)

新購股權計劃(續)

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

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

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

附註：

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

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

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

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

主要股東及其他人士於股份及相關股份之權益及淡倉

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

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

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

Notes:

- (i) Ms. Irene CHAN is interested in 750,000 shares held for her daughter Alexandra CHAN who is under the age of 18.
- (ii) Each of Ms. Irene CHAN, Mr. Kai-tun LO and Mr. Peter Tak-shing LO is interested in 72,678,300 shares held by The Bank of East Asia (Nominees) Limited which holds such shares as a nominee for the K.S. Lo Foundation, a charitable trust. Each of them is a trustee of the K.S. Lo Foundation and is therefore deemed to be interested in such shares.
- (iii) These interests are held by Arisaig in the capacity of beneficial owner.
- (iv) These interests are held by Arisaig Mauritius in the capacity of investment manager of Arisaig. These interests are duplicated by the interests described in Note (iii) above.
- (v) These interests represent Cooper's interests through his indirect 33% interest in Arisaig Mauritius. These interests are duplicated by the interests disclosed in Notes (iii) and (iv) above.
- (vi) These interests are held by Matthews International Capital Management LLC in the capacity of investment manager.
- (vii) These interests represent Commonwealth Bank of Australia's interests through its indirect 100% interest in First State Investment Management (UK) Limited (which holds 49,185,000 shares of the Company's ordinary shares) and First State Investments (Hong Kong) Limited (which holds 11,154,000 shares of the Company's ordinary shares).

Apart from the foregoing, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

主要股東及其他人士於股份及相關股份之權益及淡倉(續)

附註：

- (i) 陳羅慕連女士擁有代其未滿十八歲女兒Alexandra CHAN持有之750,000股股份之權益。
- (ii) 陳羅慕連女士、羅開敦先生及羅德承先生均擁有由東亞銀行受託代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。
- (v) 該等權益乃Cooper透過間接持有Arisaig Mauritius 之33%權益而擁有之權益。該等權益與上文附註(iii)及(iv)所披露者為同一份權益。
- (vi) 該等權益乃由Matthews International Capital Management LLC以投資經理身份持有。
- (vii) 該等權益乃澳洲聯邦銀行透過間接持有First State Investment Management (UK) Limited (該公司持有本公司49,185,000股普通股)及首域投資(香港)有限公司(該公司持有本公司11,154,000股普通股)之全部權益而擁有之權益。

除上述者外，本公司並不獲知會有任何須紀錄在根據證券及期貨條例第336條而保存之登記冊內之其他權益。

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

CONNECTED TRANSACTIONS

On 10th December, 2002, the Company entered into a Milk Supply Agreement (the "Agreement") with Shenzhen Guang Ming Holdings Limited ("Guangming"), a substantial shareholder holding 30% of the registered capital of the Company's subsidiary, Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited ("Shenzhen Vitasoy"), under which Guangming would supply milk products and provide milk processing and packaging services to the Company for a period of 3 years commencing 14th March, 2003. During the year, an amount of HK\$2,827,000 (2005: HK\$3,054,000) was charged by Guangming under the Agreement.

As the transactions are of a continuing nature and will arise on a regular basis, the Company applied and the Stock Exchange granted a waiver to the Company on 4th February, 2003 of strict compliance with the requirements under the Listing Rules in respect of these transactions. Following the amendments of the Listing Rules effective 31st March, 2004, the transactions constitute continuing connected transactions under Rule 14A.34(1) of the Listing Rules which will only be subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. An announcement was made by the Company on 12th May, 2005 in this respect.

公眾持股量

根據本公司所掌握之公開資料以及就本公司董事所知，於本年報日期，本公司一直保持上市規則規定之公眾持股量。

董事於合約之權益

本公司或其任何附屬公司概無於本年度終結時或年內任何時間訂立本公司董事擁有重大權益之重要合約。

董事及行政人員之責任保險

本年度內，本公司已投保董事及行政人員之責任保險。

關連交易

於二零零二年十二月十日，本公司與深圳市光明集團有限公司（「光明」）訂立鮮奶供應協議（「該協議」）；據此，光明將向本公司供應鮮奶產品及提供鮮奶加工及包裝服務，由二零零三年三月十四日起計為期三年。光明為持有本公司附屬公司深圳維他（光明）食品飲料有限公司（「深圳維他奶」）註冊資本之30%之主要股東。年內，光明根據該協議收取港幣2,827,000元（二零零五年：港幣3,054,000元）。

由於交易之持續性質以及將會定期進行，本公司已向聯交所申請豁免就有關交易嚴格遵守上市規則之規定，而聯交所亦於二零零三年二月四日授出豁免。上市規則之修訂於二零零四年三月三十一日生效後，上述之交易事項將構成上市規則第14A.34(1)條項下的持續關連交易，僅須遵守上市規則第14A.45至14A.47條所載之申報及公告規定。本公司已於二零零五年五月十二日就此發表公告。

CONNECTED TRANSACTIONS (continued)

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

- (i) were entered in the ordinary and usual course of business of the Company and in accordance with the terms of the Agreement;
- (ii) were on normal commercial terms and were fair and reasonable and in the interest of the shareholders as a whole; and
- (iii) were either on normal commercial terms, or if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable than terms available from independent third parties.

In addition, the Auditors of the Company confirmed that:

- (i) the transactions were approved by the board of directors;
- (ii) the transactions were entered into in accordance with the agreed prices as set out in the Agreement; and
- (iii) the consideration for the transactions had not exceeded the annual cap of HK\$4,000,000 for the year ended 31st March, 2006.

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

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

關連交易 (續)

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

- (i) 根據該協議之條款及於一般日常業務過程中進行;
- (ii) 按一般商業條款進行,而交易條款公平合理,並且符合股東的整體利益;及
- (iii) 按正常商業條款或按不遜於獨立第三者給予之條款進行(倘缺乏其他可作比較交易以判斷是否按正常商業條款)。

此外,本公司之核數師確認:

- (i) 交易已獲董事會批准;
- (ii) 交易乃根據該協議所載之協定價格進行;及
- (iii) 交易之代價並無超過截至二零零六年三月三十一日止年度之年度上限港幣4,000,000元。

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

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

EMPLOYEE RETIREMENT PLANS

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

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on pages 167 and 168 of the annual report.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board
Winston Yau-lai LO
Executive Chairman

Hong Kong, 6th July, 2006

僱員退休計劃

有關本公司及本集團僱員退休計劃之詳情載於財務報表附註17。

五年財務摘要

本集團於過去五年之業績、資產及負債摘要載於本年報第167及168頁。

核數師

畢馬威會計師事務所任滿告退並願受聘連任。有關續聘畢馬威會計師事務所擔任本公司核數師之決議案將於應屆股東週年大會上提呈。

承董事會命
羅友禮
執行主席

香港，二零零六年七月六日