

# 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, 2007.

董事會欣然提呈截至二零零七年三月三十一日止年度之年報及經審核財務報表。

### 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.

### 主要營業地點

維他奶國際集團有限公司(「本公司」)為成立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。

### 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 14 to the financial statements.

### 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14。

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 12 to the financial statements.

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12。

### 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 financial year is as follows:

### 主要客戶及供應商

以下所載為本財政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：

		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	14%	
Five largest customers in aggregate	首五大客戶合計	36%	
The largest supplier	最大供應商		28%
Five largest suppliers in aggregate	首五大供應商合計		39%

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.

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。

## Report of the Directors 董事會報告書

### Financial statements

The profit of the Group for the year ended 31st March, 2007 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 59 to 146.

### Transfer to reserves

Profit attributable to shareholders, before dividends, of HK\$201,312,000 (2006: HK\$185,025,000) has been transferred to reserves. Other movements in reserves are set out in note 25 to the financial statements.

An interim dividend of HK2.8 cents per ordinary share (2006: HK2.8 cents per ordinary share) was paid on 5th January, 2007. The Directors now recommend the payment of a final dividend of HK6.7 cents per ordinary share (2006: HK6.7 cents per ordinary share) and a special dividend of HK10.0 cents per ordinary share (2006: HK10.0 cents per ordinary share) in respect of the year ended 31st March, 2007.

### Charitable donations

Charitable donations made by the Group during the year amounted to HK\$96,000 (2006: HK\$92,000).

### Fixed assets

Movements in fixed assets of the Company and the Group during the year are set out in note 13 to the financial statements.

### Bank loans

Particulars of bank loans of the Group as at 31st March, 2007 are set out in note 23 to the financial statements.

### 財務報表

本集團截至二零零七年三月三十一日止年度之溢利及本公司與本集團於該日之財務狀況載於第59至146頁之財務報表內。

### 轉撥入儲備

本年度溢利(未計股息)港幣201,312,000元(二零零六年:港幣185,025,000元)已轉撥入儲備。儲備之其他變動載於財務報表附註25。

本公司已於二零零七年一月五日派發中期股息每股普通股港幣2.8仙(二零零六年:每股普通股港幣2.8仙)。董事會現建議派發截至二零零七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(二零零六年:每股普通股港幣6.7仙)及特別股息每股普通股港幣10.0仙(二零零六年: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96,000元(二零零六年:港幣92,000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13。

### 銀行貸款

本集團於二零零七年三月三十一日之銀行貸款詳情載於財務報表附註23。

## Report of the Directors 董事會報告書

### Share capital

Details of the movements in share capital of the Company during the year are set out in note 25 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.

### Directors

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

In accordance with Article 104 of the Company's Articles of Association, Mr. Winston Yau-lai LO, Mr. John Shek-hung LAU and Ms. Myrna Mo-ching LO retire from the board by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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 obligations.

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

### 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25。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。

### 董事

於本年度內及截至本年報之日期各董事之名單載於第2頁。

根據本公司之章程細則第104條，羅友禮先生、劉錫鴻先生及羅慕貞女士須於應屆股東週年大會上輪值告退，並願膺選連任。

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。

## Report of the Directors 董事會報告書

### Directors' interests and short positions in shares, underlying shares and debentures

The Directors of the Company who held office at 31st March, 2007 had the following interests in the shares of the Company and subsidiaries (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of directors' interests and short positions required to be kept under section 352 of the SFO:

#### (1) Interests in issued shares

Name 姓名	Note 附註	Number of ordinary shares of HK\$0.25 each 每股面值港幣0.25元之普通股數目					* % of total issued shares * 佔已發行股份 總數之百分比
		Personal interests 個人權益	Family interests 家族權益	Trusts and similar interests 信託及 同類權益	Total number of shares held 所持股份總數		
Mr. Winston Yau-lai LO 羅友禮先生	(i), (iv)	49,939,800	28,702,500	72,678,300	151,320,600	15.03%	
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	(ii), (iv)	–	–	100,653,000	100,653,000	9.99%	
Ms. Yvonne Mo-ling LO 羅慕玲女士	(iii), (iv)	23,037,990	–	78,806,760	101,844,750	10.11%	
Mr. Ambrose Kam-shing CHAN 陳錦勝先生		598,000	–	–	598,000	0.06%	
Mr. Eric Fat YU 余發先生		75,000	–	–	75,000	0.01%	
Mr. John Shek-hung LAU 劉錫鴻先生		1,971,000	–	–	1,971,000	0.20%	

\* This percentage has been compiled based on the total number of shares of the Company in issue (i.e. 1,007,035,500 ordinary shares) as at 31st March, 2007.

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).

### 董事於股份、相關股份及 債權證之權益及 淡倉

按《證券及期貨條例》第352條規定備存之董事權益及淡倉登記冊記錄所載，於二零零七年三月三十一日在職之本公司董事於當日持有本公司及附屬公司(定義見證券及期貨條例)已發行股本之實際權益如下：

#### (1) 於已發行股份之權益

\* 百分比根據本公司於二零零七年三月三十一日已發行之股份數目(即1,007,035,500股普通股)而計算。

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。

## Report of the Directors 董事會報告書

### Directors' interests and short positions in shares, underlying shares and debentures (continued)

#### (1) Interests in issued shares (continued)

Notes: (continued)

- (iii) Ms. Yvonne Mo-ling LO is interested in 6,128,460 shares held by Yvonne Lo Charitable Remainder Unitrust. Ms. Yvonne Mo-ling LO is a beneficiary of Yvonne Lo Charitable Remainder Unitrust and is therefore deemed to be interested in such shares.
- (iv) 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：(續)

- (iii) 羅慕玲女士擁有由Yvonne Lo Charitable Remainder Unitrust持有之6,128,460股股份之權益。羅慕玲女士為Yvonne Lo Charitable Remainder Unitrust之受益人，故被視為擁有該等股份之權益。
- (iv) 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。

## Report of the Directors 董事會報告書

### Share option scheme

On 4th September, 2002, the Company adopted a 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 3rd September, 2012, unless otherwise cancelled or amended. The purpose of this scheme was to provide incentives and rewards to employees for their contribution to the Group. The principal terms of this scheme were as follows:

- The exercise price of the options is the highest of (a) the closing price of the shares on The Stock Exchange of Hong Kong Limited (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 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 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.
- 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.

### 購股權計劃

於二零零二年九月四日，本公司採納一項購股權計劃，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，於二零一二年九月三日終止。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)在香港聯合交易所有限公司(「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。
- 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。
- 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%。
- 授予任何參與者之購股權所能認購之股份數目，在與根據購股權計劃已發行或可發行予該名參與者之股份數目合計，最多不得超過根據購股權計劃當時已發行及可發行之股份最高總數之25%。
- 合資格之董事或僱員可於要約認購購股權日期起計28日或董事會酌情決定之較長或較短期間內接納購股權之要約。合資格之董事或僱員須於接納購股權時支付港幣10元作為代價。

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### Share option scheme (continued)

- 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 share option scheme as at 31st March, 2007 was 83,514,550 shares (including options for 23,315,000 ordinary shares that have been granted but not yet exercised), which represented 8.29% of the issued share capital of the Company at 31st March, 2007.

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)

- 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%。

於二零零七年三月三十一日根據購股權計劃可供發行之普通股總數為83,514,550股(包括已授出但尚未行使之購股權涉及之23,315,000股普通股)，佔本公司於二零零七年三月三十一日之已發行股本8.29%。

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 參與者	Date of grant 授出日期	Period during which options are exercisable 購股權行使期	Price per share on exercise of options 行使購股權時須付之每股價格 HK\$ 港元	Number of options outstanding at the beginning of the year 年初時尚未行使之購股權數目	Number of options granted during the year 年內授出之購股權數目	Number of options exercised during the year 年內行使之購股權數目	Number of options forfeited on termination of employment of eligible participants during the year 於年內因合資格參與者離職而沒收之購股權數目	Number of options outstanding at the end of the year 年結時尚未行使之購股權數目	* Market value per share on grant * 授出購股權時之每股市價 HK\$ 港元	* Market value per share on exercise of options * 行使購股權時之每股市價 HK\$ 港元
<b>Directors</b> <b>董事</b>										
Mr. Winston Yau-lai LO 羅友禮先生	1/4/2003	1/4/2004 – 31/3/2013	1.688	2,220,000	-	-	-	2,220,000	1.660	-
	1/4/2004	1/4/2005 – 31/3/2014	1.904	1,700,000	-	-	-	1,700,000	1.920	-
	1/6/2005	1/6/2006 – 31/5/2015	2.375	1,472,000	-	-	-	1,472,000	2.425	-
	5/6/2006	5/6/2007 – 4/6/2016	2.900	-	976,000	-	-	976,000	2.850	-
Mr. Ambrose Kam-shing CHAN 陳錦勝先生	3/8/2004	3/8/2006 – 2/8/2014	1.910	900,000	-	-	-	900,000	1.910	-
	1/6/2005	1/6/2006 – 31/5/2015	2.375	2,392,000	-	(598,000)	-	1,794,000	2.425	2.875
	5/6/2006	5/6/2007 – 4/6/2016	2.900	-	954,000	-	-	954,000	2.850	-
Mr. Eric Fat YU 余發先生	1/4/2003	1/4/2004 – 31/3/2013	1.688	738,000	-	-	-	738,000	1.660	-
	1/4/2004	1/4/2005 – 31/3/2014	1.904	450,000	-	-	-	450,000	1.920	-
	1/6/2005	1/6/2006 – 31/5/2015	2.375	392,000	-	-	-	392,000	2.425	-
	5/6/2006	5/6/2007 – 4/6/2016	2.900	-	316,000	-	-	316,000	2.850	-

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### Share option scheme (continued)

### 購股權計劃 (續)

Participants	Date of grant	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 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 on grant of options	* Market value per share on exercise of options
參與者	授出日期	購股權行使期	行使購股權時須付之每股價格 HK\$ 港元	年初時尚未行使之購股權數目	年內授出之購股權數目	年內行使之購股權數目	於年內因合資格參與者離職而沒收之購股權數目	年結時尚未行使之購股權數目	* 授出購股權時之每股市價 HK\$ 港元	* 行使購股權時之每股市價 HK\$ 港元
Mr. John Shek-hung LAU	1/4/2003	1/4/2004 – 31/3/2013	1.688	820,000	-	-	-	820,000	1.660	-
劉錫鴻先生	1/4/2004	1/4/2005 – 31/3/2014	1.904	500,000	-	-	-	500,000	1.920	-
	1/6/2005	1/6/2006 – 31/5/2015	2.375	392,000	-	-	-	392,000	2.425	-
	5/6/2006	5/6/2007 – 4/6/2016	2.900	-	316,000	-	-	316,000	2.850	-
<b>Eligible employees working under employment contracts</b>	1/4/2003	1/4/2004 – 31/3/2013	1.688	3,927,000	-	(2,030,000)	(48,000)	1,849,000	1.660	2.897
	1/4/2004	1/4/2005 – 31/3/2014	1.904	3,504,000	-	(898,000)	(314,000)	2,292,000	1.920	3.005
	1/6/2005	1/6/2006 – 31/5/2015	2.375	3,136,000	-	(222,000)	(380,000)	2,534,000	2.425	3.083
根據僱傭合約工作之合資格僱員	5/6/2006	5/6/2007 – 4/6/2016	2.900	-	3,078,000	-	(378,000)	2,700,000	2.850	-
				22,543,000	5,640,000	(3,748,000)	(1,120,000)	23,315,000		

The options granted to the Directors are registered under the names of the Directors who are also the beneficial owners.

授予董事之購股權以同為實益擁有人之董事之名義登記。

\* being the closing price or 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.

\* 即本公司普通股於緊接購股權授出或獲行使前一日適用之收市價或加權平均收市價。

Information on the accounting policy for share options granted and the value per option is provided in note 1(n)(iv) and note 26 to the financial statements respectively.

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(n)(iv)及附註26。

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.

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。



## Report of the Directors 董事會報告書

### Share option scheme (continued)

Note:

Except for the options granted on 3rd August, 2004, all the options 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)

附註：

除於二零零四年八月三日授出之購股權外，可予行使之所有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, 2007 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

於二零零七年三月三十一日，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	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 number of shares held	* % of total issued shares * 佔已發行股份總數之百分比
		Personal interests	Family interests	Corporate interests	Trusts and similar interests	Total		
主要股東	附註	個人權益	家族權益	公司權益	信託及同類權益	所持股份總數		
Ms. Irene CHAN 陳羅慕連女士	(i), (ii)	23,514,700	750,000	-	72,678,300	96,943,000	9.63%	
Mr. Kai-tun LO 羅開敦先生	(ii)	18,508,950	-	-	72,678,300	91,187,250	9.06%	
Mr. Peter Tak-shing LO 羅德承先生	(ii)	7,548,000	-	-	72,678,300	80,226,300	7.97%	
Arisaig Greater China Fund ("Arisaig")	(iii)	64,301,500	-	-	-	64,301,500	6.39%	
Arisaig Partners (Mauritius) Limited ("Arisaig Mauritius")	(iv)	-	-	64,301,500	-	64,301,500	6.39%	
Mr. Lindsay William Ernest COOPER ("Cooper")	(v)	-	-	64,301,500	-	64,301,500	6.39%	
Commonwealth Bank of Australia 澳洲聯邦銀行	(vi)	-	-	60,339,000	-	60,339,000	5.99%	

\* This percentage has been compiled based on the total number of shares of the Company in issue (i.e. 1,007,035,500 ordinary shares) as at 31st March, 2007.

\* 百分比根據本公司於二零零七年三月三十一日已發行之股份數目(即1,007,035,500股普通股)而計算。

## Report of the Directors 董事會報告書

### 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 disclosed 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 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).

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.

### 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.

### 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 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。
- (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。

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。

### 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。

## Report of the Directors 董事會報告書

### 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

- (1) On 10th December, 2002, the Company entered into a Milk Supply Agreement with Shenzhen Guang Ming Holdings Limited ("Guangming"), a substantial shareholder holding 30% of the registered capital of the Company's subsidiary, Shenzhen Vitasoy (Guang Ming) Foods and Beverage Company Limited ("Shenzhen Vitasoy"), under which Guangming would supply milk products and provide milk processing and packaging services to the Company for a period of 3 years commencing 14th March, 2003.

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

During the year, HK\$2,515,000 (2006: HK\$2,827,000) was charged by Guangming.

The transactions constituted 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.

### 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，本公司已為董事及行政人員投保責任保險。

### 關連交易

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

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及提供鮮奶加工及包裝服務，由二零零六年四月一日起計為期三年。

年內，光明收取港幣2,515,000元（二零零六年：港幣2,827,000元）。

根據上市規則第14A.34(1)條，有關交易構成持續關連交易，並只須遵守申報及公佈規定而獲豁免獨立股東批准之規定。

## Report of the Directors 董事會報告書

### Connected transactions (continued)

The Directors, including the Independent Non-executive Directors, considered that the transactions during the year ended 31st March, 2007:

- (i) were entered in the ordinary and usual course of business of the Company and in accordance with the terms of the New 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 independent auditor 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 New Agreement; and
  - (iii) the consideration for the transactions had not exceeded the annual cap of HK\$5,000,000 for the year ended 31st March, 2007.
- (2) On 22nd March, 2007, the Company's subsidiary, Vitasoy Australia Products Pty. Ltd. ("VAP"), entered into an agreement whereby National Foods Milk Limited ("NFML"), a fellow subsidiary of National Foods Holding Limited, a substantial shareholder holding 49% of the issued share capital of VAP, would provide services to VAP in relation to soy food and beverage products manufactured, imported and/or distributed by VAP targeted for mainstream market ("VAP Products").

As part of the services provided, NFML would be the exclusive distributor in Australia of the VAP Products. In return, VAP would pay a management fee equal to 3.5% of gross sales of VAP Products distributed by NFML in Australia. The agreement commenced on 1st April, 2007 and will continue until 31st March, 2010 unless terminated earlier in accordance with the terms of the agreement.

### 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二零零七年三月三十一日止年度乃:

- (i) 根據新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,本公司之獨立核數師確認:

- (i) 交易已獲董事會批准;
  - (ii) 交易乃根據新協議所載之協定價格進行;及
  - (iii) 交易之代價並無超過截至二零零七年三月三十一日止年度之年度上限港幣5,000,000元。
- (2) 於二零零七年三月二十二日,本公司之附屬公司Vitasoy Australia Products Pty. Ltd. (「VAP」)訂立一項協議,據此, National Foods Holding Limited (持有VAP 49%已發行股本之主要股東)之同系附屬公司National Foods Milk Limited (「NFML」)將就VAP製造、進口及/或分銷之主流市場豆製食品及飲品(「VAP產品」)向VAP提供服務。

作為所提供服務之一部份, NFML成為VAP產品在澳洲之獨家分銷商。VAP須就此向NFML支付相當於其在澳洲分銷之VAP產品總銷售額之3.5%作為管理費。除非根據協議之條款提前終止,協議於二零零七年四月一日開始,並將於二零一零年三月三十一日屆滿。

## Report of the Directors 董事會報告書

### Connected transactions (continued)

The transactions constituted 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 set the amounts of AUD2,000,000, AUD2,200,000 and AUD2,500,000 as the annual cap amounts for the transactions for the years ending 31st March, 2008, 2009 and 2010 respectively. An announcement was made by the Company on 22nd March, 2007 in this respect.

### Employee retirement plans

Particulars of employee retirement plans of the Company and the Group are set out in note 15 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 financial years is set out on pages 147 and 148 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, 9th July, 2007

### 關連交易 (續)

根據上市規則第14A.34(1)條，有關交易構成持續關連交易，並只須遵守申報及公佈規定而獲豁免獨立股東批准之規定。董事就截至二零零八年、二零零九年及二零一零年三月三十一日止各年度之有關交易，分別訂下2,000,000澳元、2,200,000澳元及2,500,000澳元之年度上限金額。本公司已於二零零七年三月二十二日就此發表公佈。

### 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15。

### 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147及148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，二零零七年七月九日