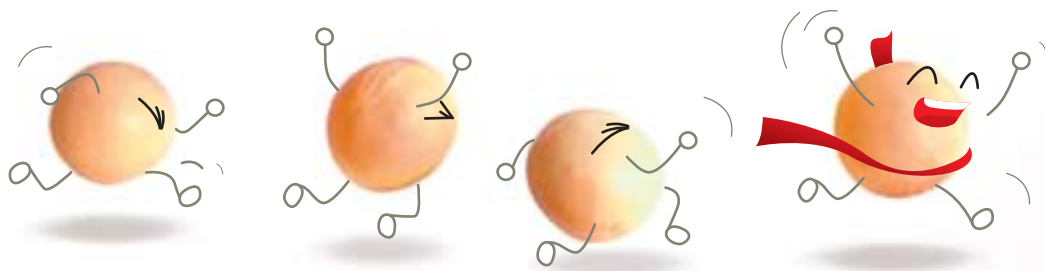


2006

INTERIM REPORT
中期報告



CONTENTS

目錄

Directors and Corporate Information	董事及集團資料	2
Financial Highlights	財務摘要	3
Management Report	管理層報告書	4
Consolidated Income Statement	綜合損益報表	15
Consolidated Balance Sheet	綜合資產負債表	16
Consolidated Statement of Changes in Equity	綜合權益變動表	17
Condensed Consolidated Cash Flow Statement	簡明綜合現金流量表	18
Notes to the Unaudited Interim Financial Report	未經審核中期財務報告附註	19
Additional Information Provided in Accordance with the Main Board Listing Rules	根據主板上市規則所需提供之額外資料	32
Independent Review Report	獨立審閱報告	40

Website Addresses:

Vitasoy International Holdings Limited
– www.vitasoy.com (English & Chinese)
– www.vitasoy.com.hk (English & Chinese)

Vitaland Services Limited
– www.vitaland.com.hk (Chinese only)

Hong Kong Gourmet Limited
– www.hkgourmet.com.hk (Chinese only)

Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited
Vitasoy (Shanghai) Company Limited
– www.vitasoy-chn.com (Chinese only)

Vitasoy USA Inc.
– www.vitasoy-usa.com (English only)

Vitasoy Australia Products Pty. Ltd.
– www.vitasoy.com.au (English only)

網址：

維他奶國際集團有限公司
– www.vitasoy.com (英文及中文)
– www.vitasoy.com.hk (英文及中文)

維他天地服務有限公司
– www.vitaland.com.hk (中文)

香港美食有限公司
– www.hkgourmet.com.hk (中文)

深圳維他(光明)食品飲料有限公司
維他奶(上海)有限公司
– www.vitasoy-chn.com (中文)

Vitasoy USA Inc.
– www.vitasoy-usa.com (英文)

Vitasoy Australia Products Pty. Ltd.
– www.vitasoy.com.au (英文)

DIRECTORS AND CORPORATE INFORMATION

董事及集團資料

BOARD OF DIRECTORS

Executive Chairman

Mr. Winston Yau-lai LO

Independent Non-executive Directors

Dr. The Hon. Sir David Kwok-po LI

Mr. Iain F. BRUCE

Mr. Jan P. S. ERLUND

(appointed on 6th July, 2006)

Mr. Chi-kian SHIU

(retired on 11th September, 2006)

Non-executive Directors

Ms. Myrna Mo-ching LO

Ms. Yvonne Mo-ling LO

Executive Directors

Mr. Ambrose Kam-shing CHAN

Mr. Eric Fat YU

Mr. John Shek-hung LAU

COMPANY SECRETARY

Ms. Paggie Ah-hing TONG

REGISTERED & HEAD OFFICE

No. 1 Kin Wong Street, Tuen Mun,
New Territories, Hong Kong

AUDITORS

KPMG

PRINCIPAL BANKERS

The Bank of East Asia, Limited

Citibank, N.A.

BNP Paribas

Australia and New Zealand Banking
Group Limited

Rabobank

The Bank of Tokyo-Mitsubishi, Limited

PRINCIPAL LAWYER

Stephenson Harwood & Lo

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46/F., Hopewell Centre, 183 Queen's Road East, Wanchai,
Hong Kong

KEY DATES

Closure of Register

22nd December, 2006 (Friday)

Interim Dividend Payable

5th January, 2007 (Friday)

董事會

執行主席

羅友禮先生

獨立非執行董事

李國寶爵士

布魯士先生

Jan P. S. ERLUND先生

(於二零零六年七月六日獲委任)

邵志堅先生

(於二零零六年九月十一日退休)

非執行董事

羅慕貞女士

羅慕玲女士

執行董事

陳錦勝先生

余發先生

劉錫鴻先生

公司秘書

湯亞卿小姐

註冊辦事總處

香港新界屯門

建旺街一號

核數師

畢馬威會計師事務所

主要往來銀行

東亞銀行有限公司

花旗銀行

法國巴黎銀行

Australia and New Zealand Banking
Group Limited

荷蘭合作銀行

東京三菱銀行

主要法律顧問

羅夏信律師行

股份過戶登記處

香港中央證券登記有限公司

香港灣仔皇后大道東183號合和中心46樓

重要日期

暫停辦理過戶登記

二零零六年十二月二十二日(星期五)

派發中期股息

二零零七年一月五日(星期五)

FINANCIAL HIGHLIGHTS

財務摘要

		Six months ended 30th September, 截至九月三十日止六個月		
Results	業績	2006	2005	Change 變化 %
		二零零六年 HK\$ million 港幣百萬元 (Unaudited) (未經審核)	二零零五年 HK\$ million 港幣百萬元 (Unaudited) (未經審核)	
Turnover	營業額	1,326	1,262	5.1
Gross Profit	毛利	779	742	5.0
EBITDA	未計利息、稅項、折舊 及攤銷費用前盈利	183	173	5.8
EBIT	未計利息及稅項前盈利	129	118	9.3
Profit Attributable to Equity Shareholders of the Company	本公司股權持有人應佔 溢利	100	91	9.9
Basic Earnings per Share (HK cents)	每股基本盈利(港仙)	9.9	9.1	8.8
Interim Dividend per Share (HK cents)	每股中期股息(港仙)	2.8	2.8	-

		At 30th September, 2006 於二零零六年九月三十日	At 31st March, 2006 於二零零六年三月三十一日	Change 變化 %
Financial Position	財務狀況	HK\$ million 港幣百萬元 (Unaudited) (未經審核)	HK\$ million 港幣百萬元 (Audited) (經審核)	
Total Assets	總資產	1,791	1,799	(0.4)
Net Bank Balance	銀行結餘淨額	311	398	(21.9)
Total Equity Attributable to Equity Shareholders of the Company	本公司股權持有人 應佔權益總額	1,195	1,250	(4.4)

MANAGEMENT REPORT

管理層報告書

BUSINESS HIGHLIGHTS

- The Group's turnover in the six months ended 30th September, 2006 was HK\$1,326 million, an increase of 5.1% over the same period last year (2005/2006 interim: HK\$1,262 million). Profit attributable to equity shareholders of the Company was HK\$100 million, up 9.9% (2005/2006 interim: HK\$91 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 (2005/2006 interim: HK2.8 cents per share) to be payable on 5th January, 2007.
- The Group maintained its growth momentum in the interim period through the implementation of a focused business development strategy. Sales performance was mixed with very encouraging growth in Mainland China and Australia and New Zealand and steady growth in Hong Kong. The substantially higher sales in Mainland China as well as Australia and New Zealand and the steady growth in Hong Kong were the direct results of the Group's key initiatives in product innovation and marketing. By comparison, the results of North America were somewhat lacklustre. Sales revenue generated from this market improved only marginally, which reflected the challenges that still existed in this market.
- In terms of operating results, both Australia and New Zealand and Mainland China were outstanding achievers in the interim period, growing by 53.8% and 12.5% respectively. Hong Kong remained a stable contributor, growing by a healthy 5.9%. These strong performances more than offset the widened operating loss recorded in North America caused mainly by market conditions and investment in new products.

業務摘要

- 本集團於截至二零零六年九月三十日止六個月的營業額為港幣1,326,000,000元，較去年同期增加5.1%（二零零五／二零零六年度中期：港幣1,262,000,000元）。本公司股權持有人應佔溢利為港幣100,000,000元，上升9.9%（二零零五／二零零六年度中期：港幣91,000,000元）。
- 鑑於本集團資產負債狀況穩健，董事會宣布派發中期股息每股港幣2.8仙（二零零五／二零零六年度中期：每股港幣2.8仙），將於二零零七年一月五日派發。
- 本集團透過執行重心業務發展策略，在上半年維持增長動力。銷售表現方面各有不同，中國大陸以及澳洲及新西蘭增長強勁，而香港則增長穩定。中國大陸以及澳洲及新西蘭之銷售額大幅攀升，與及香港之穩定增長，乃本集團採用積極之產品創新及市場推廣策略所得之直接成果。相比之下，北美洲之業績在某程度上表現失色。該市場錄得之銷售收入僅稍微改善，反映該市場仍具挑戰。
- 營運業績方面，澳洲及新西蘭以及中國大陸在上半年均取得驕人成績，分別增長53.8%及12.5%。香港則仍然穩步增長5.9%。此等強勁表現可遠遠抵銷北美洲主要因市況不佳及投資於新產品而擴大之營運虧損。

MANAGEMENT REPORT

管理層報告書

- The Group's gross profit for the interim period totalled HK\$779 million, representing an increase of 5.0% (2005/2006 interim: HK\$742 million). Despite the rise in production costs, especially sugar and energy costs, the Group maintained its gross profit margin at 58.7% (2005/2006 interim: 58.8%) through the introduction of new high value-added products and the further strengthening of supply chain management.
- The Group continued to supply markets worldwide with nutritious, innovative and tasty products in order to ensure growth and a strong market position. With a clear focus on product innovation, we continued to roll out new products, new tastes and new packaging to address consumers' needs for delicious and convenient foods and beverages. To support our product development programmes and to further reinforce our brands, we also carried out various innovative marketing campaigns targeting consumers in specific market sub-segments.
- The Group's total operating expenses in the interim period amounted to HK\$672 million, up 3.2%. Marketing, selling and distribution expenses were HK\$515 million, up 4.9% due to increased investment in brand building and the launching of new products. Administrative expenses amounted to HK\$82 million, the same as in the last interim period. Other operating expenses were HK\$75 million, compared to HK\$78 million for the same period last year. Benefiting from sales growth and effective cost management, total operating expenses improved to 50.7% of sales (2005/2006 interim: 51.6%).
- EBIT for the interim period was HK\$129 million, up 9.3% from HK\$118 million for the same period last year. Despite higher investment for expanding market share and reinforcing market leadership, the Group managed to grow its EBIT margin to 9.7% of sales (2005/2006 interim: 9.4%).
- 本集團上半年毛利共為港幣779,000,000元，增長5.0%（二零零五／二零零六年度中期：港幣742,000,000元）。儘管生產成本上升，尤其是糖及能源成本，但本集團仍能透過推出新高增值產品及進一步加強供應鏈管理，將毛利率維持於58.7%（二零零五／二零零六年度中期：58.8%）。
- 本集團繼續向全球各地市場供應具營養、創新及美味之產品，以確保增長及穩健之市場地位。本集團憑著明確之產品創新目標，繼續推出新產品、新口味及新包裝，務求能迎合消費者對美味方便之食品及飲品之需求。為配合本集團之產品發展計劃，以及進一步鞏固本集團之品牌，本集團亦針對個別市場消費者而推出多項具創意之市場推廣活動。
- 本集團之總經營費用於上半年達港幣672,000,000元，上升3.2%。推廣、銷售及分銷費用為港幣515,000,000元，上升4.9%，主要由於增加品牌建立之投資，以及推出新產品所致。行政費用為港幣82,000,000元，與去年上半年相若。其他經營費用為港幣75,000,000元，去年同期則為港幣78,000,000元。受惠於銷售額增長及有效之成本管理，總經營費用得以改善至佔銷售額之50.7%（二零零五／二零零六年度中期：51.6%）。
- 上半年之未計利息及稅項前盈利（「EBIT」）為港幣129,000,000元，較去年同期之港幣118,000,000元上升9.3%。雖然本集團為擴大市場佔有率及鞏固市場領導地位而增加投資，但仍能成功將EBIT利潤率提升至佔銷售額之9.7%（二零零五／二零零六年度中期：9.4%）。

MANAGEMENT REPORT

管理層報告書

HONG KONG

Production Efficiency

香港

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, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入(港幣元)	733 million 733,000,000元	696 million 696,000,000元	5.3%
Segment Result (HK\$) 分部業績(港幣元)	107 million 107,000,000元	101 million 101,000,000元	5.9%

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

本集團位於屯門之生產廠房供應本地市場，以及分佈在歐洲、中國大陸、澳門、東南亞及美洲的出口市場。

In the period under review, revenue generated from the plant and the Group's tuck shop business was HK\$733 million, up 5.3% from the corresponding period last year. The segment result for the period was HK\$107 million, up 5.9%. Through continuous improvement in sales and cost management, together with advertising phased towards the remainder of the year, we succeeded in raising the profitability of our Hong Kong Operation.

於回顧期內，該廠房及本集團學校食物部業務之總收入為港幣733,000,000元，較去年同期上升5.3%。期間分部業績為港幣107,000,000元，上升5.9%。憑藉銷售及成本管理持續改善，加上廣告宣傳於下半年逐步推出，本集團成功提升了香港業務之盈利能力。

6

Market Performance

市場表現

By Location of Customers 按客戶所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 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	814 million 814,000,000元	798 million 798,000,000元	2.0%
Revenue (HK\$) – Export Markets 收入(港幣元) – 出口市場	45 million 45,000,000元	47 million 47,000,000元	(4.3%)

HONG KONG (continued)

Market Performance (continued)

(1) Hong Kong Domestic Market

Hong Kong's economy continued to flourish in the first half of the current fiscal year. Despite uncertainties over oil prices, interest rates and the financial market, real GDP growth was higher than forecast as domestic demand and external trade remained robust. Owing to the very wet weather conditions in the first quarter and a cooler September than usual that affected demand, competition especially on price was very intense in the local non-alcoholic beverage market. Despite these challenges, the Group managed to initiate net price increase by reducing discount and succeeded in growing its sales steadily through product innovation and effective marketing. The Group's focus on brand building was well rewarded and VITASOY was the only local brand to win the "Yahoo! Emotive Brand Awards" in the beverage category for the fourth year.

In the interim period, we launched a multitude of new products and flavours to create new demand and drive sales, including VITASOY Mocha Soya Bean Milk, VITASOY Red Bean Soya Bean Milk, VITASOY Taro Soya Bean Milk, CALCI-PLUS Soya Fibre, VITA TSING SUM ZHAN Pear and Osmanthus Drink, VITA TSING SUM ZHAN Apple and Jasmine Drink, VITA TSING SUM ZHAN Citrus and Aloe Vera Drink, VITA GOR YIN HAI Lychee Tea Drink, VITA GOR YIN HAI Apple and Mango Tea Drink, VITA GOR YIN HAI Pineapple and Banana Tea Drink, VITA CHA T DIN Honey Lime Tea, VITA CHA T DIN Honey Mandarin Tea and VITA Aloe Vera Chrysanthemum Tea. Many of these new items were launched in the second quarter of the fiscal year and they have significantly enhanced our product portfolio, strengthened customer loyalty and reinforced our market position in the local market.

The Group's school tuck shop business operated by Vitaland Services Limited remained the market leader in the sector. With a sharp focus on product and service quality, Vitaland continued to achieve steady business growth. The number of tuck shops managed by Vitaland increased to 303 by the end of September 2006, an increase of 4% from a year ago. Hong Kong Gourmet Limited, the Group's central kitchen operation, continued to expand and supply high-quality, nutritious and delicious products.

香港 (續)

市場表現 (續)

(1) 香港本銷市場

香港經濟在本財政年度上半年持續興旺。雖然油價、息率及金融市場仍然存在一些不明朗因素，但由於本地市場需求及對外貿易持續暢旺，故實際本地生產總值高於預期。由於市場需求受到首季度非常潮濕之天氣以及九月份較平常清涼之氣溫所影響，故本地非酒精類飲品市場之價格競爭尤其激烈。儘管面對這些挑戰，本集團仍能藉減少折扣而調升淨銷售價格，並透過產品創新及有效之市場推廣措施，成功令銷售額穩步增長。本集團致力品牌建立之策略獲得回報，而維他奶是唯一本地品牌連續第四年在「Yahoo!感情品牌大獎」飲品類別中奪得殊榮。

在此六個月期間，本集團推出多款新產品及口味，以刺激需求及增加銷量，當中包括維他奶朱古力咖啡豆奶、維他奶紅豆奶、維他奶香芋豆奶、鈣思寶大豆益纖、維他清心棧雪梨桂花飲品、維他清心棧蘋果茉莉飲品、維他清心棧橘子蘆薈飲品、維他菓然系荔枝茶飲品、維他菓然系蘋果芒果茶飲品、維他菓然系菠蘿香蕉茶飲品、維他茶字典蜂蜜青檸茶、維他茶字典蜂蜜柑桔茶及維他蘆薈菊花茶。其中多款新產品於本財政年度第二季推出，大大豐富本集團之產品組合，增強客戶對產品之擁戴，以及鞏固本集團在本地市場之市場地位。

由維他天地服務有限公司經營之本集團學校食物部業務，仍為市場之領導者。憑著嚴格專注於產品及服務質素，維他天地繼續取得穩定之業務增長。維他天地管理之食物部數目於二零零六年九月底增至303間，較去年增加4%。由香港美食有限公司經營之中央廚房業務繼續擴展並提供優質、營養豐富及美味之產品。

MANAGEMENT REPORT

管理層報告書

HONG KONG (continued)

Market Performance (continued)

(2) Export Markets

Despite a slight drop in total export sales caused mainly by the change in distributorships, the Group has been actively launching new products in existing markets and exploring new ones. Healthy sales growth was witnessed in individual export markets. Sales in Macau, for instance, grew by 11.6% under the vibrant economy.

香港 (續)

市場表現 (續)

(2) 出口市場

雖然出口銷售總額主要因替換分銷商而輕微下跌，但本集團仍一直積極於現有市場推出新產品及開拓新市場。個別出口市場穩健之銷售增長可見一斑。例如澳門之銷售額在蓬勃經濟帶動下增長11.6%。

NORTH AMERICA

Production Efficiency

北美洲

生產效率

By Location of Assets (Production Plant) 按資產(生產廠房)所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入(港幣元)	187 million 187,000,000元	193 million 193,000,000元	(3.1%)
Segment Result (HK\$) 分部業績(港幣元)	(17 million) (17,000,000元)	(9 million) (9,000,000元)	(88.9%)

Fiscal 2006/2007 is the second year of operation after the completion of the Group's rationalisation initiatives in North America. Our focus continued to be on reinforcing our brands and ensuring long-term gains.

二零零六／二零零七財政年度乃本集團在北美洲完成重組後之第二個營運年度。本集團仍繼續以提高品牌知名度，及確保取得長遠收益為發展重點。

The Group's production plant in Ayer, Massachusetts supports the North American market. In the first half of Fiscal 2006/2007, the plant generated HK\$187 million in revenue, a decrease of 3.1% from the same period last year. An operating loss of HK\$17 million was recorded (2005/2006 interim: loss of HK\$9 million). The widening of this loss was due mainly to obsolete charges from discontinued products, the category-wide volume decline in Tofu as well as the start-up costs related to recently launched new products.

本集團設於麻省艾爾市之廠房供應北美洲市場。於二零零六／二零零七財政年度上半年，該廠房之收入為港幣187,000,000元，較去年同期下跌3.1%。本集團錄得經營虧損港幣17,000,000元(二零零五／二零零六年度中期：虧損港幣9,000,000元)。虧損擴大之主因是為停產產品之存貨撇帳、加上整體豆腐市場銷量下跌，以及新近推出新產品之開展費用。

Market Performance

市場表現

By Location of Customers 按客戶所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 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	222 million 222,000,000元	221 million 221,000,000元	0.5%

MANAGEMENT REPORT

管理層報告書

NORTH AMERICA (continued)

Market Performance (continued)

After years of rapid growth, the US soy food market has been showing signs of maturity. While growth in some of the larger categories seems to be coming to a halt, other new sub-categories such as cookies and snack bars have emerged. The overall category was down by 2% in 2005. In the first six months of Fiscal 2006/2007, the Tofu and Aseptic Soymilk categories declined by 2.2% and 1.8% respectively.

In the six months to 30th September, 2006, the Group's sales in North America amounted to HK\$222 million, representing a marginal growth of 0.5% over the same period last year. In view of the consumers' lower preference for Aseptic Soymilk and Tofu, we have been actively repositioning our products towards "healthy eating made delicious and convenient". Recently we have launched several sauces and dressings, the results of which would be carefully monitored and evaluated. We have also continued to strengthen the brand equity of NASOYA to enhance its leading position in the Tofu market.

MAINLAND CHINA

Production Efficiency

By Location of Assets (Production Plants) 按資產(生產廠房)所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入(港幣元)	287 million 287,000,000元	270 million 270,000,000元	6.3%
Segment Result (HK\$) 分部業績(港幣元)	45 million 45,000,000元	40 million 40,000,000元	12.5%

The Group's production plants in Shanghai and Shenzhen support both the markets of Mainland China and Hong Kong. In the first six months of Fiscal 2006/2007, these two plants contributed HK\$287 million to the Group's total revenue, an increase of 6.3% over the same period last year. The segment result for the period was HK\$45 million, up 12.5%.

北美洲(續)

市場表現(續)

美國大豆食品市場在經過多年來快速增長後呈現放緩。雖然部份較普及之產品增長似乎開始停頓下來，但其他新豆類產品例如曲奇餅及零食棒已在市場出現。整體產品市場於二零零五年下跌2%。於二零零六／二零零七財政年度首六個月，豆腐及無菌紙包裝豆奶市場分別下跌2.2%及1.8%。

於截至二零零六年九月三十日止之六個月，本集團在北美洲之銷售收入為港幣222,000,000元，較去年同期稍微增長0.5%。由於消費者對無菌紙包裝豆奶及豆腐產品之喜愛減弱，本集團已積極將產品重新定位為「美味方便之健康食品」。最近，本集團推出數款醬料及調味醬產品，並會密切留意及評估新產品之銷售情況。此外，本集團亦繼續鞏固NASOYA品牌之知名度，增強其在豆腐市場之領導地位。

中國大陸

生產效率

本集團分別設於上海及深圳之廠房供應中國大陸及香港市場。於二零零六／二零零七財政年度首六個月，該兩間廠房為本集團之總收入帶來港幣287,000,000元，較去年同期上升6.3%。期間分部業績為港幣45,000,000元，上升12.5%。

MANAGEMENT REPORT

管理層報告書

MAINLAND CHINA (continued)

Market Performance

中國大陸(續)

市場表現

By Location of Customers 按客戶所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 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	124 million 124,000,000元	90 million 90,000,000元	37.8%

Mainland China remained a high-growth market for the Group as it continued to see double-digit GDP growth and as consumers' purchasing power increased with rising income. During the interim period, we could see that consumers were becoming increasingly convinced of the nutrition value and better packaging of our products despite intensifying competition in the local soy beverage market. The Group's sales performance was particularly outstanding in Southern China.

由於中國大陸之本地生產總值繼續出現雙位數字增長，加上消費者購買力隨著收入增加而上升，故中國大陸仍然是本集團之高增長市場。於此六個月期間，雖然當地大豆飲品市場競爭激烈，但本集團留意到消費者對本集團產品之營養價值及優質包裝更具信心。本集團之銷售表現在華南地區尤其突出。

Under the focused strategy of "core business, core brand and core city", Vitasoy China continued to record strong revenue growth and higher profitability in the interim period. Revenue generated from the Mainland China market was HK\$124 million, up 37.8% over the same period last year. With a particular emphasis on the core cities in terms of business development, we saw good progress in Guangzhou, Dongguan and Shenzhen sub-regions. Investment in brand building has continued to increase public awareness of the VITASOY brand and consumer off-take. We have also been making use of opportunities arising from CEPA (Closer Economic Partnership Arrangement) to launch in Mainland China products imported from Hong Kong, including VITA Mango Juice, VITA Guava Juice and VITA Chrysanthemum Tea, which have been very well received so far. The co-packing business in Mainland China has continued to contribute to both capacity utilisation and earnings.

在「核心業務、核心品牌及核心城市」這重心發展策略下，維他奶中國在回顧期間繼續錄得強勁收入增長及較高利潤。中國大陸市場之收入為港幣124,000,000元，較去年同期上升37.8%。因在業務發展方面以核心城市為重點，本集團於廣州、東莞及深圳周邊地區亦取得良好進展。品牌投資繼續有助提高維他奶品牌之知名度及增加消費者購買量。此外，本集團亦把握更緊密經貿關係安排帶來之商機，在中國大陸推出從香港進口之產品，包括廣受歡迎之維他芒果汁、維他石榴汁及維他菊花茶。中國大陸之委托加工業務繼續有助改善廠房之使用率及盈利。

AUSTRALIA AND NEW ZEALAND

Production Efficiency

澳洲及新西蘭

生產效率

By Location of Assets (Production Plant) 按資產(生產廠房)所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 九月三十日止六個月	Movement 變動
Revenue (HK\$) 收入(港幣元)	118 million 118,000,000元	103 million 103,000,000元	14.6%
Segment Result (HK\$) 分部業績(港幣元)	20 million 20,000,000元	13 million 13,000,000元	53.8%

MANAGEMENT REPORT

管理層報告書

AUSTRALIA AND NEW ZEALAND (continued)

Production Efficiency (continued)

The Group's joint-venture plant in Wodonga, Victoria supports the Australian and New Zealand markets. Exceptionally high sales growth in these markets in the last couple of years has led to the full utilisation of this plant's production capacity earlier than planned. As mentioned in the last annual report, the Group has responded quickly to this trend by embarking on an expansion of the plant. The expansion project has been completed on schedule in September 2006 and the Wodonga plant's capacity is now doubled.

In the first half of Fiscal 2006/2007, the plant generated HK\$118 million in revenue, an increase of 14.6% from last year. With the continued rise in productivity and sales, profit derived from the Australian Operation was HK\$20 million, representing a robust growth of 53.8% year-on-year.

Market Performance

By Location of Customers 按客戶所在地	Six months ended 30th September, 2006 截至二零零六年 九月三十日止六個月	Six months ended 30th September, 2005 截至二零零五年 九月三十日止六個月	Movement 變動
	Revenue (HK\$) – Australian and New Zealand Markets 收入(港幣元) – 澳洲及新西蘭市場	121 million 121,000,000元	

In the first half of Fiscal 2006/2007, the soymilk and rice milk market continued to grow steadily in both Australia and New Zealand, expanding by 3% and 10% respectively. The Group's turnover derived from Australia and New Zealand was HK\$121 million, up 14.2% year-on-year.

To take advantage of the Wodonga plant's new production capacity and to ensure better results, sales promotion activities have been re-scheduled to the second half of Fiscal 2006/2007. It was mainly due to this re-arrangement to achieve higher sales growth in the latter half of the year rather than a slowdown in demand that led to the seemingly slower growth in the first half compared to six months ago.

Vitasoy's market share in Australia continued to increase, demonstrating the success of the Group's proactive strategies in brand building and market development.

澳洲及新西蘭(續)

生產效率(續)

本集團位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。由於過去兩年該等市場之銷售增長大幅增加，導致廠房之使用率比原先計劃提早出現飽和。誠如去年年報所述，本集團已迅速回應擴展生產廠房。擴展項目已按計劃於二零零六年九月完成，烏東加廠房之產能現已倍增。

於二零零六／二零零七財政年度上半年，該廠房之收入為港幣118,000,000元，較去年上升14.6%。由於生產力及銷售額持續上升，澳洲業務之盈利為港幣20,000,000元，按年大幅增長53.8%。

市場表現

於二零零六／二零零七財政年度上半年，豆奶及米奶市場在澳洲及新西蘭繼續穩定增長，分別增長3%及10%。本集團在澳洲及新西蘭之營業額為港幣121,000,000元，按年增長14.2%。

為善用烏東加廠房之新增產能及確保取得佳績，本集團將宣傳推廣活動安排於二零零六／二零零七財政年度下半年推出。首半年較六個月前增長放緩，並非需求下跌所致，而是本集團認為重新安排推廣活動之時間更能有效為下半年帶來更理想之銷售增長。

本集團在澳洲之市場佔有率持續增加，反映本集團積極建立品牌及市場發展策略之成效。

MANAGEMENT REPORT

管理層報告書

GENERAL OUTLOOK

Moving forward, while we expect the economic conditions of our major markets to remain basically positive in the rest of the year, we are also alert to key challenges such as inflationary pressure and intensifying competition in our major markets. Nevertheless, we are confident that our existing strategies for brand building, product innovation as well as sales and marketing will enable us to deliver growth in overall sales and profitability.

In Hong Kong, given our strong brands and market position, we believe that business should continue to grow in the prevailing economic conditions. In view of the impact of inflation, price increase in the form of price discount reduction might become a trend in the trade. This trend will be closely monitored by us, with a view to reviewing our pricing policy to maximise margins. We will continue to invest in product innovation to create new demand and better serve the needs of consumers. In terms of marketing and promotion, we expect the upcoming advertising campaigns for the launching of VITA Lemon Tea PET (plastic bottle) and the repositioning of CALCI-PLUS Soymilk will contribute to sales growth in the second half. We will also continue to expand our distribution network and focus on productivity improvement programmes.

In view of changing market conditions and consumer preferences, North America remains a challenging market for the Group. Our focus will be to build core businesses for long-term gains and develop new business in the alternate and food service channels. We will also concentrate on improving the margins of our core products, namely, Tofu and Aseptic Soymilk. In the Tofu category, we are hopeful that the launch of new complementary products will attract new users to the category. The results of these new launches will be closely monitored and evaluated as we move forward. For Aseptic Soymilk, we are now developing a new Aseptic Soymilk product for kids and other healthy products that taste good and are meant especially for lactose intolerant and dairy allergic consumers. In the second half of Fiscal 2006/2007, we expect to see higher growth in both Tofu and Aseptic Soymilk sales in the mainstream channel and the sales of imported products in our traditional channel to continue improving over last year. Sales should be further boosted by our seasonal soymilks, Holly Nog and Peppermint Chocolate, which are unique and highly welcomed in the US market as demonstrated by the volume of pre-orders so far. While the retailers of Aseptic Soymilk in the US are shrinking sections and would only promote their own house brands, we will continue to review our existing offering and develop new ways to attract and retain loyal customers.

整體展望

展望將來，本集團預期各主要市場之經濟情況在餘下之年度能維持基本增長，但亦警覺到將會面對如通脹壓力及主要市場之激烈競爭等重大挑戰。然而，本集團深信現有之品牌建立、產品創新，以及銷售及市場推廣等策略，將有助本集團在整體銷售及盈利能力方面取得增長。

香港方面，由於本集團之品牌及市場地位穩固，相信在目前經濟情況下，業務應將繼續有所增長。鑑於通脹影響，以減少折扣形式來提升價格可能成為貿易趨勢。本集團將密切注視此發展趨勢，檢討價格政策以增加邊際利潤。本集團將繼續進行產品創新之投資，以刺激需求，更能滿足消費者之需要。就市場推廣及宣傳而言，本集團預期就配合推出維他檸檬茶塑膠瓶裝產品及就鈣思寶豆奶重新定位而即將推出之廣告宣傳活動，可為下半年帶來銷售額增長。此外，本集團亦繼續擴大分銷網絡，專注於生產力改善計劃。

由於市場情況及消費者喜好不斷轉變，北美洲仍是本集團具挑戰性之市場。為取得長遠收益，本集團將集中發展核心業務，同時在食品服務業及其他銷售渠道開拓新市場，亦會集中改善核心產品（即豆腐及無菌紙包裝豆奶）之邊際利潤。本集團期望為配合豆腐產品而新推出之調味品將可吸引新客戶。並將密切注視並評估新產品推出之反應，以配合將來之發展。至於無菌紙包裝豆奶，本集團現正為小孩開發一種新無菌紙包裝豆奶產品，亦有專為患有乳糖不耐症及對奶類過敏之消費者而設之美味健康產品。於二零零六／二零零七財政年度下半年，本集團預期豆腐及無菌紙包裝豆奶於主流銷售渠道之銷售額將有更高增長，而亞裔市場銷售之進口產品銷售額亦將較往年持續改善。本集團獨有之節日性豆奶 Holly Nog 及 Peppermint Chocolate (薄荷朱古力) 將進一步推高本集團之銷售額，至今從其預先訂單數量足以證明該兩種產品深受美國市場歡迎。因美國零售商現正縮減無菌紙包裝豆奶之上架空間，且只會宣傳自己品牌產品，本集團將繼續檢討其現有之銷售方式及另覓新途徑以吸引及挽留忠實顧客。

The growth of the Mainland Chinese economy is expected to remain strong. Opportunities in the retail market should abound with the rise in national income and domestic consumption. While intense competition is likely to persist, the huge growth potential of the ready-to-drink soymilk market, especially in the southern part of China, should favour Vitasoy China's implementation of its focused business strategy. Our focus on the core cities has delivered very encouraging results so far and we will extend this focus to adjacent cities in Pearl River Delta Region in the coming months. In Eastern China, Shanghai will remain our core market but the business potential of other major cities in Jiangsu and Zhejiang provinces will also be actively explored. In conjunction with the expansion of our geographical coverage in Mainland China, we are going to offer a wider range of products imported from Hong Kong under CEPA. Meanwhile co-packing business will continue to play an important role in maximising the utilisation of the capacity of the two plants in Mainland China.

In Australia and New Zealand, competition should remain intense as our branded competitors continue to pursue price cuts whilst major retailers push forward with house brand strategies. However, we are optimistic that there is still much room for growth in these markets in the foreseeable future. Following expansion of our production capacity, we have already started pursuing a more aggressive growth strategy for the remainder of Fiscal 2006/2007 and beyond. This includes the implementation of more aggressive marketing and sales campaigns to drive sales, effective retail pricing and the offering of a wider variety of high-quality products. We will also continue to reinforce VITASOY's position as "the soy expert" by developing and launching new products in the "value soy beverage" area and by introducing new flavours.

EMPLOYMENT, TRAINING AND DEVELOPMENT

The Group's human resources management policy is aimed at ensuring that the talents and abilities of employees are best utilised to maximise productivity. As at 30th September, 2006, the Group's workforce increased by 2.1% to cope with business development needs with the number of full-time staff reaching 2,411. The Group remains committed to staff training and development as well as to occupational safety and health in the workplace. The Group's staff remuneration and reward system has also remained largely unchanged during the interim period.

預期中國大陸經濟增長依然強勁。零售市場將隨著國民收入及本地消費增加而湧現商機。雖然激烈競爭有可能持續，惟即飲豆奶市場擁有龐大增長潛力，尤其在華南地區，此有利於維他奶中國推行其重點業務策略。本集團專注發展核心城市，至今帶來令人非常鼓舞之業績，在未來數月，本集團將把重點擴展至珠江三角洲地區周邊城市。在華東地區，上海仍然為本集團之核心市場，但亦會積極發掘江蘇及浙江兩省其他主要城市之業務發展潛力。為配合本集團在中國大陸地域覆蓋之擴展，本集團現正利用更緊密經貿關係安排為當地供應更多不同種類從香港進口之產品。同時，委托加工業務在充份利用中國大陸兩間廠房之使用率上，將繼續扮演重要角色。

澳洲及新西蘭方面，由於本集團品牌之競爭對手繼續削價，而主要零售商推出自己品牌，故競爭仍然激烈。然而，本集團對該等市場於可見將來仍有頗多增長空間表示樂觀。隨著擴大本集團之產能後，本集團已開始於餘下之二零零六／二零零七財政年度及其後採取更進取之增長策略，包括推出更進取之市場推廣及銷售活動以刺激銷量、執行有效之零售價格策略，以及提供更多類型優質產品。此外，本集團將繼續在「高價值豆類飲品」方面發展，推出新產品及新口味，從而鞏固維他奶作為「豆奶專家」之地位。

僱員、培訓及發展

本集團之人力資源管理政策旨在確保僱員之天份及才能得以充份被發揮，增加生產力。於二零零六年九月三十日，本集團之全職僱員人數增加2.1%至2,411人，以配合業務發展需要。本集團繼續專注員工之培訓及發展，以及工作地點之職業安全及健康事宜。本集團之員工薪酬及獎賞制度於中期期間大致上維持不變。

MANAGEMENT REPORT

管理層報告書

FINANCIAL REVIEW

Net cash generated from operating activities of HK\$117 million was 23.2% higher than last year primarily because of the increase in operating profit and reduction in working capital. After the payment of special dividend in September 2006, the Group still maintained a healthy net bank position of HK\$311 million. Undrawn bank facilities available to the Group totalled HK\$323 million.

The total bank borrowings as at 30th September, 2006 amounted to HK\$100 million (31st March, 2006: HK\$119 million). The amount of borrowings denominated in US dollar and Australian dollar were the equivalents of HK\$1 million and HK\$99 million respectively. The maturity profile of the borrowings is spread over a period of three years, with HK\$30 million repayable in the first year and HK\$70 million in the third year. At interim balance sheet date, the Group's gearing ratio remained low at 8.4% (31st March, 2006: 9.5%), calculated on the basis of the Group's total borrowings over total equity attributable to equity shareholders of the Company.

With sufficient cash in hand and the available bank facilities, the Group's liquidity position remained strong. Capital expenditure during the period amounted to HK\$40 million (2005/2006 interim: HK\$23 million), which was primarily funded by cash from the various operations. There were no material changes in contingent liabilities, charges on assets and exposure to fluctuations in interest and exchange rates.

財務回顧

經營業務所得之現金淨額為港幣117,000,000元，較去年高23.2%，主要由於經營溢利增加及營運資金減少所致。繼二零零六年九月派付特別股息後，本集團之銀行淨額仍能維持在港幣311,000,000元之穩健水平。可供本集團動用惟仍未提取之銀行信貸額合共為港幣323,000,000元。

於二零零六年九月三十日，銀行借貸總額為港幣100,000,000元（二零零六年三月三十一日：港幣119,000,000元）。以美元及澳元結算之借貸分別相等於港幣1,000,000元及港幣99,000,000元。借貸之到期組合為三年，第一年應付港幣30,000,000元及第三年應付港幣70,000,000元。於中期結算日，按本集團借貸總額與本公司股東應佔權益總額比率計算之借貸比率維持在8.4%之低水平（二零零六年三月三十一日：9.5%）。

由於資金充裕及尚有未動用銀行信貸，本集團流動資金狀況仍然雄厚。期內資本支出為港幣40,000,000元（二零零五／二零零六年度中期：港幣23,000,000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。

CONSOLIDATED INCOME STATEMENT

綜合損益報表

For the six months ended 30th September, 2006 – Unaudited
(Expressed in Hong Kong dollars)

截至二零零六年九月三十日止六個月—未經審核
(以港幣計算)

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
	Note 附註		
Turnover	營業額	2	1,325,683
Cost of sales	銷售成本		(546,272)
Gross profit	毛利		779,411
Other revenue	其他收入		30,529
Marketing, selling and distribution expenses	推廣、銷售及分銷費用		(515,192)
Administrative expenses	行政費用		(81,831)
Other operating expenses	其他經營費用		(75,115)
Profit from operations	經營溢利	2	137,802
Finance costs	融資成本	3	(3,475)
Profit before taxation	除稅前溢利	3	134,327
Income tax	所得稅	4	(17,803)
Profit for the period	本期間溢利		116,524
Attributable to:	應佔：		
Equity shareholders of the Company	本公司股權持有人	10	100,009
Minority interests	少數股東權益	10	16,515
Profit for the period	本期間溢利	10	116,524
Dividend	股息	5	
Interim dividend declared after the balance sheet date	於結算日後已宣派之中期股息		28,197
Earnings per share	每股盈利	6	
Basic	基本		9.9 cents 仙
Diluted	攤薄		9.0 cents 仙

The notes on pages 19 to 31 form part of this interim financial report.

第19至31頁之附註乃本中期財務報告之一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

At 30th September, 2006 – Unaudited
(Expressed in Hong Kong dollars)

於二零零六年九月三十日 – 未經審核
(以港幣計算)

	Note 附註	At 30th September, 2006 於二零零六年九月三十日		At 31st March, 2006 於二零零六年三月三十一日	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Non-current assets					
Fixed assets					
– Property, plant and equipment			695,094		700,863
– Investment property			10,142		10,405
– Interests in leasehold land held for own use under operating leases			5,349		5,364
			710,585		716,632
Employee retirement benefit assets			1,826		1,467
Deferred tax assets			7,965		2,952
Bank deposits	8		7,797		22,768
Other financial asset			14,348		13,922
			742,521		757,741
Current assets					
Inventories			218,216	208,111	
Trade and other receivables	7		441,110	352,131	
Bank deposits	8		53,357	78,497	
Cash and cash equivalents	8		335,565	402,540	
			1,048,248	1,041,279	
Current liabilities					
Trade and other payables	9		384,758	345,986	
Bank loans			30,030	41,279	
Obligations under finance leases			3,229	2,945	
Current tax payable			20,407	10,561	
			438,424	400,771	
Net current assets			609,824		640,508
Total assets less current liabilities			1,352,345		1,398,249
Non-current liabilities					
Bank loans			70,200	78,050	
Obligations under finance leases			935	2,763	
Employee retirement benefit liabilities			2,626	2,951	
Deferred tax liabilities			6,378	5,551	
			80,139	89,315	
NET ASSETS			1,272,206		1,308,934
CAPITAL AND RESERVES					
Share capital			251,532		250,822
Reserves			943,536		999,546
Total equity attributable to equity shareholders of the Company			1,195,068		1,250,368
Minority interests			77,138		58,566
TOTAL EQUITY			1,272,206		1,308,934

The notes on pages 19 to 31 form part of this interim financial report.

第19至31頁之附註乃本中期財務報告之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the six months ended 30th September, 2006 – Unaudited
(Expressed in Hong Kong dollars)

截至二零零六年九月三十日止六個月 – 未經審核
(以港幣計算)

		Six months ended 30th September, 截至九月三十日止六個月			
		2006 二零零六年		2005 二零零五年 (restated) (重列)	
		\$'000 千元	\$'000 千元	\$'000 千元	\$'000 千元
Total equity at 1st April	於四月一日之權益總額				
As previously reported:	以往呈報：				
– attributable to equity shareholders of the Company	– 本公司股權持有人應佔	1,250,368		1,247,712	
– minority interests	– 少數股東權益	58,566		47,669	
			1,308,934		1,295,381
Opening balance adjustment arising from change in accounting policy for financial instruments	有關金融工具之會計政策變動引致之期初結餘調整				(1,749)
As restated, after opening balance adjustment	重列(已作出期初結餘調整)		1,308,934		1,293,632
Net income for the period recognised directly in equity	於本期間直接確認為權益之收入淨額				
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額		7,970		3,385
Net profit for the period	本期間溢利淨額		116,524		97,796
Total recognised income and expense for the period	本期間確認之收入及開支總額		124,494		101,181
Dividends	股息				
Final and special dividends approved in respect of the previous year	批准屬於上一年度之末期及特別股息		(168,007)		(157,383)
Movements in equity arising from capital transactions	因資本交易而產生之權益變動				
Shares issued under share option schemes	根據購股權計劃發行股份	5,337		11,636	
Equity settled share-based transactions	以股份為基礎之支付之交易	1,448		1,276	
			6,785		12,912
Total equity at 30th September	於九月三十日之權益總額		1,272,206		1,250,342
Total recognised income and expense for the period attributable to:	本期間確認之收入及開支總額應佔：				
Equity shareholders of the Company	本公司股權持有人	105,922			93,701
Minority interests	少數股東權益	18,572			7,480
			124,494		101,181

The notes on pages 19 to 31 form part of this interim financial report.

第19至31頁之附註乃本中期財務報告之一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

For the six months ended 30th September, 2006 – Unaudited
(Expressed in Hong Kong dollars)

截至二零零六年九月三十日止六個月—未經審核
(以港幣計算)

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
		Note 附註	
Cash generated from operations	經營業務所得現金	129,319	104,985
Tax paid	已繳稅項	(12,104)	(9,717)
Net cash generated from operating activities	經營業務所得現金淨額	117,215	95,268
Net cash generated from investing activities	投資活動所得現金淨額	5,673	60,876
Net cash used in financing activities	融資活動所用現金淨額	(191,695)	(185,802)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	(68,807)	(29,658)
Cash and cash equivalents at 1st April	四月一日之現金及現金等值項目	402,540	402,673
Effect of foreign exchange rate changes	匯率變動之影響	1,832	444
Cash and cash equivalents at 30th September	九月三十日之現金及現金等值項目	335,565	373,459
Analysis of the balances of cash and cash equivalents	現金及現金等值項目結存分析		
Bank deposits maturing within three months when placed	存款期少於三個月之銀行存款	233,339	247,302
Cash at bank and in hand	銀行結存及庫存現金	102,226	126,157
Cash and cash equivalents	現金及現金等值項目	335,565	373,459
		8	

The notes on pages 19 to 31 form part of this interim financial report.

第19至31頁之附註乃本中期財務報告之一部份。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 4th December, 2006.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs" which term collectively includes HKASs and Interpretations) that are effective for accounting periods beginning on or after 1st January, 2006. The adoption of these new and revised HKFRSs has no impact on the Group's accounting policies. Accordingly, the interim financial report has been prepared in accordance with the same accounting policies adopted in the 2005/2006 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the 2005/2006 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 40. In addition, this interim financial report has been reviewed by the Company's Audit Committee.

1. 編製基準

本中期財務報告乃根據適用之香港聯合交易所有限公司證券上市規則（「上市規則」）之披露規定而編製，有關規定包括符合香港會計師公會（「香港會計師公會」）頒布之《香港會計準則》（《香港會計準則》）第34號「中期財務報告」之規定。報告於二零零六年十二月四日獲授權刊發。

香港會計師公會已頒布多項新訂及經修訂的《香港財務報告準則》（《香港財務報告準則》一詞包括《香港會計準則》及詮釋），並於二零零六年一月一日或其後開始的會計期間生效。採納該等新訂及經修訂的《香港財務報告準則》並無對本集團之會計政策造成影響。因此，中期財務報告是根據二零零五／二零零六年度週年財務報表所採納之同一會計政策而編製。

管理層在編製符合《香港會計準則》第34號規定的中期財務報告時所作的判斷、估計和假設，會影響會計政策的應用和按目前情況為基準計算呈報的資產與負債、收入和支出的金額。實際結果可能與估計金額有異。

本中期財務報告載有簡明綜合財務報表與經篩選的附註。此等附註載有多項事件與交易之說明，此等說明對了解本集團自刊發二零零五／二零零六年度週年財務報表以來財務狀況之變動與表現實為重要。上述之簡明綜合中期財務報表及附註並不包括全部根據《香港財務報告準則》編製全份財務報表之所需資料。

中期財務報告乃未經審核，但已由畢馬威會計師事務所按照香港會計師公會所頒布之《核數準則》第700號「中期財務報告的審閱」進行審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第40頁。此外，本中期財務報告亦經由本公司之審核委員會審閱。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

1. BASIS OF PREPARATION (continued)

The financial information relating to the financial year ended 31st March, 2006 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31st March, 2006 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 6th July, 2006.

2. SEGMENTAL INFORMATION

The analysis of the asset-based geographical location of the operations of the Group during the period is as follows:

1. 編製基準(續)

本中期財務報告中關於截至二零零六年三月三十一日止財政年度之財務資料(作為以往已申報之資料)並不構成本公司於該財政年度之法定財務報表，惟乃摘錄自該等財務報表。截至二零零六年三月三十一日止年度之法定財務報表可於本公司之註冊辦事處查閱。核數師於二零零六年七月六日發表之報告中就該等財務報表作出無保留意見。

2. 分部資料

本集團於期內按資產所在地區劃分之業務分析如下：

		Six months ended 30th September, 截至九月三十日止六個月			
		Group turnover 集團營業額		Profit from operations 經營溢利	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元	2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Hong Kong	香港	732,506	696,215	106,879	100,883
North America	北美洲	187,444	192,519	(16,731)	(8,651)
Mainland China	中國大陸	287,343	270,313	44,551	39,971
Australia and New Zealand	澳洲及新西蘭	118,390	102,621	20,128	12,933
		1,325,683	1,261,668	154,827	145,136
Unallocated	未分配之項目	-	-	(17,025)	(21,878)
		1,325,683	1,261,668	137,802	123,258

Asset-based segment reporting is in line with the Group's internal management information reporting system. No business segment analysis of the Group is presented as all the Group's turnover and trading result are generated from the manufacture and sale of food and beverages.

按資產所在地區分部呈報之資料可配合本集團之內部管理資料申報系統。由於本集團之營業額及經營業績全部來自生產及銷售食品及飲品，故無提呈按業務分列之資料。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT 未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

2. SEGMENTAL INFORMATION (continued)

Turnover by location of customers is as follows:

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Hong Kong	香港	814,353	797,597
North America	北美洲	221,659	221,492
Mainland China	中國大陸	124,314	90,117
Australia and New Zealand	澳洲及新西蘭	120,812	105,887
Others	其他	44,545	46,575
		1,325,683	1,261,668

2. 分部資料(續)

按客戶所在地區分部之營業額如下：

3. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

3. 除稅前溢利

除稅前溢利已扣除／(計入)：

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
(a) Finance costs:	融資成本：		
Interest on borrowings	借款利息	3,329	4,214
Finance charges on obligations under finance leases	融資租賃債務之財務費用	146	235
		3,475	4,449
(b) Other items:	其他項目：		
Interest income	利息收入	(9,199)	(5,633)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	53,865	55,362
Depreciation of investment property	投資物業折舊	263	264
Amortisation of interests in leasehold land held for own use under operating leases	根據經營租賃持有作自用之租賃土地權益的攤銷	109	107
Cost of inventories	存貨成本	593,174	561,779

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

4. INCOME TAX

4. 所得稅

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Current tax – Hong Kong Profits Tax	本期稅項 – 香港利得稅	18,725	17,423
Current tax – Outside Hong Kong	本期稅項 – 香港以外地區	3,225	2,202
Deferred tax	遞延稅項	(4,147)	1,388
		17,803	21,013

The provision for Hong Kong Profits Tax is calculated at 17.5% (six months ended 30th September, 2005: 17.5%) of the estimated assessable profits for the period. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

香港利得稅撥備是按期內之估計應課稅溢利以17.5% (截至二零零五年九月三十日止六個月：17.5%) 之稅率計算。香港以外地區的附屬公司之稅項則按有關稅項司法管轄區適用之現行稅率計算。

5. DIVIDENDS

5. 股息

(a) Dividend attributable to the interim period

(a) 本六個月期間之股息

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年	2005 二零零五年
		\$'000 千元	\$'000 千元
Interim dividend declared after the interim period end of 2.8 cents per share (2005: 2.8 cents per share)	於本六個月期間結束後宣派之中期股息每股2.8仙 (二零零五年：每股2.8仙)	28,197	28,091

The interim dividend declared after the interim period end has not been recognised as a liability at the balance sheet date.

於本六個月期間結束後宣派之中期股息並未於結算日確認為負債。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT 未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

5. DIVIDENDS (continued)

(b) Dividends attributable to the previous financial year, approved and paid during the interim period

5. 股息(續)

(b) 於本六個月期間批准及派發之過往財政年度股息

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年 \$'000 千元	2005 二零零五年 \$'000 千元
Final dividend in respect of the previous financial year, approved and paid during the interim period, of 6.7 cents per share (2005: 5.7 cents per share)	於本六個月期間批准及支付之過往財政年度之末期股息每股6.7仙(二零零五年：每股5.7仙)	67,404	57,139
Special dividend in respect of the previous financial year, approved and paid during the interim period, of 10.0 cents per share (2005: 10.0 cents per share)	於本六個月期間批准及支付之過往財政年度之特別股息每股10.0仙(二零零五年：每股10.0仙)	100,603	100,244
		168,007	157,383

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

6. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$100,009,000 (six months ended 30th September, 2005: \$90,730,000) and the weighted average number of 1,005,207,000 ordinary shares (2005: 1,000,086,000 ordinary shares) in issue during the period, calculated as follows:

Weighted average number of ordinary shares

6. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司股權持有人應佔溢利100,009,000元(截至二零零五年九月三十日止六個月：90,730,000元)及按本期間內已發行普通股之加權平均股數1,005,207,000股(二零零五年：1,000,086,000股普通股)計算。普通股之加權平均股數之計算如下：

普通股之加權平均股數

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年	2005 二零零五年
		Number of shares 股份數目 '000 千股	Number of shares 股份數目 '000 千股
Issued ordinary shares at 1st April	於四月一日之已發行普通股	1,003,288	993,928
Effect of share options exercised	已行使之購股權之影響	1,919	6,158
Weighted average number of ordinary shares for the period	本期間普通股之加權平均 股數	1,005,207	1,000,086

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

6. EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of \$100,009,000 (six months ended 30th September, 2005: \$90,730,000) and the weighted average number of 1,011,901,000 ordinary shares (2005: 1,006,912,000 ordinary shares) after adjusting for the effects of all dilutive potential ordinary shares, calculated as follows:

Weighted average number of ordinary shares (diluted)

6. 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司股權持有人應佔溢利100,009,000元(截至二零零五年九月三十日止六個月: 90,730,000元)及就所有具潛在攤薄盈利之普通股之影響作出調整後之普通股加權平均股數1,011,901,000股(二零零五年: 1,006,912,000股普通股)計算。普通股之加權平均股數(攤薄)之計算如下:

普通股之加權平均股數(攤薄)

		Six months ended 30th September, 截至九月三十日止六個月	
		2006 二零零六年 Number of shares 股份數目 '000 千股	2005 二零零五年 Number of shares 股份數目 '000 千股
Weighted average number of ordinary shares for the period	本期間普通股之加權平均股數	1,005,207	1,000,086
Effect of deemed issue of ordinary shares under the Company's share option schemes for nil consideration	假設因根據本公司之購股權計劃以無償方式發行普通股之影響	6,694	6,826
Weighted average number of ordinary shares (diluted) for the period	本期間普通股之加權平均股數(攤薄)	1,011,901	1,006,912

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

7. TRADE AND OTHER RECEIVABLES

7. 應收賬款及其他應收款

		At 30th September, 2006 於二零零六年 九月三十日 \$'000 千元	At 31st March, 2006 於二零零六年 三月三十一日 \$'000 千元
Trade debtors and bills receivable	應收賬款及應收票據	400,543	315,013
Deposits, prepayments and other debtors	按金、預付款項及其他應收款	40,567	37,118
		441,110	352,131

The ageing analysis of trade debtors and bills receivable (net of impairment losses for bad and doubtful debts) is as follows:

應收賬款及應收票據(已扣除呆壞賬之減值虧損)之賬齡分析如下:

		At 30th September, 2006 於二零零六年 九月三十日 \$'000 千元	At 31st March, 2006 於二零零六年 三月三十一日 \$'000 千元
By date of invoice	按發票日期計算		
0 – 3 months	零至三個月	345,837	267,932
4 – 6 months	四至六個月	54,277	45,802
Over 6 months	六個月以上	429	1,279
		400,543	315,013

8. BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

8. 銀行存款與現金及現金等值項目

		At 30th September, 2006 於二零零六年 九月三十日 \$'000 千元	At 31st March, 2006 於二零零六年 三月三十一日 \$'000 千元
Cash at bank and in hand	銀行結存及庫存現金	102,226	122,862
Bank deposits maturing within 3 months when placed	存款期少於三個月之銀行存款	233,339	279,678
Cash and cash equivalents	現金及現金等值項目	335,565	402,540
Bank deposits maturing after 3 months but within 1 year when placed	存款期介乎於三個月至一年之銀行存款	53,357	78,497
Bank deposits maturing after 1 year when placed	存款期多於一年之銀行存款	7,797	22,768
		396,719	503,805

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT 未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

9. TRADE AND OTHER PAYABLES

9. 應付賬款及其他應付款

		At 30th September, 2006 於二零零六年 九月三十日 \$'000 千元	At 31st March, 2006 於二零零六年 三月三十一日 \$'000 千元
Trade creditors and bills payable	應付賬款及應付票據	200,430	165,899
Accrued expenses and other payables	應計費用及 其他應付款	184,328	180,087
		384,758	345,986

The ageing analysis of trade creditors and bills payable is as follows:

應付賬款及應付票據之賬齡分析如下：

		At 30th September, 2006 於二零零六年 九月三十日 \$'000 千元	At 31st March, 2006 於二零零六年 三月三十一日 \$'000 千元
By date of invoice	按發票日期計算		
0 – 3 months	零至三個月	191,685	162,219
4 – 6 months	四至六個月	4,270	2,178
Over 6 months	六個月以上	4,475	1,502
		200,430	165,899

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

10. CAPITAL AND RESERVES

10. 資本及儲備

		Attributable to equity shareholders of the Company 本公司股權持有人應佔											
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Legal reserve	General reserve	Exchange reserve	Share-based compensation reserve	Retained profits	Total	Minority interests	Total equity
		股本	股份溢價	資本贖回儲備	資本儲備	法定儲備	一般儲備	匯兌儲備	股份基礎補償儲備	保留溢利	合計	股東權益少數	權益總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
At 1st April, 2005	於二零零五年四月一日												
As previously reported - Opening balance	按以往呈報一有關金融工具之	248,482	287,259	1,101	91,914	6,526	2,261	(26,003)	3,997	632,175	1,247,712	47,669	1,295,381
adjustment in respect of financial instruments (note 14)	期初結餘調整 (附註14)	-	-	-	-	-	-	-	-	(1,749)	(1,749)	-	(1,749)
As restated, after opening balance adjustment	重列(已作期初結餘調整)	248,482	287,259	1,101	91,914	6,526	2,261	(26,003)	3,997	630,426	1,245,963	47,669	1,293,632
Transfer from capital reserve to retained profits	自資本儲備轉撥至保留溢利	-	-	-	(2,043)	-	-	-	-	2,043	-	-	-
Shares issued on exercise of share options	就行使購股權而發行股份	2,164	9,472	-	-	-	-	-	-	-	11,636	-	11,636
Transfer from share-based compensation reserve to share premium on exercise of share options	就行使購股權而自股份基礎補償儲備轉撥至股份溢價	-	600	-	-	-	-	-	(600)	-	-	-	-
Equity settled share-based transactions	以股份為基礎之支付之交易	-	-	-	-	-	-	-	1,276	-	1,276	-	1,276
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	2,971	-	-	2,971	414	3,385
Final and special dividends approved in respect of the previous year (note 5(b))	批准屬於上一年度之末期及特別股息 (附註5(b))	-	-	-	-	-	-	-	-	(157,383)	(157,383)	-	(157,383)
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	90,730	90,730	7,066	97,796
At 30th September, 2005	於二零零五年九月三十日	250,646	297,331	1,101	89,871	6,526	2,261	(23,032)	4,673	565,816	1,195,193	55,149	1,250,342
Transfer from retained profits to legal reserve	自保留溢利轉撥至法定儲備	-	-	-	-	304	-	-	-	(304)	-	-	-
Transfer from capital reserve to retained profits	自資本儲備轉撥至保留溢利	-	-	-	(2,043)	-	-	-	-	2,043	-	-	-
Shares issued on exercise of share options	就行使購股權而發行股份	176	1,012	-	-	-	-	-	-	-	1,188	-	1,188
Transfer from share-based compensation reserve to share premium on exercise of share options	就行使購股權而自股份基礎補償儲備轉撥至股份溢價	-	112	-	-	-	-	-	(112)	-	-	-	-
Equity settled share-based transactions	以股份為基礎之支付之交易	-	-	-	-	-	-	-	1,358	-	1,358	-	1,358
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	(626)	-	-	(626)	(1,650)	(2,276)
Interim dividend declared in respect of the current year (note 5(a))	宣派本年度之中期股息 (附註5(a))	-	-	-	-	-	-	-	-	(28,091)	(28,091)	-	(28,091)
Dividend paid to minority shareholder	向少數股東派發股息	-	-	-	-	-	-	-	-	-	-	(816)	(816)
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	81,346	81,346	5,883	87,229
At 31st March, 2006	於二零零六年三月三十一日	250,822	298,455	1,101	87,828	6,830	2,261	(23,658)	5,919	620,810	1,250,368	58,566	1,308,934

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

10. CAPITAL AND RESERVES (continued)

10. 資本及儲備 (續)

		Attributable to equity shareholders of the Company 本公司股權持有人應佔											
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Legal reserve	General reserve	Exchange reserve	Share-based compensation reserve	Retained profits	Total	Minority interests	Total equity
		股本	股份溢價	資本贖回儲備	資本儲備	法定儲備	一般儲備	匯兌儲備	股份基礎補償儲備	保留溢利	合計	股東權益少數	權益總額
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元	千元
At 1st April, 2006	於二零零六年四月一日	250,822	298,455	1,101	87,828	6,830	2,261	(23,658)	5,919	620,810	1,250,368	58,566	1,308,934
Transfer from capital reserve to retained profits	自資本儲備轉撥至保留溢利	-	-	-	(2,043)	-	-	-	-	2,043	-	-	-
Shares issued on exercise of share options	就行使購股權而發行股份	710	4,627	-	-	-	-	-	-	-	5,337	-	5,337
Transfer from share-based compensation reserve to share premium on exercise of share options	就行使購股權而自股份基礎補償儲備轉撥至股份溢價	-	992	-	-	-	-	-	(992)	-	-	-	-
Equity settled share-based transactions	以股份為基礎之支付之交易	-	-	-	-	-	-	-	1,448	-	1,448	-	1,448
Exchange differences on translation of the financial statements of foreign subsidiaries	換算外地附屬公司財務報表所產生之匯兌差額	-	-	-	-	-	-	5,913	-	-	5,913	2,057	7,970
Final and special dividends approved in respect of the previous year (note 5(b))	批准屬於上一年度之末期及特別股息(附註5(b))	-	-	-	-	-	-	-	-	(168,007)	(168,007)	-	(168,007)
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	100,009	100,009	16,515	116,524
At 30th September, 2006	於二零零六年九月三十日	251,532	304,074	1,101	85,785	6,830	2,261	(17,745)	6,375	554,855	1,195,068	77,138	1,272,206

(i) The application of the share premium account and the capital redemption reserve is governed by sections 48B and 49H respectively of the Hong Kong Companies Ordinance.

(ii) As part of the restructuring of the Group in February 1994, the Company disposed of a property to a former subsidiary and consideration was received in the form of cash and another property. A total gain, representing the difference between the historical carrying value of the property disposed of and the fair value of the consideration received, resulted.

The gain arising from this transaction was divided into realised and unrealised portions in the ratio of the amount of cash and the fair value of the property received ("the property"). The unrealised gain was taken to capital reserve and is realised on depreciation of the property. During the period, \$2,043,000 (six months ended 30th September, 2005: \$2,043,000) is transferred from capital reserve to retained profits.

(i) 股份溢價賬及資本贖回儲備之用途分別受香港《公司條例》第48B及49H條監管。

(ii) 作為本集團於一九九四年二月進行之重組之一部份，本公司向一間前附屬公司出售一項物業，代價以現金及另一項物業支付。總收益指所出售物業之歷史賬面值與已收代價公允值之差額。

該項交易之收益按已收現金及物業(「物業」)公允值之比例分為已變現及未變現部份。未變現收益已計入資本儲備，並於計算物業折舊時變現。於本期間內，2,043,000元(截至二零零五年九月三十日止六個月：2,043,000元)自資本儲備轉撥往保留溢利。

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

10. CAPITAL AND RESERVES (continued)

- (iii) The legal reserve has been set up by Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited and Vitasoja (Macau) Limitada in accordance with regulations in the People's Republic of China and Macau respectively.
- (iv) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (v) Share-based compensation reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Group.

11. CAPITAL COMMITMENTS

Capital commitments outstanding at 30th September, 2006 not provided for in the interim financial report were as follows:

10. 資本及儲備(續)

- (iii) 法定儲備由深圳維他(光明)食品飲料有限公司及維他奶(澳門)有限公司分別根據中華人民共和國及澳門之法例設立。
- (iv) 匯兌儲備包括換算外地業務財務報表產生之所有匯兌差額。
- (v) 股份基礎補償儲備包括授予本集團僱員之實際或估計尚未行使購股權之公允值。

11. 資本承擔

於二零零六年九月三十日，未在中期財務報告中撥備之未付資本承擔詳情如下：

		At 30th September, 2006 於二零零六年 九月三十日 \$'000 千元	At 31st March, 2006 於二零零六年 三月三十一日 \$'000 千元
Contracted for	已訂約	29,397	11,520
Authorised but not contracted for	已批准但未訂約	56,264	77,557
		85,661	89,077

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

未經審核中期財務報告附註

(Expressed in Hong Kong dollars)

(以港幣計算)

12. MATERIAL RELATED PARTY TRANSACTIONS

The Group has purchased milk products from a related party in Mainland China. The unit price of the milk products is pre-determined in an agreement entered into between the Group and the related party, and will be revised by reference to the prevailing market price of similar products in Hong Kong and Mainland China. Total purchases from the related party amounted to \$2,164,000 during the period (six months ended 30th September, 2005: \$1,484,000). The amount due to the related party as at 30th September, 2006 amounted to \$364,000 (31st March, 2006: \$631,000). This transaction constitutes a continuing connected transaction under the Listing Rules.

13. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, the Directors declared an interim dividend. Further details are disclosed in note 5.

14. COMPARATIVE FIGURES

Certain comparative figures have been restated as a result of a change in accounting policy during the preparation of the 2005/2006 annual financial statements. In prior periods, structured deposit contract with bank entered into by the Group was classified as bank deposits and stated at cost less provision. In accordance with HKAS 39, such structured deposit is classified as a financial asset at fair value through profit or loss and carried at fair value. Changes in the fair value are recognised in profit or loss. This change in accounting policy was adopted by way of an opening balance adjustment to reduce retained profits by \$1,749,000 as at 1st April, 2005.

12. 重大關連人士交易

本集團向一名在中國大陸之關連人士採購奶類製品。奶類製品之單位價已在一份由本集團與該關連人士訂立之協議中預先釐定，並會參考香港及中國大陸同類產品之市價作出調整。期內向該關連人士採購之貨品共值2,164,000元(截至二零零五年九月三十日止六個月：1,484,000元)。於二零零六年九月三十日應付該關連人士之款項為364,000元(二零零六年三月三十一日：631,000元)。根據上市規則，此項交易構成持續關連交易。

13. 結算日後事項

董事已於結算日後宣派中期股息。詳情載於附註5。

14. 比較數字

於編製二零零五／二零零六年度週年財務報表時，若干比較數字因會計政策變動而重列。於過往期間，本集團與銀行訂立之結構性存款合約乃列作銀行存款，並按成本減撥備列賬。根據《香港會計準則》第39號，該等結構性存款乃列作按公允值計量且其變動於損益確認之金融資產，並按公允值列賬。公允值變動於損益確認。採納此會計政策之變動是透過對二零零五年四月一日之保留溢利作出期初結餘調整，將保留溢利減少1,749,000元。

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES

根據主板上規規則所需提供之額外資料

INTERIM DIVIDEND

The Board has declared an interim dividend of HK2.8 cents per share for the year ending 31st March, 2007 (2006: HK2.8 cents per share), to shareholders whose names appear on the Register of Members at the close of business on Thursday, 21st December, 2006. Dividend warrants will be sent to shareholders on or about Friday, 5th January, 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed on Friday, 22nd December, 2006, during which no transfers of shares will be effected. To determine entitlement to the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday, 21st December, 2006.

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

The Directors of the Company who held office at 30th September, 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

Name	Note	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	% of total issued shares 佔已發行股份總數之百分比	
		Personal interests	Family interests	Trusts and similar interests			
姓名	附註	個人權益	家族權益	信託及同類權益	權益總數		
Mr. Winston Yau-lai LO	羅友禮先生	1, 3	49,939,800	28,702,500	72,678,300	151,320,600	15.04
Dr. The Hon. Sir David Kwok-po LI	李國寶爵士		6,000,000	-	-	6,000,000	0.60
Mr. Jan P. S. ERLUND	Jan P. S. ERLUND先生		24,000	-	-	24,000	0.00
Ms. Myrna Mo-ching LO	羅慕貞女士	2, 3	-	-	100,653,000	100,653,000	10.00
Ms. Yvonne Mo-ling LO	羅慕玲女士	3	31,866,450	-	72,678,300	104,544,750	10.39
Mr. Ambrose Kam-shing CHAN	陳錦勝先生		598,000	-	-	598,000	0.06
Mr. Eric Fat YU	余發先生		393,000	-	-	393,000	0.04
Mr. John Shek-hung LAU	劉錫鴻先生		1,971,000	-	-	1,971,000	0.20

中期股息

董事會宣派截至二零零七年三月三十一日止年度之中期股息每股港幣2.8仙(二零零六年：每股港幣2.8仙) 予於二零零六年十二月二十一日(星期四)辦公時間結束時名列股東名冊之股東。股息單將約於二零零七年一月五日(星期五)寄予各股東。

暫停辦理過戶登記手續

本公司將於二零零六年十二月二十二日(星期五)暫停辦理股份之過戶登記手續，屆時將不會進行任何股份之過戶登記。為確定符合資格收取派發之中期股息之股東名單，所有過戶文件連同有關股票必須於二零零六年十二月二十一日(星期四)下午四時前送交本公司之股份過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓)辦理登記手續。

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九月三十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

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES 根據主板上市規則所需提供之額外資料

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

(continued)

(1) Interests in issued shares (continued)

Notes:

1. Mr. Winston Yau-lai LO is deemed to be interested in 28,702,500 shares through interests of his wife.
2. 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).
3. 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.

(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 Scheme" 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.

董事於股份、相關股份及債權證之 權益及淡倉

(續)

(1) 於已發行股份之權益 (續)

附註：

1. 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。
2. 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。
3. 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 K. S. Lo Foundation 慈善基金持有之 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，詳情載於以下「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。

除上文所敘述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。

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES

根據主板上規規則所需提供之額外資料

SHARE OPTION SCHEME

For the details of the Company's share option scheme, please refer to the 2005/2006 annual financial statements. Particulars of share options outstanding during the period and as at 30th September, 2006 are as follows:

購股權計劃

本公司購股權計劃之詳情見於二零零五／二零零六年度週年財務報表。於期內及於二零零六年九月三十日尚未行使之購股權詳情如下：

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 period	Number of options granted during the period	Number of options exercised during the period	Number of options forfeited on termination of employment of eligible participants during the period	Number of options outstanding at the end of the period	Weighted average market price per share on exercise of options
參與者	授出日期	附註	購股權行使期	行使購股權時須付之每股價格 HK\$ 港元	期初時尚未行使之購股權數目	期內授出之購股權數目	期內行使之購股權數目	於期內因合資格參與者離職而沒收之購股權數目	期終時尚未行使之購股權數目	行使購股權時之每股加權平均市價 HK\$ 港元
Directors										
董事										
Mr. Winston Yau-lai LO 羅友禮先生	1/4/2003	1, 2	1/4/2004 - 31/3/2013	1.688	2,220,000	-	-	-	2,220,000	-
	1/4/2004	1, 2	1/4/2005 - 31/3/2014	1.904	1,700,000	-	-	-	1,700,000	-
	1/6/2005	1, 2	1/6/2006 - 31/5/2015	2.375	1,472,000	-	-	-	1,472,000	-
	5/6/2006	1, 2, 4	5/6/2007 - 4/6/2016	2.900	-	976,000	-	-	976,000	-
Mr. Ambrose Kam-shing CHAN 陳錦勝先生	3/8/2004	1, 3	3/8/2006 - 2/8/2014	1.910	900,000	-	-	-	900,000	-
	1/6/2005	1, 2	1/6/2006 - 31/5/2015	2.375	2,392,000	-	598,000	-	1,794,000	2.875
	5/6/2006	1, 2, 4	5/6/2007 - 4/6/2016	2.900	-	954,000	-	-	954,000	-
Mr. Eric Fat YU 余發先生	1/4/2003	1, 2	1/4/2004 - 31/3/2013	1.688	738,000	-	-	-	738,000	-
	1/4/2004	1, 2	1/4/2005 - 31/3/2014	1.904	450,000	-	-	-	450,000	-
	1/6/2005	1, 2	1/6/2006 - 31/5/2015	2.375	392,000	-	-	-	392,000	-
	5/6/2006	1, 2, 4	5/6/2007 - 4/6/2016	2.900	-	316,000	-	-	316,000	-
Mr. John Shek-hung LAU 劉錫鴻先生	1/4/2003	1, 2	1/4/2004 - 31/3/2013	1.688	820,000	-	-	-	820,000	-
	1/4/2004	1, 2	1/4/2005 - 31/3/2014	1.904	500,000	-	-	-	500,000	-
	1/6/2005	1, 2	1/6/2006 - 31/5/2015	2.375	392,000	-	-	-	392,000	-
	5/6/2006	1, 2, 4	5/6/2007 - 4/6/2016	2.900	-	316,000	-	-	316,000	-
Eligible employees working under employment contracts										
根據僱傭合約工作之合資格僱員										
	1/4/2003	1, 2	1/4/2004 - 31/3/2013	1.688	3,927,000	-	1,752,000	-	2,175,000	2.871
	1/4/2004	1, 2	1/4/2005 - 31/3/2014	1.904	3,504,000	-	434,000	36,000	3,034,000	2.935
	1/6/2005	1, 2	1/6/2006 - 31/5/2015	2.375	3,136,000	-	58,000	56,000	3,022,000	3.139
	5/6/2006	1, 2, 4	5/6/2007 - 4/6/2016	2.900	-	3,078,000	-	28,000	3,050,000	-
					22,543,000	5,640,000	2,842,000	120,000	25,221,000	

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES 根據主板上市規則所需提供之額外資料

SHARE OPTION SCHEME (continued)

Notes:

- Options were granted under the share option scheme adopted by the Company on 4th September, 2002.
- For options granted on 1st April, 2003, 1st April, 2004, 1st June, 2005 and 5th June, 2006, they are subject to a vesting scale in tranches of 25% each per annum starting from the first anniversary and fully vested in the fourth anniversary of the date of grant.
- The options are fully vested in the second anniversary of the date of grant.
- The closing price of the shares of the Company quoted on The Stock Exchange of Hong Kong Limited on 2nd June, 2006, being the business date immediately before the date on which share options were granted, was HK\$2.85. The average value per option as estimated at the date of grant on 5th June, 2006 using the Binomial Lattice Model was HK\$0.555.

The assumptions used are as follows:

- Average risk-free interest rate: 4.69%
- Expected volatility: 30% per annum
- Expected dividend per share: 7.5% per annum
- Option life: 10 years
- Rate of leaving employment: 7% per annum
- Early exercise assumption: Option holders will exercise when the share price is at least 90% higher than the exercise price

The Binomial Lattice Model was developed for use in estimating the fair value of options that have vesting restrictions. Such option pricing model requires input of subjective assumptions.

Apart from the above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

購股權計劃(續)

附註：

- 購股權乃根據本公司於二零零二年九月四日採納之購股權計劃授出。
- 就二零零三年四月一日、二零零四年四月一日、二零零五年六月一日及二零零六年六月五日授出之購股權而言，該等購股權需按既定比率行使，由授出日期之第一年起計每年可以行使獲授購股權之25%，到第四週年可以全部行使。
- 購股權可由授出日期之第二年起全部行使。
- 本公司股份於二零零六年六月二日(即緊接購股權授出日期前一日之營業日)在香港聯合交易所有限公司所報之收市價為港幣2.85元。按二項式點陣模型估計，每項購股權於授出日期二零零六年六月五日時之平均價值為港幣0.555元。

所採用之假設如下：

- 平均無風險利率： 4.69%
- 預期波幅： 每年30%
- 預期每股股息率： 每年7.5%
- 購股權之有效期： 10年
- 離職比率： 每年7%
- 提早行使之假設： 購股權持有人將於股價高於行使價最少90%時行使購股權

二項式點陣模型乃用於估計設有行使期限制之購股權之公允值。此購股權價格模型乃根據多項主觀假設計算。

除上文所披露外，在本期間之任何時間，本公司或其任何附屬公司概無參與任何安排，致使本公司董事或其任何配偶或未滿十八歲之子女可藉購入本公司或任何其他公司之股份或債券而獲益。

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES 根據主板上規規則所需提供之額外資料

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

As at 30th September, 2006, the following substantial shareholders' interests were recorded in the register required to be kept by the Company under section 336 of the SFO as holding 5% or more of the issued share capital of the Company. These interests are in addition to those disclosed above in respect of the Directors.

主要股東於股份及相關股份之權益及淡倉

於二零零六年九月三十日，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	Note	Number of ordinary shares of HK\$0.25 each 每股面值港幣0.25元之普通股數目				Trusts and similar interests	Total interests	% of total issued shares 佔已發行股份總數之百分比
		Personal interests	Family interests	Corporate interests				
股東姓名	附註	個人權益	家族權益	公司權益	信託及同類權益	權益總數		
Ms. Irene CHAN 陳羅慕連女士	1, 2	23,514,700	750,000	-	72,678,300	96,943,000	9.64	
Mr. Kai-tun LO 羅開敦先生	2	18,508,950	-	-	72,678,300	91,187,250	9.06	
Mr. Peter Tak-shing LO 羅德承先生	2	7,548,000	-	-	72,678,300	80,226,300	7.97	
Arisaig Greater China Fund ("Arisaig")	3	64,301,500	-	-	-	64,301,500	6.39	
Arisaig Partners (Mauritius) Limited ("Arisaig Mauritius")	4	-	-	64,301,500	-	64,301,500	6.39	
Mr. Lindsay William Ernest COOPER ("Cooper")	5	-	-	64,301,500	-	64,301,500	6.39	
Commonwealth Bank of Australia 澳洲聯邦銀行	6	-	-	60,339,000	-	60,339,000	6.00	
Mr. Cheng-hye CHEAH 謝清海先生	7	380,000	380,000	49,754,000	-	50,514,000	5.02	
Value Partners Limited ("Value Partners")	8	-	-	50,302,000	-	50,302,000	5.00	

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES 根據主板上市規則所需提供之額外資料

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

(continued)

Notes:

1. Ms. Irene CHAN is interested in 750,000 shares held for her daughter Alexandra CHAN who is under the age of 18.
2. 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.
3. These interests are held by Arisaig in the capacity of beneficial owner.
4. 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 3 above.
5. These interests represent Cooper's interests through his indirect 33% interest in Arisaig Mauritius. These interests are duplicated by the interests disclosed in Notes 3 and 4 above.
6. 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).
7. Mr. Cheng-hye CHEAH is deemed to be interested in 380,000 shares through interests of his wife and is interested in 49,754,000 shares through his direct 33% interest in Value Partners.
8. These interests are held by Value Partners in the capacity of investment manager. These interests are duplicated by the interests disclosed in Note 7 above.

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

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.

主要股東於股份及相關股份之權益及 淡倉

(續)

附註：

1. 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。
2. 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 K. S. Lo Foundation 慈善基金持有之 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。
3. 該等權益乃由 Arisaig 以實益擁有人身份持有。
4. 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 3 所述者為同一份權益。
5. 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 3 及 4 所披露者為同一份權益。
6. 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。
7. 謝清海先生被視為透過其妻子之權益擁有 380,000 股股份權益，並透過其直接持有惠理基金之 33% 權益擁有 49,754,000 股股份權益。
8. 該等權益乃由惠理基金以投資經理身份持有。該等權益與上文附註 7 所披露者為同一份權益。

於本公司股份及相關股份中之全部權益均為好倉。

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。

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES 根據主板上規規則所需提供之額外資料

CORPORATE GOVERNANCE

The Company has, throughout the six months ended 30th September, 2006, complied with the Code Provisions on the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules except for the Code Provision A.2.1 for the separation of the roles of Executive Chairman and Chief Executive Officer.

Code Provision A.2.1 of the Listing Rules sets out that the roles of the Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. As reported in the 2005/2006 Annual Report, with the appointment of the Chief Executive, Asia, who is also the Executive Director of the Company, in July 2004, we envisage that the assignment of the executive responsibilities from the Executive Chairman to the Chief Executive, Asia will be achieved by 31st March, 2008. We are glad to report that the Company has been progressing smoothly during this transitional period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. The Company, having made specific enquiry, confirms that members of the Board complied with the Model Code throughout the six months ended 30th September, 2006.

AUDIT COMMITTEE

The Audit Committee was established in 1999. Its current members include three Independent Non-executive Directors, namely, Mr. Iain F. BRUCE (Chairman), Dr. The Hon. Sir David Kwok-po LI and Mr. Jan P. S. ERLUND.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the Group's unaudited interim financial report for the six months ended 30th September, 2006.

企業管治

本公司於截至二零零六年九月三十日止六個月一直遵守上市規則附錄14所載之企業管治常規守則中之守則條文，惟守則條文第A.2.1條有關執行主席與行政總裁角色區分之守則除外。

上市規則之守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由同一人同時兼任。誠如二零零五／二零零六年度年報所述，隨著本公司於二零零四年七月委任現同為執行董事之亞洲區行政總裁，本公司預計執行主席之行政責任將於二零零八年三月三十一日順利移交給亞洲區行政總裁。本集團欣然匯報，本公司於此過渡期間進展順利。

上市發行人董事進行證券交易之標準守則（「標準守則」）

本公司已採納上市規則附錄10所載之標準守則。本公司已作出具體查詢，確定董事會各成員於截至二零零六年九月三十日止六個月內均遵守標準守則。

審核委員會

審核委員會於一九九九年成立，現成員包括三位獨立非執行董事，分別為布魯士先生（主席）、李國寶爵士及Jan P.S. ERLUND先生。

審核委員會已審閱本集團採納之會計準則及慣例，並磋商有關審核、內部監控及財務申報等事宜，包括審閱截至二零零六年九月三十日止六個月之未經審核中期財務報告。

ADDITIONAL INFORMATION PROVIDED IN ACCORDANCE WITH THE MAIN BOARD LISTING RULES 根據主板上市規則所需提供之額外資料

REMUNERATION AND NOMINATION COMMITTEE

The Compensation Committee was established in February 1994 and was renamed as "Remuneration and Nomination Committee" on 2nd February, 2005 with increased scope of authority. This Committee now comprises three Independent Non-executive Directors, namely, Dr. The Hon. Sir David Kwok-po LI (Chairman), Mr. Iain F. BRUCE and Mr. Jan P. S. ERLUND and two Non-executive Directors, namely, Ms. Myrna Mo-ching LO and Ms. Yvonne Mo-ling LO.

The Committee was set up to consider and approve the remuneration packages of Executive Directors and Senior Management of the Group, and to review the structure, size and composition of the Board, and to recommend to the Board on appointments of Directors and the succession planning for Directors.

INTERNAL CONTROL

The Company is committed to ensuring good corporate governance and internal control, and believes this to be a continuous process. In compliance with Provision C.2 of the Code on Corporate Governance and to further improve the effectiveness of its internal control in order to safeguard shareholders' investments and its assets, the Company engaged one Big 4 accounting firm to conduct a Risks Assessment and benchmark the Company against the COSO (The Committee of Sponsoring Organisations of the Treadway Commission) in the US internal control framework.

All findings that require management attention are under consideration to ensure that they would be properly addressed. Adopting one of the rectification actions suggested, the Company has upgraded the internal audit department to a group function and implemented a new internal audit methodology as advised by the accounting firm.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2006.

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

Hong Kong, 4th December, 2006

薪酬及提名委員會

薪酬委員會於一九九四年二月成立，於二零零五年二月二日改名為「薪酬及提名委員會」，其職權範圍亦加以擴大。目前，委員會成員包括三位獨立非執行董事，包括李國寶爵士（主席）、布魯士先生及Jan P.S. ERLUND先生，以及兩位非執行董事羅慕貞女士及羅慕玲女士。

委員會之成立旨在審批本集團執行董事及高級管理人員之薪酬福利組合，以及檢討董事會之架構、規模及組成，並就董事之委任及董事繼任計劃向董事會提出建議。

內部監控

本公司致力確保良好之企業管治及內部監控，並深信此乃持續之過程。為遵守企業管治守則條文第C.2條規定，及進一步改善內部監控之效能，保護股東之投資及資產，本公司聘用了四大會計師行其中之一間會計師行，根據美國The Committee of Sponsoring Organisations of the Treadway Commission之內部監控基準為本公司進行風險評估及定下準則。

本公司現正審議所有需要管理層關注之評估結果，以確保有關問題得以妥善處理。本公司已採納其中一項改善建議，將內部稽核部提升至集團功能層面，並已採用該會計師行建議之新內部稽核方法。

購回、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零零六年九月三十日止六個月內概無購回、出售或贖回本公司之任何上市證券。

承董事會命
羅友禮
執行主席

香港，二零零六年十二月四日

INDEPENDENT REVIEW REPORT

獨立審閱報告

TO THE BOARD OF DIRECTORS OF
VITASOY INTERNATIONAL HOLDINGS LIMITED

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 15 to 31.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review, which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th September, 2006.

KPMG

Certified Public Accountants

Hong Kong, 4th December, 2006

Vitasoy International Holdings Limited
Interim Report 2006

致維他奶國際集團有限公司
董事會

引言

本核數師(以下簡稱「我們」)已審閱貴公司刊於第15頁至第31頁的中期財務報告。

董事及核數師的責任

根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須以符合上市規則中相關的規定及香港會計師公會所頒布的《香港會計準則》第34號—「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

我們的責任是根據我們審閱工作的結果，就中期財務報告提出獨立結論，並按照我們雙方所協定的應聘條款，僅向整體董事會報告。除此之外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱工作

我們是按照香港會計師公會所頒布的《核數準則》第700號—「中期財務報告的審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報告，評估中期財務報告中會計政策是否貫徹運用，賬項編列是否一致；賬項中另有說明的特別情況則除外。審閱不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱的範圍遠較審核小，所給予的保證程度也較審核低，因此，我們不會對中期財務報告發表審核意見。

審閱結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零六年九月三十日止六個月的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港，二零零六年十二月四日

“For over
65 years,
Vitasoy has grown
and multiplied
its **success** from
a *little bean* —
and is still **going**
strong.”

www.vitasoy.com

www.vitasoy.com.hk

www.vitaland.com.hk

www.hkgourmet.com.hk

www.vitasoy-chn.com

www.vitasoy-usa.com

www.vitasoy.com.au



Vitasoy International Holdings Limited

No.1, Kin Wong Street,

Tuen Mun, New Territories,

Hong Kong

維他奶國際集團有限公司

香港新界屯門建旺街一號

Tel 電話 (852) 2466 0333

Fax 傳真 (852) 2456 3441