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**康師傅控股有限公司\***

**TINGYI (CAYMAN ISLANDS) HOLDING CORP.**

(在開曼群島註冊成立之有限公司)

(股份編號：0322)

## 海外監管公告

本海外監管公告乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第13.09(2)條刊發。

茲提述康師傅控股有限公司(「本公司」)於2012年6月5日及2012年6月13日就票據發行刊發之公告(「該等公告」)。除另有界定者外，本公告所用詞彙與該等公告所界定者具有相同涵義。

請參閱隨附之票據發售備忘錄(「發售備忘錄」)，發售備忘錄已在新加坡證券交易所有限公司之網站刊發。

於聯交所網站刊載發售備忘錄僅為方便向香港投資者同等分發信息以及遵守上市規則第13.09(2)條之規定，不作任何其他目的。

發售備忘錄並不構成向任何司法權區之公眾要約出售任何證券之招股章程、通告、通函、小冊子或廣告，亦非邀請公眾作出認購或購買任何證券之要約，亦無意邀請公眾作出認購或購買任何證券之要約。

發售備忘錄不應被視為誘導認購或購買本公司任何證券，亦無意作出該等誘導。投資決策不應以發售備忘錄所載之信息為基準。

承董事會命  
康師傅控股有限公司  
主席  
魏應州

中國天津，2012年6月25日

於本公告日期，魏應州、井田毅、吉澤亮、吳崇儀、魏應交及井田純一郎為本公司之執行董事，徐信群、李長福及深田宏為本公司之獨立非執行董事。

網址：  
<http://www.masterkong.com.cn>  
<http://www.irasia.com/listco/hk/tingyi>

\* 僅供識別



**US\$500,000,000**  
**3.875% Notes due 2017**  
**Issue price: 99.573%**

The 3.875% Notes due 2017, or the Notes, will be issued by Tingyi (Cayman Islands) Holding Corp., or the Issuer. The Notes will bear interest from June 20, 2012 at 3.875% per annum payable semi-annually in arrears on June 20 and December 20 of each year, beginning on December 20, 2012 and will mature on June 20, 2017. The Notes are the unsecured obligations of the Issuer.

Payments on the Notes will be made without deduction for or on account of taxes of the Cayman Islands or the PRC (as defined below) or any subdivision or any authority thereof or therein having power to tax, unless such deduction is required by law as described under "Terms and Conditions of the Notes – Taxation."

Unless previously redeemed, or purchased and cancelled, the Notes will mature on June 20, 2017 at their principal amount. The Notes are subject to redemption, in whole but not in part, at their principal amount, together with accrued and unpaid interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Cayman Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax. The Notes may also be redeemed at the option of the Noteholders (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount, together with accrued and unpaid interest, upon the occurrence of a Put Event (as defined in the Terms and Conditions of the Notes). The Notes are also subject to redemption, in whole but not in part, at the Make Whole Redemption Price (as defined in the Terms and Conditions of the Notes), together with accrued and unpaid interest, at the option of the Issuer at any time. See "Terms and Conditions of the Notes – Redemption and Purchase."

**Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 10.**

Approval in-principle has been obtained for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited, or the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained herein. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Notes or any subsidiary or associated company of the Issuer.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, or the "Securities Act," and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act, or Regulation S. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Memorandum, see "Subscription and Sale."

The Notes have been rated "BBB+" by Standard and Poor's Ratings Group, a division of McGraw-Hill Companies Inc., or Standard & Poor's, and "Baa1" by Moody's Investors Service, Inc., or Moody's. A credit rating is not a recommendation to purchase, hold or sell the Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agencies.

The Notes will be issued in registered form and represented by a global certificate, or the Global Certificate, which will be registered in the name of a nominee of, and deposited with a common depository for, Euroclear Bank SA/NV, or Euroclear, and Clearstream Banking, *société anonyme*, Luxembourg, or Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream and their respective account holders. Except in the limited circumstances set out herein, individual certificates for Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "Summary of Provisions Relating to the Notes in Global Form." It is expected that delivery of the Global Certificate will be made on June 20, 2012 or such later date as may be agreed, or the Closing Date, by the Issuer and the Managers (as defined in "Subscription and Sale").

**Joint Bookrunners and Managers**

**Barclays**

**Deutsche Bank**

**Co-Manager**

**UBS**

The date of this Offering Memorandum is June 13, 2012.

\* For identification only

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**This Offering Memorandum does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Offering Memorandum or that the information contained in this Offering Memorandum is correct as of any time after that date.**

**IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, SINGAPORE BRANCH, AS STABILIZING MANAGER, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE NOTES IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE NOTES. AS A RESULT, THE PRICE OF THE NOTES MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF DEUTSCHE BANK AG, SINGAPORE BRANCH, AND NOT FOR THE ISSUER OR ON ITS BEHALF.**

We, having made all reasonable inquiries, confirm that: (i) this Offering Memorandum contains all information with respect to us, our subsidiaries and affiliates referred to in this Offering Memorandum and the Notes, that is material in the context of the issue and offering of the Notes; (ii) the statements contained in this Offering Memorandum relating to us and our subsidiaries and our affiliates are in every material respect true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Memorandum with regard to us and our subsidiaries and affiliates are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to us, our subsidiaries and affiliates and the Notes, the omission of which would, in the context of the issue and offering of the Notes, make this Offering Memorandum, as a whole, misleading in any material respect; and (v) we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. We accept responsibility accordingly.

This Offering Memorandum is highly confidential. We are providing it solely for the purpose of enabling you to consider a purchase of the Notes. You should read this Offering Memorandum before making a decision whether to purchase the Notes. You must not use this Offering Memorandum for any other purpose, or disclose any information in this Offering Memorandum to any other person.

We have prepared this Offering Memorandum, and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section entitled "Subscription and Sale."

None of the Managers, the Co-Manager, the Trustee or the Agents (as defined in the Offering Memorandum) has independently verified the information contained herein. Accordingly, no representation or warranty, express or implied, is made by the Managers, the Co-Manager, the Trustee, the Agents or any of their respective affiliates or advisors as to the accuracy or completeness of the information set forth herein, and nothing contained in this Offering Memorandum is, or should be relied upon as, a promise or representation, whether as to the past or the future.

Each person receiving this Offering Memorandum acknowledges that: (i) such person has not relied on the Managers, the Co-Manager, the Trustee or the Agents or any person affiliated with the Managers, the Co-Manager, the Trustee or the Agents in connection with any investigation of the accuracy of such information or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and affiliates

and the Notes (other than as contained herein) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Managers, the Co-Manager, the Trustee or the Agents.

This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. We, the Managers, the Co-Manager, the Trustee and the Agents do not represent that this Offering Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us, the Managers, the Co-Manager, the Trustee or the Agents which is intended to permit a public offering of the Notes or the distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, the People's Republic of China, Hong Kong, Singapore, Japan, Cayman Islands and Taiwan, see "Subscription and Sale."

The Notes have been assigned a rating of "BBB+" by Standard & Poor's and "Baa1" by Moody's. The rating will relate to the timely payments of interest and principal on the Notes. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organization. A revision, qualification, suspension or withdrawal of any rating assigned to the Notes may adversely affect the market price of the Notes.

To the fullest extent permitted by law, none of Managers, the Co-Manager, the Trustee or the Agents or any of their respective affiliates, directors or advisors accepts any responsibility for the contents of this Offering Memorandum. Each of the Managers, the Co-Manager, the Trustee, the Agents and any of their respective affiliates, directors or advisors accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Memorandum or any such statement. None of the Managers, the Co-Manager, the Trustee, the Agents or any of their respective affiliates, directors or advisors undertakes to review our financial condition or affairs of our Group during the life of the arrangements contemplated by this Offering Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Managers, the Co-Manager, the Trustee or the Agents.

This Offering Memorandum summarizes certain material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this Offering Memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. Neither we nor the Managers, the Co-Manager, the Trustee or the Agents are making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this Offering Memorandum to be legal, business or tax advice. Before making a decision to purchase the Notes, you should consult your own professional advisors for legal, business, tax and other advice regarding investment in the Notes.

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes to be issued from time to time by us may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly

or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Sections 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the SFA);
- (b) a relevant person (as defined in Section 275(2) of the SFA); or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the SFA, unless expressly specified otherwise in Section 276(7) of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor (under Section 274 of the SFA), or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
- (b) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (c) where no consideration is or will be given for the transfer;
- (d) where the transfer is by operation of law; or
- (e) as specified in Section 276(7) of the SFA.

We reserve the right to withdraw the offering of Notes at any time, and the Managers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. The Managers and certain related entities may acquire for their own account a portion of the Notes.



## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this Offering Memorandum using a number of conventions, which you should consider when reading the information contained herein. When we use the terms “we,” “us,” “our,” the “Company,” the “Group” and words of similar import, we are referring to Tingyi (Cayman Islands) Holding Corp., or to Tingyi (Cayman Islands) Holding Corp. and its consolidated subsidiaries, as the context requires.

Market data and certain information and statistics in this Offering Memorandum have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although we believe such information to be reliable, it has not been independently verified by us, the Managers, the Trustee or the Agents, or our or their respective directors and advisors, and neither us, the Managers, the Trustee or the Agents, nor our or their respective directors and advisors make any representation as to the accuracy or completeness of such information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of us and the terms of the offering and the Notes, including the merits and risks involved.

All calculations relating to Tingyi (Cayman Islands) Holding Corp.’s and its competitors’ market share and ranking are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen.)

In this Offering Memorandum, all references to “US\$,” “U.S. dollars” and “U.S.\$” are to United States dollars, the official currency of the United States of America, or the United States, or U.S.; all references to “HK\$” and “H.K. dollars” are to Hong Kong dollars, the official currency of the Hong Kong Special Administrative Region of the PRC, or Hong Kong, or HK; all references to “RMB” or “Renminbi” are to Renminbi, the official currency of the People’s Republic of China, or China, or the PRC; and all references to “S\$” are to Singapore dollars, the official currency of the Republic of Singapore, or Singapore.

References to the “PRC” and “China,” for the purposes of this Offering Memorandum, except where the context otherwise requires, do not include Hong Kong, Macau Special Administrative Region of the PRC, or Macau, or Taiwan. “PRC government” or “State” means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

We record our financial statements in U.S. dollars. Our financial statements are prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, or the HKFRS, which may differ in certain material respects from generally accepted accounting principles in certain other countries. You should seek professional advice with respect to such differences in generally accepted accounting principles.

This Offering Memorandum contains certain information regarding the Group’s EBITDA. EBITDA for any period consists of profit for the year/period before interest expense, excluding capitalized interest, tax, depreciation and amortization. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company’s ability to incur and service debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners of our Company or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenue and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA herein because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition.

In this Offering Memorandum, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not equal to the apparent total of the individual terms and actual numbers may differ from those contained herein due to rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.



## FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes “forward-looking statements.” All statements other than statements of historical fact contained in this Offering Memorandum, including, without limitation, those regarding our future financial position and results of operations, strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe,” “expect,” “aim,” “intend,” “will,” “may,” “anticipate,” “seek,” “should,” “estimate” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- our business strategies, objectives and plan of operation;
- our capital expenditure plans;
- our ability to complete acquisitions or divestitures we enter into and costs related to and potential liabilities resulting from completing such acquisitions or divestitures and, in the case of acquisitions, integrating the acquired companies into our business;
- the amount and nature of, and potential for, future development of our business;
- our operations and business prospects;
- estimates of future production capacities and volumes and operating costs;
- projects under construction or planning;
- the dividend policies of our subsidiaries;
- the regulatory environment of our industries in the PRC in general;
- changes in competitive conditions and the Group’s ability to compete under these conditions;
- availability and costs of bank loans and other forms of financing;
- capital market developments;
- future developments, trends and conditions in our industry in China;
- other statements in this Offering Memorandum that are not historical facts; and
- other factors beyond our control.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this Offering Memorandum. We caution you not to place undue reliance on these forward-looking statements which reflect our management’s view only as of the date of this Offering Memorandum. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Memorandum might not occur.

## SUMMARY

### OVERVIEW

We are a leading producer and distributor in the food and beverage sector in the PRC. Our main products include instant noodles, beverages and instant foods such as egg rolls, sandwich crackers and muffins. According to data from Nielsen Retail Index Service, or Nielsen, we had the largest market share for instant noodles in the PRC since 1995 and the largest market share in the PRC for ready-to-drink tea, or RTD tea, since 2000. We currently have the second largest market share for sandwich crackers in the PRC. According to data from Nielsen, in March 2012:

- our instant noodles ranked number one in the PRC market, accounting for 56.6% of market share in terms of sales value;
- our RTD teas and bottled water ranked number one, and our diluted fruit juice business ranked number two, in the PRC market, accounting for 45.8%, 20.6% and 19.7%, respectively, of market share in terms of sales volume; and
- we ranked number one in the egg roll market and number two in the sandwich cracker market in the PRC, with a market share in terms of sales volume of 17.9% and 23.1%, respectively.

For the year ended December 31, 2011, sales of instant noodles, beverages and instant foods accounted for 45.7%, 50.8%, and 2.6%, respectively, of our total revenue. We are best known for our brand name, “Master Kong” (康師傅), which appears on the packaging of most of our products. We believe “Master Kong” (康師傅) is a household name in China and, in 2011, we were ranked as one of Asia’s “Fab 50” Companies by Forbes.com for a fourth consecutive year. We also have a distinguished record of producing healthy, safe and quality products. In 2012, we were voted one of the “Top 10 Most Trusted Food Brands” in a poll of Chinese Internet users and were awarded the title of “Most Reputable Brand for Baked Goods” in March 2012 by the Bakery Committee of the China National Food Industry Association.

We distribute our products throughout the PRC through our extensive distribution and sales network consisting of 555 sales offices and 91 warehouses nationwide, serving 6,188 wholesalers and 86,755 direct retailers, which are our key accounts, as of December 31, 2011. As of December 31, 2011, we had 88 production facilities and 510 production lines consisting of 208 instant noodle production lines, 287 beverage production lines and 15 instant food production lines. At the World Instant Noodle Association Conference held in Tianjin, China in May 2012, we were recognized as the largest producer of instant noodle in the world both in terms of total volume of serving units produced. This extensive distribution and sales network and production capability is a significant contributor to our leading market shares as it enables us to better service our customers and helps us to rapidly and successfully introduce new products.

We have also developed several strategic partnerships and alliances with major food and beverage companies in Japan such as Sanyo and Asahi in order to enhance our expertise in business and financial management, product development and distribution. In March 2012, we became Pepsi’s exclusive franchise bottler in China and partnered with Pepsi’s current bottlers to manufacture, sell and distribute Pepsi-branded beverages, including carbonated beverages, “Gatorade,” “Tropicana,” and “Aquafina.” We believe this alliance will bring significant benefits including, faster product launches, increased efficiency and reduction of costs by combining local and global expertise in manufacturing and distribution. In April and May 2012, we entered into joint venture agreements with Calbee Inc., or Calbee, and Itochu Corporation, or Itochu, to manufacture and sell snack food products and Prima Meat Packers Ltd., or Prima, to manufacture and sell processed poultry and meat products in the PRC. We expect these joint ventures to facilitate the expansion of our instant food business by enabling us to produce and distribute a more diversified range of food products and providing us with access to our joint venture partners’ technology and knowhow in the production and sale of food products.

For the three years ended December 31, 2009, 2010 and 2011, our revenue totaled US\$5,081.1 million, US\$6,681.5 million and US\$7,866.6 million, respectively, representing a compound annual growth rate, or CAGR, of 15.7%. For the same period, our profit attributable to owners of our Company totaled US\$383.2 million, US\$476.8 million and US\$419.5 million, respectively. As of March 31, 2012, our market capitalization was US\$16.2 billion.

## **COMPETITIVE STRENGTHS**

We believe that our success to date and potential for future growth can be attributed to a combination of our strengths, including the following:

- Strong brand name and leading position in the PRC food and beverage industry;
- Nationwide geographic distribution and manufacturing coverage and proven, large-scale production capacity;
- Strong research and development platform and product development capability;
- Strategic partnerships with leading Asian and global food and beverage companies;
- Effective raw material procurement model, strict inventory management and competitive cost structure;
- Prudent financial management and robust liquidity position; and
- Experienced management team and integrated operational management system to support continued growth of our business.

## **BUSINESS STRATEGIES**

We intend to pursue a business growth strategy based on the following principal components:

- Continue to maintain leading position in the PRC food and beverage industry and further increase market share;
- Continue to optimize product mix and enhance our existing product portfolio to satisfy evolving consumer preferences and needs;
- Explore strategic alliances and joint ventures to expand our business and enter into new product segments;
- Continue to increase distribution channel penetration to reach a broader consumer base; and
- Continue to improve operating efficiency and cost structure.

## **RECENT DEVELOPMENTS**

During the first quarter of 2012, our revenue dropped by 5.2% to US\$1.9 billion compared to the same period in 2011 as a result of slowing in the PRC economic market due to decreased growth and inflationary pressure. Revenue from our instant noodle business grew by 10.9% year-on-year to US\$1,029.5 million, representing 53.4% of our total revenue due to sales growth in our high margin bowl noodle, high-end packet noodle and mid-end packet noodle products. Revenue from our beverage business decreased by 21.6% year-on-year to US\$817.5 million, representing 42.4% of our total revenue, primarily as a result of unfavourable factors of the external environment, seasonal fluctuation and moving of distributor's inventory.

As selling prices for major raw materials dropped slightly during this period, our gross margin improved by 2.4% to 29.1% and gross profit grew by 3.4% to US\$561.1 million year-on-year. During this period, the first quarter gross margin for each of our three business segments and for our Group as a whole were higher than the past five quarters. Our EBITDA also increased by 53.3% to US\$443.5 million and profit attributable to owners of the Company increased by 61.2% to US\$198.3 million during the first quarter of 2012, primarily as a result of a gain on bargain purchase relating to the strategic alliance with Pepsi.

As of March 31, 2012, our bank balances and cash amounted to US\$1,132.9 million, an increase of US\$539.2 million from December 31, 2011. As of March 31, 2012, our total assets increased by US\$1.8 billion compared to December 31, 2011 primarily as a result of the consolidation of assets from the strategic alliance with Pepsi and our total liabilities increased by US\$1.1 billion compared to December 31, 2011 primarily as a result of an increase advance payments from customers in the first quarter of 2012 and an increase in other payables from consolidation of the Pepsi entities. For information on our financial results as of and for the three months ended March 31, 2012, see "Summary Financial Information" and our unaudited condensed consolidated financial statements, including the notes related thereto, included in this Offering Memorandum.

## THE OFFERING

The following summary contains some basic information about the Notes and is qualified in its entirety by the remainder of this Offering Memorandum. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in this summary. For a more complete description of the terms of the Notes, see "Terms and Conditions of the Notes" in this Offering Memorandum.

Issuer .....	Tingyi (Cayman Islands) Holding Corp.
Issue .....	US\$500,000,000 aggregate principal amount of 3.875% Notes due 2017.
Issue Price .....	99.573%.
Form and Denomination .....	The Notes will be issued in registered form in the denomination of US\$200,000 and higher integral multiples of US\$1,000.
Interest .....	The Notes will bear interest from and including June 20, 2012 at the rate of 3.875% per annum, payable semi-annually on June 20 and December 20 in each year.
Issue Date .....	June 20, 2012.
Maturity Date .....	June 20, 2017.
Status .....	The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Events of Default .....	Upon the occurrence of certain events described in "Terms and Conditions of the Notes – Events of Default," the Notes may become immediately due and repayable at their principal amount, together with accrued but unpaid interest.
Taxation .....	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC or, any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law, as further described in Condition 8 of the Terms and Conditions of the Notes. In such event, the Issuer shall, subject to the limited exceptions specified in the Terms and Conditions of the Notes, pay such additional amounts as will result in receipt by the holders of the Notes of such amounts as would have been received by them had no such withholding or deduction been required.

Final Redemption . . . . .	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the Maturity Date.
Redemption for Taxation	
Reasons . . . . .	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount, together with accrued and unpaid interest, at any time, in the event of certain changes affecting taxes of the Cayman Islands or the PRC, as further described in Condition 6(b) of the Terms and Conditions of the Notes.
Redemption at the Option of the Issuer. . . . .	The Issuer may, at its option, redeem all, but not part only, of the Notes at their Make Whole Redemption Price, together with accrued and unpaid interest to the date fixed for redemption, as further described in Condition 6(c) of the Terms and Conditions of the Notes.
Redemption for Put Event. . . . .	Following the occurrence of a Put Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at 101 per cent. of its principal amount, together with accrued and unpaid interest to such date, as further described in Condition 6(d) of the Terms and Conditions of the Notes.
Clearing Systems . . . . .	The Notes will be represented by beneficial interests in the Global Certificate, which will be registered in the name of, and deposited on the Issue Date with, a common depositary for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on and transfers whereof will be effected only through records maintained by Euroclear and Clearstream. Except as described herein, certificates for the Notes will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement . . . . .	The Notes have been accepted for clearance by Euroclear and Clearstream under the following codes:  ISIN: XS0794621010  Common Code: 079462101
Governing Law . . . . .	English law.
Trustee . . . . .	Citicorp International Limited.
Principal Paying Agent . . . . .	Citibank, N.A., London Branch.
Registrar . . . . .	Citigroup Global Markets Deutschland AG.



Listing . . . . .	Approval in-principle has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Notes or any subsidiary or associated company of the Issuer.
Rating . . . . .	The Notes have been rated “BBB+” by Standard & Poor’s and “Baa1” by Moody’s. In addition, the Issuer has received a long-term corporate credit rating of “BBB+” with a stable outlook by Standard & Poor’s and an issuer rating of “Baa1” with a stable outlook by Moody’s. We cannot assure investors that these ratings will not be adversely revised or withdrawn either before or after delivery of the Notes.
Use of Proceeds . . . . .	<p>The Issuer intends to use the proceeds from the Notes to repay certain bank loans of the Group, to finance capital expenditures relating to the Issuer’s strategic alliance with Pepsi, and for working capital and other general corporate purposes.</p> <p>The Issuer may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.</p>
Selling Restrictions . . . . .	There are certain restrictions on the offer, sale and transfer of the Notes in certain jurisdictions, including the United States, the European Economic Area, the United Kingdom, the People’s Republic of China, Hong Kong, Singapore, Japan, Cayman Islands and Taiwan. For a description of the restrictions on the distribution of this Offering Memorandum or any offering material and the offering, sale or delivery of the Notes, see “Subscription and Sale.”

## SUMMARY FINANCIAL INFORMATION

The following tables set forth our summary consolidated financial information as of and for the periods indicated.

The summary audited consolidated financial information as of and for the years ended December 31, 2009, 2010 and 2011 set forth below is derived from our published audited consolidated financial statements for the years ended December 31, 2010 and 2011 (which have been audited by Mazars, certified public accountants, and are included elsewhere in this Offering Memorandum) and should be read in conjunction with such published audited consolidated financial statements and the notes thereto.

The summary unaudited consolidated financial information as of and for the three months ended March 31, 2011 and 2012 set forth below is derived from our unaudited condensed consolidated financial information for the three months ended March 31, 2012, which are included elsewhere in this Offering Memorandum, and should be read in conjunction with such unaudited condensed consolidated financial information and the notes thereto. Our financial position and results of operations as of and for the three months ended March 31, 2012 should not be taken as an indication of the expected financial position and results of operations as at and for the full year ended December 31, 2012.

Our audited consolidated financial statements and unaudited consolidated financial information are prepared and presented in accordance with HKFRS.

### SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	As of and for the year ended December 31,			As of and for the three months ended March 31,	
	2009	2010	2011	2011	2012
	US\$'000, except percentages, ratios and per share data				
				(unaudited)	(unaudited)
<b>Revenue</b> . . . . .	<b>5,081,113</b>	<b>6,681,482</b>	<b>7,866,580</b>	<b>2,033,912</b>	<b>1,927,482</b>
Cost of sales . . . . .	(3,321,764)	(4,782,037)	(5,778,611)	(1,491,385)	(1,366,427)
Gross profit . . . . .	1,759,349	1,899,445	2,087,969	542,527	561,055
Other revenue and other net income . . . . .	79,913	183,373	169,905	24,876	211,093
Distribution costs . . . . .	(1,032,759)	(1,121,477)	(1,322,975)	(280,560)	(329,462)
Administrative expenses . . . . .	(96,651)	(125,953)	(189,215)	(47,072)	(55,740)
Other operating expenses . . . . .	(81,650)	(92,081)	(73,336)	(10,045)	(19,154)
Finance costs . . . . .	(12,644)	(6,511)	(9,372)	(2,737)	(5,645)
Share of results of associates . . . . .	9,550	9,978	–	–	–
<b>Profit before taxation</b> . . . . .	<b>625,108</b>	<b>746,774</b>	<b>662,976</b>	<b>226,989</b>	<b>362,147</b>
Taxation . . . . .	(124,613)	(134,200)	(163,272)	(59,505)	(59,577)
<b>Profit for the year/period</b> . . . . .	<b>500,495</b>	<b>612,574</b>	<b>499,704</b>	<b>167,484</b>	<b>302,570</b>
<b>Attributable to:</b>					
Owners of the Company . . . . .	383,207	476,787	419,545	123,035	198,318
Non-controlling interests . . . . .	117,288	135,787	80,159	44,449	104,252
<b>Profit for the year/period</b> . . . . .	<b>500,495</b>	<b>612,574</b>	<b>499,704</b>	<b>167,484</b>	<b>302,570</b>
<b>Earnings per share</b>					
Basic . . . . .	0.00686	0.00853	0.00751	0.00220	0.00355
Diluted . . . . .	0.00685	0.00850	0.00747	0.00219	0.00353
<b>Profit for the year/period</b> . . . . .	<b>500,495</b>	<b>612,574</b>	<b>499,704</b>	<b>167,484</b>	<b>302,570</b>

	As of and for the year ended December 31,			As of and for the three months ended March 31,	
	2009	2010	2011	2011	2012
<b>US\$'000, except percentages, ratios and per share data</b>					
				(unaudited)	(unaudited)
<b>Other comprehensive income</b>					
Net gains recognized directly in equity exchange translation difference . . . . .	1,731	–	–	–	–
Exchange differences on consolidation . . .	–	77,369	131,746	18,427	(2,636)
Fair value change in available-for-sale financial assets . . . . .	–	11,109	(16,733)	(12,831)	4,163
Reclassification adjustment for exchange differences release upon disposal of assets classified as held for sale . . . . .	–	–	(3,847)	–	–
<b>Other comprehensive income for the year/period (net of tax) . . . . .</b>	<b>1,731</b>	<b>88,478</b>	<b>111,166</b>	<b>5,596</b>	<b>1,527</b>
<b>Total comprehensive income for the year/period (net of tax) . . . . .</b>	<b>502,226</b>	<b>701,052</b>	<b>610,870</b>	<b>173,080</b>	<b>304,097</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company . . . . .	384,941	545,221	498,176	124,019	200,388
Non-controlling interests . . . . .	117,285	155,831	112,694	49,061	103,709
	<u>502,226</u>	<u>701,052</u>	<u>610,870</u>	<u>173,080</u>	<u>304,097</u>
<b>Other Financial Data:</b>					
EBITDA <sup>(1)</sup> . . . . .	823,568	1,011,393	955,025	289,317	443,549
EBITDA margin <sup>(2)</sup> . . . . .	16.2%	15.1%	12.1%	14.2%	23.0%
Total debt <sup>(3)</sup> . . . . .	335,070	634,135	1,250,077	653,367	1,392,310
Net debt <sup>(4)</sup> . . . . .	(185,119)	(259,205)	650,025	(776,884)	253,036
Total debt <sup>(3)</sup> /EBITDA <sup>(1)</sup> . . . . .	0.4x	0.6x	1.3x	2.3x	3.1x
Net debt <sup>(4)</sup> /EBITDA <sup>(1)</sup> . . . . .	(0.2)x	(0.3)x	0.7x	(2.7x)	0.6x
EBITDA <sup>(1)</sup> /Interest <sup>(5)</sup> . . . . .	55.2x	125.2x	74.2x	105.7x	78.6x
Total debt <sup>(3)</sup> /Total capitalization <sup>(6)</sup> . . . . .	14.9%	21.1%	31.8%	20.4%	28.9%

(1) EBITDA for any period consists of profit for the year/period before interest expense, excluding capitalized interest, tax, depreciation and amortization. EBITDA is not a standard measure under HKFRS. EBITDA is a widely used financial indicator of a company's ability to incur and service debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit attributable to owners of our Company or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenue and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA herein because we believe it is a useful supplement to cash flow data as a measure of our performance and our ability to generate cash from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA to EBITDA presented by other companies because not all companies use the same definition.

(2) EBITDA margin is calculated by dividing EBITDA by revenue.

(3) Total debt consists of all short-term and long-term borrowings.

(4) Net debt equals interest bearing borrowings net of cash and cash equivalents.

(5) Interest is calculated as interest expense plus capitalized interests.

(6) Total capitalization equals total debt plus total equity.

## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of December 31,			As of
	2009	2010	2011	March 31,
	US\$'000			2012
	(unaudited)			
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, plant and equipment . . . . .	2,216,638	2,922,936	4,029,872	4,676,111
Intangible assets . . . . .	6,955	–	–	7,600
Interests in associates. . . . .	61,892	–	–	78,185
Prepaid lease payments. . . . .	88,803	117,799	186,276	258,719
Available-for-sale financial assets. . . . .	3,408	112,659	104,422	110,317
Deferred tax assets . . . . .	5,379	50,451	52,176	56,660
	<u>2,383,075</u>	<u>3,203,845</u>	<u>4,372,746</u>	<u>5,187,592</u>
<b>Current Assets</b>				
Financial assets at fair value through profit or loss .	4,026	771	560	581
Inventories . . . . .	212,923	309,801	312,562	469,740
Trade receivables. . . . .	115,591	127,730	155,040	227,013
Prepayments and other receivables . . . . .	171,889	280,704	367,814	633,120
Pledged bank deposits . . . . .	9,358	12,024	9,662	6,359
Bank balances and cash . . . . .	510,831	881,316	590,390	1,132,915
	<u>1,024,618</u>	<u>1,612,346</u>	<u>1,436,028</u>	<u>2,469,728</u>
<b>Assets classified as held for sale . . . . .</b>	<b>–</b>	<b>75,221</b>	<b>–</b>	<b>–</b>
<b>Total Assets. . . . .</b>	<b><u>3,407,693</u></b>	<b><u>4,891,412</u></b>	<b><u>5,808,774</u></b>	<b><u>7,657,320</u></b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Issued capital . . . . .	27,934	27,934	27,951	27,957
Reserves . . . . .	1,434,710	1,793,324	2,071,794	2,457,744
<b>Total capital and reserves attributable to owners of the Company . . . . .</b>	<b>1,462,644</b>	<b>1,821,258</b>	<b>2,099,745</b>	<b>2,485,701</b>
<b>Non-controlling interest. . . . .</b>	<b>446,420</b>	<b>547,929</b>	<b>586,521</b>	<b>940,870</b>
<b>Total equity . . . . .</b>	<b><u>1,909,064</u></b>	<b><u>2,369,187</u></b>	<b><u>2,686,266</u></b>	<b><u>3,426,571</u></b>
<b>Non-current liabilities</b>				
Long-term interest-bearing borrowings. . . . .	116,983	177,259	549,382	569,371
Other non-current payables . . . . .	1,531	791	–	–
Employee benefit obligations. . . . .	11,377	12,097	14,064	14,021
Deferred tax liabilities . . . . .	60,779	104,165	131,092	160,550
	<u>190,670</u>	<u>294,312</u>	<u>694,538</u>	<u>743,942</u>
<b>Current liabilities</b>				
Trade payables . . . . .	622,197	1,083,913	974,113	1,124,214
Other payables . . . . .	406,210	572,249	660,995	1,039,500
Current portion of interest-bearing borrowings . . . .	218,087	456,876	700,695	822,939
Advance payments from customers . . . . .	42,497	86,940	66,501	429,898
Taxation. . . . .	18,968	25,315	25,666	70,256
	<u>1,307,959</u>	<u>2,225,293</u>	<u>2,427,970</u>	<u>3,486,807</u>
<b>Liabilities associated with assets classified as held for sale . . . . .</b>	<b>–</b>	<b>2,620</b>	<b>–</b>	<b>–</b>
<b>Total liabilities . . . . .</b>	<b><u>1,498,629</u></b>	<b><u>2,522,225</u></b>	<b><u>3,122,508</u></b>	<b><u>4,230,749</u></b>
<b>Total equity and liabilities . . . . .</b>	<b><u>3,407,693</u></b>	<b><u>4,891,412</u></b>	<b><u>5,808,774</u></b>	<b><u>7,657,320</u></b>
<b>Net current liabilities. . . . .</b>	<b><u>(283,341)</u></b>	<b><u>(612,947)</u></b>	<b><u>(991,942)</u></b>	<b><u>(1,017,079)</u></b>
<b>Total assets less current liabilities . . . . .</b>	<b><u>2,099,734</u></b>	<b><u>2,666,119</u></b>	<b><u>3,380,804</u></b>	<b><u>4,170,513</u></b>

## RISK FACTORS

*You should carefully consider the risks and uncertainties described below and other information contained in this Offering Memorandum before investing in the Notes. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also materially and adversely affect our business, financial condition or results of operations. If any of the possible events described below occurs, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Notes, and you could lose all or part of your investment.*

### RISKS RELATING TO OUR BUSINESSES

***Our business and reputation may be affected by product recalls, product liability claims, litigation, complaints or adverse publicity in relation to our products.***

We, like other food and beverage manufacturers, may face product liability claims. The consumption of certain food products may cause illness, injury or, in extreme cases, death. Such illness, injury or death may result from unauthorized tampering by third parties or product contamination or degeneration, including the presence of foreign contaminants, chemical substances or other agents or residues during the various stages of the procurement, production, transportation and storage processes. We cannot assure you that consumption of our products will not cause a health-related illness in the future, or that we will not be subject to claims or lawsuits relating to such matters. In the event that our products are found to be unfit for human consumption or detrimental to human health, resulting in illnesses or deaths of any persons, we may be subject to regulatory investigations, product liability claims and be required to compensate affected parties. While we are subject to government inspections and regulations, we cannot assure you that our products will not be found to be unfit for consumption, or that we will not be subject to claims for significant damages or lawsuits relating to such matters. Furthermore, even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity arising from any assertions that our products may be harmful or unfit for human consumption could adversely affect our reputation and brand image.

***We may be adversely impacted by any negative publicity suffered by the food and beverage industry in China or abroad.***

The food and beverage industry in China has in the past experienced problems related to contamination and food safety due to adulterated supplies of raw materials and inadequate enforcement of food safety regulations and inspection procedures. For example, in 2008, a significant proportion of the supply of milk and infant formula in China was contaminated with melamine, which affected hundreds of thousands of consumers, and caused the deaths of several infants and illness in thousands of young children. The 2008 melamine incident also resulted in large-scale product recalls, the closure of one of China's largest dairy products manufacturers, and significantly reduced consumer confidence in dairy and dairy-related products, thereby causing a significant decline in the sales of dairy and dairy-related products in China. Moreover, in May 2011, governmental authorities in Taiwan determined that certain local suppliers had been illegally using certain types of plasticizers as additives in their raw materials, which were used to manufacture a variety of processed food and beverages. Due to the negative impact of the plasticizer incident, consumer demand for food and beverages notably declined. Contamination or food safety incidents similar to the above mentioned melamine or the plasticizer incident in the future could affect consumer perception of the safety of food or beverage products generally, which may in turn materially and adversely harm our business, results of operation and financial condition.

***A deterioration in our brand image could adversely affect our business.***

We rely to a significant extent on our brand image and brand name, "Master Kong" (康師傅), which has become one of the best known brands among customers in China. Any negative incident or negative publicity concerning us or our instant noodles, beverage and instant food products could

adversely affect our reputation and business. Brand value is based largely on subjective consumer perceptions and can be damaged even by isolated incidents that degrade consumer trust. Consumer demand for our products, our brand value and goodwill could diminish significantly if we fail to preserve the quality of our products, or fail to deliver a consistently positive consumer experience in each of our products, or if we are perceived to act in an unethical or socially irresponsible manner. Any negative publicity of “Master Kong” (康師傅), or concerning us or our products, could adversely affect our reputation, business, prospects and results of operation.

***The manufacturing processes of our products depend on a steady supply of raw materials, the price and availability of which are subject to a high degree of volatility.***

The principal raw materials we use in our production, other than water, are flour, palm oil, sugar and polyethylene terephthalate resin, or PET resin. We purchase flour, sugar and PET resin from multiple suppliers in China, while our palm oil is both imported and domestically sourced. Our other major raw materials include PET lids, bottle labels, cartons, aluminum cans, tea powders and concentrates, juice concentrates, beverage flavors and other packaging materials. Our production volume and profitability is highly dependent on our ability to maintain a stable and sufficient supply of raw materials at the quality that we require and at a reasonable price. The price and availability of these raw materials are subject to a high degree of volatility which may be caused by external conditions beyond our control, such as climate and environmental conditions where weather conditions or natural events or disasters may affect expected harvests of such commodities, global competition for resources, currency fluctuations and changes in governmental policies which may affect global and regional commodity demands and prices. Since June 1, 2011, the Malaysian spot crude price for palm oil fluctuated between a high of almost US\$1,159.50 per ton to a low of US\$881.85 per ton with an average of US\$1,031.44 per ton during this period. On December 31, 2011, the market price of palm oil was US\$998.26 per ton. Any adverse changes in any one of these conditions could increase our costs of raw materials. Recently, we have experienced price fluctuation in some of our raw materials, including costs for sugar and PET resin.

Consistent with the general trend of rising commodity prices in China, the price of palm oil, sugar, PET resin and flour has increased in 2011. Our total raw material costs may continue to increase in the foreseeable future. We also expect that our raw material costs will continue to fluctuate and be affected by inflation in the future. Price fluctuations in our raw materials may result in unexpected increases in production costs, and if we are unable to manage these costs or to pass on any such increase to our customers, our profitability will decrease. Hence, any significant increase in the price of raw materials or any inability to source and obtain alternative suppliers may have a significant impact on our profit margins and may materially and adversely affect our business, results of operations and financial condition. In addition, an interruption to or a shortage in the supply of such raw materials could result in our being unable to operate our production facilities at full capacity or, if the shortage is severe, could lead to the suspension of our production all together. As a result, our business, financial condition and results of operations could be adversely affected.

***Sales of our products are subject to changes in consumer perception, preferences and tastes and we may not be able to introduce new products successfully.***

Our performance depends on factors which may affect the level and patterns of food and beverage consumption in China. Such factors include consumer preferences and tastes, consumer confidence, consumer incomes and consumer perceptions of the safety and quality of our products. Media coverage regarding the safety or quality of, or diet or health issues relating to, food, beverages, raw materials or additives that are used or involved in the manufacturing process may damage consumer confidence in our products. A general decline in the consumption of our products could also occur as a result of a change in consumer preferences, perceptions and spending habits at any time.

Our future success will depend partly on our ability to anticipate or adapt to such changes and to offer, on a timely basis, new products that meet consumer preferences. We cannot assure you that we will be able to gain market acceptance or significant market share for our new products.



Consumer preferences change, and any new products that we introduce may fail to meet the particular tastes or requirements of consumers, or may be unable to replace their existing preferences. Any failure to anticipate, identify or react to these changing tastes or preferences could result in a decrease in our sales, a decline in the market share of our products, or erosion of our market share and financial position. This could in turn lead to our inability to recover our research and development, production and marketing costs, thereby materially and adversely affecting our business, financial condition and results of operations.

***We may not be able to maintain our leading position.***

In the large and diverse Chinese food market, we have maintained a leading position in the areas of instant noodles, beverage and instant food products. According to data from Nielsen, in March 2012, our instant noodles, RTD teas, and bottled water ranked number one in the PRC market, accounting for 43.4%, 45.8% and 20.6%, respectively, of market share in terms of sales volume, and we ranked number one in the egg roll market and number two in the sandwich cracker market during March 2012, with a market share in terms of sales volume of 17.9% and 23.1% in the PRC, respectively.

Our leading market position has enabled us to benefit from comparatively stronger bargaining power in procuring raw materials, determining product pricing and responding effectively to changing market conditions and competitive pressures, which in turn have contributed to our significant growth and stable profit margin. However, we cannot assure you that we can maintain or increase our competitiveness and market position. Should we fail to maintain our leading position relative to other manufacturers in the industry, our financial condition and results of operations may be adversely affected. In addition, we face competition from companies offering similar products in China and elsewhere. These competitors may have greater resources and scale than us to rapidly respond to competitive pressures. Such competitive pressures could have an adverse impact on the supply and pricing of our products, reduce our market share and have an adverse impact on our financial performance.

***We may enter into strategic acquisitions, investments, alliances or joint ventures that may be expensive or difficult to implement; our failure to successfully implement these strategic maneuvers could have a material adverse effect on our business.***

We may enter into strategic acquisitions and investments and establish strategic alliances with third parties in the food industry if suitable opportunities arise. In addition to our past joint ventures and strategic alliances, in March 2012, we became the exclusive franchise bottler for PepsiCo Inc, or Pepsi, in China. Under this strategic alliance, we will partner with Pepsi's current bottlers to manufacture, sell and distribute Pepsi's carbonated beverages as well as its "Gatorade," "Tropicana" and "Aquafina" brand drinks. We also entered into strategic joint venture agreements with Calbee and Itochu to establish a joint venture for the manufacture and sale of snack food products in April 2012 and with Prima in May 2012 to manufacture and sell processed poultry and meat products in the PRC. We may engage in similar or other acquisitions, investments and alliances that we believe will complement our expansion strategies. We may also make strategic divestiture of our assets or restructure our business operations. We may raise additional financing through the divestiture of our stakes in any business. Any strategic acquisition, investment and alliance with third parties could subject us to a number of risks, including risks associated with sharing proprietary information and a reduction or loss of control of operations that are material to our business. Moreover, strategic acquisitions, investments and alliances may be expensive to implement and subject us to the risk of non-performance by a counterparty, which may in turn lead to monetary losses that may materially and adversely affect our business. If we cannot successfully integrate the Pepsi acquisition, our joint ventures with Calbee and Itochu or Prima or future acquisitions, alliances, joint ventures and other partnerships on a timely basis, we may be unable to generate sufficient revenue to offset acquisition costs, we may incur costs in excess of what we anticipate and our expectations of future results of operations and synergies may not be achieved. In addition, our results of operations may be adversely affected if we are unable to improve the efficiency of our operations. Acquisitions involve substantial risks, including:

- unforeseen difficulties in integrating operations, accounting systems and personnel;

- diversion of financial and management resources from existing operations;
- the need to attract and retain management and key employees;
- unforeseen difficulties related to entering geographic regions or markets where we do not have prior experience;
- risks relating to obtaining sufficient equity or debt financing;
- potential undisclosed liabilities, litigation or other proceedings; and
- the loss of key customers or suppliers.

Such risks could expose us to additional legal and other costs and expenses which could be significant and have a material adverse effect on our business.

***We depend on wholesalers to sell a significant amount of our products and independent third-party logistics providers to transport and deliver our products.***

Wholesalers fulfill an important role in the distribution of substantially all of our products. For the years ended December 31, 2009, 2010 and 2011 wholesalers accounted for approximately 91.0%, 92.0% and 92.0% of our revenues, respectively. We also rely on a number of independent third party logistics providers for the transportation and delivery of our products to our wholesalers and retailers, and we typically bear the costs of such product delivery. The vast majority of our products are delivered by trucks. Delivery disruptions may occur for various reasons which are beyond our control, including poor handling by wholesalers or third-party logistics providers, transportation bottlenecks, adverse weather conditions, natural disasters, social unrest, labor strikes, or unforeseen events, and could result in delayed or lost deliveries. If the distribution service provided by our wholesalers were suspended due to unforeseen events, it could cause interruption to the supply of our products to our customers. In the past, we have occasionally experienced problems with deliveries. Some of these events could also result in damage to our products. If our products are not delivered to our customers on time or at all, or are delivered damaged, we may need to compensate our customers, and risk damage to our reputation and loss of revenue and business, which may materially and adversely affect our business, financial condition and results of operations. Furthermore, wholesalers may experience interruptions or delays in the delivery of our products to retailers, which could indirectly adversely affect us.

***Our expansion plan may not be successful and we may not successfully manage our growth.***

As the scale of our operations grows, we will need to continuously improve our management, operational and financial systems and strengthen our internal procedures and control. Our expansion plans involve enriching the number of product types and enlarging the investment in core production technologies. We also plan to increase consumption per capita by implementing new product marketing and sales promotions, continuing to strengthen sales coordination, improving product and project sales and extending services to consumers. However, we may be affected by a number of factors which may not be within our control. These factors include fluctuations in market demand for our products, changes in consumer taste and preference, increasing competition from other industry participants. An adverse change in any of these factors may disrupt our expansion plans and have a material adverse effect on our business, results of operations and financial condition. Moreover, we cannot assure you that our existing or future management, operational and financial systems, internal procedures and controls (including those relating to corporate governance) will be adequate to support our expansion and future operations or that we will be able to establish or develop business relationships beneficial to our future operations. Further, we may not be able to obtain financing at a reasonable cost or level to complete construction and commence commercial operations of our new production facilities. Failure to execute our expansion plan efficiently, scale our business appropriately and manage our growth effectively could have a material adverse effect on our business, results of operations and financial condition.

***We rely significantly on third-party production equipment and packaging technology and materials for the production and packaging of our products.***

We rely significantly on production equipment, packaging technology and packaging materials supplied by third-parties for the production and packaging of our products. For our beverage products, we have historically procured manufacturing equipment and technical devices primarily from suppliers based in foreign countries, such as Germany, Italy and France. For our instant noodles and instant food, we have historically procured manufacturing equipment and technical devices primarily from suppliers based in Japan. In the event these third-party suppliers are unable to supply such production equipment, packaging technology or packaging materials, or we are unable to reach agreement upon reasonable terms with them in the future in relation to such continued supply, we may not be able to find a substitute supplier of similar equipment and packaging technology. As a result, this may affect our ability to maintain and upgrade our production facilities and cause production interruptions and delivery delays, and may prevent us from improving the packaging of our products to meet changing market demands, hence adversely affecting our business, financial condition and results of operations.

***Sales of some of our products are subject to seasonality; you should not rely on our quarterly operating results as an indication of our future performance because our quarterly financial results are subject to fluctuations.***

The sales of some of our products are subject to seasonality and other factors which may cause the growth rate of our revenues to vary from quarter to quarter. Historically, we have experienced higher sales of our RTD tea and bottled water in the second and third calendar quarters when the weather is hot, while sales of juices, which are consumed primarily for their nutritional benefits, are relatively less seasonal throughout the year. In contrast, sales of instant noodles is typically higher during the winter months, the first and fourth quarters, than during the summer months.

Our quarterly revenues and results of operations are likely to be affected by:

- seasonality in the food and beverage market and consumer purchasing patterns;
- weather conditions;
- the timing of launch of new products and of advertising and promotional campaigns;
- our ability to retain existing customers and attract new customers for our food and beverage products;
- the amount and timing of our operating expenses and capital expenditures;
- the adoption of new, or changes to existing, governmental regulations;
- a shortfall in our revenues relative to our forecasts and a decline in our operating results; and
- economic conditions in general and specific to the food and beverage industry and to China.

These factors are difficult to discern in our historical results since our revenues have grown rapidly in recent years. Seasonal variations may cause fluctuations in our interim sales and profits, and also affect the cash flow available to us for each particular quarter. Due to these fluctuations, comparisons of sales and operating results between the different periods within a single year, or between the same periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of our performance.

***Our products are sold in only one market.***

All of our sales of instant noodles, beverage and instant food products are in China. We anticipate that sales of our products in China will continue to represent a substantial proportion of our total sales in the near future. Any significant decline in the condition of the PRC economy could adversely affect consumer buying power and reduce consumption of our products, among other things, which in turn would have a material adverse effect on our business, financial condition and results of operations.

***Counterfeiting or imitation of our products may damage our reputation and brand names as well as lead to higher administrative costs.***

China's intellectual property laws are still evolving, and the levels of protection and means of enforcement of intellectual property rights in China differ from those in Hong Kong or other jurisdictions. Counterfeiting and imitation of popular consumer and branded products occur from time to time in China. Most of our products are marketed under our primary "Master Kong" (康師傅) brand, which has become one of the best known brands among customers in China and is critical to our success. We believe the popularity of our brand name makes it a target of counterfeiting or imitation, with third parties attempting to pass off counterfeit products as our products. In the past, a PRC company used our "Master Kong" (康師傅) trademark on its food products without our authorization. To stop such unauthorized use, we brought a civil action against such company, and made petitions to the State Administration for Industry and Commerce, or SAIC, which recognized our "Master Kong" (康師傅) trademark as a "China Well-Known Trademark" and prohibited the unauthorized use by the infringing party. Although we successfully stopped the infringement of our trademark as mentioned above, we cannot assure you that other occurrences of counterfeiting or imitation of our products will not occur in the future and, if they do occur, we cannot assure you that we will be able to detect and deal with them effectively. Any occurrence of counterfeiting or imitation could adversely affect our reputation and brand names, leading to loss of consumer confidence in our brand. In addition, counterfeit and imitation products could result in a reduction of our market share, causing a long-term or even permanent decline in our sales and profitability, as well as increasing our administrative costs in respect of detection and prosecution. Furthermore, litigation could disrupt our business operations and divert our management's attention.

***We consider the formulas of our products to be our trade secrets, and our ability to compete could be harmed if such trade secrets were disclosed to third parties.***

We rely on trade secret protection to secure our proprietary formulas, production processes and packaging of our products. We rely on a combination of contractual responsibilities and confidentiality restrictions in our agreements with employees, agents, customers and other entities to which we disclose our proprietary formulas, and legal and statutory protections to safeguard our proprietary rights, including ingredients, production formulas and packaging of our products. Any breach of confidentiality by our employees or any other entities having access to our formulas and other trade secrets could result in third parties, including our competitors, gaining access to such formulas and trade secrets. If our competitors are able to successfully imitate our proprietary formulas and/or our product packaging while managing to provide comparable products at competitive prices, our market share may decrease. In addition, the intellectual property-related laws and their implementation in the PRC are still developing, which results in a degree of uncertainty as to interpretation and enforcement and may limit the legal protections available to us. In the event that the protection afforded by law does not adequately safeguard our trade secrets and other intellectual property rights, we may suffer significant losses in revenues, and our business, results of operations and financial condition could be materially and adversely affected.

***We depend on senior management members and skilled personnel who are critical to our business operations.***

Our future success and growth depend heavily upon the continuing services of our executive directors and other members of our senior management team. They have extensive experience in the PRC food and beverage industries and in-depth knowledge of various aspects of business

management. We cannot assure you that any executive director or member of senior management is willing or able to continue in his or her present position or that we will be able to find and hire a suitable replacement, or that he or she will not be recruited by a competitor or depart to start a competing business. Moreover, along with our steady growth and expansion into other regional markets in China, we will need to employ, train and retain additional suitable skilled and qualified management personnel and employees from a wider geographical area. If the regions surrounding our production facilities are not able to supply a sufficiently sizable workforce or if the cost of labor increases, we may need to expend additional resources to attract and recruit and train suitable employees. If we cannot attract and retain suitable personnel, our business and future growth may be materially and adversely affected.

***We recorded net current liabilities as of each of December 31, 2009, 2010, and 2011 and we cannot assure you that we will not continue to record net current liabilities.***

We recorded net current liabilities of US\$283.3 million, US\$612.9 million and US\$991.9 million as of December 31, 2009, 2010, and 2011, respectively, and may have net current liabilities in the future. This net current liabilities position exposes us to liquidity risk. Our future liquidity, the payment of trade and other payables, interest payments and the repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to maintain adequate cash inflows from operating activities and adequate external financing. We cannot assure you that we will be able to continue to generate and maintain sufficient cash flow to service our indebtedness. Our net current liabilities position could also constrain our operational flexibility as well as adversely affect our ability to expand our business and increase our vulnerability to general adverse economic and industry conditions.

***Unexpected equipment failures or other industrial accidents may lead to production curtailments or shutdowns and subject us to legal claims and liabilities.***

We could experience events such as equipment failures or other accidents due to employee errors, equipment malfunctions, accidents, interruptions in electricity supplies, natural disasters or other causes. We cannot assure you that any preventive measures we have taken or may take will be sufficient to prevent any industrial accidents in the future. As a result, we may in the future experience production curtailments or shutdowns or periods of reduced production, which would negatively affect our results of operations. In addition, potential industrial accidents leading to significant property loss and personal harm may disrupt our operations, subject us to claims and lawsuits, and adversely affect our profitability, relations with customers, suppliers, employees and regulatory authorities.

***Our operations are subject to production malfunctions and other risks and routine shutdowns for maintenance and upgrades.***

Our operations are subject to production difficulties such as capacity constraints, mechanical and system failures, construction and equipment upgrades and delays in the delivery of machinery, any of which could cause suspension of production and reduced output. Scheduled and unscheduled maintenance programs may also affect our production output. We carry out routine maintenance of our production equipment, annual major maintenance work and periodic equipment upgrades. Any significant manufacturing disruption could adversely affect our ability to manufacture and sell products, which could have a material adverse effect on our business, results of operations and financial condition.

***The preferential tax treatment which our wholly owned operating subsidiaries in the PRC currently enjoy may be changed or discontinued.***

In accordance with the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises and its related rules, our subsidiaries which qualify as foreign-invested enterprises, or FIEs, located at special economic zones are subject to a preferential income tax rate of 15%. Manufacturing FIEs located in old city districts of a coastal economic development zones, special economic zones or economic development zones are



subject to a preferential income tax rate of 24%. In addition, FIEs with a business duration of over ten years can apply for a two-year exemption and a further three-year 50% reduction of income tax, starting from the year when such FIE begins to make a taxable profit after deducting any tax losses that may be carried over from previous years. On January 1, 2008, the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), or the New Tax Law, became effective. According to the New Tax Law, the statutory income tax rate for both domestic enterprises and FIEs became the same, and the statutory corporate income tax rate in the PRC was reduced from 33% to 25%, but enterprises established prior to the promulgation of the New Tax Law and enjoying preferential tax treatment which extended for a fixed term prior to January 1, 2008 will still be entitled to this treatment until the fixed term expires without being affected by the implementation of the New Tax Law.

According to the Tax Relief Notice on the Grand Development of Western Region (Cai Shui [2001] no. 202) (財政部、國家稅務總局、海關總署關於西部大開發稅收優惠政策問題的通知) jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, FIEs located in the western region of the PRC with principal revenue of over 70% generated from encouraged business activities were entitled to a preferential income tax rate of 15% for 10 years from January 1, 2001 to December 31, 2010. This preferential treatment was extended to December 31, 2020 by the Tax Relief Notice on the Further Implementation of Grand Development of Western Region (Cai Shui [2011] No. 58) jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs. Accordingly, certain of our subsidiaries located in the Western region were entitled to a preferential rate of 15%.

Pursuant to the State Council Circular on the Implementation of the Transitional Concession Policies for Enterprise Income tax (Guo Fa [2007] no. 39) (國務院關於實施企業所得稅過渡優惠政策的通知), enterprises previously entitled to a reduced tax rate shall have a grace period of five years regarding the tax reduction commencing on January 1, 2008, and enterprises which were entitled to a two-year exemption and a further three-year 50% reduction of income tax shall continue to enjoy such tax concessions until expiry. Under this regulation, our subsidiaries which were entitled to a 15% income tax rate would be subject to tax rates of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012 and thereafter. Our subsidiaries which were entitled to a 24% income tax rate were subject to tax rate of 25% beginning in 2008. Our subsidiaries that have been granted tax concessions under the Tax Relief Notice (Cai Shui [2001] no. 202) shall continue to enjoy the tax concessions until expiry.

Our effective tax rates for the years ended December 31, 2009, 2010 and 2011 were 19.9%, 18.0% and 24.6%, respectively. We cannot assure you that the PRC policies on preferential tax treatment will not change or that the current preferential tax treatment we enjoy will not be cancelled. If such changes or cancellation occurs, the resulting increase in our tax liability may have a material and adverse effect on our business, financial condition and results of operations.

***We depend on our information technology infrastructure and a system failure or breakdown may cause interruptions of our business and operations.***

We rely on information technology systems to manage our business operations, in particular, our inventory and distribution systems. As the building and maintenance of a proper technology infrastructure requires an effective management and allocation of our resources and staff, our information technology systems may be vulnerable to a variety of disruptions due to events beyond our control. These may include but are not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. This could make us subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. Although we have security initiatives and disaster recovery plans in place to mitigate our risk to these vulnerabilities, such measures may not have effectively implemented or may not be adequate to ensure that our operations are not disrupted. We cannot assure you that we would be successful in preventing all information technology system disruptions. If we are unable to prevent such disruptions, there may be a material adverse effect on our business, financial condition and results of operations.



***We rely on the supply of certain utilities such as water and electricity in our manufacturing process; and any failure or shortage in the supply of such utilities may adversely affect our business, financial condition and results of operations.***

We consume a large amount of water in producing our beverage products. We obtain our water supply from two sources: (1) tap water from water utility companies controlled by relevant local governments; and (2) underground water pumped from selected locations. For each of the years ended December 31, 2009, 2010 and 2011 our cost of water as a percentage of our total cost of sales was less than 5.0%. We cannot assure you that we will not experience any disruptions caused by water supply, or significant fluctuations in the price of water in future. If we experience a water shortage or significant increase in the price of water, our business, financial condition and results of operations could be materially and adversely affected.

We also rely on other utilities such as electricity in our production process. Any shortage or interruption in the supply of electricity could disrupt our operations and increase our costs of sales. For each of the years ended December 31, 2009, 2010 and 2011 our cost of electricity as a percentage of our total cost of sales was less than 5.0%, respectively. In most cases, provincial governments in China regulate electricity prices for industrial enterprises. We cannot assure you that we will not experience any disruptions in electricity supply in future. Moreover, the price of electricity may fluctuate and we cannot predict future price trends, or the degree of any price volatility. Any significant increase in the prices of electricity, any shortage, any government imposed limitation on electricity usage or interruption in its supply could increase our costs of sales and/or cause disruptions to our operations. This, in turn, may adversely affect our business, financial condition and results of operations.

***Adverse weather conditions could reduce the demand for our products and increase our freight expenses and prices of raw materials, which in turn could have a material adverse effect on our business and profitability.***

The sales of our products are influenced to some extent by weather conditions in China, particularly the regions in which we operate. Unusually cold or rainy weather during the summer months may reduce the demand for our products and contribute to lower revenues, which could negatively impact our profitability.

***Certain facts and statistics are derived from publications not independently verified by us, the Managers, the Trustee, the Agents or our or their respective advisors.***

Market data and certain information and statistics relating to our affiliated entities are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the Managers, the Trustee, the Agents or our or their respective advisors and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside Hong Kong. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

## **RISKS RELATING TO THE FOOD AND BEVERAGE INDUSTRY**

***Changes in the existing food safety laws may affect our business operations.***

Our operations are subject to the food safety laws and regulations of the PRC and other countries to which we export our food products, which set out hygiene, safety and manufacturing standards with respect to food as well as hygiene, safety, packaging and other requirements for food production, production facilities and equipment used for the transportation and sale of food. In particular, according to the Food Safety Law of the PRC (中華人民共和國食品安全法) which became

effective on June 1, 2009 and its implementation regulations which became effective on July 8, 2009, we are required to follow more stringent quality control and food safety standards, including, among others:

- food additives may be used only if they are deemed necessary for food production and they must be tested and proven safe in accordance with the risk assessment principles before they can be used, established by the PRC government;
- chemicals other than specifically permitted additives and any substance that may harm human health are forbidden in food production;
- no food product is exempt from inspection by the relevant food safety supervision authority; and
- all food manufacturers will have to suspend production immediately and recall all products from the market if such products are found to have failed to meet the requisite food safety standards. The manufacturers are also required to notify the relevant food producers and traders, as well as consumers of such recall and keep records in this regard.

In addition, we are required to maintain proper production records of our instant food products. As the Food Safety Law of the PRC and its implementation regulations are relatively new, there are still some uncertainties as to how it will affect our business operations in the long run. Any failure to comply with the Food Safety Law of the PRC, its implementation regulations or other food safety and hygiene laws and regulations in the PRC may result in fines, suspension of operations, loss of licenses and, in more extreme cases, criminal proceedings may be brought against us and our management. Any of these events will have a material adverse impact on our production, business, results of operations and financial condition.

We cannot assure you that the PRC government will not change the existing law or regulations or adopt additional or more stringent laws or regulations applicable to us and our business operations. Such new laws and regulations may require the re-configuration of our methods for sourcing raw materials, production, processing and transportation, including more onerous food safety, labeling and packaging requirements, more stringent compliance requirement for waste management, increases in transportation costs and greater uncertainty in production and sourcing estimate. Our failure to comply with any applicable law and regulations could subject us to civil liabilities, including fines, injunctions, product recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our business, results of operations and financial condition.

***We face intense competition from other manufacturers of food and beverage products.***

The food and beverage industry in China is highly competitive, and we expect it to continue to become even more competitive. There are a large number of domestic and international manufacturers of products similar to ours. Competition is primarily manifested in the form of pricing concessions, rapid new product introduction, and intensive advertising campaigns. Our competitors in any particular market may also benefit from raw material sources or production facilities that are closer to such markets, which provide them with competitive advantages in terms of costs and proximity to consumers. A change in the number of competitors, the level of marketing or investment undertaken by our competitors, or other changes in the competitive environment in our markets may cause a reduction in the consumption of our products and in our market share, and may lead to a decline in our revenues and/or an increase in our marketing or investment expenditures, which may materially and adversely affect our results of operations.

Our ability to compete against these enterprises is, to a significant extent, dependent on our ability to distinguish our products by providing high quality products at reasonable prices that appeal to consumers' tastes and preferences. We cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends or changing market requirements.

Our competitors may also consolidate or form alliances to rapidly acquire significant market share, and some of our wholesalers may commence production of products similar to those we sell to them. Furthermore, competition may lead competitors to substantially increase their advertising expenditures and promotional activities or to engage in irrational or predatory pricing behavior. Increased competition may result in price reductions and loss of market share. If there is a change in our competitors' pricing policies, an increase in the volume of cheaper competing products offered into the regions where we operate, and if we fail to effectively respond to such actions, we may lose customers and market share and/or the implementation of our pricing strategy may be restricted, in which case our results of operations will be adversely affected.

***Our operations are subject to extensive PRC laws and regulations on environmental protection and production safety and changes in the regulatory environment may cause us to incur liabilities or additional costs or limit our business activities.***

Our production, sales and distribution operations are subject to PRC regulations on environmental protection. They relate to, among other things, waste water discharges, exhaust emissions, noise emission and industrial solid waste from production facilities, and waste disposal practices. Moreover, under the Regulations on the Administration of Construction Project Environmental Protection, we are required to submit an environmental impact assessment report to the relevant government authorities for preliminary approval before the construction of our production facilities and the installation of pollution treatment facilities, and we are further required to undergo environmental protection examination, and to obtain approval from relevant governmental authorities after we have completed the installation of our manufacturing equipment and before the production plant commences commercial production. If we fail to comply with applicable environmental regulations and standards, we may be subject to fines, orders for suspension of production, orders for damage compensation, or even criminal liabilities. Moreover, under PRC law, we are required to comply with certain manufacturing safety regulations. We cannot assure you that the PRC government will not change the existing laws or regulations or impose additional or stricter laws or regulations, compliance with which may cause us to incur significant capital expenditure, which we may be unable to pass on to our customers through higher prices for our products. More restrictive regulations could lead to increasing prices, which in turn may adversely affect the sale and consumption of our products and reduce our revenues and profitability. In addition, pursuant to the Price Law of the PRC, certain competent government departments have the authority to implement intervention measures on the pricing of important commodities and services if the prices of such commodities and services are substantially increased. From January 15, 2008 to December 30, 2008, the NDRC invoked its authority pursuant to the Price Law and required that suppliers of such commodities (including certain types of food and beverage products) who had reached a certain scale were required to report price rises at least 10 days in advance and were limited to pass-through of cost increases. We cannot assure you that the NDRC will not invoke such authority again in the future.

***We are required to maintain various licenses and permits to operate our business, and the loss of or failure to renew any or all of these licenses and permits could materially and adversely affect our business operations.***

In accordance with PRC laws and regulations, we are required to maintain various licenses and permits in order to operate our business including, without limitation, food hygiene licenses (食品衛生許可證) and production licenses for industrial products (工業產品生產許可證). We are required to comply with applicable hygiene and food safety standards in relation to our production processes. Our premises and transportation vehicles are subject to regular inspections by the regulatory authorities for compliance with the Detailed Rules for Administration and Supervision of Quality and Safety in Food Producing and Processing Enterprises (食品生產加工企業質量安全監督管理實施細則). Failure to pass these inspections, or the loss of or failure to renew our licenses and permits, could require us to temporarily or permanently suspend some or all of our production activities, which could disrupt our operations and adversely affect our business. In addition, the PRC Food Safety Law, which became effective from June 1, 2009, enhanced the supervision and examination of governmental authorities over food production and provided that no exemption from such examination shall be allowed in food industry. It also requires the relevant governmental

authorities to set out national or local hygiene standards with respect to food and food additives, packaging and containers, information to be disclosed on packaging as well as hygiene requirements for food production and sites, facilities and equipment used for the transportation and sale of food. Failure to comply with PRC food hygiene laws may result in fines, suspension of operations, loss of hygiene licenses and, in more extreme cases, criminal proceedings against an enterprise and its management.

***The food and beverage industry in China is impacted by fluctuations in the global economy and financial markets.***

The food and beverage industry in China is impacted by fluctuations in the global economy and financial market. For example, the recent global economic slowdown and turmoil in the global financial markets that started in the fourth quarter of 2008 have resulted in a general credit crunch, an increased level of commercial and consumer delinquencies, lack of consumer confidence and increased market volatility. The slowdown of the worldwide economy, including that of the PRC, caused a drop in consumer confidence and the level of disposable income, which translated into lower demand for our products, affecting our results of operations. These adverse market developments and the associated uncertainties may continue to present significant challenges to the global and local economies and financial markets. As a result, the global and local economies, including the PRC economy, could continue to experience significant volatility. China's economic growth slowed to 9.2 percent in 2011 from 10.4 percent in 2010 and the PRC government set a 2012 economic growth target of 7.5% on March 5, 2012, lower than the 8.0% goal in place since 2005. Significant volatility or another downturn in the PRC and global economy in the future could have a material adverse effect on the food and beverage industry in China and the demand for our products, which may affect our business, results of operations and financial condition. In addition, the general lack of available credit and confidence in the financial markets associated with any market volatility or downturn could adversely affect our access to capital as well as our suppliers' and customers' access to capital, which in turn could adversely affect our ability to fund our working capital requirements and capital expenditures.

**RISKS RELATING TO THE PRC**

***Adverse changes in the economic and political policies of the PRC government could have an adverse effect on overall economic growth in China, which may adversely affect our business.***

We conduct the majority of our business operations in China. Accordingly, our financial condition, results of operations and prospects depend to a significant extent on economic developments in China. China's economy differs from the economies of most other countries in many respects, including the degree of government intervention in the economy such as government control of foreign exchange and the allocation of resources, the general level of economic development and growth rates. While the PRC economy has experienced significant growth in the past 30 years, this growth has been uneven across different periods, regions and amongst various economic sectors. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. The PRC government also exercises significant control over China's economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has, at times, implemented a number of measures, such as increasing the People's Bank of China's, or PBOC, statutory deposit reserve ratio and imposing commercial bank lending guidelines, which had the effect of slowing the growth of credit availability. In 2008 and 2009, in response to the global financial crisis, the PRC government relaxed such requirements but, since early 2010, has begun to tighten such requirements again, partly in response to the recovery in the growth of the PRC economy. Any future actions and policies adopted by the PRC government could materially affect the Chinese economy, which may adversely affect our business.

***PRC regulation of loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC operating subsidiaries.***

We may make loans to our PRC subsidiaries. Loans to or investments in our PRC subsidiaries are subject to approval by or registration with relevant governmental authorities in China. We may also decide to finance our subsidiaries by means of capital contributions. According to the relevant PRC regulations on foreign-invested enterprises in China, depending on the total amount of investment, capital contributions to our PRC operating subsidiaries may be subject to the approval of the PRC Ministry of Commerce or its local branches. We may not obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by us to our subsidiaries. If we fail to receive such approvals, our ability to use the proceeds of the Notes and to capitalize our operations in China may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

***The payment of dividends by our operating subsidiaries in the PRC is subject to restrictions under PRC law.***

We operate our core business mainly through our operating subsidiaries in the PRC. The PRC laws require that dividends be paid only out of net profit, calculated according to the PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions. The PRC law requires foreign-invested enterprises, including some of our subsidiaries in the PRC, to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Since the availability of funds to fund our operations and to service our indebtedness depends upon dividends received from these subsidiaries, any restrictions on the availability and usage of our major source of funding may impact our ability to fund our operations and to service our indebtedness.

***Governmental control over currency conversion may limit our ability to utilize our cash effectively.***

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive the majority of our revenues in Renminbi. As a Cayman Islands holding company, we may rely on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from the SAFE. But approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. This could affect the ability of our PRC subsidiaries to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from us. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to satisfy our obligations under the Notes.

***We may be deemed a PRC resident enterprise under the new PRC Enterprise Income Tax Law and be subject to PRC taxation on our worldwide income.***

Under the Enterprise Income Tax Law of the PRC that took effect on January 1, 2008 and its implementation regulations, or collectively, the New Tax Laws, enterprises established under the laws of jurisdictions outside the PRC with their “de facto management bodies” located within the PRC may be considered PRC resident enterprises and therefore subject to PRC enterprise income tax at the rate of 25% on their worldwide income. The New Tax Laws provide that “de facto management body” of an enterprise is the organization that exercises substantial and overall management and control over the production, business operations, employees, books of accounts and properties of the enterprise.



If we are treated as a PRC resident enterprise, we may be subject to PRC enterprise income tax at the rate of 25% on our worldwide income. Although dividends received by a PRC resident enterprise from another PRC resident enterprise are exempted from tax provided that both enterprises are qualified, the definition of “qualified” is unclear under existing laws. If our PRC subsidiaries become subject to the withholding tax or we otherwise become a PRC resident enterprise under the New Tax Laws, our profitability and cash flow would be materially and adversely affected.

***PRC anti-monopoly law may limit our ability to expand through merger or acquisition.***

The Anti-Monopoly Law became effective on August 1, 2008 and prohibits business operators (including us and all of our subsidiaries) from engaging in monopolistic behavior, entering into monopolistic agreements, abusing a dominant market position or pursuing consolidations or acquisitions that may potentially exclude, restrict or inhibit fair competition. The Anti-Monopoly Law does not prohibit any business operator from increasing its market share to achieve or maintain a dominant market position through fair competition nor does it set limits on the market share that any business operator may achieve or maintain in the PRC.

The Anti-Monopoly Law provides clear standards under which business operators may be exempted from anti-monopoly examination. A business operator that enters into monopolistic agreements or abuses its dominant market position may be subject to penalties, including confiscation of illegal gains and fines ranging from 1% to 10% of its annual sales revenue for the preceding year. If a business operator pursues an illegitimate consolidation or acquisition, it could potentially be forced to terminate the consolidation or acquisition, divest its shares and assets or businesses within a limited period of time or otherwise unwind the consolidation or acquisition so that the business can be reinstated as it was before the consolidation or acquisition.

The operational flexibility of our subsidiaries and our business expansion through mergers with or acquisition of competitors may be subject to strict examination and approval by the Ministry of Commerce of the People’s Republic of China, which is the main authority in charge of reviewing anti-monopoly issues related to business consolidations. Due to ambiguities in the Anti-Monopoly Law’s implementation standards, which have not yet been fully clarified by the PRC government, there is no assurance that the implementation of the Anti-Monopoly Law will not affect our business. In the event of noncompliance with the Anti-Monopoly Law, we may be subject to substantial fines and other penalties, which may materially and adversely affect our business, financial condition and results of operations.

***There are significant uncertainties under the New EIT Law relating to our PRC enterprise income tax liabilities.***

Under the PRC Enterprise Income Tax Law effective as of January 1, 2008 and its implementation regulations, or the New EIT Law, the profits of a foreign invested enterprise arising in 2008 and which are later distributed to its immediate holding company outside the PRC will be subject to a withholding tax rate of 10.0% if the immediate holding company is determined by the PRC tax authority to be a non-resident enterprise for PRC tax purposes, unless there is an applicable tax treaty with the PRC that provides for a different withholding arrangement. Pursuant to a special arrangement between Hong Kong and the PRC, such rate is lowered to 5.0% if a Hong Kong resident enterprise owns over 25.0% of a PRC company. Further, according to the Circular on State Administration of Taxation on Printing and Issuing the Administrative Measures for Non-resident Individuals and Enterprises to Enjoy the Treatment Under Taxation Treaties, which became effective on October 1, 2009, the 5.0% tax rate does not automatically apply. Approvals from competent local tax authorities are required before an enterprise can enjoy the relevant tax treatments relating to dividends under relevant taxation treaties. However, according to a tax circular issued by the State Administration of Taxation in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, the PRC tax authorities have the discretion to adjust the preferential tax rate enjoyed by the relevant offshore entity. In addition, under the New EIT Law, enterprises established under the laws of jurisdictions outside of China with their “de facto management bodies” located within China may be considered to be PRC resident enterprises for tax purposes.



Although we are a company incorporated in the Cayman Islands and the equity interests of our PRC subsidiaries are directly held by our subsidiaries in the British Virgin Islands, Cayman Islands, Taiwan, the PRC tax authorities may regard the main purpose of our subsidiaries in the British Virgin Islands, Cayman Islands, Taiwan as seeking to reduce tax liability by obtaining a lower withholding tax rate of 5.0%. As a result, the PRC tax authorities could levy a higher withholding tax rate on dividends received by our subsidiaries in Hong Kong from our PRC subsidiaries. In addition, under current PRC laws and regulations, it is also uncertain whether we would be deemed to be a PRC tax-resident enterprise as a substantial portion of the members of our management team are located in China. If we are deemed to be a PRC tax-resident enterprise, our global income will be subject to PRC enterprise income tax at the rate of 25.0%, which could have an adverse effect on our financial condition and results of operations.

***The enforcement of the PRC Labor Contract Law and increases in labor costs in the PRC may adversely affect our business and our profitability.***

The Labor Contract Law of the PRC (中華人民共和國勞動合同法) came into effect on January 1, 2008 and its implementation rules were promulgated and became effective on September 18, 2008. The Labor Contract Law and its implementation rules impose more stringent requirements on employers with regard to entering into written employment contracts, hiring temporary employees and dismissing employees. The Labor Contract Law and its implementation rules also establish requirements relating to, among others, minimum wages, severance payments and non-fixed term employment contracts, time limits for probation periods as well as duration and the number of times that an employee can be placed on fixed-term employment contracts. It also provides that social insurance is required to be paid on behalf of the employees and the employees are entitled to unilaterally terminate the labor contracts if this requirement is not satisfied.

In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which also came into effect on January 1, 2008, and its implementation measures, which were promulgated and became effective on September 18, 2008, employees who have served more than one year for an employer are entitled to be paid annual leave ranging from five to 15 days, depending on their length of service. Employees who waive such annual leave at the request of employers shall be compensated at a rate of three times their normal salaries for each waived annual leave day. Such new laws and regulations may increase our labor costs. In addition, certain companies operating in the PRC have experienced labor unrest in 2010 as a result of workers' dissatisfaction with working conditions and remuneration. We cannot assure you that these labor strikes will not affect general labor market conditions or result in changes to labor laws in the PRC, which in turn could adversely affect our business. As one of the largest producers and wholesalers of food and beverages in China, our business operations require a large number of employees and workers. As of December 31, 2011, we had approximately 64,309 full-time employees. Our obligation to comply with the PRC Labor Contract Law and the relevant implementation regulations have increased and may continue to increase our labor costs. Any significant increases in our labor costs and future disputes with our employees could adversely affect our business, results of operations and financial condition.

***Fluctuations of the Renminbi could affect our financial condition and results of operations.***

The Notes are denominated in US dollars, while substantially all of our revenues are generated by our PRC subsidiaries and denominated in Renminbi. The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. On July 21, 2005, the PRC government reformed its exchange rate regime by adopting a managed floating exchange rate regime based on market supply and demand. Under this regime, the Renminbi is no longer pegged to the U.S. dollar but is permitted to fluctuate within a narrow and managed band with reference to a portfolio of currencies. There is no assurance as to how and to what extent the exchange rate of the Renminbi will fluctuate against the U.S. dollar, Hong Kong dollar or any other foreign currency in the future. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. However, there is no assurance if or when these further reforms will occur. Depreciation of the Renminbi against the U.S. dollar or the Hong Kong dollar could have a

material adverse effect on our business, financial condition and results of operations. Furthermore, we are also subject to translation risks as our consolidated financial statements are denominated in U.S. dollars while the financial statements of our subsidiaries are measured and presented in the currency of the primary economic environment in which the entity operates. Further information on foreign exchange risks and certain exchange rates is set out in the section entitled “Exchange Rates” in this Offering Memorandum.

***Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China could limit the legal protections available to you.***

Our business is primarily conducted in China and is governed by PRC laws and regulations. Our principal operating subsidiaries are located in China and are subject to the PRC laws and regulations. The PRC legal system is a civil law system based on written statutes, and prior court decisions have little, if any, precedential value and can only be used as a reference. Additionally, PRC written laws are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. These laws, regulations and legal requirements are relatively new and are often changing, and their interpretation and enforcement involve significant uncertainties that could limit the reliability of the legal protections available to us. We cannot predict the effects of future developments in the PRC legal system. Depending on the governmental agency or how an application or case is presented to such agency, we may receive less favorable interpretations of laws and regulations than our competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may limit the legal protections available to foreign investors, including you.

***It may be difficult to effect service of process upon us or our directors or executive officers who live in China or to enforce any judgment obtained against us or them from non-PRC courts.***

Many of our executive directors and executive officers reside within mainland China, and substantially all of our assets and substantially all of the assets of those persons are located within mainland China. Therefore, it may be difficult for investors to effect service of process upon us or those persons inside mainland China or to enforce against us or them in mainland China any judgments obtained from non-PRC courts.

China does not currently have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan and many other countries. Although an arrangement between mainland China and Hong Kong allowed for reciprocal recognition and enforcement of the decisions of civil and commerce cases if the decisions are made with proper written agreement of jurisdiction and require a provision of payment which is binding and enforceable, there are still many restrictions on such arrangement. Therefore, recognition and enforcement in mainland China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

***Our results of operations and financial condition are affected by the occurrence of epidemics and natural disasters as well as political instability.***

Our business can be affected by major natural disasters, or widespread outbreaks of infectious diseases in China. Past occurrences of epidemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies in China. For example, in 2003, certain Asian countries and regions, including the PRC and Taiwan, encountered an outbreak of Severe Acute Respiratory Syndrome, or SARS, a highly contagious form of atypical pneumonia. Recurrence of SARS or an outbreak of any other epidemics in China, such as influenza A (H1N1) and avian flu (H5N1), may cause disruption of regional or national economic activity, which can affect consumers' purchasing power in the affected areas and, therefore, reduce demand for our

products. Such event may also result in limitations on our ability to travel, delayed transportation and delivery of our products, disruption of raw material supplies, as well as temporary closure of our manufacturing facilities for quarantine or for preventive purposes, which in turn may materially and adversely affect our business, financial condition and results of operations. Any natural disasters, political unrest, war, acts of terrorism and other instability in the PRC can also result in disruption to our business or the businesses of our customers.

## **RISKS RELATING TO THE NOTES**

### ***An active trading market for the Notes may not develop.***

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial issue price depending on many factors, including variations in our revenues, earnings and cash flows and proposals for new investments, strategic alliances and/or acquisitions, interest rates, fluctuations in price for comparable companies and government regulations and changes thereof applicable to our business and general economic conditions nationally or internationally. The Managers are not obligated to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Managers. Although approval in-principle has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST, no assurance can be given as to the liquidity of, or trading market for, the Notes. In addition, the Notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, investors will only be able to resell their Notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

### ***The ratings assigned to the Notes and the Issuer may be lowered or withdrawn in the future.***

The Notes have been assigned a rating of “BBB+” by Standard & Poor’s and “Baa1” by Moody’s. In addition, the Issuer has received a long-term corporate credit rating of “BBB+” with a stable outlook by Standard & Poor’s and an issuer rating of “Baa1” with a stable outlook by Moody’s. The ratings address our ability to perform their respective obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure investors that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

### ***Developments in the international financial markets may adversely affect the market price of the Notes.***

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for securities of entities with PRC operations is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. The economic effects of the global financial crisis of 2008 and 2009 and the more recent European sovereign debt crisis have been widespread and far reaching and the international financial markets have experienced significant volatility. While some of these economic factors have since improved, lasting impacts from the global financial crisis, subsequent volatility in financial markets and the more recent European sovereign debt crisis (and potential contagion from it) suggest ongoing vulnerability and adjustment in general business, capital markets and economic conditions. If such developments continue or if similar developments occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

***Claims by holders of the Notes are structurally subordinated to the Issuer's subsidiaries.***

The Issuer's ability to make payments in respect of the Notes depends largely upon the receipt of dividends and distributions, interest payments or advances from its subsidiaries. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in their articles of association, applicable laws and restrictions contained in their debt instruments. Payments by the Issuer's subsidiaries to the Issuer are structurally subordinated to all existing and future liabilities and obligations of the Issuer's subsidiaries. Claims of creditors of such subsidiaries will have priority as to the assets of such subsidiaries over the Issuer and its creditors, including the holders of the Notes.

***The Notes do not contain restrictive operating covenants.***

The Trust Deed governing the Notes will contain various covenants intended to benefit the holders of the Notes that limit our ability to, among other things, incur liens or additional indebtedness or sell substantially all of our assets to another person.

The Trust Deed governing the Notes, however, does not contain restrictions on the payment of dividends or making of other restricted payments. In addition, the Trust Deed does not contain any other covenants or provisions designed to afford holders of the Notes protection in the event of a highly leveraged transaction involving us that could adversely affect such holders. Subject to the terms of our existing debt and credit facilities, we may incur substantial additional indebtedness in the future.

***If we are unable to comply with the restrictions and covenants in our debt agreements or the Trust Deed governing the Notes, there could be a default under the terms of these agreements or the Trust Deed, which could cause the repayment of our debt to be accelerated.***

If we are unable to comply with the restrictions and covenants in the Notes, the Trust Deed or our current or future financing and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the relevant debt could terminate their commitments to lend to us, accelerate the debt obligation and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, certain debt agreements, including the Notes, may contain cross-acceleration or cross-default provisions. As a result, default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under other debt agreements, including the Trust Deed. If any of these events should occur, there can be no assurance that our assets and cash flow would be sufficient to repay in full all indebtedness, or that alternative financing could be obtained. Even if alternative financing can be obtained, there can be no assurance that it would be on terms that are favorable or acceptable to us.

***The Notes will be effectively subordinated to all of our secured debt.***

The Notes are general senior unsecured obligations. The Notes will be effectively subordinated to all our secured indebtedness to the extent of the value of the assets securing such indebtedness. In addition, the Trust Deed governing the Notes will, subject to some limitations, permit us to incur additional secured indebtedness in connection with bank and other financing arrangements.

In the event of bankruptcy, liquidation, reorganization or other winding up, our assets that secure our secured indebtedness will be available to pay obligations on the Notes only after all secured indebtedness, together with accrued interest, has been repaid. If we are unable to repay our secured indebtedness, the lenders could foreclose on substantially all of our assets which serve as collateral. Under such circumstances, our secured lenders would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including holders of the Notes. Holders of the Notes will participate in the proceeds of the liquidation of our remaining assets ratably with holders of our unsecured indebtedness that is deemed to be of the same class as the Notes, and potentially with all of our other general creditors.

***The Trustee may request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.***

In certain circumstances (including without limitation giving of notice to the Issuer pursuant to Condition 9 and taking enforcement steps pursuant to Condition 13), the Trustee may (at its sole discretion) request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the Notes) or the Terms and Conditions of the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Notes to take such actions directly.

***The Issuer may not be able to repurchase or redeem the Notes as required by the Trust Deed.***

The Issuer may (and at maturity, will) be required to redeem all of the Notes upon occurrence of certain events specified in the Trust Deed. See “Terms and Conditions of the Notes.” If any such event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The ability to redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Notes by the Issuer would constitute an event of default under the Notes, which may also constitute a default under the terms of our other indebtedness.

***We will follow the limited corporate disclosure standards for debt securities listed on the SGX-ST.***

We will be subject to the limited reporting obligations in respect of debt securities listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different from those imposed by securities exchanges in other countries or regions such as the United States or Hong Kong. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

***The Notes may not be a suitable investment for all investors.***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.



## **USE OF PROCEEDS**

We intend to use the proceeds from the Notes to repay certain bank loans of the Group, to finance capital expenditures relating our strategic alliance with Pepsi, and for working capital and other general corporate purposes.

We may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

## EXCHANGE RATE INFORMATION

### THE PRC

The PBOC sets and publishes daily a central parity exchange rate with reference primarily to the supply and demand of the Renminbi against a basket of currencies in the market during the previous day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. Since 1994, the conversion of the Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's interbank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to July 20, 2005, the official exchange rate for the conversion of the Renminbi to U.S. dollars was generally stable. Although Chinese governmental policies were introduced in 1996 to reduce restrictions on the convertibility of the Renminbi into foreign currency for current account items, conversion of the Renminbi into foreign exchange for capital items, such as foreign direct investment, loans or securities, requires the approval of SAFE and other relevant authorities. On July 21, 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by 2.0% against the U.S. dollar. The PRC government has since made and in the future may make further adjustments to the exchange rate system. The PBOC announces the closing price of a foreign currency traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each working day and makes it the central parity for the trading against the Renminbi on the following working day. On May 21, 2007, the PBOC increased the floating band for the trading prices in the inter-bank foreign exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. On June 19, 2010, the PBOC announced that in view of the recent economic situation and financial market developments in the PRC and abroad, and the balance of payments situation in the PRC, it had decided to proceed further with the reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. According to the announcement, the exchange rate floating bands would remain the same as previously announced but the PBOC would place more emphasis on reflecting the market supply and demand with reference to a basket of currencies. The PRC government may make further adjustments to the exchange rate in the future.

The following table sets forth information concerning exchange rates between Renminbi and U.S. dollars for the periods indicated:

	Noon Buying Rate			Period End
	Low	Average <sup>(1)</sup>	High	
	(RMB per US\$1.00)			
Period				
2006 . . . . .	7.8041	7.9579	8.0702	7.8041
2007 . . . . .	7.2946	7.5806	7.8127	7.2946
2008 . . . . .	6.8225	6.9193	7.2946	6.7800
2009 . . . . .	6.8259	6.8259	6.8470	6.8176
2010 . . . . .	6.6000	6.7696	6.8330	6.6000
2011 . . . . .	6.2939	6.4630	6.6364	6.2939
November . . . . .	6.3400	6.3564	6.3839	6.3765
December . . . . .	6.2939	6.3482	6.3733	6.2939
2012				
January . . . . .	6.2940	6.3172	6.3330	6.3080
February . . . . .	6.2935	6.2997	6.3120	6.2935
March . . . . .	6.2975	6.3125	6.3315	6.2975
April . . . . .	6.2790	6.3043	6.3150	6.2790
May (through May 25, 2012) . . . . .	6.3052	6.3189	6.3449	6.3439

*Note:*

(1) Determined by averaging the rates on the last business day of each month during the relevant period, except for the average rate of the relevant periods in 2011 and 2012, which are determined by averaging the daily rates during the respective periods.

## HONG KONG

The Hong Kong dollar is freely convertible into other currencies, including the U.S. dollar. Since October 17, 1983, the Hong Kong dollar has been linked to the U.S. dollar at the rate of HK\$7.80 to US\$1.00. The Basic Law of Hong Kong, or the Basic Law, which came into effect on July 1, 1997, provides that no foreign exchange control policies shall be applied in Hong Kong. The market exchange rate of the Hong Kong dollar against the U.S. dollar continues to be determined by the forces of supply and demand in the foreign exchange market within a boundary. However, against the background of the fixed rate which applies to the issue of the Hong Kong currency in the form of banknotes, as described above, the market exchange rate has not deviated materially from the level of HK\$7.80 to US\$1.00 since the peg was first established. In May 2005, the Hong Kong Monetary Authority, or HKMA, broadened the trading band from the original rate of HK\$7.80 per U.S. dollar to a rate range of HK\$7.75 to HK\$7.85 per U.S. dollar. The Hong Kong government has indicated its intention to maintain the link within that rate range. The Hong Kong government has also stated that it has no intention of imposing exchange controls in Hong Kong and that the HK dollar will remain freely convertible into other currencies, including the U.S. dollar. However, no assurance can be given that the Hong Kong dollar will continue to be linked to the U.S. dollar or at all.

The following table sets forth information concerning exchange rates between the Hong Kong dollar and U.S. dollar for the periods indicated:

Period	Exchange Rate			Period End
	Low	Average <sup>(1)</sup>	High	
	(HK\$ per US\$1.00)			
2006 . . . . .	7.7506	7.7685	7.7928	7.7771
2007 . . . . .	7.7497	7.8008	7.8289	7.7984
2008 . . . . .	7.7497	7.7814	7.8159	7.7499
2009 . . . . .	7.7495	7.7514	7.7618	7.7536
2010 . . . . .	7.7510	7.7687	7.8040	7.7810
2011 . . . . .	7.7634	7.7841	7.8087	7.7663
November . . . . .	7.7679	7.7809	7.7957	7.7730
December . . . . .	7.7663	7.7767	7.7851	7.7663
2012 . . . . .				
January . . . . .	7.7538	7.7622	7.7674	7.7555
February . . . . .	7.7532	7.7544	7.7559	7.7551
March . . . . .	7.7551	7.7620	7.7678	7.7656
April . . . . .	7.7580	7.7621	7.7660	7.7587
May (through May 25, 2012) . . . . .	7.7583	7.7640	7.7699	7.7627

*Note:*

(1) Annual averages are calculated by averaging the rates on the last business day of each month during the relevant year. Period averages are calculated by averaging the daily rates during the relevant period.

## CAPITALIZATION

The following table sets forth our consolidated borrowings and capitalization as of March 31, 2012 on an actual basis and as adjusted basis to give effect to the issuance of the Notes and receipt of the gross proceeds from this offering but before the application of any such proceeds. The following table should be read in conjunction with our consolidated financial statements and unaudited condensed consolidated financial statements, including the notes related thereto, included in this Offering Memorandum.

	As of March 31, 2012	
	Actual	As adjusted <sup>(1)</sup>
	US\$'000	US\$'000
<b>Current liabilities:</b>		
Current portion of interest-bearing borrowings . . . . .	822,939	822,939
<b>Non-current liabilities:</b>		
The Notes to be issued <sup>(2)</sup> . . . . .	–	500,000
Long-term interest-bearing borrowings . . . . .	569,371	569,371
	569,371	1,069,371
<b>Total borrowings</b> . . . . .	<b>1,392,310</b>	<b>1,892,310</b>
<b>Capital and reserves attributable to owners of the Company</b>		
Issued capital . . . . .	27,957	27,957
Capital redemption reserve . . . . .	45	45
Share premium . . . . .	108,057	108,057
Exchange translation reserve . . . . .	314,564	314,564
General reserve . . . . .	328,208	328,208
Share-based payment reserve . . . . .	22,646	22,646
Investment revaluation reserve . . . . .	(1,461)	(1,461)
Retained profits . . . . .	1,685,685	1,685,685
<b>Total capital and reserves attributable to owners of the Company.</b> . . . .	<b>2,485,701</b>	<b>2,485,701</b>
<b>Non-controlling interests</b> . . . . .	<b>940,870</b>	<b>940,870</b>
<b>Total equity</b> . . . . .	<b>3,426,571</b>	<b>3,426,571</b>
<b>Total capitalization<sup>(3)</sup></b> . . . . .	<b>4,818,881</b>	<b>5,318,881</b>

*Notes:*

- (1) The "As Adjusted" balances shown above does not take into account the application of any of the proceeds from this offering.
- (2) The amount of Notes to be issued represents the estimated gross proceeds which are expected to be received from the issuance of the Notes (before deducting the discount, fees, commissions and other estimated expenses payable by the Issuer in connection with the issuance of the Notes).
- (3) Total capitalization represents the sum of the total borrowings and total equity.

Except as otherwise disclosed in this Offering Memorandum, there has not been any material change in our capitalization since March 31, 2012.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions in the form in which they (subject to amendment and completion and other than the text in italics) will be scheduled to the Trust Deed and endorsed on each Note in definitive form (if issued):*

The issue of the U.S.\$500,000,000 3.875% Notes due 2017 (the “**Notes**”, which term shall include, unless the context requires otherwise, any further Notes issued in accordance with Condition 13 and consolidated and forming a single series therewith) was authorised by a resolution of the Board of Directors of Tingyi (Cayman Islands) Holding Corp. (the “**Issuer**”) on 18 May 2012. The Notes are constituted by the trust deed ((as amended or supplemented from time to time) the “**Trust Deed**”) to be dated on or about 20 June 2012 (the “**Issue Date**”) made between the Issuer and Citicorp International Limited as trustee for the holders of the Notes (the “**Trustee**”, which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the paying and transfer agency agreement to be dated on or about 20 June 2012 (the “**Agency Agreement**”) made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent and principal transfer agent (the “**Principal Agent**”) and the other paying agents and transfer agents appointed under it (each a “**Paying Agent**” or a “**Transfer Agent**”) and Citigroup Global Markets Deutschland AG as registrar (the “**Registrar**”) relating to the Notes. References to the “**Principal Agent**”, the “**Registrar**” and the “**Agents**” below are references to the principal agent, the registrar and the agents for the time being for the Notes. “**Agents**” means the Principal Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Notes. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Unless otherwise defined, terms used in these Conditions have the meanings specified in the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office for the time being of the Trustee (presently at 56th Floor, One Island East, 18 Westlands Road, Island East, Hong Kong). The holders of the Notes are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

### 1 FORM, SPECIFIED DENOMINATION AND TITLE

The Notes are issued in the specified denomination of U.S.\$200,000 and higher integral multiples of U.S.\$1,000.

*Upon issue, the Notes will be represented by a global certificate (the “**Global Certificate**”) deposited with a common depository for, and representing Notes registered in the name of, Euroclear Bank S.A./NV. (“**Euroclear**”) and Clearstream Banking, société anonyme, Luxembourg (“**Clearstream**”).*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Notes represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Notes. The Notes are not issuable in bearer form.*

*So long as the Notes are represented by the Global Certificate and the rules of Euroclear and Clearstream so permit, transfers of interests in the Notes through the relevant clearing systems shall be in principal amounts of at least U.S.\$200,000 and higher integral multiples of U.S.\$1,000 thereafter. Further, approval in-principle has been obtained for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Notes will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for as long as the Notes are listed on the SGX-ST.*

The Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Notes by the same holder.

Title to the Notes passes only by transfer and registration in the Register as described in Condition 2. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these terms and conditions (the “**Conditions**”), “**Noteholder**” and “**holder**” means the person in whose name a Note is registered (or, in the case of a joint holding, the first named thereof).

## 2 TRANSFERS OF NOTES

- (a) **Register:** The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Trust Deed and the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes (the “**Register**”). Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.
- (b) **Transfer:** Subject to the Trust Deed and the Agency Agreement, a Note may be transferred by delivery of the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or Transfer Agent. No transfer of a Note will be valid unless and until entered on the Register.

*Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

- (c) **Delivery of new certificates:** Each new Certificate to be issued upon a transfer of Notes will, within five business days of receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the form of transfer, be made available for collection at the specified office of the Registrar or such Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Notes (but free of charge to the holder) to the address specified in the form of transfer.

Where only some of the Notes in respect of which a Certificate is issued is to be transferred, a new Certificate in respect of the Notes not so transferred will, within five business days of delivery of the original Certificate to the Registrar or relevant Transfer Agent, be made available for collection at the specified office of the Registrar or such relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred (but free of charge to the holder) to the address of such holder appearing on the Register.

In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (d) **Transfer or Exercise Free of Charge:** Subject to Conditions 2(e) and 2 (f) below, Certificates, on transfer or exercise of an option, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require) and (ii) the Issuer and the relevant Transfer Agent being satisfied that the regulations concerning the transfer of Notes have been complied with.



- (e) **Closed Periods:** No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.
- (f) **Regulations:** All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who asks for one.

### 3 STATUS

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### 4 NEGATIVE PLEDGE

The Issuer undertakes that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not, and will procure that none of its Subsidiaries will, create or permit to subsist or arise any Encumbrance upon the whole or any part of their respective present or future assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes are secured equally and rateably by (i) the same Encumbrance or (ii) at the option of the Issuer, by such other security, guarantee, indemnity or other arrangement (a) as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or (b) as shall be approved by an Extraordinary Resolution of the Noteholders.

For the purposes of these Conditions:

- (i) any reference to "**Encumbrance**" is to a mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person;
- (ii) "**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and
- (iii) "**Subsidiary**" means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong laws, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.

## 5 INTEREST

The Notes bear interest on their outstanding principal amount from and including 20 June 2012 at the rate of 3.875 per cent. per annum, payable semi-annually in arrear on 20 June and 20 December in each year (each an “**Interest Payment Date**”) commencing on 20 December 2012. Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Principal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed. In these Conditions, the period beginning on and including 20 June 2012 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Note shall be calculated per U.S.\$1,000 in principal amount of the Notes (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

## 6 REDEMPTION AND PURCHASE

- (a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 20 June 2017 (the “**Maturity Date**”). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.
- (b) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 20 June 2012, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendment. The Trustee shall accept without any liability for so doing such certificate and opinion as sufficient evidence of the matters set out in (i) and (ii) above of this Condition 6(b), in which event the same shall be conclusive and binding on the Noteholders.

- (c) **Redemption at the Option of the Issuer:** The Issuer may, at its option, on giving not more than 60 nor less than 30 days' irrevocable notice to the Noteholders, redeem all, but not some only, of the Notes at their Make Whole Redemption Price, together with interest accrued and unpaid to the date fixed for redemption.

For the purpose of this Condition 6(c):

**“Adjusted U.S. Treasury Rate”** means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date;

**“Business Day”** means any day, excluding a Saturday and a Sunday on which banks are open for general business in Hong Kong, New York and London;

**“Comparable Treasury Issue”** means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to such remaining term of the Notes.

**“Comparable Treasury Price”** means, with respect to any redemption date: (1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities”; or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

**“Independent Investment Bank”** means an independent investment bank of international repute (acting as an expert) selected by the Issuer.

**“Make Whole Redemption Price”** means, with respect of each Note at any redemption date, the greater of (i) 100% of the principal amount of such Note and (ii) the amount equal to the sum of the present value at such redemption date of the principal amount of such Note, together with the present values of the interest payable for the relevant Interest Periods from the relevant date fixed for redemption to the Maturity Date, in each case, discounted to such redemption date on a semi-annual compounded basis at the Adjusted U.S. Treasury Rate plus 0.5 per cent.

**“Reference Treasury Dealer”** means each of any three investment banks of recognised standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Issuer in good faith.

**“Reference Treasury Dealer Quotations”** means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by an Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

Any reference in these Conditions to principal and/or interest shall be deemed to include any Make Whole Redemption Price which may be payable under this Condition 6(c).

- (d) **Redemption for Put Event:** Following the occurrence of a Put Event, the holder of each Note will have the right to require the Issuer to redeem that Note on the Put Date at 101 per cent. of its principal amount, together with accrued and unpaid interest to such date. To exercise such right, the holder of the relevant Note must deliver such Note to the specified office of any Paying Agent, together with a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying Agent (a “**Put Exercise Notice**”), at any time during the Put Period. The “**Put Date**” shall be the fourteenth day after the expiry of the Put Period.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of Put Exercise Notices delivered as aforesaid on the Put Date.

For the purposes of these Conditions:

a “**Change of Control**” shall occur when:

- (a) any Person or Persons, acting together, acquires (other than by way of merger or consolidation) Control, directly or indirectly, of the Issuer provided that such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;
- (b) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the assets of the Issuer to any other Person or Persons, acting together; unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or
- (c) Ting Hsin (Cayman Island) Holding Corp. does not, or ceases to, control 15 per cent. of the voting rights of the issued share capital of the Issuer, whether directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

“**Control**” means (i) the acquisition or holding or legal or beneficial ownership or control of more than 50 per cent. of voting rights of the issued share capital of the Issuer or (ii) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, and “controlled” shall be construed accordingly;

“**Investment Grade Credit Rating**” means a rating of Baa3 from Moody’s or BBB- from S&P or their respective equivalent ratings or better;

“**Moody’s**” means Moody’s Investors Services, Inc. and its successors;

“**Non-Investment Grade Credit Rating**” means a rating of Ba1 from Moody’s or BB+ from S&P or their respective equivalent ratings or worse;

a “**Person**”, as used in this Condition 6(d), includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of state (in each case whether or not being a separate legal entity) but does not include the Issuer’s wholly owned direct or indirect Subsidiaries.

**“Put Event”** will be deemed to occur if: (i) there is a Change of Control; and (ii) within a period ending 120 days after the date of the notice of the Change of Control first becomes public (which period shall be extended so long as the Notes are under consideration (as publicly announced within such 120 day period) for rating review), a Rating Downgrade occurs, provided that if at the time of the occurrence of the Change of Control, the Notes carry a Non-Investment Grade Credit Rating or no credit rating from both Rating Agencies, a Put Event will be deemed to occur upon the occurrence of a Change of Control alone;

**“Put Period”** means the period commencing on the occurrence of a Put Event and ending 60 calendar days following the Put Event or, if later, 60 calendar days following the date on which a notice thereof is given to Noteholders by the Issuer in accordance with Condition 14;

**“Rating Agency”** means Moody’s or S&P or any of their respective successors and assigns;

**“Rating Downgrade”** means: (i) if at the time of a Change of Control, the Notes carry Investment Grade Credit Ratings from both Rating Agencies, that the ratings from both Rating Agencies are either downgraded to a Non-Investment Grade Credit Rating or withdrawn; or (ii) if at the time of a Change of Control, the Notes carry an Investment Grade Credit Rating from only one Rating Agency, that such rating is either downgraded to a Non-Investment Grade Credit Rating or withdrawn; and

**“S&P”** means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. and its successors.

- (e) **Purchase:** The Issuer and its Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 12(a) and 15.
- (f) **Cancellation:** All Certificates representing Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Notes shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7 PAYMENTS

### (a) Method of Payment:

- (i) Payment of principal (including, premium, if any) and interest due on the Notes other than on an Interest Payment Date will be made by transfer to the registered account of the holder or by U.S. dollar cheque drawn on a bank in New York City mailed to the registered address of the holder if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any Agent. Interest on the Notes due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth business day before the payment of interest (the **“Record Date”**).

*Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

For the purposes of this Condition 7, a holder’s registered account means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the fifteenth business day before the due date for payment.

- (ii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.
- (b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders in respect of such payments.
- (c) **Payment Initiation:** Where payment is to be made by transfer to an account in U.S. dollars, payment instructions (for value the due date or, if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Principal Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Agent is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Agent, the Registrar and the other Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Agent, the Registrar, and the other Agents appointed from time to time under the Agency Agreement act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Agent, the Registrar and the other Agents and to appoint additional or other Paying Agents and/or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Agent, (ii) a Registrar and (iii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

Notice of any such change or any change of any specified office of an Agent shall promptly be given to the Noteholders in accordance with Condition 14.

- (e) **Delay in Payment:** Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a Business Day, if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(a)(ii) arrives after the due date for payment.
- (f) **Non-Business Days:** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.



In this Condition 7, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and, where payment is to be made by transfer to an account maintained with a bank in U.S. dollars, on which foreign exchange transactions may be carried on in U.S. dollars in New York city.

## 8 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Cayman Islands or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer by or within the PRC at the rate of up to and including 10 per cent., the Issuer will increase the amounts paid by it to the extent required, so that the net amount received by Noteholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer is required to make a deduction or withholding in excess of 10 per cent., the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Tax Amounts shall be payable in respect of any Note:

- (a) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Cayman Islands other than the mere holding of the Note; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days; or
- (c) **Tax declaration:** to a holder (or to a third party on behalf of a holder) who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such a declaration or claim, such holder fails to do so within any applicable period prescribed by such relevant tax authority; or
- (d) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

“**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

For the avoidance of doubt, the Issuer’s obligation to pay Additional Tax Amounts will not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, duty, assessment or other governmental charge or (b) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of, premium or interest on, the Notes.

## 9 EVENTS OF DEFAULT

The Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in any such case to first being indemnified and/or secured and/or pre-funded by the holders to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at the principal amount together with accrued and unpaid interest if:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or any premium or interest on any of the Notes when due and, in the case of interest, the default continues for a period of seven business days; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is incapable of remedy or is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (as extended by any originally applicable grace period) provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted on the day on which this Condition 9(c) operates); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 45 days; or
- (e) **Security Enforced:** any secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, asset and revenues of the Issuer or any of its Principal Subsidiaries and such possession or appointment continues for a period of 45 days after the date hereof; or
- (f) **Insolvency:** the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) such debts of the Issuer or any of its Principal Subsidiaries; or
- (g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or
- (h) **Nationalisation:** any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries; or

- (i) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Trust Deed or any of the Notes; or
- (j) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing events referred to in Conditions 9(f) and 9(g).

In these Conditions:

**“Principal Subsidiary”** means any Subsidiary of the Issuer:

- (a) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least five per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries; or
- (b) whose gross profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross profit, as shown by its latest audited income statement are at least five per cent. of the consolidated gross profit as shown by the latest audited consolidated income statement of the Issuer and its Subsidiaries including, for the avoidance of doubt, the Issuer and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (c) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least five per cent. of the amount which equals the amount included in the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer and its Subsidiaries including, for the avoidance of doubt, the investment of the Issuer in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer and after adjustment for minority interests; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition;

provided that, in relation to paragraphs (a), (b) and (c) above of this definition:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, gross profit or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer;

- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer; and
- (iv) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

## 10 PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or relevant Transfer Agent may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 12 MEETINGS OF NOTEHOLDERS AND MODIFICATION

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in principal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification and Waiver:** The Trustee may agree, without the consent of the Noteholders, to (i) any modification (except as mentioned in Condition 12(a)) to, or the waiver or authorisation of any breach or proposed breach of, the Notes, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (ii) any modification to the Notes, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of law. Any such modification, waiver or authorisation will be binding on the Noteholders and, unless the Trustee agrees otherwise, any such modification, waiver or authorisation will be notified by the Issuer to the Noteholders as soon as practicable thereafter.
- (c) **Interests of Noteholders:** In connection with the exercise of its functions and/or exercise of any of its rights, powers and/or discretions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require on behalf of any Noteholder, nor shall any Noteholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders except to the extent provided for in Condition 8 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.
- (d) **Certificates/Reports:** Any certificate or report or opinion of any legal adviser, accountant, financial adviser or other expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report or opinion and/or engagement letter or other document entered into by the Trustee and/or the Issuer or any other person in connection therewith contains a monetary or other limit on the liability of the relevant legal adviser, accountant, financial adviser or other expert or person in respect thereof.

*In the event of the passing of an Extraordinary Resolution in accordance with Condition 12(a), or a modification, waiver or authorisation in accordance with Condition 12(b), the Issuer will procure that the Noteholders be notified in accordance with Condition 14.*

### **13 FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and forming a single series with the Notes.

## **14 NOTICES**

Notices to the holders of Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

*So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, notices to Noteholders shall be given by delivery of the relevant notice to Euroclear and/or Clearstream, as the case may be, for communication by it to entitled account holders in substitution for notification as required by these Conditions.*

## **15 ENFORCEMENT**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Notes, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes then outstanding, and (b) it shall have first been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **16 CURRENCY INDEMNITY**

U.S. dollars are the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Notes, including damages. Any amount received or recovered in a currency other than U.S. dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the U.S. dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. dollar amount is less than the U.S. dollar amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it will be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

## **17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.



## 18 GOVERNING LAW AND JURISDICTION

- (a) **Governing Law:** The Notes, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with any Notes (“**Proceedings**”) may be brought in such courts. The Issuer in the Trust Deed has irrevocably submitted to the exclusive jurisdiction of such courts and has waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Agent for Service of Process:** Pursuant to the Trust Deed, the Issuer has irrevocably appointed Law Debenture Corporation Services Limited of Fifth Floor, 100 Wood Street, London EC2 7EX, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on any of the Notes. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Trustee and the Noteholders of such appointment. Nothing herein or the Trust Deed shall affect the right to serve process in any other manner permitted by law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

Terms defined in the terms and conditions of the Bonds (the “Conditions” or “Terms and Conditions”) set out in this Offering Circular have the meaning in the paragraphs below.

The Notes will be represented by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depository on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal and interest on the Notes to the holder of the Notes on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Notes.

The Global Certificate will become exchangeable in whole, but not in part, for individual Certificates in definitive form:

- (i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream or any other clearing system (an “Alternative Clearing System”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable; or
- (iii) with the consent of the Issuer.

Whenever the Global Certificate is to be exchanged for individual Certificates in definitive form, such Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of the Notes scheduled thereto and, in particular, shall be effected without charge to any holder of the Notes or the Trustee, but against such indemnity as the Registrar or the relevant Agents may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Notes evidenced by the Global Certificate. The following is a summary of certain of those provisions:

**Record date:** So long as the Notes are represented by the Global Certificate, each payment in respect of the Global Certificate will be made to the person shown as the holder of the Notes in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

**Trustee’s Powers:** In considering the interests of the holders of the Notes whilst the Global Certificate is registered in the name of a common depository, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Notes and (b) may consider such interests on the basis that such accountholders were the holders of the Notes in respect of which such Global Certificate is issued.

**Notices:** So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Notes shall be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Notes in substitution for notification as required by the Terms and Conditions of the Notes.

**Transfer of Notes represented by Global Certificates:** Transfers of interests in the Notes will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants. Where the holding of Notes represented by the Global Certificate is only transferable in its entirety, the certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as or as nominee for a common depository for Clearstream, Euroclear and/or an Alternative Clearing System.

**Cancellation:** Cancellation of any Note represented by the Global Certificate which is required by the Terms and Conditions of the Notes to be cancelled will be effected by reduction in the principal amount of the Notes in the register of the Notes and the Global Certificate on its presentation to or to the order of the Principal Agent for annotation (for information only) in the Global Certificate.

**Meetings:** For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each US\$1,000.

**Payment:** Payments of principal and interest in respect of Notes evidenced by the Global Certificate held through Euroclear or Clearstream will be credited, to the extent received by the Principal Agent or such other Paying Agent, to the cash accounts of Euroclear and Clearstream participants in accordance with the relevant system's rules and procedures and will be made without presentation for endorsement by the Principal Agent or such other Paying Agent and, if no further payment falls to be made in respect of the Notes, against presentation and surrender of the Global Certificate to or to the order of the Principal Agent or to the order of such other Paying Agent as shall have been notified to the relevant holder for such purpose. No person shall however be entitled to receive any payment on the Global Certificate (or such part of the Global Certificate which is required to be exchanged) falling due after any date of exchange into individual Certificates in definitive form unless exchange of the Global Certificate for such individual Certificates is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any such individual Certificates.

## BUSINESS

### OVERVIEW

We are a leading producer and distributor in the food and beverage sector in the PRC. Our main products include instant noodles, beverages and instant foods such as egg rolls, sandwich crackers and muffins. According to data from Nielsen, in terms of sales volume, we had the largest market share for instant noodles in the PRC since 1995 and the largest market share in the PRC for ready-to-drink tea, or RTD tea, since 2000. We currently have the second largest market share for sandwich crackers in the PRC. According to data from Nielsen, in March 2012:

- our instant noodles ranked number one in the PRC market, accounting for 56.6% of market share in terms of sales value;
- our RTD teas and bottled water ranked number one, and our diluted fruit juice business ranked number two, in the PRC market, accounting for 45.8%, 20.6% and 19.7%, respectively, of market share in terms of sales volume; and
- we ranked number one in the egg roll market and number two in the sandwich cracker market in the PRC, with a market share in terms of sales volume of 17.9% and 23.1%, respectively.

For the year ended December 31, 2011, sales of instant noodles, beverages and instant foods accounted for 45.7%, 50.8%, and 2.6%, respectively, of our total revenue. We are best known for our brand name, “Master Kong” (康師傅), which appears on the packaging of most of our products. We believe “Master Kong” (康師傅) is a household name in China and, in 2011, we were ranked as one of Asia’s “Fab 50” Companies by Forbes.com for a fourth consecutive year. We also have a distinguished record of producing healthy, safe and quality products. In 2012, we were voted one of the “Top 10 Most Trusted Food Brands” in a poll of Chinese Internet users and were awarded the title of “Most Reputable Brand for Baked Goods” in March 2012 by the Bakery Committee of the China National Food Industry Association.

We distribute our products throughout the PRC through our extensive distribution and sales network consisting of 555 sales offices and 91 warehouses nationwide, serving 6,188 wholesalers and 86,755 direct retailers, which are our key accounts, as of December 31, 2011. As of December 31, 2011, we had 88 production facilities and 510 production lines consisting of 208 instant noodle production lines, 287 beverage production lines and 15 instant food production lines. At the World Instant Noodle Association Conference held in Tianjin, China in May 2012, we were recognized as the largest producer of instant noodle in the world both in terms of total volume of serving units produced. This extensive distribution and sales network and production capability is a significant contributor to our leading market shares as it enables us to better service our customers and helps us to rapidly and successfully introduce new products.

We have also developed several strategic partnerships and alliances with major food and beverage companies in Japan such as Sanyo and Asahi in order to enhance our expertise in business and financial management, product development and distribution. In March 2012, we became Pepsi’s exclusive franchise bottler in China and partnered with Pepsi’s current bottlers to manufacture, sell and distribute Pepsi-branded beverages, including carbonated beverages, “Gatorade,” “Tropicana,” and “Aquafina.” We believe this alliance will bring significant benefits including, faster product launches, increased efficiency and reduction of costs by combining local and global expertise in manufacturing and distribution. In April and May 2012, we entered into joint venture agreements with Calbee and Itochu to manufacture and sell snack food products and Prima, to manufacture and sell processed poultry and meat products in the PRC. We expect these joint ventures to facilitate the expansion of our instant food business by enabling us to produce and distribute a more diversified range of food products and providing us with access to our joint venture partners’ technology and knowhow in the production and sale of food products.

For the three years ended December 31, 2009, 2010 and 2011, our revenue totaled US\$5,081.1 million, US\$6,681.5 million and US\$7,866.6 million, respectively, representing a compound annual growth rate, or CAGR, of 15.7%. For the same period, our profit attributable to owners of our Company totaled US\$383.2 million, US\$476.8 million and US\$419.5 million, respectively. As of March 31, 2012, our market capitalization was US\$16.2 billion.

## **COMPETITIVE STRENGTHS**

We believe that our success to date and potential for future growth can be attributed to a combination of our strengths, including the following:

### ***Strong brand name and leading position in the PRC food and beverage industry***

“Master Kong” (康師傅) is a well-known brand name in the PRC with high levels of consumer recognition and preference, reflecting our leading market position. In 2011, we were ranked as one of Asia’s “Fab 50” Companies by Forbes.com for a fourth consecutive year and we ranked as one of the “Top 10 fast moving consumer products” of the Top 50 Favorite brands of consumers in China, according to Super Brands, the world’s largest independent brand research and assessment organization. We also ranked fifth in the Survey of “Top Taiwan Global Brands 2011” by Interbrand, a leading brand consultancy firm in the United Kingdom. This marked our ninth consecutive year in the top five. As of December 2011, our brand value was estimated at US\$1.19 billion by Interbrand. Our strong brand name has generated significant customer loyalty towards our food and beverage products and, as a result, we have historically maintained pricing leadership relative to our competitors in the PRC food and beverage market and are able to effectively optimize pricing for each of our target consumer bases.

According to data from Nielsen, in March 2012, our instant noodles, RTD teas, bottled water and egg rolls ranked number one and our diluted fruit juice and sandwich cracker businesses ranked number two in the PRC in terms of market share by sales volume, and we have maintained the number one position in the instant noodle and RTD tea markets in the PRC in terms of sales volume since commencing production in 1995 and 2000, respectively. We believe our leading position in the PRC food industry is largely attributable to our continuous efforts in offering consumers various choices of flavors and package sizes to accommodate their preferences and needs. Our diverse product portfolio, operational scale and experience across these segments have allowed us to achieve procurement savings and maintain strong relationships with a wide range of customers, from wholesalers to national retailers and large convenience store customers. We believe our leading market position will enable us to benefit from emerging consumer trends and maximize the opportunities in the PRC.

### ***Nationwide geographic distribution and manufacturing coverage and proven, large-scale production capacity***

As of December 31, 2011, we had a nationwide distribution network consisting of 555 sales offices and 91 warehouses serving 6,188 wholesalers and 86,755 direct retailers in every province and most major cities in China. Our warehouses are strategically located to service a 700 to 800-kilometer radius of customers, which maximizes our distribution capabilities and enables us to better understand and align regional operations with customer preferences, reduce transportation costs and exert greater control over the timing and coordination of new product launches.

To maximize our production capacity, we utilize highly automated, advanced machinery across the majority of our production facilities across China. As of December 31, 2011, we had 510 production lines including 208 instant noodle production lines, 287 beverage production lines and 15 instant food production lines. At the World Instant Noodle Association Conference held in Tianjin, China in May 2012, we were recognized as the largest producer of instant noodle in the world both in terms of total volume of serving units produced. In 1998, we also began producing polyethylene terephthalate bottles, or PET bottles, used in packaging our beverage products, which allows us to effectively reduce the cost of packaging materials and minimize supplier risk. Our large-scale production capacity has enabled us to achieve economies of scale, which further enhances our

competitive position within the PRC food and beverage industry. As a result, we believe that we have the production capacity and distribution infrastructure to increase the availability of our products and meet our targeted volume growth at a relatively low marginal capital cost.

### ***Strong research and development platform and product development capability***

We place significant emphasis on the research and development of new products and a team of approximately 250 experienced food and beverage researchers to help fine-tune our existing products to better cater to consumer needs and preferences. Our research and development team continually looks for ways to optimize product design, packaging and contents to appeal to consumers on both a national and regional level while ensuring the continued quality and safety of our products.

We also have a strong product development capability which allows us to efficiently launch new products to refresh our product lineup and strengthen our market position. By leveraging our research and development platform, strong brand name and extensive distribution network, we have successfully launched several new food and beverage products and grown these product lines into significant sources of revenue in a few short years. For example, we launched our jasmine tea drinks in 2008 and, by the year ended December 31, 2011, Jasmine tea drinks accounted for approximately 23% of our revenues from RTD tea. In addition, we launched our lactic acid drinks in April 2011. We believe our emphasis on the research and development of new products and the continued optimization of our product portfolio helps us to quickly adapt to consumer trends and reinforces our leading position in the PRC food and beverage market.

### ***Strategic partnerships with leading Asian and global food and beverage companies***

At each phase of our development, we have formed strategic partnerships with leading Asian and global food and beverage companies to gain the industry know-how necessary to enrich our product lines and create a broader platform to grow our market share and business. In the early years of our development, we entered into a partnership with Sanyo in 1999 to enhance our instant noodle production skills and techniques and with Wei Chuan in 1998 to gain access to its expertise in the production of beverages. As our business matured, we entered into a joint venture with Al Beverages in 2003 to leverage its expertise and strengths in product development, manufacturing, raw material procurement and overall business management. To further enhance our beverage product mix and product innovation capability, we became the exclusive franchise bottler of all Pepsi carbonated drinks in China, as well as “Gatorade,” “Tropicana” and “Aquafina” drinks. In April 2012, we entered into a joint venture agreement with Calbee and Itochu to gain access to their expertise in manufacturing and developing snack foods to help expand our instant food business. Most recently, we entered into a joint venture agreement with Prima in May 2012 to manufacture and sell processed poultry and meat products in the PRC. By leveraging the expertise gained from our strategic partnerships and through the participation of certain of our partners on our board of directors, we were able to enhance our operational efficiency, reduce costs and bring new products to market faster, thereby providing more choices for Chinese consumers and making us more competitive in the PRC food and beverage market.

### ***Effective raw material procurement model, strict inventory management and competitive cost structure***

Our substantial operational scale has allowed us to maintain strong relationships with a wide range of suppliers and wholesalers. We employ a centrally managed raw material procurement model that is tailored for each type of raw material in order to obtain the highest quality supplies at the most favorable price. To minimize our reliance on any single supplier and to expand our procurement capability for commodities in short supply, we also source each type of raw material from at least two suppliers. We manage our relationship with our beverage segment wholesalers using an Electronic Distributor Management System, or EDMS, which maintains turnover, inventory and sales data on each wholesalers that is reviewed on a regular basis at our headquarters. Our effective management of supplier and wholesaler relationships has helped us to decrease our average finished goods turnover days from 13.3 days in 2001 to 8.87 days in 2011.



In addition to our diversified raw material procurement model and strict inventory management, our cost structure is enhanced by our vertically integrated manufacturing capabilities. For example, we produce a significant portion of the PET bottles used in packaging our beverage products, which helps us to effectively reduce our packaging material costs. We also regularly evaluate and improve upon our manufacturing process to minimize waste and reduce production costs. In 2006, we implemented a rinse-free technology that eliminated a second round of rinsing in the plastic bottle production process, providing significant savings in water and utilities costs. We believe our raw material procurement model, strict inventory management and competitive cost structure will help us to efficiently grow our business and maintain profitability in the evolving market environment despite recent increases in the prices of raw materials.

### ***Prudent financial management and robust liquidity position***

We believe our prudent financial management policies have helped us to maintain a strong liquidity position. To help reduce the credit risks and losses arising from bad trade receivables, we normally require full payments for all sales to our wholesalers prior to a shipment. We have also developed a diversified and complementary product portfolio that allows us to maintain a steady revenue stream even in non-peak seasons for certain products. For example, sales of RTD tea and bottled water are typically higher in the second and third quarters while sales of instant noodles are higher in the first and fourth quarters, allowing us to leverage the seasonality of these complementary businesses to generate a steady revenue stream throughout the year. We also actively monitor and manage our liquidity position by taking into account our capital needs, available cash and financing options. Historically, we have primarily relied on internally generated cash through sales of our products to finance our expansion. As of December 31, 2011, our bank balances and cash amounted to US\$590.4 million. We believe our prudent financial management, robust liquidity position and the effective tailoring of these policies in response to market conditions will help us withstand future challenges in the PRC food and beverage market.

### ***Experienced management team and integrated operational management system to support continued growth of our business***

Our senior management team has extensive experience in the instant noodle, beverage and instant food industries in China, Japan and Taiwan. Many members of our senior management team have been with us for more than 15 years and possess diverse skills that support our operating strategies, including driving organic growth through efficient marketing, reducing operating costs, enhancing distribution efficiencies, aligning production, distribution and expansion objectives and maintaining strong relationships both within the industry and with major customers.

Our management oversees an efficient two-tier operational management structure in which our headquarters is responsible for administering certain major aspects of our operations such as production, raw material procurement, financial management, research and development, quality control and sales and marketing, while regional companies are responsible for implementing business plans and performing daily operational functions in different geographic areas. We also adopt and utilize various information technology systems to ensure our responsiveness to market conditions by effectively coordinating different operation segments and geographic areas and reducing deficiencies resulting from segregation of duties. We believe our strong management capability and operational management system has helped us to grow at a rate that outpaces the growth of the PRC food and beverage market. We believe there is still significant room for growth in China's instant noodle and beverage market, and that our strong management capability and integrated operational management system make us well-positioned to take advantage of such growth potential.

## **BUSINESS STRATEGIES**

We intend to pursue a business growth strategy based on the following principal components:

### ***Continue to maintain leading position in the PRC food and beverage industry and further increase market share***

We believe that the PRC food and beverage market will remain dynamic with high-growth potential, and that we will be able to continue to capitalize on increasing consumer demand in the PRC. According to Euromonitor, the PRC instant noodle and beverage markets have maintained high growth rates between 2006 and 2011, with a CAGR of 11.0% and 14.5%, respectively. As one of the largest players in the PRC food and beverage industry, we will continue to take advantage of the benefits of scale and focus on increasing our market share. We intend to do so by offering high quality products, broadening product range, enlarging our distribution network and production capacity and continuing to invest in research and development. To further enhance our brand awareness and product presence, we also intend to significantly increase the number of our branded coolers and other cold drink equipment in various retailing channels such as convenience stores and supermarkets.

With respect to our instant noodle business, we intend to maintain our leading position in high-end instant noodles while introducing new mid-end products to strategically increase our market share in this segment. In the instant food segment, we plan to develop and promote products reflecting our interpretation of traditional snacks. We believe our experience in production, quality control, marketing and sales and access to local markets through our distribution coverage across the PRC, combined with our knowledge of the food and beverage industry and understanding of market trends and consumer needs, allow us to reach out to more customers and consumers and meet their preferences and needs.

### ***Continue to optimize product mix and enhance our existing product portfolio to satisfy evolving consumer preferences and needs***

We currently offer instant noodle products in over 100 flavors, 29 major varieties of beverage products and 13 types of instant food products. As consumer preferences and demands are constantly evolving, we will continue to improve our product offerings by introducing new flavors and packages for our existing products, launching existing products in new markets in the PRC and reinvigorating existing products where appropriate. In addition, we will continue to tailor our product categories at local levels to offer consumers proper choice in various regional markets. Furthermore, we will continue to invest in research and development, evaluate new market trends and potential demand for new products, and launch new product lines to take advantage of opportunities in the segments with high growth potential. For example, we launched lactic acid drinks in 2011 and a milk tea drink in April 2012. By maintaining a diversified and continually updated portfolio of products, we believe we will be able to meet the new and increasing demands of Chinese consumers.

### ***Explore strategic alliances and joint ventures to expand our business and enter into new product segments***

Our current strategy is focused on further expanding our business through selective strategic partnerships with leading food and beverage companies in Asia to increase our product mix and add new product lines. In March 2012, we became the exclusive franchise bottler of Pepsi carbonated drinks in China and expanded our beverage product portfolio with Pepsi's carbonated beverages and sports drinks such as "Gatorade." We plan to tap into Pepsi's beverage innovation pipeline to develop new products faster and further diversify our product portfolio to capture market shares in emerging market segments. In April 2012, we entered into an agreement with Calbee and Itochu to establish a joint venture to manufacture and sell snack food products. We expect this joint venture to facilitate the expansion of our instant food business by providing us with access to Calbee's technology and knowhow in the production and sale of snack food products and the trading experience of Itochu to produce and distribute a diversified range of snack food products

in the PRC. We also expect to be able to leverage Itochu's upstream agricultural resources to secure supplies of potatoes and other raw materials to our Group. We expect the joint venture to launch its products by the end of 2012. We also entered into a strategic joint venture with Prima in May 2012 to manufacture and sell processed poultry and meat products in the PRC. In the coming years, we intend to continue to explore strategic joint ventures like these to enhance our market share and further diversify sources of revenue.

***Continue to increase distribution channel penetration to reach a broader consumer base***

We intend to continue to build our distribution network in the PRC by further enlarging the scale of the distribution channels in the markets we currently serve. We will continue to focus on developing strong relationships with our retailers to ensure that our products are in stock, highly visible and readily accessible wherever and whenever consumers may desire. We also plan to expand arrangements with wholesalers to provide more access to distribution points at traditional grocers, convenience stores, vending machines, shopping malls, schools, airports, train stations and other retail outlets with the aim of exerting better control over the flow of our products to consumers. We believe such arrangements will enhance our brand visibility and understanding of consumer preferences at a regional level.

In light of continuous urban expansion in the PRC, we plan to further expand our distribution presence to cover more suburban areas. We plan to use our regional marketing teams to complement our distribution expansion by improving product availability and attractiveness at the point of purchase, building brand strength in the new markets, coordinating sales and promotional activities with local wholesalers and initiating marketing campaigns to introduce our products to potential consumers. In addition, we will continue our efforts to attract and retain management talent and sales personnel with industry experience in the new regional markets with the aim of further expanding our distribution network.

***Continue to improve operating efficiency and cost structure***

We intend to continue to leverage our integrated operational management system to rationalize our procurement, production, research and development, quality control and sales and distribution functions to reap the benefits of operating efficiency and achieve greater cost competitiveness. The strategies to achieve greater operating efficiency include the following:

- continue to utilize the centralized procurement function to strengthen our bargaining power with suppliers of key raw materials;
- continue to upgrade production processes and technologies to improve production efficiency;
- continue to expand greater geographic production and distribution coverage and maximize the synergy of production and distribution networks to reduce logistics costs;
- continue to streamline our production facilities and refine quality and cost controls;
- continue to coordinate sales, service, distribution, product development, product promotion and launches to be responsive to the changing needs of consumers; and
- continue to invest in advanced information technology systems to enhance control and competitiveness.

**HISTORY AND CORPORATE INFORMATION**

Ting Hsin (Cayman Islands) Holding Corp., or Ting Hsin, one of our controlling shareholders, first entered the PRC in early 1989 by establishing an equity joint venture with the Beijing Bureau of Agriculture to produce cooking oil in Beijing for the consumer market. In 1991, Ting Hsin entered the PRC instant noodle market by establishing Tianjin Tingyi International Food Co., Ltd., or Tianjin Tingyi, as a wholly foreign-owned enterprise in the Tianjin Economic-Technological Development Area, or TEDA. By locating in TEDA, Tianjin Tingyi was able to take advantage of certain tax and investment incentives.

We were incorporated in the Cayman Islands on January 12, 1994. In February 1996, we completed an initial public offering of our shares and our shares were listed on the Stock Exchange of Hong Kong Limited on February 5, 1996. In January 2006, we established a sponsored, unlisted American Depositary Receipt, or ADR, facility. The number of American Depositary Shares, or ADSs, we registered under the ADR facility was 50,000,000. Under the ADR facility, owners of the ADSs have the same rights to dividends and distributions and voting powers as the holders of our ordinary shares subject to enforcement procedures provided in the Deposit Agreement. The ADR facility provided us with a measure of exposure to the U.S. capital market at a minimal financial cost and maintenance effort. On December 16, 2009, Ting Hsin transferred 190 million shares of our ordinary shares to a depository bank for the issuance and offering of 380 million units of Taiwan depository receipts, or TDRs, in Taiwan. The TDRs were listed on the Taiwan Stock Exchange and trading commenced on the same day.

We are a constituent stock of the FTSE All-World Asia Pacific Ex-Japan Index and Morgan Stanley Capital International (MSCI) Hong Kong Index. We have been one of the 48 component stocks of Hong Kong's benchmark Hang Seng Index since December 2011.

Our head office is located at No.15. Third Avenue, Tianjin Economic Technological Development Area, Tianjin 300457, PRC.

*Sanyo.* In June 1999, Ting Hsin sold a 33.1% interest in us to Sanyo Foods Co., Ltd., or Sanyo, for approximately US\$14.3 million. The equity participation of Sanyo in us is beneficial to both parties. This strategic partnership has, on the one hand, provided Sanyo with access to the PRC market and on the other hand provided us with an opportunity to improve our business and financial management through the professional advice and supervision rendered by Sanyo, thereby allowing us to enhance our technological know-how and reduce costs. As of March 31, 2012, Sanyo holds approximately 33.17% of our outstanding shares.

*Wei Chuan.* We began our strategic alliance with Wei Chuan in 1998. Currently, we hold a 17.16% equity interest in Wei Chuan. Ting Hsin and its related parties also own an aggregate of approximately 6.18% of Wei Chuan and appointed two members of Wei Chuan's board of supervisors as part of their long-term arrangement with Wei Chuan. Wei Chuan is the second-largest food and beverage producer in Taiwan in terms of revenue and is listed on the Taiwan Stock Exchange. It produces and distributes various products, including dairy products, soy sauce, canned food, beverages and seasonings under the "Wei Chuan" brand and other brand names. Wei Chuan also owns two supermarket chains in Taiwan. The investment in Wei Chuan has provided us with access to certain areas of Wei Chuan's expertise, particularly with respect to beverage products, dairy products and soy sauce.

*Asahi.* On December 27, 2003, we entered into an agreement with AI Beverage Holding Co., Ltd., or AIB, a joint venture of Asahi, and Itochu, in relation to our cooperation with Asahi and Itochu in the PRC beverage business. Pursuant to this agreement, we transferred 49.995% shares of our beverage business to AIB to work together in the fast growing but competitive PRC beverage market. We completed the transaction in April 2004. Through this cooperation, we leveraged our partners' respective expertise and strengths to significantly enhance our competitiveness in product development, manufacturing, raw material procurement and overall business management. On November 23, 2008 and September 28, 2010, AIB transferred a 9.999% and 8% interest, respectively, in our beverage business to Ting Hsin. AIB currently holds a 30.4% interest in our beverage business.

## **RECENT STRATEGIC ALLIANCES AND JOINT VENTURES**

### **Strategic Alliance With Pepsi**

Under arrangements entered into in November 2011, or the Strategic Alliance Arrangements, we will form an alliance with PepsiCo Inc., or Pepsi, whereby our indirect subsidiary, Tingyi-Asahi Beverages Holding Co., Ltd., or TAB, will become Pepsi's exclusive franchise bottler in China. Under this alliance, we will partner with Pepsi's current bottlers to manufacture, sell and distribute

Pepsi's carbonated beverages and its "Gatorade" brand sports drinks. Pepsi will retain branding and marketing responsibilities for the products. We will also begin co-branding our juice products under the "Tropicana" brand under license from Pepsi. This alliance will greatly increase the operational efficiency, promote future business growth and create long-term value for both parties. Through Pepsi's world-class brand name and beverage innovation pipeline, we will be able to provide customers and consumers with a richer product line while Pepsi can utilize our extensive manufacturing and distribution network to create a broader platform to leverage the rapid growth of China's beverage market opportunity. Our shareholders ratified the agreements for the Strategic Alliance Arrangements with Pepsi on February 17, 2012 and on March 29, 2012, the PRC Ministry of Commerce approved our strategic alliance with Pepsi.

### ***Contribution Agreement***

Under the Contribution Agreement entered into on November 4, 2011, Far East Bottlers (HK) Limited, or FEB, an investment holding company of Pepsi, will contribute to TAB its entire equity interest in China Bottlers (HK) Limited, or CBL, a holding vehicle for Pepsi's bottling assets in the PRC, in exchange for an indirect 5% interest in TAB. FEB has been granted options, or the Issue Option, to subscribe for additional shares to increase its indirect interest in TAB to 20% on a fully-diluted basis by October 31, 2015. No premium is payable by FEB for the Issue Option and the Issue Option is exercisable at the discretion of FEB.

Prior to closing, Pepsi is required to (1) transfer a non-carbonated drink bottler to a subsidiary of CBL, (2) acquire additional equity interests in certain Pepsi bottlers with an aggregate consideration of approximately RMB232.7 million, (3) increase the registered capital of certain Pepsi bottlers, and (4) reorganize and repay the debt of the contributed companies under the agreement to take the net asset value of CBL to US\$600 million by closing. Prior to closing, Master Kong Beverages (BVI) Holding Co., or MKB, our subsidiary engaged in the beverage business, is required to use reasonable endeavors to dispose of its 15.5% interest in Hangzhou Kagome Foods Company.

### ***Commercial Agreements***

On November 4, 2011, Pepsi, TAB and their respective subsidiaries have also entered into four commercial agreements, which will expire on December 31, 2050.

#### ***Commercial agreement I – Framework Exclusive Bottling Agreement***

Under the Framework Exclusive Bottling Agreement, entered into on November 4, 2011 between Pepsi, the Concentrate Manufacturing Company of Ireland, or CMCI, a wholly owned subsidiary of Pepsi and TAB, Pepsi appoints TAB as its exclusive franchise bottler. TAB, together with existing Pepsi bottlers and any Pepsi-approved bottler TAB may nominate in the future, or the Pepsi Bottlers, will manufacture, package, bottle, distribute and sell on a royalty-free basis, and advertise and promote on a non-exclusive, royalty-free basis, carbonated soft drink, or CSD, products under certain trademarks owned by Pepsi in the PRC. Under this agreement, Pepsi and CMCI, will supply concentrate to TAB and the Pepsi Bottlers. Concentrate price will be determined by reference to a percentage of the total net wholesale price of all CSD products sold by TAB and the Pepsi Bottlers in the PRC. The actual concentrate price payable by TAB and the Pepsi Bottlers will be fixed from time to time according to the relative market share of TAB and the Pepsi Bottlers in the relevant period.

Pepsi and CMCI were also granted call option to acquire assets and/or undertakings solely or primarily used in the production of CSD or sports drink products or products licensed to any member of the TAB group under the Commercial Agreements and TAB has an option, exercisable at its discretion, to put such assets to any affiliate of Pepsi, upon the occurrence of certain termination events, including the termination of the Commercial Agreements. The call option is exercisable at the discretion of Pepsi and/or CMCI, and no premium was payable for the call options. The call and put options are exercisable within six months after the termination of the Framework Exclusive Bottling Agreement.



Upon termination of the Framework Exclusive Bottling Agreement, TAB will provide assistance to Pepsi to ensure an orderly transition of operations of the CSD bottling business from TAB to Pepsi and continuity of supply of CSD products in the PRC. The assistance will include the return of materials and data and the provision of records in connection with the CSD business.

#### *Commercial agreement II – Gatorade Exclusive Bottling Agreement*

Under the Gatorade Exclusive Bottling Agreement, entered into on November 4, 2011 between Stokeley-Van Camp, Inc., or SVC, a wholly owned subsidiary of Pepsi which produces and markets the Gatorade sports drinks and TAB, SVC grants TAB an exclusive license to manufacture, package, distribute and sell on a royalty-free basis, and advertise and promote on a non-exclusive basis, sports drink products under certain Gatorade trademarks in the PRC. Under this agreement, SVC will supply concentrate to TAB and the Pepsi Bottlers and the concentrate price will be determined by reference to a percentage of the total net wholesale price of all Gatorade products sold by TAB and its sublicensees in the PRC. The amount payable by TAB will be capped at 12% of TAB's annual revenue for the relevant financial year. The annual cap has been determined by reference to the historical transaction amount between the Pepsi Bottlers and Pepsi and its relevant subsidiaries for the supply of concentrate and the expected growth in the CSD and sports drink products in the future.

#### *Other commercial agreements*

Pepsi also grants an exclusive license to TAB to manufacture, package, distribute, sell and market on a royalty-free basis certain juice drinks under its "Tropicana" brand and non-carbonated water beverages under its "Aquafina" brand in the PRC. The agreements also provides for co-branding of juice drinks in the PRC under the "Tropicana" brand.

#### ***The Strategic Alliance Arrangements***

Following the consummation of strategic alliance with Pepsi, FEB will become an indirect shareholder in TAB through its 9.5% interest in MKB. To preserve TAB as the platform for the strategic alliance, each of us and Pepsi has agreed, subject to certain agreed carve outs, not to undertake, carry on, be interested or engaged in the non-alcoholic beverage (other than dairy products) business in the PRC.

#### *The Option Agreement*

Under the Option Agreement entered into on November 4, 2011 between us and Pepsi, FEB was granted the option, exercisable at its discretion, to require us to buy its entire interest in MKB and TAB at the relevant time at fair market value, and we were granted a call option that requires FEB to sell all of its interest in TAB to us at the relevant time at fair market value. The options will be triggered if (1) the Framework Exclusive Bottling Agreement is terminated or (2) there is a material breach of terms under the agreements for the Strategic Alliance Arrangements. The options expire one year after the termination of the Framework Exclusive Bottling Agreement. No premium was payable by either FEB or us for such options.

Pursuant to the Option Agreement, we also have an option, or the Sell-Down Option, to require FEB to sell and procure the sale by Pepsi, at fair market value, of such interest in TAB such that the direct and indirect interest of FEB and Pepsi in TAB is one share less than the aggregate of our interests and Ting Hsin's interests in TAB. The Sell-Down Option is exercisable within one year of the occurrence of FEB and/or PepsiCo being interested in more shares in TAB than the combined interests of us and Ting Hsin. The Sell-Down Option is exercisable at our discretion and no premium is payable by us for such option.



### **Strategic Joint Venture with Calbee and Itochu**

On April 9, 2012, we entered into a joint venture agreement with Calbee and Itochu to manufacture and sell snack food products. Calbee is a company incorporated in Japan and principally engaged in the manufacture and sale of snack and other food products. As of March 31, 2011, Frito-Lay Global Investments B.V., a wholly-owned subsidiary of Pepsi, owned 20.0% of Calbee. Itochu is a leading large-scale Japanese conglomerate. Itochu is a substantial shareholder in Tingtong (Cayman Islands) Holding Corp., or Tingtong, our non wholly-owned subsidiary, and the joint venture constitutes a connected transaction under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong, or the Listing Rules.

The registered capital of the joint venture is US\$20 million and will be used for the procurement of manufacturing equipment, working capital and product development. The joint venture is owned as to 45% by us, as to 51% by Calbee and as to 4% by Itochu. Pursuant to the joint venture agreement, we and Calbee will each appoint 3 directors to the board of directors of the joint venture entity.

We expect this joint venture to facilitate the expansion of our instant food business by providing us with access to Calbee's technology and knowhow in the production and sale of snack food products and the trading experience of Itochu to produce and distribute a diversified range of snack food products in the PRC. We also expect to be able to leverage Itochu's upstream agricultural resources to secure supplies of potatoes and other raw materials to our Group. We expect the joint venture to launch its products by the end of 2012.

### **Strategic Joint Venture with Prima**

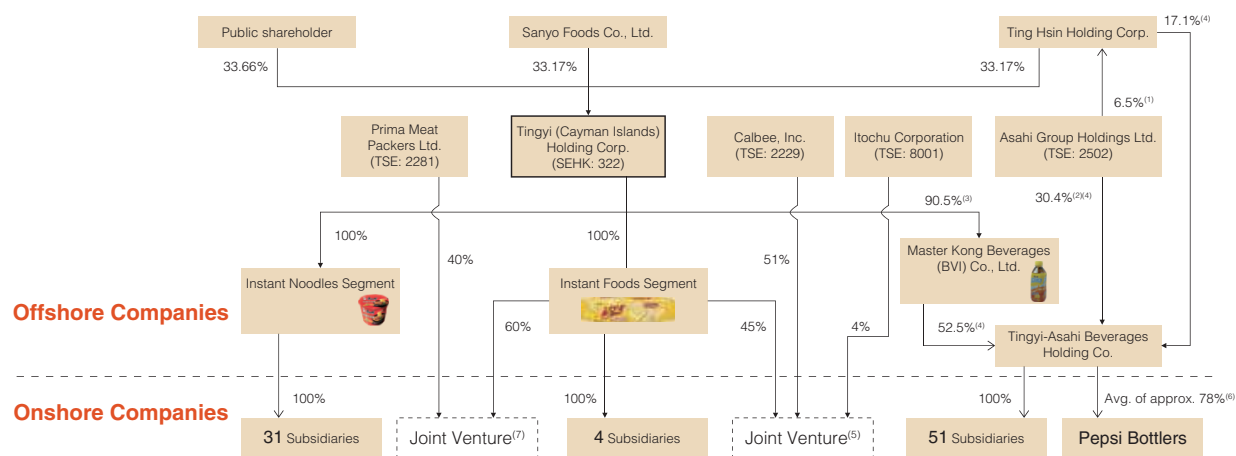
On May 17, 2012, we entered into a joint venture agreement with Prima to manufacture and sell processed poultry and meat products in China. Prima is a company incorporated in Japan and principally engaged in the processing and sale of ham and sausage. Prima is listed on the Tokyo Stock Exchange and owned as to 40% by Itochu, a substantial shareholder in Tingtong, and the joint venture constitutes a connected transaction under Chapter 14A of the Listing Rules.

The registered capital of the joint venture is US\$24 million and will be used for the procurement of manufacturing equipment and the construction of the factory in Wujiang, Jiangsu Province, China. The joint venture is owned as to 60% by us and as to 40% by Prima. Pursuant to the joint venture agreement, we will appoint three directors and Prima will appoint two directors to the board of directors of the joint venture entity.

We expect the establishment of the joint venture to further strengthen our instant food business. Pursuant to the agreement with Prima, it is expected that we will be able to produce and distribute an even more diversified range of food products, including but not limited to ham, sausage and bacon.

## CORPORATE STRUCTURE

The following chart sets forth our simplified corporate structure as of the date of this Offering Memorandum:



- (1) Through Asahi's 25.9% ownership interest in China Foods Investment Corp. which holds 25.2% of Ting Hsin.
- (2) Through AI Beverage Holding Co., Ltd, a wholly-owned subsidiary of Asahi.
- (3) MKB is currently owned as to 90.5% by us and 9.5% by Pepsi, indirectly through FEB. Upon the exercise of the Issue Option, Pepsi may increase its ownership interest in MKB to 33.3%.
- (4) TAB is currently owned as to 52.5% by MKB, 17.1% as to Ting Hsin and 30.4% as to Asahi. Upon the exercise of the Issue Option, TAB will be owned as to 60% by MKB, 14.4% by Ting Hsin and 25.6% as to Asahi.
- (5) To be established pursuant to the strategic joint venture with Calbee and Itochu.
- (6) Through China Bottlers (Hong Kong) Limited, a wholly-owned subsidiary of TAB principally engaged in the business of investment holding.
- (7) To be established pursuant to the strategic joint venture with Prima.

## PRODUCTS

We specialize in the production and distribution of instant noodles, beverages and instant foods in China. Instant noodles and beverage products account for a substantial majority of our revenue. Our instant noodle products are categorized according to target market (lower, medium and higher-priced segments), packaging (plastic packets or bowl) and consumption method (water-based or dry-snack food). Our beverage products consist of a variety of RTD tea products, bottled water, juice-based drinks and lactic acid drinks packaged in PET bottles, Tetrapak containers or aluminum cans. In the instant foods segment, we focus on sandwich crackers, egg rolls and muffins. Most of our products are sold under the "Master Kong" (康師傅) brand name. Set forth below is a table depicting the amount and percentage of total revenue derived from our three main product lines for the three years ended December 31, 2009, 2010 and 2011.

	Year ended December 31,					
	2009		2010		2011	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
	Amount in US\$'000					
Instant Noodle . . . . .	2,307,513	45.4%	2,931,555	43.9%	3,592,270	45.7%
Beverages . . . . .	2,541,962	50.0%	3,531,911	52.9%	3,998,702	50.8%
Instant Foods . . . . .	155,232	3.1%	161,383	2.4%	201,432	2.6%
Others . . . . .	76,406	1.5%	56,633	0.8%	74,176	0.9%
<b>Total . . . . .</b>	<b>5,081,113</b>	<b>100%</b>	<b>6,681,482</b>	<b>100%</b>	<b>7,866,580</b>	<b>100%</b>

## ***Instant Noodles Segment***

We started producing instant noodles in 1992. We manufacture bowl noodles, packet noodles and snack noodles, with a focus on high-end noodles for urban consumers. For the three years ended December 31, 2009, 2010 and 2011, our instant noodle segment revenue totaled US\$2,307.5 million, US\$2,931.6 million and US\$3,592.3 million, respectively, representing 45.4%, 43.9% and 45.7% of our revenue, respectively. Since the successful introduction of our distinctive premium-priced beef-flavored bowl noodles in 1992 under the “Master Kong” (康師傅) brand name, we have gained a leading position in the PRC instant noodle market. According to data from Nielsen, in March 2012, we were the market leader in China with a 43.4% market share by sales volume and a 56.6% market share by sales value in instant noodles. In terms of sales volume, the market share of our bowl noodles and high-end packet noodles were 67.2% and 68.6%, respectively, in March 2012. Our instant noodles come in various package sizes and we offer over 100 different flavors of noodles in 29 series, appealing to different climates and cultures across China. In addition to the “Master Kong” (康師傅) brand name, the “Super Fumanduo” (超級福滿多) series of packet noodles is highly popular in the medium to low end packet noodle segment. We began and completed phasing out our low-end instant noodles in 2010.

The main ingredients in our instant noodles include flour, palm oil, starch, dehydrated vegetables, salt, sugar, monosodium glutamate and spices. Dried meat and seafood are added for certain flavors. Sales of instant noodles is typically seasonal with demand higher during the winter months, the first and fourth quarters, than during the summer months. Our instant noodle segment is broadly divided into single-serve bowl noodles, packet noodles and snack noodles. Measured by the weight of the noodles, excluding the weight of the packaging, bowl noodles range in size from 45 to 100 grams, packet noodles range in size from 60 to 108 grams and snack noodles range in size from 30 to 68 grams. The suggested retail prices per unit for our instant noodle products currently range from RMB2.3 to RMB4.5 for bowl noodles, RMB1.3 to RMB2.3 for packet noodles and RMB0.5 to RMB1.0 for snack noodles. We believe that one of our strengths is our ability to continually introduce new flavors and new packaging suited for the PRC market in response to market demand. In 2011, we focused on improving the promotion of strategic key products and increasing the tasting promotion campaigns, which we believe will strengthen the growth of our instant noodle business. We currently offer three sour flavors, namely “Pickled Mustard Beef” (陳壇酸菜牛肉), “Pickled Mustard Chicken” (陳壇酸菜仔雞) and “Noodles with Sour and Spicy Beef” (酸辣牛肉). We continued to strengthen our instant noodle business with promotion of regional flavors. In Northwest China, we promoted mala beef flavor, while noodles with bamboo shoots and sliced pork was introduced in Eastern China. As of December 31, 2011, we operated 24 instant noodle production facilities with a total of 208 production lines.

### ***Bowl noodles***

Our bowl noodles are instant noodles sold in a paper-based bowl with a fork, seasoning powder, sauce and various packets of condiments. We currently offer over 100 different flavors of noodles in various package sizes, appealing to different climates and cultures across China. Available flavors include, among others, “Noodles with Braised Beef” (紅燒牛肉), “Noodles with Spicy Beef,” (麻辣牛肉), “Noodles with Stewed Mushroom and Chicken,” (香菇燉雞麵), “Noodles with Picked Mustard Beef” (陳壇酸菜牛肉) and “Noodles with Fresh Shrimp and Fish” (鮮蝦魚板). In order to further promote our brand, we also launched a range of regional customary flavor products such as “Northeast Stew” (東北燉), “Da Lu Xiang Yan” (打鹵享宴), “Southeast Delicacy” (江南美食), “Local Grills” (本幫燒) and “Chen Pao Feng Yun” (陳泡風雲) to satisfy consumers from various regions. Each single serving ranges from 68 to 85 grams. These noodles are targeted at high-end consumers and are sold at a suggested retail price of approximately RMB3.8 to RMB4.5 per bowl. According to data from Nielsen, we had a 67.2% share in the bowl noodle market in the PRC by sales volume in March 2012. The most popular flavor of our bowl noodles is Noodles with Braised Beef.

### Packet noodles

Our single-serving packet noodles are instant noodles sold in plastic packets in various flavors with seasoning powder and/or sauce. Available flavors include, among others, beef, chicken and shrimp. Each serving ranges from 83 to 85 grams. A portion of our packet noodles are targeted at mid- to high-end consumers and are sold at a suggested retail price of over RMB1.5. According to data from Nielsen, we had a 68.6% market share in the high-end packet segment in the PRC by sales value in March 2012. Some of the most popular flavors in this category include beef and onion, spicy flavored beef and beef stew.

We have also introduced medium to low end brands such as “Treasures” (珍品), “Jin Shuang La Mian” (勁爽拉麵), “Hao Zi Wei” (好滋味) and “Super Fumanduo” (超級福滿多). In the medium to low end segment, we have made “Super Fumanduo” (超級福滿多) the primary brand to achieve the strategic targets of maintaining sales growth, enhancing product advantages and continually strengthening brand awareness. “Super Fumanduo” (超級福滿多) bowl noodles were mainly marketed towards campus groups and includes flavors such as “Spareribs Stewed Chicken Noodle” (排骨燉雞麵) and “Noodles with Braised Beef” (紅燒牛肉). Soup noodle (粉絲) was a new product launched in 2010 under the theme “refreshing tastiness” (清爽的美味) and targeted the needs of the urban working class.

### Snack noodles

Our snack noodles are instant noodles sold in various flavors with seasoning powder that can be consumed without water as snacks or with water as instant noodles. We introduced our “Xiang Bao Cui” (香爆脆) snack noodles in August 2011. Available flavors include, among others, beef and chicken. Each single serving ranges from 25 to 50 grams. These noodles are targeted at children and low end consumers and are sold at a suggested retail price ranging from RMB0.5 to RMB1.0.

Set forth below is a table depicting the amount and percentage of our instant noodle segment revenue derived from our three main instant noodle product lines for the three years ended December 31, 2009, 2010 and 2011.

	Year ended December 31,					
	2009		2010		2011	
	Amount in US\$'000					
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Bowl Noodles . . . . .	966,459	41.9%	1,335,050	45.5%	1,659,526	46.2%
Packet Noodles						
High-end . . . . .	946,208	41.0%	1,159,135	39.5%	1,445,502	40.2%
Mid-end . . . . .	194,523	8.4%	233,244	8.0%	391,865	10.9%
Low-end . . . . .	158,741	6.9%	168,038	5.7%	78,721	2.2%
Snack Noodles . . . . .	40,328	1.7%	34,766	1.2%	15,252	0.4%
Others <sup>(1)</sup> . . . . .	1,254	0.1%	1,323	0.0%	1,405	0.0%
Total . . . . .	<u>2,307,513</u>	<u>100%</u>	<u>2,931,555</u>	<u>100%</u>	<u>3,592,270</u>	<u>100%</u>

(1) “Others” includes revenue from Vermicelli (“掛麵”) and Zhenpin packet noodle (“珍品袋麵”) and Mianba Ramen (“麵霸拉麵”).

## ***Beverage Segment***

Our beverage products include a variety of RTD teas, bottled water, juice-based drinks and lactic acid drinks. We introduced our lactic acid drinks in April 2011. Our beverages are targeted at young, urban customers. We expanded into the beverage market in 1996 and are now one of the leading players in the PRC beverage market. For the three years ended December 31, 2009, 2010 and 2011, our beverage segment revenue totaled US\$2,542.0 million, US\$3,531.9 million and US\$3,998.7 million, respectively, representing 50.0%, 52.9% and 50.8% of our revenue, respectively. According to data from Nielsen, in March 2012, we were the market leader in the PRC in RTD teas and bottled water with 45.8% and 20.6% market share by sales volume, respectively. We offer 29 beverage products under two brands. Most of our beverage products are sold under the “Master Kong” (康師傅) brand name with some juice-based products sold under the “Fresh Daily C” (每日C) brand. According to data from Nielsen, our diluted juice drinks ranked number two in the PRC with a 19.7% market share by sales volume in March 2012.

Beverage products are our fastest-growing business. The principal raw materials we use in producing our beverages include sugar, fruit extracts and water. We produce beverages packaged in PET bottles, Tetrapaks and aluminum cans. Sales of beverages are typically seasonal with demand higher during the summer months, the second and third quarters, and lower during the winter months. As of December 31, 2011, we operated 39 beverage production facilities across China housing a total of 287 production lines.

### *RTD tea*

According to data from Nielsen, our RTD tea products ranked number one in the PRC in terms of sales volume, occupying a market share of 45.8% in the RTD tea market in March 2012. Since we introduced iced black tea and iced green tea into the PRC beverage market for the first time in 1997, we have developed a diverse portfolio of RTD tea products. Our RTD tea products include, among others, products based on black tea, green tea, jasmine tea, Tie Guan Yin and oolong tea. Most recently, we introduced our Classic Tea with Milk (經典奶茶) series of drinks with aromatic (香濃味) and condensed milk (煉奶味) flavors in April 2012. Most of our RTD tea products are sold in PET bottles with a minority sold in Tetrapak and aluminum cans. PET bottle packaging is less expensive than Tetrapak and aluminum cans. An increasing percentage of our beverage products will be packaged in PET bottles, as we currently plan to increase the capacity of our beverage production through the addition of PET bottle production lines.

### *Bottled water*

We expanded our business into bottled water in 1996. According to data from Nielsen, our “Master Kong” (康師傅) bottled water products occupied 20.6% market share in terms of sales volume in the PRC bottled water market in March 2012. We produce mineralized water (water with added minerals) as well as natural mineral water (water from underground aquifer with no artificially added minerals).

### Juice-based drinks

We commenced production and sales of juice-based products in 1996. We market and sell juice-based products under two brands: “Master Kong” (康師傅) and “Fresh Daily C” (每日C). Our juice-based product lines include various fruit juice products that have a juice content of less than 39%. According to data from Nielsen, our diluted juice products had a 19.7% market share in terms of sales volume in the PRC diluted juice drink (5-39% juice content) market in March 2012. As consumers become increasingly aware of the health benefits of fruit juices, we have been devoting efforts in the research and development of new juice products to satisfy the increasing demand for delicious and healthier fruit-based drinks. In 2010 and 2011, we launched the Wild Jujube Juice (酸棗汁), Sour Plum Drink (酸梅湯), Crystal Sugar Pear Juice (冰糖雪梨), Mango Juice (芒果汁), Daily C Red Guava Juice (每日C紅芭樂) and “Master Kong” (康師傅) Pineapple Juice (菠蘿汁). These products were well-received by the market.

While our sales of RTD tea beverages and bottled water are seasonal with higher sales in the warmer months in the second and third quarters, the sales of juices, which are consumed primarily for their nutritional benefits, are relatively less seasonal.

### Lactic acid drinks

We introduced lactic acid drinks in April 2011 under the “U-Joymore” (優健美) brand. U-Joymore drinks contain no more than 0.7% protein and may be stored at room temperature for up to 30 days. Our lactic acid drinks also contain oligoses premier and bifidobacterium to promote the growth of healthy bacteria in the gastro-digestive track. We currently offer three flavors for U-Joymore drinks, including fresh flavor, lemon flavor and jujube flavor. Our lactic acid drinks are sold at a suggested retail price of approximately RMB3.0 per bottle and primarily targeted at young college students and urban white collar workers.

Set forth below is a table depicting the amount and percentage of our beverage segment revenue derived from our three main beverage product lines for the three years ended December 31, 2009, 2010 and 2011.

	Year ended December 31,					
	2009		2010		2011	
	Amount in millions of US\$					
	Amount	Percentage	Amount	Percentage	Amount	Percentage
RTD Tea . . . . .	1,664	65.5%	2,274	64.4%	2,477	61.9%
Bottled Water . . . . .	538	21.2%	681	19.3%	838	21.0%
Juice-based Drinks <sup>(1)</sup> . . . . .	340	13.4%	577	16.3%	684	17.1%
	<u>2,542</u>	<u>100%</u>	<u>3,532</u>	<u>100%</u>	<u>3,999</u>	<u>100%</u>

(1) Includes revenue from lactic acid drinks, which accounted for less than 0.1% of total beverage revenue for each of the years ended December 31, 2009, 2010 and 2011.



## ***Instant Food Segment***

We expanded into the PRC bakery market in 1996. We began our production of instant foods with the manufacture of rice crackers, but have in recent years expanded into savory and sweet sandwich crackers, egg rolls and muffins. We also produce snacks such as mini-puffs and wafer sticks. We currently offer over 13 kinds of instant food products. In the third quarter of 2011, we changed the name of our bakery business to “instant food business” to expand the product categories of the instant food business and strengthen our network. For the three years ended December 31, 2009, 2010 and 2011, our instant foods segment revenue totaled US\$155.2 million, US\$161.4 million and US\$201.4 million, respectively, representing 3.1%, 2.4% and 2.6% of our revenue, respectively. Our egg rolls and sandwich crackers occupied the number one and number two positions, respectively, in the PRC in March 2012. According to data from Nielsen, we had a 17.9% market share for egg rolls and a 23.1% market share for sandwich crackers in the PRC, respectively, in terms of sales volume in March 2012.

The principal raw materials we use in producing our instant foods include, high-grade rice, high-grade flour, vegetable oil, eggs, starch, sugar, seasonings and salt. As of December 31, 2011, we had 15 instant food production lines.

### *Snacks*

Snacks include mini-puffs and wafer sticks and are packaged in various sizes for both single and multiple servings. These products are sold at a suggested retail price ranging from RMB3.6 to RMB4.8 per pack. In addition, the “Xiao Hu Dui” (小虎隊) brand of wafer sticks are targeted at children. The most popular flavors for mini-puffs and wafer sticks are chocolate, cream and sesame.

### *Sandwich crackers*

Sandwich crackers are flour-based confectioneries including three- and two-layered sweet and savory sandwich crackers and wafers. The sandwich crackers are marketed under our “3+2” brand and sold at a suggested retail price ranging from RMB4.1 to RMB4.8 per pack. Each pack typically weighs approximately 460 grams. According to data from Nielsen, our sandwich crackers had 23.1% of the sandwich cracker market in the PRC, as measured by sales volume in March 2012. Our most popular sandwich crackers are the cream, lemon, chocolate and blueberry sandwich cracker flavors.

### *Egg rolls*

We began manufacturing egg rolls under our “Master Kong” (康師傅) brand in 1994. Egg rolls are crunchy rolls sold at a suggested retail price ranging from RMB5.3 to RMB6.3 per 90-gram pack. According to data from Nielsen, we occupy the number one position in the PRC for egg rolls, with a 17.9% market share by sales volume in March 2012. Our most popular egg roll flavors are cream and sesame.

### *Muffins*

Muffins represent a niche market for us. Our muffins are sold in packets of two or four and marketed under our “Miao Fu” (妙芙) brand. Targeted at high-end consumers, the muffins are sold at a suggested retail prices ranging from RMB6.2 to RMB13.8 depending on package size. To help keep our muffins fresh and moist while preventing spoilage, we pack our muffins in composite packaging materials with low oxygen and moisture permeability.

### Rice crackers

Rice crackers are sweet or savory rice-based light snack biscuits packaged in various sizes. Our rice crackers were sold at a suggested retail price of approximately RMB3.3 per pack. We discontinued our rice cracker products in late 2011.

### Others

We also produce and market other instant food products such as cookies under our “Master Kong” (康師傅) brand. Our cookies were sold at a suggested retail price ranging from RMB3.20 to RMB3.50 respectively.

We are actively expanding our instant foods line to meet market demand for new products. For example, in the past two years, we have introduced seven new instant food products, including red bean and milk flavored muffin and coconut flavored chocolate mousse balls. In addition, we repackage existing products to stimulate market demand. For example, we use economy packs and family packs to target value-oriented consumer groups and optimize pricing of our instant food products.

Set forth below is a table depicting the amount and percentage of our instant foods segment revenue derived from our main instant food products for the three years ended December 31, 2009, 2010 and 2011.

	Year ended December 31,					
	2009		2010		2011	
	Amount in US\$'000					
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Rice Crackers . . . . .	1,289	0.8%	1,235	0.8%	686	0.3%
Snacks . . . . .	7,943	5.1%	8,038	5.0%	12,858	6.4%
Sandwich Crackers. . . . .	84,795	54.6%	89,653	55.6%	111,818	55.5%
Egg Rolls . . . . .	18,871	12.2%	19,217	11.9%	24,830	12.3%
Muffins . . . . .	22,569	14.5%	27,764	17.2%	35,857	17.8%
Others <sup>(1)</sup> . . . . .	19,765	12.7%	15,475	9.6%	15,383	7.6%
Total . . . . .	<u>155,232</u>	<u>100%</u>	<u>161,383</u>	<u>100%</u>	<u>201,432</u>	<u>100%</u>

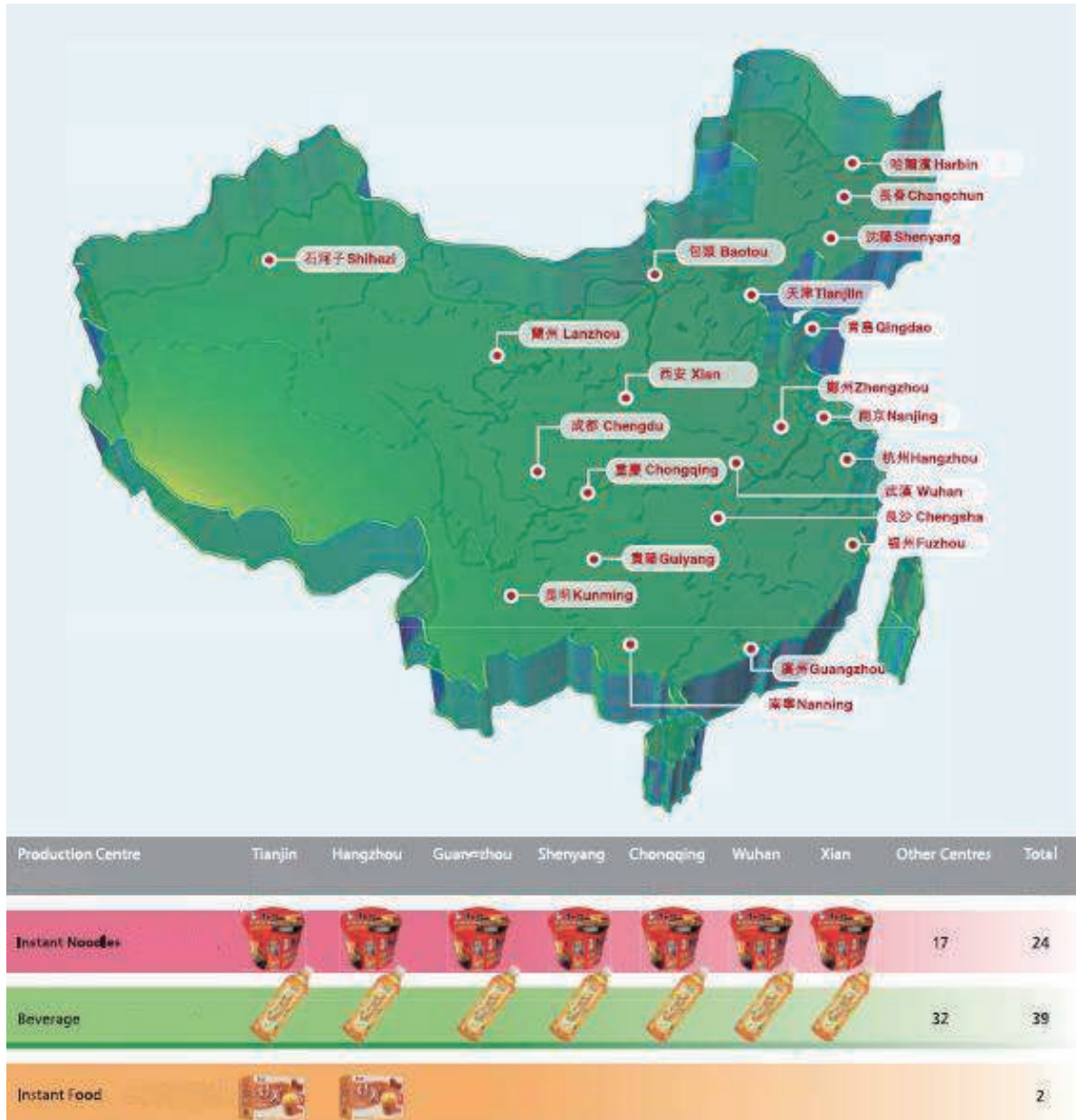
(1) Includes cookies.

### Others

Prior to June 2011, we produced and sold edible oils, modified potato starch and packaging products in collaboration with some of our joint venture companies. In June 2011, we sold our entire interest of 40.8% in Tingzheng (Cayman Islands) Holding Corp. and 51.0% in Tianjin Ting Fung Starch Development Co., Ltd. to Greater System Holdings Limited, which is owned by two of our executive directors and their brothers, and no longer engage in the production of edible oils, modified potato starch or packaging products.

## PRODUCTION FACILITIES

As of December 31, 2011, we had a total of 88 production facilities and 510 production lines, including 208 noodle production lines, 287 beverage production lines and 15 instant food production lines. As of the same date, we have seven, seven and two regional management centers for our instant noodle, beverage and instant foods segments, respectively. Most of our production facilities support more than one product category and contain various production lines. The following map sets out the locations of our production facilities in China as of December 31, 2011.



To meet increasing demand for our products, we have been expanding our production scale and upgrading our production facilities to increase our manufacturing capacity and realize production efficiency. In 2011 our Tianjin instant noodle production facility is the largest such facility in the world. It was constructed in four phases starting in 2009. We completed the fourth phase in March 2012. We have upgraded the warehouses at our Tianjin, Hangzhou and Jiangbei facilities with automatic stereoscopic warehousing systems to increase our capacities and optimize our operations. In respect of our beverage business, we completed construction and commenced production at our Yangzhou Phase II, Changchun, Shenzhen and Wuchuan production facilities during 2011. We are currently planning and identifying sites for new production facilities in Yichuan and Suihua to expand our beverage production base. We improved automation in egg roll production by adding additional automatic egg roll production equipment and intend to continue to expand our instant food production by adding new equipment as well as new production lines.

The following table sets out our production lines by product type as of December 31, 2011.

**Instant Noodle Production Lines**

Bowl noodles . . . . .	56
Packet noodles . . . . .	139
Snack noodles . . . . .	12
Other . . . . .	1
Total . . . . .	<u>208</u>

**Beverage Production Lines<sup>(1)</sup>**

RTD teas and juice-based drinks . . . . .	159
Bottled water . . . . .	119
Other . . . . .	9
Total . . . . .	<u>287</u>

**Instant Food Production Lines**

Sandwich crackers . . . . .	4
Snacks . . . . .	3
Egg rolls . . . . .	3
Muffins . . . . .	3
Other <sup>(2)</sup> . . . . .	2
Total . . . . .	<u>15</u>

Total Production Lines . . . . .	<u><u>510</u></u>
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(1) Does not include production lines from the strategic alliance with Pepsi.  
(2) Includes cookies.

**PACKAGING AND RAW MATERIALS**

***Instant noodles***

The principal raw materials we use for the production of instant noodles are flour, palm oil, starch, dehydrated vegetables, salt, sugar, monosodium glutamate and spices. In addition, packaging materials such as carton boxes, paper-based bowls and plastic bags for packet noodles are also major components in the manufacture of our finished products. Currently, we produce the bowls used in our bowl noodles and print the wrapping used for our products. We distribute these packaging materials to our various production facilities.

***Beverages***

The principal raw materials we use in the production of beverages include artificial flavoring, sugar, fruit extracts, and water. Packaging materials such as PET bottles, Tetrapaks and aluminum cans represent significant costs in the production of our beverage products. PET bottle packaging is less expensive than alternative packaging materials such as Tetrapaks and aluminum cans. We currently produce a significant portion of the PET bottles required for our products. An increasing percentage of our beverage products will be packaged in PET bottles, as we currently plan to increase the capacity of our beverage production through the addition of PET bottle production lines. Our PET bottle manufacturing capability allows us to effectively reduce the cost of packaging materials as well as minimize supplier risk. We have recently also begun utilizing a new 12-gram environmentally-friendly lightweight bottle to reduce the usage of plastic particles, the carbon emissions from plastic production. In addition to the environmental benefits, this adjustment in weight has resulted in a reduction in electricity usage in our production process and an overall reduction of costs of production and delivery.

***Instant foods***

The principal raw materials we use in the production of instant foods are high-grade rice, high-grade flour, vegetable oil, eggs, starch, sugar, seasonings, salt and monosodium glutamate. Packaging materials for instant foods include carton boxes and plastic bags.

The principal raw material we import is palm oil. The price of palm oil is volatile. Since June 1, 2011, the Malaysian spot crude price for palm oil fluctuated between a high of almost US\$1159.50 per ton to a low of US\$881.85 per ton with an average of US\$1031.44 per ton during this period. On December 31, 2011, the market price of palm oil was US\$998.26 per ton.

Substantially all of our raw materials are sourced from within China. In recent years, the continuous rise in the price of raw materials such as flour, palm oil, sugar and PET resin, placed considerable cost pressure on the industry and the profitability of the industry decreased significantly. We were able to partially alleviate the negative impact arising from the rise in raw material cost by optimizing organizational efficiency, adjusting our product structure, enlarging economies of scale and effectively controlling advertising, promotion and transportation expenses.

We source each type of raw material from at least two suppliers. By doing so, we try to ensure a stable supply of raw materials, diversify our raw material sources and be in a stronger bargaining position vis-a-vis our suppliers. We currently purchase some of our packaging materials from Tingzheng (Cayman Islands) Holding Corp. and modified potato starch and seasoning flavor products from Tianjin Ting Fung Starch Development Co., both of which are our connected parties.

We try to purchase from the suppliers nearest to each of our production facilities in order to reduce transportation charges, delivery times and overall purchase costs. Regular inspection of raw materials is also carried out with selected suppliers to ensure that quality standards are maintained. Raw material suppliers are graded according to purchase volume, quality of raw materials supplied and timeliness of delivery. In respect of raw materials used in large volumes or with a high turnover, we try to ensure that the capacity of our suppliers of raw materials exceeds our demand for raw materials. We also carefully schedule the delivery and stock of such raw materials.

All of our domestic raw material purchases are paid for in Renminbi and all imports are paid for in U.S. dollars. Most of the purchases in the PRC are settled every 45 to 90 days, depending on the type of raw materials, suppliers and industry customs. Imports, which we generally believe account for less than 1% of the total raw materials purchased, are usually paid for in U.S. dollars through letter of credit facilities which provide a credit period of between 45 to 55 days. To the extent that raw materials are sourced from outside the PRC, foreign exchange fluctuations may affect the cost of raw materials. We generally do not hedge against price fluctuations in raw materials purchased in the PRC. We enter into formal contracts in an attempt to ensure the availability of raw materials at predictable prices for the term of such contracts (which are generally for a period of one year or less).

## **MARKETING, SALES AND DISTRIBUTION**

The marketing department at each of our operating companies is responsible for sales of our products. These marketing departments are also responsible for the regional marketing strategies. The marketing department at our headquarters is in charge of the overall marketing policy and the development of new products. It also provides market analysis, coordinates nationwide promotional activities and develops strategies to establish the brand image of our products.

Our marketing strategy focuses on increasing sales and profitability by optimizing the range of flavors, products and price points in order to address consumer preferences. The key strategies we employ are:

- product innovation and improvements intended to make our products more convenient and attractive;
- creation of better store displays and more appealing packaging for all of our products;
- consumer promotions and advertising to stimulate demand; and
- sponsorship of music and other public events to increase consumer awareness of our products.



For example, with respect to beverages, we concentrate on advertising through television and other national media; with respect to instant noodles, more effort is devoted to consumer promotions such as sales and discounts. The difference in strategy for beverages and instant noodles results from different consumer behavior. Beverage consumption is based on impulse and therefore more responsive to advertising while instant noodle consumption is more habitual and therefore more receptive to sales and discounts. For the three years ended December 31, 2009, 2010 and 2011, our total advertising and promotion expenses were approximately US\$553.3 million, US\$511 million and US\$568 million, respectively, representing approximately 10.9%, 7.65% and 7.22%, respectively of our total revenue for these respective periods. We will continue to review our advertising and promotional expenses, taking into consideration, among others, what we believe to be an appropriate balance between achieving profitability and the need to expand market share.

Since 1999, we have implemented the “Better Access, Broader Reach” distribution strategy to foster stronger relationships with retailers, who have greater market penetration than wholesalers in marketing our new products. Direct sales also enable us to exercise greater control over the distribution of our products.

The table below shows the scale of our sales and distribution network as of December 31, 2009, 2010 and 2011 respectively:

	<b>As of December 31,</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Sales offices . . . . .	493	548	555
Warehouses . . . . .	79	89	91
Direct Retailers . . . . .	72,955	73,282	86,755
Wholesalers . . . . .	5,798	6,155	6,188

We require cash-on-delivery, or COD, payments, on all sales to wholesalers and retailers with the exception of certain key account customers, such as large supermarkets, outlets and convenience store chains with broad coverage of retailing points. Such key account customers on average constituted no more than 15% of our instant noodles, beverages and instant food accounts, respectively, during the year ended December 31, 2009, 2010 and 2011, respectively. Accounts receivables with these key account customers are settled between 30 to 90 days after the end of each month. We communicate with our wholesalers and retailers on a regular basis to ensure that the volume being delivered does not exceed our distribution channels’ capacities.

We normally bear the cost of transporting our products to our wholesalers and retailers. Depending on distance and product characteristics, we rely on either truck or rail transport to ship our products. For example, we normally use the railway system to ship beverage products for long distances because freight charges which are based on volume and weight are less expensive for rail transport over long distance. Once the trains reach their destination, we use trucks to deliver our beverage products from the station to our customers. We typically rely on trucks to transport instant noodles and instant foods for all distances and beverages for shorter distances because trucks provide door-to-door delivery. We have strategically located manufacturing and distribution capabilities, enabling us to better align operations with our customers, reduce transportation costs and reduce our reliance on the transportation network. We have entered into delivery arrangements with various independent transportation companies nationwide and also conduct a portion of our deliveries through certain of our own subsidiaries.

**Pricing**

We determine pricing for products across all business lines by considering the gross margins to be obtained by us, the gross margins to be obtained by our customers, including the wholesalers and retailers, and overall pricing of the product to consumers. We also adapt our pricing strategies in light of the trading conditions prevailing at the relevant time in the industry and in the relevant market segments. We also consider production costs, including costs of raw materials. Our management will make an informed decision based on market analyses and research performed by our marketing division as well as market information provided by third-party sources.



## QUALITY CONTROL

We have always regarded consumer food safety as one of our core corporate responsibilities and believe that our strict quality control system is the cornerstone of our continued growth. We invest heavily in quality control technologies and systems to promote food safety at every step in our production process under the concept of “from farm to table.” We have also established a food safety division under our Research and Development Centre to support our efforts in quality assurance. See “– Research and Development.” We were awarded the “PRC Green Gold Award” in 2011 by Sohu.com and A.T. Kearney for our efforts on consumer food safety and other philanthropic efforts.

Each of our operating subsidiaries has a special quality control committee, which consists of the general manager and senior management personnel. Such committees supervise regular quality inspections conducted by the relevant quality control personnel, hold monthly meetings to ensure that the quality of products meets our high standards and identify means to further improve the quality of our products.

Stringent quality controls are implemented throughout the entire production processes for our various products. As of December 31, 2011, we had approximately 31,900 employees performing quality control related works. Full-time quality-control personnel are assigned at every production line to conduct regular inspections and tests. Any sub-standard products are returned to our quality assurance departments for investigation and analyzed to identify solutions and efforts are made to prevent any similar situation from recurring. The quality assurance department of each operating subsidiary reports directly to the general manager of each subsidiary and tests finished products thoroughly to ensure the quality of products.

We place great emphasis on the quality of raw materials supplies. We have set up a system of supplier development and supplier management to examine the production capabilities, equipment condition, management standards and hygienic standards of our suppliers. We carry out sampling tests and random quality inspections of our suppliers and provides them with relevant information and improvement suggestions to enhance their quality standards. We also actively take action against counterfeit goods in partnership with our wholesalers.

In order to ensure that our quality management meets internationally accepted standards, we have invested significant manpower and financial resources in staff training and we are implementing 5S, TPM, ISO9001:2000 and ISO22000:2005 quality management systems at our various production facilities. Currently, all of our production facilities have been granted QS quality certification and the testing and analysis division of our food safety department received the CNAS certificate from the China National Accreditation Service for Conformity Assessment in February 2011.

We believe that we are in material compliance with the Food Hygiene Law of the PRC and other relevant regulations in respect of our products, production processes, premises and related facilities.

We are also committed to customer satisfaction. A customer service unit is set up under the quality assurance department of each subsidiary to ensure timely response to customer complaints and inquiries. Such customer service units classify and statistically analyze all complaints. The findings are sent to the relevant departments for further action. In the case of more serious complaints, the quality assurance department of the relevant subsidiary will immediately establish a special case unit to investigate the matter.

## **TRADEMARKS AND PATENTS**

As of December 31, 2011, we hold 116 issued patents in the PRC, 1014 registered trademarks in the PRC, 31 registered trademarks in Taiwan, 50 registered trademarks in Hong Kong and 124 registered trademarks in other countries.

We believe that we have established significant brand recognition and awareness through the use and promotion of our trademarks and therefore seek to aggressively protect them. We have lodged cancellation and opposition proceedings against infringers of our trademarks with the PRC Trademark Bureau. However, effective enforcement of intellectual property rights in the PRC is not as certain nor as effective as in jurisdictions with a more established legal system.

## **INFORMATION TECHNOLOGY**

Information technology systems are critical to our ability to manage our business. Our information technology team is responsible for ensuring all systems and applications are running at their optimal levels. We seek to achieve efficient reporting and effective measurement through various information systems attached with different aspects of operational processes. For example, we have implemented an enterprise resource planning, or ERP, system developed by SAP, which tracks production scheduling, purchase orders, inventory, quality control, sales orders, cost and expense control, accounts payable, account receivables, financial assets, financial accounting, daily management of general ledger and human resources. We have also implemented SAP's product suite of business intelligence solutions, an analytical and reporting system that enables our departments and divisions to integrate, analyze, and disseminate relevant information and perform a variety of daily, monthly and quarterly reporting functions. The implementation of a product cost controlling system and overhead cost controlling system have significantly improved our ability to analyze and manage our overhead costs, undertake product cost planning and track the actual costs that are incurred in the production process. In addition, we utilize a business consolidation system to consolidate financial statements and EDMS, our electronic distributor management system, to enhance wholesaler management and order entry for our beverage business. The implementation of these information systems has enabled us to standardize many aspects of our operations and reduce deficiencies resulting from segregation of duties.

## **RESEARCH AND DEVELOPMENT**

We place significant emphasis on the research and development of new products. In addition, our Research and Development Centre has divisions for food safety research and testing and analysis to help ensure food safety assurance and has participated in the formulation of relevant legal and regulatory criteria on food safety both at the industry and national levels, including discussions at the expert assessment committee under the PRC Ministry of Health for the amendment of the "National Food Safety Criteria for Instant Noodles" in 2009. Before launching a new product, our marketing department formulates an original concept, which is then refined and modified based on market research. Once a general model is produced, we conduct a combination of consumer interviews and product taste tests. By doing so, we gather valuable public opinion with respect to the flavor, packaging and quality of the new product. We may conduct these studies directly through our own personnel or out-source them to independent market researchers. We further refine the product based on the public's usage habits and consumption attitudes as identified in these studies. Once completed, the new product will be test-marketed using a variety of promotional and advertising activities. In many cases, the names of the new products are determined by customers in taste tests who choose a favorite name among alternatives provided by us.

We have devoted and will continue to devote significant research and development efforts to each of our product segments. With respect to the beverage segment, we introduced lactic acid drinks in 2011 plan to introduce additional health-focused beverages to partially compensate for the seasonality of our existing cold drinks such as RTD tea and bottled water. With respect to the instant food segment, we will continue to focus on the growth of our core products such as sandwich crackers, muffins and egg rolls as well as enhancing our operational efficiency.

In addition to conducting research and development internally, we seek expertise and know-how in producing new products by forming strategic relationships with other manufacturers. After Sanyo became one of our significant shareholders in 1999, we gained access to instant noodle production skills and techniques. Such know-how is transferred through several service agreements between us and Sanyo, which provides, among other things, secondments of personnel between the two companies.

In addition, our investment in Wei Chuan in 1998 allowed us to gain access to Wei Chuan's expertise with respect to the production of beverages. We benefit from certain proprietary beverage technology and the rights to manufacture, co-brand and distribute certain Wei Chuan products.

Our co-operation with AI Beverages since 2004 has allowed us to leveraged its expertise and strengths to significantly enhance our competitiveness in product development, manufacturing, raw material procurement and overall business management.

## **COMPETITION**

We face significant competition in each of our product segments:

### ***Instant Noodles***

The PRC instant noodle market is broadly divided into lower-priced (sold at a retail price under RMB1.4 per pack) and medium-to-higher-priced (sold at a retail price at or over RMB1.5 per pack) segments. The lower-priced segment is crowded with many producers, the majority of which are small enterprises. The margins are generally lower in the lower priced segment than the medium-to-higher-priced segment.

According to data from Nielsen, we had approximately 68.6% of the market share for high-end packet noodles (retailing above RMB2.2 per pack) in terms of sales volume and 56.6% of the entire PRC instant noodle market in terms of sales value in March 2012. During the same period, our closest competitor controlled approximately 14.1% of the overall PRC instant noodle market in terms of sales volume and 15.0% of such market in terms of sales value, followed by Jinmailang.

### ***Beverages***

According to data from Nielsen, we held the largest market share for RTD tea drinks in the PRC, controlling approximately 45.8% of the market in terms of sales volume in March 2012 compared to 28.6% for Uni-President, our closest competitor. Coca-Cola and a domestic producer of carbonated drinks, have significantly expanded their operations in the RTD tea drinks segment since 2002. We also had the largest market share for bottled water in the PRC, controlling approximately 20.6% of the market in terms of sales volume in March 2012, compared to 20.5% for our closest competitor. Our competitors in the juice segment include well-known international and local manufacturers such as Nongfu, Coca-Cola, Uni-President and Wahaha.

### ***Instant Foods***

The PRC instant food market is fairly fragmented. Although we have largely been able to maintain our market share in this segment, intense competition has led to volatile price fluctuations in the past and resulted in downward pressure on prices. Competitors include well-known international manufacturers such as Nabisco, Want Want and Danone.

## **INSURANCE**

We have various insurance policies which we believe are appropriate for our business including the insurance of our production facilities and our raw materials and finished products while in transit. We are covered by product liability insurance of up to RMB10 million per annum, including product quality and product recall insurance, with a limit of RMB5 million per claim.

## EMPLOYEES

The table below sets forth a breakdown of our employees by division as of December 31, 2011:

	<b>Number of Persons</b>
Production . . . . .	31,664
Sales and marketing . . . . .	28,012
Human resources . . . . .	671
Research and development . . . . .	248
Finance . . . . .	1,524
Information centre . . . . .	65
Others . . . . .	2,125
Total . . . . .	<u>64,309</u>

We regard effective talent selection, development, allocation and retention as a cornerstone of our sustainable development and one of the core components of our competitiveness. We recruit talented employees with market-competitive salaries. In addition, employee benefits include medical and workers' compensation insurance and subsidized dormitories, cafeterias and recreational areas. We seek to identify and train employees whom we believe have the potential to function in management capacities to improve their skills in technology development, system development and teamwork. We increase the amount of training as staff members rise in seniority. We established our first training center in September 1997 and use it to conduct various training courses for employees. During 2011, we improved our selection and training system for reserving human resources through the establishment of a reserve system for heads of various levels and refined the training courses for such reserved officers. We have also cooperated with Japan Waseda University since 2009 to train and prepare management candidates for taking on key management functions and, in 2010, began sponsoring a master degree course on Asia Pacific Human Resources Management at the National Sun Yat-sen University in Taiwan to educate high level human resource management talent.

We believe our working conditions and employee benefits are generally more favorable than those of other employers in the PRC. We have not encountered any labor disputes or a shortage of production workers since our inception.

## ENVIRONMENTAL MATTERS

PRC national and local environmental protection regulations impose a graduated schedule of fees for discharge of waste materials. These regulations also require the payment of fines for pollution and provide for the closure of any facility which seriously threatens the environment, our production processes create wastewater and emissions. Consequently, we have installed facilities to treat the wastewater and reduce smoke emissions. In addition, the waste packaging materials and noodle cakes produced during the production process are sold to independent third parties for recycling or sent to each plant's incinerators to be used for generating hot water and heat. We believe that we are in compliance, in all material respects, with all applicable environmental regulations in the PRC and have not been notified of any material breach of any such regulations to-date.

We consider environmental protection and low carbon emissions to be core components of our corporate value. We have invested heavily in new manufacturing technologies to achieve energy savings and lower our carbon emissions. We were one of the first manufacturers to lower the weight of our plastic bottles from 18 grams to 12 grams. The lighter bottles reduce our use of PET resin and petroleum as well as packaging and transportation costs. In addition, our rinse-free technology eliminated a second round of rinsing in the production of plastic bottles, effectively reducing our use of water in the production process. In 2011, we invested more than RMB3.0 million to make our production equipment more energy efficient and to lower carbon emissions.

## **OCCUPATIONAL HEALTH AND SAFETY**

The Production Safety Law of the PRC (中華人民共和國安全生產法), which was promulgated on June 29, 2002 and became effective on November 1, 2002, is the fundamental law for the supervision and administration of production safety and labor protection. Please see “PRC Regulation.” We have adopted certain management rules on production safety based on the safety laws and regulations of the PRC in order to ensure that we provide a safe working environment for our employees. It is mandatory for all of our employees to abide by these safety rules.

For example, we have implemented a number of safety measures and established a safety supervision team at each production facility that is responsible for formulation and implementation of such safety measures. The safety supervision teams conduct routine safety inspections of production facilities and conduct regular training sessions for employees on safety protection measures. The safety supervision teams may temporarily halt production at a facility that is in violation of our safety measures until the violation has been remedied. We also conduct safety education training and safety drills with our employees and offer employees opportunities to study plant safety management in Japan in order to enhance their ability to respond to safety concerns which may arise in the manufacturing process. We believe our production facilities in the PRC comply with the requirements and provisions of applicable production safety laws and regulations in all material aspects.

## **LEGAL PROCEEDINGS**

We are not engaged in any material litigation or arbitration and there is no material litigation or claim known to be pending or threatened by or against us.

## DIRECTORS AND MANAGEMENT

### BOARD OF DIRECTORS

Our board currently consists of nine directors, comprising six executive directors and three independent non-executive directors. The following table sets forth certain information concerning our directors.

Name	Title
Wei Ing-Chou . . . . .	Chairman, Executive Director and Chief Executive Officer
Takeshi Ida . . . . .	Executive Director and Vice Chairman
Ryo Yoshizawa . . . . .	Executive Director and Vice Chief Executive Officer
Wu Chung-Yi . . . . .	Executive Director
Wei Ying-Chiao . . . . .	Executive Director
Junichiro Ida . . . . .	Executive Director
Hsu Shin-Chun . . . . .	Independent Non-Executive Director
Lee Tiong-Hock . . . . .	Independent Non-Executive Director
Hiromu Fukada . . . . .	Independent Non-Executive Director

#### *Executive Directors*

**Wei Ing-Chou (魏應州)**, aged 58, is the chairman, executive director and chief executive officer of our Group, and is the elder brother of Mr. Wei Ying-Chiao, an executive director of our Group. He joined our Group in 1991 and is responsible for the supervision and management of our Group as well as the formulation of the overall strategy of our Group. He has over 30 years' experience in factory construction, production management and research in relation to food production. In September 2010, Mr. Wei Ing-chou was awarded an honorary doctorate degree by Waseda University of Japan in recognition of his outstanding contributions in areas such as business operations and corporate social responsibility over the years.

**Takeshi Ida (井田毅)**, aged 82, has been an executive director and the vice chairman of our Group since July 1999. He is the founder and senior advisor of Sanyo Foods Co., Ltd. Since graduation from Chiba University of Commerce in 1952, he has been engaged in the noodle business for over 50 years.

**Ryo Yoshizawa (吉澤亮)**, aged 70, has been an executive director of our Group since July 1999 and the vice chief executive officer since 2002. He joined Sanyo Foods Co., Ltd. in 1997, and is the senior managing director in charge of Overseas Business Department of Sanyo Foods Co., Ltd. After graduating from Tokyo University in 1965, he worked in Fuji Bank for over 31 years.

**Wu Chung-Yi (吳崇儀)**, aged 56, has been an executive director of our Group since 1996. He is the chief executive officer of GSK Group. He attended the University of California in Los Angeles in the United States and has experience in corporate management.

**Wei Ying-Chiao (魏應交)**, aged 57, is an executive director of our Company and the younger brother of Mr. Wei Ing-Chou. He joined our Group in 1991. He has participated in the operation of Ting Hsin (Cayman Islands) Holding Corp. for more than 20 years and has extensive experience in retail business and marketing experience in food-related business.

**Junichiro Ida (井田純一郎)**, aged 50, has been an executive director of our Group since May 2002. He is the president of Sanyo Food Co., Ltd. After graduating from Rikkyo University in 1985, he joined Fuji Bank and worked there for six years. In 1992, he joined Sanyo Food Co., Ltd. Mr. Ida is the son of Mr. Takeshi Ida, an executive director and the vice chairman of our Group.



### **Independent Non-executive Directors**

**Hsu Shin-Chun (徐信群)**, aged 56, has been an independent non-executive director of our Group since October 1999. He received a bachelor degree in business administration and an EMBA degree from National Taiwan University in 1979 and 2006, respectively. He has more than 17 years working experience in the financial industry and has comprehensive knowledge in securities investments, corporate finance and financial engineering. Mr. Hsu Shin-Chun is also a certified financial analyst in Taiwan.

**Lee Tiong-Hock (李長福)**, aged 72, has been appointed as an independent non-executive director of our Group since September 2004. Mr. Lee has over 28 years of experience in commercial and investment banking. From 1977 to 1987, he served as the senior manager of marketing department of an international bank in Hong Kong and, concurrently, as the general manager of its two deposit-taking subsidiaries. During 1989 to 1997, he was engaged in corporate finance advisory business, and since then in private financial consultancy business in Hong Kong. Mr. Lee is a member of Hong Kong Institute of Bankers and the Hong Kong Securities Institute.

**Hiromu Fukada (深田宏)**, aged 83, was appointed as an independent non-executive director of our Group on January 3, 2012. After graduation from the Faculty of Letters, University of Tokyo, Mr. Fukada studied at Balliol College, University of Oxford, and specialized in politics and economics. He has served at the Euro-America Bureau, Japanese Ministry of Foreign Affairs since 1951. He has worked in Japanese embassies in both the United Kingdom and the Philippines. His work experience also included serving as the head of regional policy division at Asia Bureau and North America No. 1 division at America Bureau, the deputy director-general of America Bureau, the minister of Japanese legation in America, the deputy head of mission in Japanese Organisation for Economic Co-operation and Development, or OECD, Delegation, the director-general of economic bureau, the ambassador to Singapore and the OECD. Mr. Fukada worked as the Japanese ambassador to Australia from 1990 to 1992 and was the deputy chairman of Save the Children Japan in 2005. Mr. Fukada has been the auditor of Ueno Fine Chemicals Industry Ltd. since 2006.

### **SENIOR MANAGEMENT**

The following table sets forth certain information concerning our other senior management members.

<b>Name</b>	<b>Title</b>
Chao Hui-Ching . . . . .	Chairman of our Group's subsidiaries in the PRC and East China Region
Frank Lin . . . . .	Chief Financial Officer
Wilson Wu . . . . .	Chief Auditor
Ko Yuen-Tat . . . . .	Chief of Staff
Alex Lin . . . . .	Executive President of our Group's Instant Noodle Business
George Huang . . . . .	Executive President of our Group's Beverage Business
Jerry Tsao . . . . .	President of our the Branding Company of our Group's Instant Food Business
Chen Ying-Jen . . . . .	President of the Sales Company of our Group's Instant Food Business

**Chao Hui-Ching (趙慧敬)**, aged 74, is the chairman of our Group's subsidiaries in the PRC and east China region, and was the general manager of Tianjin Tingyi International Food Co., Ltd. from 1992 to 1995. He joined our Group in December 1991. He graduated from the accounting department of Taiwan National Cheng Chi University in 1968. Prior to joining the Group, he worked for Taiwan Semiconductor Co., Ltd. as the manager of the financial department. He is the deputy chairman of the Tianjin Association of Enterprise with Foreign Investment, president of the board of supervision of ICC of TEDA, the deputy chairman of the Zhejiang Province Association of Enterprise with Foreign Investment and the deputy chairman of the Hangzhou Taiwan-Invested Enterprises Association.

**Frank Lin (林清棠)**, aged 61, is the chief financial officer of our Group. He joined Ting Hsin Group in October 1995 as the vice president of Comely International Food (Hangzhou) Co., Ltd. Prior to his current appointment, he was the general manager of Hangzhou Tingyi Food Co., Ltd., general

manager of Hangzhou Tingjin Food Co., Ltd. and president of our Group's beverage business. Prior to joining the Group, he was the internal auditor of the Formosa Plastics Group, the accounting supervisor of Delta Petrochem Corp. (now known as Grand Pacific Petrochem Corp.), the assistant manager of the audit department of Oriental Union Chemical Corp., the manager of the accounting department for Nestle Taiwan Group and the manager of the financial department/management department and chief accountant for General Food, Taiwan and Guangzhou. He graduated from Soochow University in Taiwan in 1972.

**Wilson Wu (吳文聰)**, aged 55, is the chief auditor of our Group. He joined our Group in May 1994. He graduated from the Management Science Institute of Tam Kang University in Taiwan in 1983, majoring in accounting, taxation and financial management. Prior to joining our Group, he was assistant manager of Nanchow Chemical Industrial Co., Ltd., assistant accounting manager of Nacia Food Co., Ltd., accounting manager of Lucky Enterprises Corporation, accounting manager of Decent T & H International Food Co., Ltd. and the financial controller of President Pepsi Cola Co., Ltd.

**Ko Yuen-Tat (柯元達)**, aged 60, is the chief of staff of our Group. He joined our Group in November 2005. He received a doctorate degree from the National Sun Yat Sen University (Taiwan). He has been the senior vice president of our Group's human resources department and management department.

**Alex Lin (林山)**, aged 56, is the executive president of our Group's instant noodle business. He graduated from Chung Yuan Christian University in Taiwan. Mr. Lin previously worked at Boshang Market Research Company and Nanchow Chemical Industrial Company, where he served as head of planning, business and logistics management for lotion, daily necessities, edible oils, industrial oils and frozen food products. He also worked as a general manager for Wei Chuan Foods Corporation Limited for 19 years. Mr. Lin joined our Group in October 2000 and has over 30 years of management experience in sales and marketing.

**George Huang (黃國書)**, aged 54, is the executive vice president of our Group's beverage business. He joined the Group in June 2001 as head of sales department of our Group's instant noodle business, served as general manager of Hangzhou Tingjin Food Co., Ltd. in April 2002 and was the president of our Group's beverage business in January 2005. Mr. Huang graduated from the tourism department of Chinese Culture University in Taiwan. Prior to joining the Group, he worked for Tait Co., a British trading company. and was the sales director of Swire Coca-Cola, Taiwan.

**Jerry Tsao (曹生麟)**, aged 50, is the president of the branding company of our Group's instant food business. He joined our Group in October 1993 as head of sales department of Tianjin Tingyi Food Co., Ltd. Prior to his current appointment, he was the general manager of both Chongqing Tingyi Food Co., Ltd and Wuhan Tingyi Food Co., Ltd. Mr. Tsao graduated from nutrition and food science department of Taiwan Fu-Jen University. Prior to joining the Group, he worked for Nestle Taiwan Group, Unilever Taiwan and Wellroc Taiwan Ltd.

**Chen Ying-Jen (陳英仁)**, aged 60, is the president of the sales company of our Group's instant food business. He joined the Group in January 2011 as senior special assistant at the Group's headquarters. Mr. Chen earned a MBA degree from the University of Leicester in England. Prior to joining the Group, he worked for Tait Co., CFC International Co., Ltd., E-go-my Electronic Commerce Corp., Hanya-Tech Feed Co., Ltd., Chuan-Hsin Food Co., Ltd. and the circulation business of Uni-President China Holdings Ltd.

## **COMPANY SECRETARY**

**Ip Pui-Sum (葉沛森)**, aged 52, is our company secretary. He graduated from Hong Kong Polytechnic with a Higher Diploma in Accountancy in 1982. He is a fellow member of the Association of Chartered Certified Accountants (United Kingdom) and an associate of the Hong Kong Institute of Certified Public Accountants, the Society of Chinese Accountants & Auditors, the Chartered Institute of Management Accountants, the Institute of Chartered Secretaries and

Administrators and the ordinary member of Hong Kong Institute of Chartered Secretaries. He also obtained a masters degree in business administration in 1996. Mr. Ip has over 20 years of experience in public accounting and company secretarial practices. He is also a certified public accountant (practicing) in Hong Kong. He joined our Group in September 1995.

## **BOARD COMMITTEE**

### ***Audit Committee***

We established the audit committee in September 1999 and currently have three independent non-executive directors, being Mr. Lee Tiong-Hock, Mr. Hsu Shin-Chun and Mr. Hiromu Fukada, with Mr. Lee Tiong-Hock serving as chairman of the audit committee. The primary duties of the audit committee are to review and supervise our financial reporting system, the preparation of financial statements and internal control procedures. The audit committee also acts as an important link between the board and our auditor in matters within the scope of our Group audit.

### ***Remuneration and Nomination Committee***

We established the remuneration and nomination committee on August 11, 2005, which currently consists of three independent non-executive directors, being Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock and Mr. Hiromu Fukada, with Mr. Hsu Shin-Chun serving as the chairman of the remuneration and nomination committee. We set up the remuneration and nomination committee to consider and approve the remuneration packages of our directors and senior management, including the terms of salary and bonus schemes and other long-term incentive schemes. Our Human Resources Department is responsible for collecting and managing the human resources data and, in case of significant issues, making recommendations to the remuneration and nomination committee for consideration. The remuneration and nomination committee consults with the board about these recommendations on remuneration policy and structure and remuneration packages. The committee also reviews the structure, size and composition of the board from time to time and recommends to the board on appointments of directors and the succession planning for directors.

## **INTERNAL CONTROL**

Our board has overall responsibility for maintaining a sound and effective internal control system of our Group. Our internal control system includes a well defined management structure with limit of authority which is designed for the achievement of business objectives, to safeguard assets against unauthorized use or disposition, to ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations. Our board and the audit committee have delegated our internal audit department to conduct an annual review of the effectiveness of the internal control systems of our Group.

## SUBSTANTIAL SHAREHOLDERS

As of December 31, 2011, according to the register we maintain in accordance with Section 336 of the Securities and Futures Ordinance of Hong Kong, or the SFO, the following parties were directly or indirectly interested in 5% or more of our issued share capital.

Name of shareholder	Capacity	Number of shares held	% of the issued share capital
Ting Hsin . . . . .	Beneficial Owner	1,859,776,366	33.27%
Ho Te Investment . . . . .	Interest of controlled company	1,859,776,366	33.27%
Rich Cheer Holdings Limited . . . . .	Interest of controlled company	1,859,776,366	33.27%
Profit Surplus Holdings Limited . . . . .	Trustee of a unit trust	1,859,776,366	33.27%
HSBC International Trustee Limited . . . . .	Trustee of discretionary trusts	1,859,776,366	33.27%
Wei Yin-Chun . . . . .	Beneficiary of a discretionary trust	1,859,776,366	33.27%
Wei Yin-Heng . . . . .	Beneficiary of a discretionary trust	1,859,776,366	33.27%
Wei Chang Lu-Yun . . . . .	Settlor and beneficiary of a discretionary trust/Interest of spouse	1,882,298,366	33.67%
Lin Li-Mien . . . . .	Settlor and beneficiary of a discretionary trust/Interest of spouse	1,859,776,366	33.27%
Wei Hsu Hsiu-Mien . . . . .	Settlor and beneficiary of a discretionary trust/Interest of spouse	1,859,776,366	33.27%
Wei Tu Miao . . . . .	Settlor and beneficiary of a discretionary trust/Interest of spouse	1,859,776,366	33.27%
Sanyo Foods Co., Ltd. . . . .	Beneficial owner	1,854,827,866	33.18% <sup>(3)</sup>

**Notes:**

- (1) These 1,859,776,366 shares are held by and registered under the name of Ting Hsin (Cayman Islands) Holding Corp., or Ting Hsin. Ting Hsin is beneficially owned as to approximately 43.94% by Ho Te Investments Limited, or Ho Te, as to approximately 30.15% by Rich Cheer Holdings Limited, or Rich Cheer, as to 25.23% by China Foods Investment Corp., an independent third party which was incorporated by Itochu Corporation and Asahi Breweries, Ltd., and as to the remaining 0.68% by unrelated third parties. Ho Te and Rich Cheer were owned as to 100% by Profit Surplus Holdings Limited, or Profit Surplus. Profit Surplus is the trustee of a unit trust, which is in turn held by four discretionary trusts in equal proportions. HSBC International Trustee Limited is the trustee of each of the above four discretionary trusts, the settlors and discretionary objects of the above four discretionary trusts are as follows:
- Wei Chang Lu-Yun is the settlor of one of the above discretionary trusts with Wei Chang Lu-Yun and Wei Ing-Chou as discretionary objects;
  - Lin Li-Mien is the settlor of one of the above discretionary trusts with Lin Li-Mien and Wei Ying-Chiao as discretionary objects;
  - Wei Hsu Hsiu-Mien is the settlor of one of the above discretionary trusts with Wei Hsu Hsiu-Mien and Wei Yin-Chun as discretionary objects; and
  - Wei Tu Miao is the settlor of one of the above discretionary trusts with Wei Tu Miao and Wei Yin-Heng as discretionary objects.
- (2) Wei Ing-Chou is also personally interested in 13,242,000 Shares and holds 9,280,000 share options (2,000,000 share options are exercisable for the period from March 21, 2013 to March 20, 2018 at an exercise price of HK\$9.28 per share, 2,816,000 share options are exercisable for the period from April 23, 2014 to April 22, 2019 at an exercise price of HK\$9.38 per share and 2,200,000 share options are exercisable for the period from April 1, 2015 to March 31, 2020 at an exercise price of HK\$18.57 per share.) under the share option scheme of the Company passed by an extraordinary general meeting of the Company held on March 20, 2008. After the reported period, on April 12, 2011, the Company offered 2,264,000 share options to Wei Ing-Chou, which are exercisable for the period from April 12, 2016 to April 11, 2021 at an exercise price of HK\$19.96 per share. Wei Chang Lu-Yun, being the spouse of Wei Ing-Chou, is also deemed to be interested in the shares and the underlying shares held by Wei Ing-Chou.
- (3) As of March 31, 2012, Sanyo held 33.17% of our issued share capital.

Apart from the above, no other interest or short position in the shares or underlying shares of the Company were recorded in register required to be kept under section 336 of the SFO as at December 31, 2011.

## INDUSTRY OVERVIEW

### OVERVIEW OF THE PRC ECONOMY

Since the introduction of economic reforms in the late 1970s, China has experienced rapid economic growth. From 2006 to 2011, China's GDP grew at a CAGR of 15.6%, making it one of the fastest growing economies in the world. Along with the general growth in GDP, personal income per capita also increased significantly over the same period, growing at a CAGR of 13.5%. The following table sets forth China's GDP, year-on-year growth in GDP, personal income per capital and year-on-year growth in personal income per capita for the periods indicated.

For the year ended December 31,	Nominal GDP (RMB in billions)	Real GDP Growth (%)	Urban household personal income per capital (RMB)	Personal income per capital YoY growth (%)
2006 . . . . .	22,161.7	13.4%	12,719.2	12.4%
2007 . . . . .	26,172.8	9.9%	14,908.6	17.2%
2008 . . . . .	31,471.1	12.2%	17,067.8	14.5%
2009 . . . . .	34,606.4	9.6%	18,858.1	10.5%
2010 . . . . .	39,788.7	10.0%	21,033.4	11.5%
2011 . . . . .	45,823.3	9.1%	23,979.2	14.0%
2006-2011 CAGR . . . . .	15.6%	NA	13.5%	NA

Source: BMI, CEIC

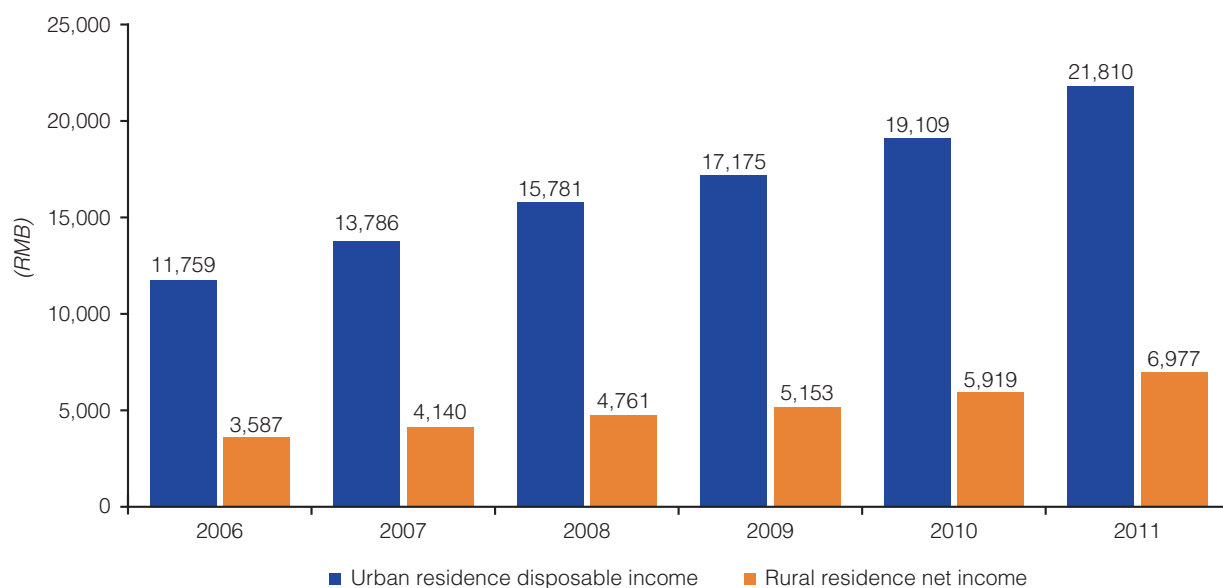
### Rapid Urbanization and Increasing Disposable Income

As a result of rapid economic growth and industrialization, China has experienced increasing urbanization. Due to the influx of people from rural and less developed areas, China's urban population increased by 75.4 million from 2006 to 2011, representing a CAGR of 2.6%, while population in rural areas decreased by 39.0 million during the same period. According to BMI, urbanization is expected to continue at a rapid pace, and by 2016, the urbanization rate (the percentage of total population represented by urban citizens) will have increased to 50.2% from 45.8% in 2011. The following table sets forth the percentage of the PRC's total urban and rural population for the periods indicated.

As of December 31,	Urban Population (millions)	Rural Population (millions)	Total Population (millions)	Urbanization (%)	Rural (%)
2006 . . . . .	541.5	769.6	1,314.6	41.3	58.7
2007 . . . . .	556.1	761.7	1,321.5	42.2	57.8
2008 . . . . .	570.9	753.7	1,328.3	43.1	56.9
2009 . . . . .	587.4	747.5	1,334.9	44.0	56.0
2010 . . . . .	602.3	739.1	1,341.3	44.9	55.1
2011 . . . . .	616.9	730.6	1,347.6	45.8	54.2
2006-2011 CAGR . . . . .	2.6%	-0.6%	0.5%	NA	NA
2016 estimate . . . . .	689.3	684.9	1,374.2	50.2	49.8

Source: BMI

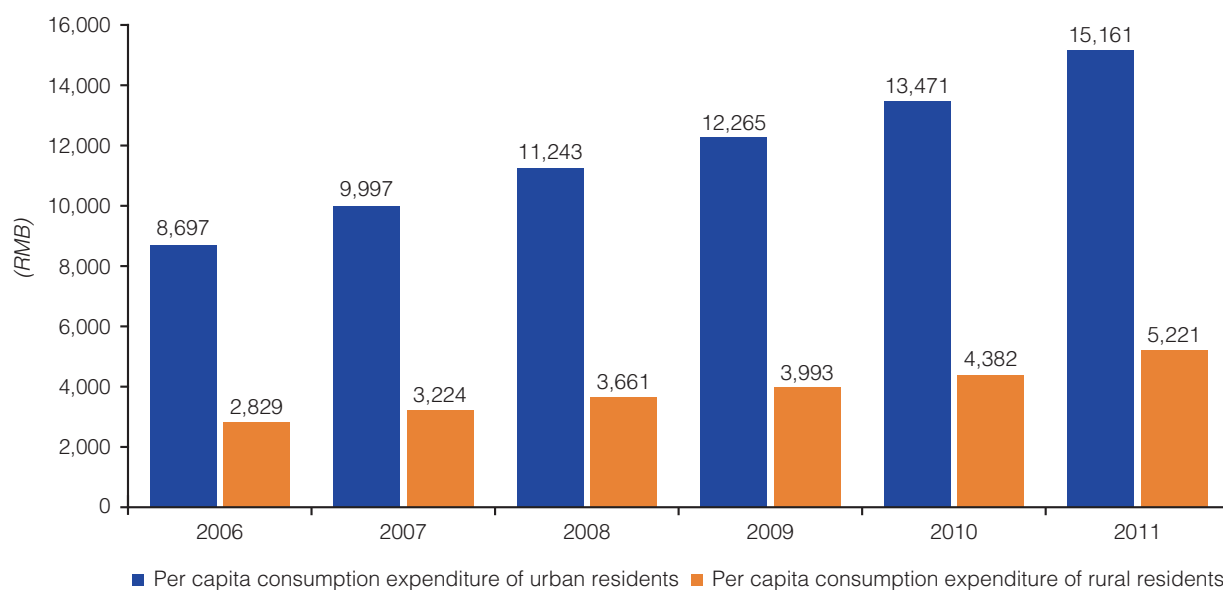
Per capital annual disposable income for urban and rural households in China has also been increasing along with economic growth. According to CEIC, the per capita annual disposable income of urban resident in China increased from RMB11,759 in 2006 to RMB21,810 in 2011, representing a CAGR of 13.1%, and the per capita annual net income of rural resident in China increased from RMB3,587 to RMB6,977, representing a CAGR of 14.2%.



Source: CEIC

### Growth in Consumption and Retail Sales

Increases in the personal income of urban and rural households has contributed to the growth in consumption and retail sales in China. From 2006 to 2011, the per capita consumption expenditures of urban households increased from RMB8,697 to RMB15,161, representing a CAGR of 11.8%, and the per capita consumption expenditures of rural households increased from RMB2,829 to RMB5,221, representing a CAGR of 13.0%. The chart below sets forth the per capita consumption expenditures of urban and rural in China from 2006 to 2011.



Source: CEIC



## **POSSIBLE GROWTH DRIVERS IN THE PRC FOOD AND BEVERAGE MARKET**

As China's economy continues to grow, we believe the following factors may impact the future growth of the PRC food and beverage market, in particular the markets for instant noodle, beverage and cracker products.

### ***Increase in urban population and disposable income***

Continued economic development and growing affluence in China have increased consumer spending power and driven the demand for food and beverage products. In particular, increased average disposable income and busier lifestyles have made consumption of food away from home more popular and may encourage urban consumers to seek more convenient forms of food and beverage products for consumption.

### ***Increasing food safety awareness***

Consumers in China are increasingly concerned with food safety. This heightened demand for safe food will result in consumers prioritizing product quality, composition and branding over unit price as their main selection criteria. The PRC government is also increasing its focus on food safety, and legislation on food is expected to be further improved. These factors are likely to result in strong growth for large players, especially those entering markets in less developed regions within the PRC.

### ***Dynamic consumer preference and increased range of products***

Consumers of different age groups and socio-economic backgrounds have different tastes and preferences. Consumer tastes may also differ within the same consumer segment due to differences in locations and climates in the PRC. In addition, consumer preferences may change in response to the changing seasons. Packaging is generally considered an important factor affecting consumer preferences and attractive packaging in bright colors and with professional designs is more likely to attract consumers. In recent years, PRC food and beverage companies have increasingly launched new products containing different ingredients and flavors and used innovative packaging to help expand their customer base and strengthen brand loyalty.

### ***Growing health consciousness***

As consumers become increasingly informed about health issues, health-oriented products will continue to experience strong growth in China, especially juices and RTD teas. Growing sophistication of consumers and increased disposable income have led to greater demand for higher quality products and consumer focus has turned to healthier food and beverage options.

### ***Increased penetration of modern chain stores***

Rapid development and increased penetration of modern chain stores in China have made food and beverage products more accessible to the mass market and much more convenient and affordable. Food and beverage products are largely distributed through supermarkets, hypermarkets and convenience stores in urban areas. We believe the increasing prevalence of chain stores will continue to drive increased consumption of beverage and instant noodle products in both urban and rural areas.

### ***Continuing dominance of traditional distribution channel***

Traditional distribution channels, including small stores and stalls continue play an important role in China's food and beverage distribution system. With China's strong economic growth, the consumption of instant noodle and beverage products in rural areas has increased rapidly. Traditional distribution channels make up a large percentage of total distribution points, particularly in rural areas, and sales through these channels continue to account for the majority of overall instant noodle and beverage sales for food and beverage companies like us.

## THE INSTANT NOODLE INDUSTRY IN THE PRC

The market for instant noodles in the PRC has remained robust in the past few years. According to Euromonitor, in the period from 2006 to 2011, the total market grew from RMB47.4 billion to RMB79.8 billion in 2011 at a CAGR of 11.0%.

The PRC instant noodle market can be broadly divided into cups/bowl noodles (instant noodles sold in a plastic or paper cup or bowl) and packet noodles (instant noodles sold in a plastic packet which the consumer must cook in a separate bowl). Packet noodles represent the largest category of instant noodle products, representing 66.2% of total market by value in 2011. The PRC instant noodle market can also be divided by price range into lower-priced (sold at a retail price below RMB1.0), medium-priced (sold at a retail price between RMB1.0 and RMB1.4) and medium-to-high-priced (sold at a retail price above RMB1.4) segments. Over the past few years, the average unit price of instant noodle products has increased gradually as the market continued to shift to higher price segments and with increases in raw material prices.

To stimulate consumer demand and cater to consumer tastes in different regions, instant noodle producers develop various flavors that specifically target consumers in particular regions. To address health concerns of the urban population, instant noodle producers have also begun developing “health” concept products which adopt high-grade flour and quality ingredients in order to present greater nutritional value.

### Competition

Historically, the PRC instant noodle market in China was fragmented with various regional and local manufacturers. Consumers in this market were highly price-sensitive, resulting in manufacturers primarily competing based on price or by increasing the serving size while maintaining the same price levels. In the past several years, the food and beverage market has witnessed consolidation. In December 2011, the top five instant noodle manufacturers together accounted for 88.4% of the total market by value, with the top three manufacturers accounting for 79.0% market share, up from 87.2% and 77.6%, respectively, in December 2010. The following table sets forth the market share of the major manufacturers of instant noodles in the PRC by sales value and sales volume for the periods indicated.

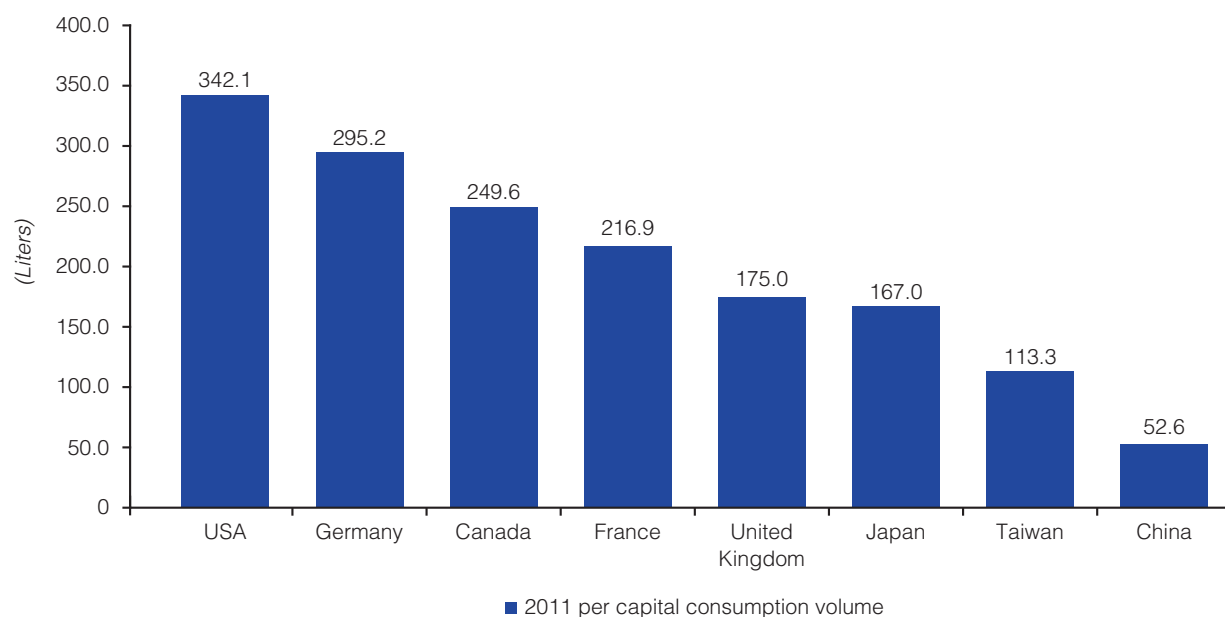
	December 2009		December 2010		December 2011	
	sales value	sales volume	sales value	sales volume	sales value	sales volume
Tingyi . . . . .	54.6%	41.7%	55.8%	41.6%	55.7%	40.9%
Competitor A. . . . .	8.6%	8.1%	11.2%	10.4%	14.1%	13.5%
Competitor B. . . . .	12.0%	14.0%	10.6%	13.6%	9.2%	12.4%
Competitor C . . . . .	8.0%	11.3%	6.5%	9.7%	6.9%	10.1%
Competitor D . . . . .	3.0%	7.9%	3.1%	9.0%	2.5%	7.8%
Sub-total . . . . .	<u>86.2%</u>	<u>83.0%</u>	<u>87.2%</u>	<u>84.3%</u>	<u>88.4%</u>	<u>84.7%</u>

Source: Calculations relating to Tingyi (Cayman Islands) Holding Corp. and its competitors are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen).

## THE BEVERAGE INDUSTRY IN THE PRC

The PRC beverage industry experienced rapid growth over the past several years. According to Euromonitor, in the period from 2006 to 2011, total sales value of soft drinks in the PRC grew at a CAGR of 14.5% to RMB393.7 billion in 2011. In terms of sales volume, the PRC beverage market grew at a CAGR of 11.9% to 70.4 billion liters in 2011 over the same period, indicating an increase in unit selling price.

Although the PRC beverage market has experienced rapid growth over the past few years, the penetration of beverage products remains relatively low. In the year ended December 31, 2011, per capita beverage consumption in the PRC was 52.6 liters, well below those in major developed countries. The following chart sets forth beverage consumption per capita in 2011 in the PRC and certain developed countries.



Source: © Euromonitor International

According to Euromonitor, the PRC non-dairy beverage market can be broken down into six different segments: carbonated, juice, bottled water, RTD tea, sports and energy drinks, and others. The following table sets forth the sales value and sales volume, as well as corresponding market share, for each beverage category for the years indicated.

PRC beverage products for the year ended December 31, 2011

	sales value		sales volume		2006-2011 CAGR in value
	RMB bn	%	Litres bn	%	%
RTD tea . . . . .	91.5	23.2%	14.0	19.9%	18.6%
Bottled water . . . . .	62.7	15.9%	25.2	35.8%	15.6%
Juice . . . . .	114.3	29.0%	15.8	22.4%	15.4%
Carbonates . . . . .	85.9	21.8%	11.5	16.4%	9.8%
Sports and energy drinks . . . . .	11.0	2.8%	1.0	1.5%	10.0%
Others . . . . .	28.2	7.2%	2.9	4.1%	15.4%
<b>Total beverages . . . . .</b>	<b>393.7</b>	<b>100.0%</b>	<b>70.4</b>	<b>100.0%</b>	<b>14.5%</b>

Source: © Euromonitor International

In recent years, the market share of carbonated drinks declined due to the growth of healthier drinks such as juice, bottled water and RTD tea. According to Euromonitor, growth in non-carbonated drinks has been led by growth in RTD tea, bottled water and juice which grew at CAGRs of 18.6%, 15.6% and 15.4%, respectively, between 2006 and 2011 in terms of sales value. RTD tea, particularly green tea, has experienced strong growth because of its healthy image. We expect non-carbonated drinks to enjoy strong growth as the trend towards healthier eating and drinking continues.

### RTD tea segment

Tea drinks have a long tradition as part of Chinese food and culture, allowing RTD tea products to be easily adopted and become an important component of the PRC beverage market. According to

Euromonitor, the RTD tea segment has grown to RMB91.5 billion in 2011 in terms of sales value, representing a CAGR of 18.6%. In terms of sales volume, from 2006 to 2011, the PRC RTD tea segment has grown to 14.0 billion liters in 2011, representing a CAGR of 15.8%.

### **Bottled water segment**

According to Euromonitor, the bottled water segment grew at a CAGR of 15.6% in the period from 2006 to 2011 to RMB62.7 billion in 2011 in terms of sales value. In terms of sales volume, from 2006 to 2011, the PRC bottled water segment has grown to 25.2 billion liters in 2011, representing a CAGR of 12.8% according to Euromonitor.

The bottled water segment of the PRC beverage market consists of carbonated bottled water, flavoured bottled water, functional bottled water and still bottled water.

### **Juice segment**

According to Euromonitor, the fruit/vegetable juice segment grew at a CAGR of 15.4% in the period from 2006 to 2011 to RMB114.3 billion in 2011 in terms of sales value due to its healthy image, convenience and innovative packaging. In terms of sales volume, from 2006 to 2011, the PRC juice segment has grown to 15.8 billion liters in 2011, representing a CAGR of 13.2% according to Euromonitor. The juice segment is expected to continue to grow, with a strong growth in demand in less developed cities and rural regions.

The juice segment of the PRC beverage market consists of juice drinks (diluted juice beverages with less than 25% juice content), nectars (juice beverages with concentration from 25% to 99%), 100% juice, and other juice products. According to Euromonitor, as of December 31, 2011, juice drinks, nectars and 100% juice represented 80.5%, 14.6% and 4.9%, respectively, of total sales value of juice products in the PRC.

### **Competition**

The PRC beverage industry has experienced significant consolidation in the past few years. Although most of the manufacturers operate on a regional level and lack the scale and capacity to operate on a national level, promising growth in the PRC beverage market has recently attracted larger domestic and multinational companies. In general, larger manufacturers with greater resources, stronger product development capability and premium brand images are better positioned, while smaller players are more likely to be gradually merged or pushed to exit the market. Market share has become more and more concentrated in a few leading manufacturers.

The RTD tea market has evidenced a higher level of consolidation because of the higher entry barrier created by advanced production techniques. In December 2011, the top five manufacturers of RTD tea in the PRC accounted for 90.7% of total sales value for the year. The following table sets forth the market share of the major producers of RTD tea in the PRC in terms of sales value and sales volume for the periods indicated.

	<b>Market share of major RTD tea manufacturers in the PRC</b>					
	<b>December 2009</b>		<b>December 2010</b>		<b>December 2011</b>	
	<b>sales value</b>	<b>sales volume</b>	<b>sales value</b>	<b>sales volume</b>	<b>sales value</b>	<b>sales volume</b>
Tingyi . . . . .	48.4%	50.4%	51.9%	54.1%	45.8%	50.0%
Competitor A . . . . .	21.5%	21.0%	22.7%	22.5%	27.3%	25.5%
Competitor B . . . . .	14.3%	13.5%	12.3%	11.4%	13.8%	12.4%
Competitor C . . . . .	6.5%	6.4%	3.8%	3.6%	2.3%	2.4%
Competitor D . . . . .	1.4%	1.1%	1.8%	1.3%	1.5%	1.0%
Sub-total . . . . .	<u>92.1%</u>	<u>92.4%</u>	<u>92.5%</u>	<u>92.9%</u>	<u>90.7%</u>	<u>91.3%</u>

*Source:* Calculations relating to Tingyi (Cayman Islands) Holding Corp. and its competitors are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen).

In December 2011, the top five manufacturers of bottled water products in the PRC accounted for 60.5% of total sales by value. The following table sets forth the market share of the major manufacturers of bottled water in the PRC in terms of sales value and sales volume for the periods indicated.

	<b>Market share of major bottled water manufacturers in the PRC</b>					
	<b>December 2009</b>		<b>December 2010</b>		<b>December 2011</b>	
	<b>sales value</b>	<b>sales volume</b>	<b>sales value</b>	<b>sales volume</b>	<b>sales value</b>	<b>sales volume</b>
Tingyi . . . . .	19.6%	21.4%	20.8%	24.1%	17.8%	22.0%
Competitor A . . . . .	15.0%	13.7%	17.5%	15.6%	20.3%	18.2%
Competitor B . . . . .	17.0%	15.4%	16.0%	14.6%	14.9%	13.8%
Competitor C . . . . .	2.5%	2.5%	4.1%	3.5%	2.9%	2.5%
Competitor D . . . . .	4.3%	4.9%	4.2%	5.0%	4.6%	5.8%
Sub-total . . . . .	<u>58.4%</u>	<u>57.9%</u>	<u>62.6%</u>	<u>62.8%</u>	<u>60.5%</u>	<u>62.3%</u>

*Source:* Calculations relating to Tingyi (Cayman Islands) Holding Corp. and its competitors are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen).

In December 2011, the top five manufacturers of juice drink products in the PRC accounted for 78.6% of total sales by value. The following table sets forth the market share of the major manufacturers of juice drink products in the PRC in terms of sales value and sales volume for the periods indicated.

	<b>Market share of major juice drinks product manufacturers in the PRC</b>					
	<b>December 2009</b>		<b>December 2010</b>		<b>December 2011</b>	
	<b>sales value</b>	<b>sales volume</b>	<b>sales value</b>	<b>sales volume</b>	<b>sales value</b>	<b>sales volume</b>
Competitor A . . . . .	32.7%	31.2%	35.4%	32.8%	36.3%	34.2%
Tingyi . . . . .	14.2%	16.6%	17.5%	19.7%	19.3%	20.2%
Competitor B . . . . .	14.0%	16.2%	13.1%	15.6%	14.3%	16.7%
Competitor C . . . . .	6.2%	7.9%	5.4%	6.7%	3.5%	4.4%
Competitor D . . . . .	8.1%	6.9%	6.6%	6.1%	5.2%	5.4%
Sub-total . . . . .	<u>75.2%</u>	<u>78.8%</u>	<u>78.0%</u>	<u>80.9%</u>	<u>78.6%</u>	<u>80.9%</u>

*Source:* Calculations relating to Tingyi (Cayman Islands) Holding Corp. and its competitors are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen).

## THE CRACKER INDUSTRY IN THE PRC

According to data from Nielsen, in the period from 2006 to 2011, the cracker market grew to RMB17.6 billion. In volume terms, the market grew to 642.6 thousand tons over the same period.

According to data from Nielsen, the PRC cracker market can be broken down into 10 different segments, including sandwich crackers, sweet crackers, salty crackers, egg rolls, cookies, wafers, soda crackers, snack crackers, multi-function crackers and others. The following tables set forth the market share for cracker categories in the PRC by sales value and sales volume for the periods indicated.

PRC cracker for the year ended December 31, 2011					
	sales value		sales volume		2006-2011 CAGR
	RMB bn	%	Tons'000	%	%
Sandwich crackers . . . . .	3.6	20.2%	122.3	19.0%	18.2%
Sweet crackers . . . . .	3.4	19.0%	187.7	29.2%	3.5%
Salty crackers . . . . .	1.4	8.2%	65.3	10.2%	2.4%
Egg rolls . . . . .	0.9	5.4%	24.5	3.8%	1.6%
Cookies . . . . .	2.0	11.5%	52.7	8.2%	16.7%
Wafer . . . . .	1.4	8.1%	42.7	6.6%	1.9%
Soda crackers . . . . .	0.7	4.0%	31.0	4.8%	9.0%
Snack crackers . . . . .	2.9	16.7%	59.1	9.2%	15.1%
Multi-function crackers. . . . .	0.3	1.4%	17.2	2.7%	NA%
Others. . . . .	0.9	5.4%	40.1	6.2%	-1.2%
Total cracker. . . . .	17.6	100.0%	642.6	100.0%	NA%

Source: Calculations are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen).

### Competition

The following table sets out the market shares of the major manufacturers of sandwich crackers in the PRC by sales value and sales volume for the periods indicated.

	Market share of major sandwich cracker manufacturers in the PRC					
	December 2009		December 2010		December 2011	
	sales value	sales volume	sales value	sales volume	sales value	sales volume
Competitor A. . . . .	39.8%	32.6%	59.9% <sup>(1)</sup>	50.7% <sup>(1)</sup>	62.3% <sup>(1)</sup>	52.3% <sup>(1)</sup>
Tingyi . . . . .	25.5%	24.6%	22.7%	23.7%	22.0%	24.0%
Competitor B. . . . .	14.4%	14.5%	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
Sub-total . . . . .	79.7%	71.7%	82.6%	74.4%	84.3%	76.3%

Source: Calculations relating to Tingyi (Cayman Islands) Holding Corp. and its competitors are based in part on data reported by Nielsen through its Retail Index Service for the Instant Noodle, Ready to Drink Tea, Juice, Package Water and Biscuit Category for the period from January 2009 to March 2012, for the Mainland of China total city and township and town government market (Copyright © 2012, Nielsen).

(1) After Competitor B's biscuit business was acquired by Competitor A.



## **PRC REGULATION**

This section sets out summaries of certain aspects of PRC laws and regulations, which are relevant to our operation and business.

### **CORPORATE LAWS AND INDUSTRY CATALOGUE RELATING TO FOREIGN INVESTMENT**

The establishment, operation and management of corporate entities in China are governed by the Company Law of the PRC, as amended, or the Company Law, which was adopted on December 29, 1993 and became effective on July 1, 1994. It was last amended on October 27, 2005 and the amendment became effective on January 1, 2006. Under the Company Law, companies are generally classified into two categories: limited liability companies and companies limited by shares. The Company Law also applies to foreign-invested limited liability companies. According to the Company Law, when laws on foreign investment have other stipulations, such stipulations shall prevail.

The establishment procedures, approval procedures, registered capital requirements, foreign exchange, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise are regulated by the Wholly Foreign-owned Enterprise Law of the PRC, as amended, or the Wholly Foreign-owned Enterprise Law, which was promulgated on April 12, 1986 and amended on October 31, 2000, and the Implementation Rules to the Wholly Foreign-owned Enterprise Law, as amended, which was promulgated on December 12, 1990 and amended on April 12, 2001.

Investment in the PRC conducted by foreign investors and foreign-owned enterprises is governed by The Catalogue of Industries for Guiding Foreign Investment, or the Catalogue, which was promulgated and amended by the Ministry of Commerce of the PRC, or MOFCOM, and the National Development and Reform Commission of the PRC, or NDRC, on December 24, 2011 and became effective on January 30, 2012. The Catalogue contains specific provisions guiding market access of foreign capital, stipulating in detail the rules of entry according to the categories of encouraged, restricted and prohibited industries. Industries not listed in the Catalogue are generally open to foreign investment unless specifically prohibited or restricted by other PRC laws and regulations. Foreign investment in the encouraged category is entitled to certain preferential treatment and incentives extended by the government, while foreign investment in the restricted category is permitted but subject to certain restrictions under PRC Law. Foreign investment in the prohibited category is not allowed.

### **MANUFACTURE AND SALES OF FOOD**

#### **Licensing System for Food Production and Trading**

Pursuant to the Food Safety Law of the PRC, or the Food Safety Law, which was promulgated on February 28, 2009 and became effective on June 1, 2009, and Implementing Rules on the Food Safety Law of the PRC, or the Implementing Rules on the Food Safety Law, which was promulgated and became effective on July 20, 2009, the PRC adopts a licensing system for food production and trading. A business must obtain licenses for food production, food circulation and catering services in order to engage in these activities. Food producers who have obtained food production licenses do not need to obtain food circulation licenses for selling the food produced by them at their place of production; catering service providers who have obtained catering service licenses do not need to obtain food production or circulation licenses to sell the food produced by them at their place of catering service.

According to the Measures for the Administration of Food Production Licensing, which was promulgated on April 7, 2010 and became effective from June 1, 2010, food production licenses are valid for three years. If the enterprise that has the food production license needs to continue production upon expiration of the term of validity, it shall file an application for replacement of the license with the original licensing authority within six months prior to the expiration of the term of validity. If the replacement is approved, the license number shall remain unchanged. Where no application is filed for replacement of license upon expiration of the term of validity, the enterprise

will be deemed unlicensed. Where the enterprise intends to continue the production of food, it will then need to file a new application for the license, the term of validity of which shall be calculated from the date of approval of such new application.

### **Personnel Health Management System**

In accordance with the Food Safety Law as well as Implementing Rules on the Food Safety Law, food producers and traders shall establish and implement a personnel health management system. Persons suffering from dysentery, typhoid, viral hepatitis, any other infectious disease of the digestive tract, active tuberculosis, purulent, seeping skin disease or any other disease that affects food safety shall not engage in work that involves contact with ready-to-eat food. Food producers and traders must have a physical check-up each year and must obtain health certificates prior to working.

### **Production Licensing System of Industrial Products**

Pursuant to the Administrative Regulations of the PRC on the Production License for Industrial Products, which was promulgated on July 9, 2005 and became effective on September 1, 2005, and Implementing Measures for the Regulations for Administration of Production License of Industrial Products of the PRC, which was last amended on April 21, 2010 and became effective on June 1, 2010, only licensed enterprises are eligible to produce certain important industrial products for which a production licensing system has been implemented by the government. The production license is generally valid for a period of five years, but where it relates to food processing, it is valid for only three years. If there is any change in the relevant standards and requirements for relevant product during the period of validity of a production license, the competent authorities may organize a further examination and inspection in accordance with the provisions of relevant regulations. If there is a change in the production conditions, inspection method, production technology or technique of the enterprise during the period of validity of a production license, the enterprise must notify the relevant authorities so that a further examination and inspection may be conducted in light of the provisions of the relevant regulations.

### **Food Safety**

The production and trading activities of food producers and traders are regulated by the Food Safety Law as well as the Implementing Rules on the Food Safety Law. They are required to uphold food safety standards to ensure food safety and accept social supervision. In addition, in accordance with the Law of the PRC on the Protection of Minors, which was promulgated on September 4, 1991 and became effective on June 1, 2007, the food, drugs, toys, utensils and amusement facilities produced for the use of and marketed to minors must meet certain national standards or industrial standards, and may not be harmful to the safety or health of minors. If points for attention need to be indicated, they shall be indicated at an eye-catching position.

## **TAXATION**

### **Income Tax**

According to the Enterprise Income Tax Law of the PRC, or the New EIT Law, which was promulgated on March 16, 2007, income tax for both domestic and FIEs is at the same rate of 25%, effective from January 1, 2008. The Implementation Rules of the New EIT Law was promulgated on December 6, 2007 and became effective on January 1, 2008. The New EIT Law provides certain relief during the transition period that apply to enterprises that were established prior to March 16, 2007 (i) if an FIE enjoyed reduced tax rates under the laws and regulations, the tax rate will be gradually increased to coincide with the new tax rate within five years starting from 2008 or (ii) if an FIE enjoyed tax holidays for a fixed period under other laws and regulations, such FIE can continue to enjoy the tax holiday until its expiration. If an FIE has not started to enjoy the tax holiday due to a lack of profit, 2008 will be regarded as the first profit-making year that the enterprise starts to enjoy the tax holiday.

## **Value-added Tax**

Pursuant to the Provisional Regulations on Value-added Tax of the PRC, or Regulations on VAT, last amended on November 5, 2008 and effective from January 1, 2009 and its implementation rules, all entities or individuals in the PRC engaging in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods are required to pay value-added tax, or VAT. The amount of VAT payable is calculated as “output VAT” minus “input VAT.” The rate of VAT is 11% for those engaging in the sale or importation of goods except otherwise provided by paragraph (2) and paragraph (3) of Article 2 of the Regulations on VAT and is 17% for those providing processing, repairs and replacement services.

## **FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION**

### **Foreign Exchange**

Pursuant to the Regulations on the Administration of Foreign Exchange issued by the State Council, effective from 1996 and amended in January 1997 and August 2008, Renminbi is freely convertible for current account items, such as sale or purchase of goods, which are generally not subject to PRC governmental control or restrictions. Certain organizations in the PRC, including FIEs, may purchase, sell and/or remit foreign currencies at certain banks authorized to conduct foreign exchange business upon providing valid commercial documents. However, for capital account items, such as direct investments, loans, repatriation of investments and investment in securities outside of the PRC, the prior approval of the PRC State Administration of Foreign Exchange, or SAFE, or its local counterparts, is required. Pursuant to the Interim Provisions on the Administration of Foreign Debts jointly promulgated by NDRC, the Ministry of Finance and SAFE on January 8, 2003 and other relevant rules and regulations issued by SAFE, loans by foreign entities or individuals to any FIE to finance its activities cannot exceed the statutory limits of the difference between the registered capital and the investment amount of the FIE as approved by MOFCOM. Such loans must be registered with SAFE or its local counterparts.

On August 29, 2008, SAFE issued the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or Circular 142. Circular 142 requires that the registered capital of an FIE, converted into RMB from foreign currencies, only be utilized for purposes within its business scope. For example, such converted amounts may not be used for investments in or acquisitions of other companies and can inhibit the ability of companies to consummate such transactions. In addition, SAFE strengthened its oversight of the flow and use of the registered capital of FIEs settled in RMB and converted from foreign currencies. The use of such RMB capital may not be changed without SAFE’s approval, and may not in any case be used to repay RMB loans if the proceeds of such loans have not been utilized. Violations may result in severe penalties, such as heavy fines. Furthermore, SAFE promulgated a circular on November 9, 2010, or Circular 59, which tightens regulation over settlement of net proceeds from overseas offerings, such as this offering, and requires that the settlement of net proceeds must be consistent with the description in the offering document.

### **Dividend Distribution**

The principal regulations governing the distribution of dividends by wholly foreign-owned enterprises include:

- the Company Law;
- Wholly Foreign-Owned Enterprise Law;
- Implementation Rules of the Wholly Foreign-Owned Enterprise Law; and
- the New EIT Law and its implementation rules.

Under these regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise in China is required to set aside at least 10% of its annual after-tax profit, as calculated using PRC accounting standards, to its general reserves until its cumulative total reserve funds reach 50% of its registered capital. The board of directors of a wholly foreign-owned enterprise has the discretion to allocate a portion of its after-tax profits to its employee welfare and bonus funds. These reserve funds, however, may not be distributed as cash dividends. Under the New EIT Law and its implementation rules, dividends payable by a foreign-invested enterprise in the PRC to its foreign investor who is a non-PRC resident enterprise will be subject to a 10% PRC withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a lower PRC income tax rate.

## **ANTI-MONOPOLY LAW**

Pursuant to the Anti-Monopoly Law of the PRC, or the Anti-Monopoly Law, which was promulgated on August 30, 2007 and became effective from August 1, 2008, "dominant market position" shall refer to a position where an operator may manipulate the price, volume and other trade conditions of a commodity on the relevant markets, or may obstruct or otherwise effect the entrance of other operators into the relevant markets. Operators who hold a dominant market position will be prohibited from engaging in such practices which may be classified as an abuse of its market position: (i) selling products at unfairly high or unfairly low prices; (ii) selling products at a price lower than cost without legitimate grounds; (iii) refusing to trade with the other trading party without legitimate grounds; (iv) forcing the other trading party to trade only with said operator or other operators specified by said operator without legitimate grounds; (v) conducting tie-in sales or adding other unreasonable conditions on a deal without legitimate grounds; (vi) discriminating among trading parties of the same qualifications with regards to trade price without legitimate grounds; or (vii) other practices recognized by the anti-monopoly law enforcement authorities as abuse of dominant market position. Furthermore, where an operator violates the provisions of the Anti-Monopoly Law by abusing its dominant market position, the anti-monopoly law enforcement authorities will order a halt to the offending behavior, confiscate the illegal earnings, and impose a fine of 1 to 10% of the previous year's sales revenue.

## **PRICE LAW**

Pursuant to the Price Law, which was promulgated on December 29, 1997 and became effective from May 1, 1998, the operators must, in determining prices, abide by the principle of fairness, be in conformity with law and conduct their businesses with honesty and credibility. Production and management costs and the market supply and demand situation shall be the fundamental basis for the determination of prices by the operators.

The operators must, in selling and procuring commodities and providing services, display the clearly marked price in accordance with the provisions of the competent government departments of price. The operators are prohibited from charging additional amounts on top of the marked price and shall not collect any fee not indicated. Furthermore, the operators shall not commit acts such as collusion in manipulating market price to the detriment of the lawful rights and interests of other operators or consumers. Any operator who commits any of the unfair pricing acts prescribed in the Price Law risks having its illegal gains confiscated and may have to pay a fine of up to five times the amount of the illegal gain, in addition to being required to make rectification. Where the circumstances are serious, the relevant regulatory authorities may suspend the business operations or revoke the business license of the offending operation. In addition, any operator who causes consumers or other operators to pay higher prices due to its illegal acts should refund the portion overpaid. Where damage has been caused, liability for compensation shall be borne according to law. And any operator who violates the provision requiring clearly marked prices shall be ordered to make a rectification and its illegal gains will be confiscated along with a fine of up to RMB5,000. The Price Law of the PRC also gives the competent government departments the authority to implement intervention measures on the pricing of important commodities and services, on circumstances that the prices of such important commodities and services are, or may be,

substantially increased. Upon elimination of the circumstances for the implementation of the intervention measures in pursuance of the Price Law, the intervention measures shall be lifted in time.

## **INTELLECTUAL PROPERTY RIGHTS**

### **Copyright**

According to the Copyright Law of the PRC, or the Copyright Law, which was amended in 2010 and became effective on April 1, 2010, copyrights include personal rights such as the right of publication and attribution as well as property rights such as the right of production and distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a copyrighted work or communicating the same to the public via an information network without permission from the owner of the copyright, unless otherwise provided in the Copyright Law, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, among other things, undertake to cease the infringement, take remedial action, offer an apology and pay damages to the owner of the copyrights.

### **Trademark**

Pursuant to the Trademark Law of the PRC, or the Trademark Law, which was revised on October 27, 2001 and became effective on December 1, 2001, the right to the exclusive use of a registered trademark shall be limited to trademarks which have been approved for registration and to goods for which the use of a trademark has been approved. The period of validity of a registered trademark shall be ten years, counted from the day the registration is approved. According to the Trademark Law, using a trademark that is identical with or similar to a registered trademark in connection with the same or similar goods without the authorization of the owner of the registered trademark constitutes an infringement of the exclusive right to use a registered trademark. Where a dispute arises after a party commits any of the acts infringing upon another party's exclusive right to use a registered trademark as enumerated in the Trademark Law, the parties involved shall settle the dispute through consultation. Where the parties refuse to pursue consultation or where consultation has failed, the trademark registrant or any interested party may institute legal proceedings with the People's Court or ask the administrative authorities to handle the matter upon determining that trademark infringement has taken place.

### **Patent**

Pursuant to the Patent Law of the PRC, or the Patent Law, which was revised on December 27, 2008 and became effective on October 1, 2009, the term "invention" refers to any new technical solution relating to a product, process or improvement thereof, and the term "utility model" used refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is fit for practical use. The term "design" refers to any new design of the shape, pattern or their combination and the combination of color and shape or pattern, of a product, which is aesthetically pleasing and is fit for industrial application.

Except where otherwise provided for in the Patent Law, no entity or individual may, without the authorization of the patent owner, exploit the patent, including make, use, offer to sell, sell or import the patented product, or use the patented process, or use, offer to sell, sell or import any product which is a direct result of the use of the patented process, for production or business purposes. After a patent right is granted for a design, no entity or individual shall, without the permission of the patent owner, exploit the patent, that is, for production or business purposes, manufacture, offer to sell, sell, or import any product containing the patented design.

The duration of patent rights for inventions shall be twenty years and the duration of patent rights for utility models and designs shall be ten years, commencing from the date of application. Furthermore, where a dispute arises as a result of the exploitation of a patent without the authorization of the patent owner, it shall be settled through mediation by the parties. Where the parties are not willing to mediate with each other or where the mediation fails, the patent owner or



any interested party may institute legal proceedings with the People's Court, or request the administrative authority for patent affairs to handle the matter.

## **ENVIRONMENTAL PROTECTION**

According to the Environmental Protection Law of the PRC, or the Environmental Protection Law, which was promulgated and became effective on December 26, 1989:

- any entity that discharges pollutants must establish environmental protection rules and adopt effective measures to control or properly treat waste gas, waste water, waste residues, dust, malodorous gases, radioactive substances, noise, vibration and electromagnetic radiation and other hazards it produces;
- any entity that discharges pollutants must report to and register with the relevant environmental protection authorities; and
- any entity that discharges pollutants in excess of the prescribed national or local standards must pay a fee therefor.

Government authorities may impose different penalties on persons or enterprises in violation of the Environmental Protection Law depending on the individual circumstances and the extent of contamination. Such penalties include warnings, fines, decisions to impose deadlines for cure, orders to stop production, orders to re-install contamination prevention and cure facilities which have been removed or left unused, imposition of administrative actions against relevant responsible persons, or orders to close down those enterprises or authorities.

### **Water Pollution Prevention**

Pursuant to the Water Pollution Prevention Law of the PRC, which was revised on February 28, 2008 and became effective on June 1, 2008, the PRC has adopted a license system for pollutant discharge. Enterprises and institutions that discharge industrial waste water or medical treatment sewage directly or indirectly into a body of water are required to obtain a license for pollutant discharge.

Enterprises, institutions and individually-owned industrial and/or commercial businesses that discharge pollutants directly or indirectly into a body of water shall, pursuant to the regulations of the competent environmental protection authorities under the State Council, report to and register with the competent environmental protection authorities under the local government at or above the county level, stating their existing facilities for discharging and treating pollutants, and the categories, quantities and concentrations of pollutants discharged under their normal operating conditions as well as technical information concerning prevention and control of water pollution. The enterprises, institutions and individually-owned industrial and/or commercial businesses shall report without delay any substantial change in categories, quantities or concentrations of the pollutants discharged. Their facilities for treating water pollutants must be kept in normal operation. Enterprises, institutions and individually-owned industrial and/or commercial businesses that discharge pollutants into a body of water shall build sewage outlets in accordance with relevant laws, administrative regulations and the provisions of competent environmental protection authorities under the State Council. Those that build any sewage outlet in a river or lake shall also abide by the provisions of the competent authorities of water conservancy administration under the State Council.

### **Air Pollution Prevention**

In accordance with the Air Pollution Prevention Law of the PRC, which was revised on April 29, 2000 and became effective on September 1, 2000, the relevant local governments in the area where the total amount of air pollutants discharged is capped shall, in compliance with the requirements and procedures prescribed by the State Council and in line with the principles of



openness, fairness and impartiality, check and fix the total amounts of the main air pollutants that may be discharged by enterprises and institutions and issue to them permits for discharge of such pollutants. The enterprises and institutions that undertake to control their total amounts of discharged air pollutants shall discharge pollutants in conformity with the checked and fixed total amounts of the main air pollutants to be discharged and the requirements discharge prescribed by the permits.

Enterprises that discharge air pollutants shall, pursuant to the regulations laid down by the administrative department for environmental protection under the State Council, report to the local administrative department for environmental protection on the facilities installed for discharging and treating pollutants and the categories, quantities and density of the pollutants discharged under regular operating conditions and submit to the same department the relevant technical data concerning the prevention and control of air pollution. The enterprises that discharge pollutants, as mentioned in the preceding paragraph shall, without delay, report on any substantial change in the categories, quantities or density of the air pollutants discharged. They shall maintain their facilities for treating air pollutants in regular operation; where the said facilities are to be dismantled or left idle, the matter shall be reported to the local administrative department for environmental protection under the PRC government at or above the county level for approval in advance.

### **Environmental Noise Pollution Prevention**

Pursuant to the Environmental Noise Pollution Prevention Law of the PRC, which was revised and became effective on October 29, 1996, the industrial noise emitted to a residential area within an urban area shall be kept within the limits set by the government authorities on emission of environmental noise. Any industrial enterprise that produces environmental noise pollution due to the use of permanent equipment in the course of industrial production must, in accordance with the regulations of the competent administrative department for environmental protection under the State Council, report to the competent administrative department for environmental protection of the local government, at or above the county level, the types and quantity of its equipment that produces environmental noise pollution, the noise level produced under normal operation and the facilities installed for prevention and control of such pollution, and provide technical information relating to the prevention and control of noise pollution. Any industrial enterprise that intends to make a substantial change in the types or quantity of the equipment that produces environmental noise pollution, in the noise level or facilities for prevention and control of such pollution must submit a report without delay and take prevention and control measures as it should. Industrial enterprises that produce environmental noise pollution shall take effective measures to minimize the impact of noise on the living environment of the neighborhood.

### **Solid Waste Pollution Prevention**

Pursuant to the Solid Waste Pollution Prevention Law of the PRC, which was promulgated on December 29, 2004 and became effective on April 1, 2005, entities discharging industrial solid wastes shall establish and improve the responsibility system for the prevention and control of environmental pollution and adopt measures for the prevention and control of environmental pollution by industrial solid wastes.

The PRC government has instituted a system of declaration and registration for industrial solid wastes. The entities discharging industrial solid wastes shall, in accordance with the regulations enacted by the environmental protection administrative department of the State Council, provide information about the categories, discharging amount, flow direction, storage, treatment and other materials concerning industrial solid wastes to the environmental protection administrative department of the local governments at or above the county level where such entities are located. Any significant modification of the declared matters as prescribed in the preceding paragraph shall be declared in a timely manner. Enterprises and public institutions shall make use of industrial solid wastes produced thereby pursuant to economic and technical conditions; for those industrial solid wastes that will not or cannot be utilized temporarily, enterprises and public institutions shall, in accordance with the regulations of the environmental protection administrative department of the State Council, build facilities and sites for their safe and classified storage or carry treatment on

such industrial solid wastes. The construction of facilities and sites for storing and treating industrial solid wastes shall comply with national standards on environmental protection.

## **LABOR CONTRACT LAW**

Pursuant to the Labor Contract Law of the PRC, or the Labor Contract Law, which was adopted by the Standing Committee of the National People's Congress on June 29, 2007 and became effective on January 1, 2008, a written labor contract is generally required to establish a labor relationship. In the event that no written labor contract is concluded at the time when a labor relationship is established, such a written contract should be concluded within one month from the date when the employment relationship began. Where the employer fails to conclude a written labor contract with the employee for more than one month, but less than a year from the date such relationship began, it shall pay the employee two times his salary for each month. In addition, if the employer fails to conclude a written labor contract with the employee within one year of the date that it employs the employee, it shall be deemed to have concluded an open-ended contract with the employee.

## **SOCIAL INSURANCE AND HOUSING PROVIDENT FUND**

According to the Social Insurance Law of the PRC, which was promulgated on October 28, 2010 and became effective on July 1, 2011, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance schemes. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall participate in work-related injury and maternity insurance schemes. Work-related injury and maternity insurance contributions shall be paid by employers rather than employees.

Pursuant to the Social Insurance Law of the PRC, if an employer fails to pay work-related injury insurance contributions in accordance with law, it shall pay work-related injury insurance benefits in the case of a work-related injury accident. If the employer fails to make such payment, the benefits shall first be reimbursed by the work-related injury insurance fund. Work-related injury insurance benefits reimbursed by the work-related injury insurance fund shall be repaid by the employer. If the employer fails to make repayment, social insurance agencies may recover such benefits from the employer in accordance with the Social Insurance Law of the PRC.

Furthermore, as to the unemployment insurance, employers shall provide unemployed individuals with certification of the expiration or termination of their employment relations in a timely manner and, within 15 days of such expiration or termination, inform social insurance agencies of the list of the unemployed individuals. Unemployed individuals shall undertake the procedures for unemployment registration with the designated public employment service institutions in a timely manner by producing their former employers' certification of the expiration or termination of employment relations. The period for receiving unemployment insurance benefits shall be calculated from the date of unemployment registration.

An employer shall undertake registration with the local social insurance agency in accordance with the provisions of the Social Insurance Law of the PRC. Moreover, an employer shall declare and make social insurance contributions in full and on time. Except for mandatory exceptions such as force majeure, social insurance may not be paid late, reduced or be exempted. If an employer fails to report the social insurance premium payable in accordance with the relevant regulations, the social insurance agency shall provisionally set the amount payable at 110% of the premium paid in the previous month. Once the employer has retroactively undertaken the reporting procedures, the social insurance agency shall settle the amount in accordance with the relevant regulations. Where an employer fails to make social insurance contributions in full and on time, the social insurance agency may order rectification within a specified time limit. If the employer fails to rectify within the specified time limit, the social insurance agency may enquire with the relevant bank(s) and other financial institution(s) in which the employer has an account, and may apply with the relevant administrative department above the county level for an administrative order to allocate and transfer the unpaid social insurance contributions and notify the relevant bank or other financial institution in writing to allocate and transfer the unpaid social insurance contributions. Where the balance in the employer's bank account is less than the overdue social insurance contributions, the

social insurance agency may request the employer to provide a guarantee and sign a social insurance payment agreement for the delayed payment. If the employer does not make the social insurance contributions within the specified time limit and fail to provide a guarantee with respect to the same, the social insurance agency may request the People's Court to seize the property of the employer (equivalent in value to the unpaid overdue social insurance contributions), and collect the overdue social insurance contributions from the proceeds obtained from the auction of such property.

Regulations on Management of Housing Provident Fund, promulgated and effective on March 24, 2004, are applicable to enterprises with foreign investment. Enterprises are required to contribute to a housing provident fund for their employees. Enterprises shall register with the relevant housing provident fund management center within 30 days from the date of establishment, and open housing provident fund accounts with the designated bank on behalf of their employees within 20 days from the date of the registration with the verified documents of the housing provident fund management center. When employing new employees, enterprises shall register with the housing provident fund management center within 30 days from the date of the employment of such employees, and open housing provident fund accounts for such employees at the designated bank with the verified documents of the housing provident fund management center. Furthermore, the housing provident funds to be paid and deposited by an employee shall be withheld from his/her salary by the enterprise, and the enterprise itself shall pay and contribute to the housing provident fund on schedule and in full, and may not be overdue in the payment and contribution or underpay the housing provident fund. The payment and contribution rate for housing provident funds (either for the employee or for the enterprise) shall not be less than five percent of the average monthly salary of the relevant employee in the previous year.

## TAXATION

The following summary of certain Cayman Islands, Hong Kong, EU and PRC tax consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of Cayman Islands, Hong Kong, EU and PRC tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

### CAYMAN ISLANDS

Under the laws of the Cayman Islands, so long as the holders of the Notes are not residents of the Cayman Islands, payments of interest, principal and premium, if any, on the Notes will not be subject to taxation and no withholding will be required on the payment of interest and principal or premium to any holder of the Notes, as the case may be, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax.

Pursuant to section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, the Company obtained an undertaking from the Governor in Cabinet:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
  - (i) on or in respect of the shares, debentures or other obligations of the Company; or
  - (ii) by way of withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concession Law (1999 Revision).

The undertaking is for a period of twenty years from January 25, 1994.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made to or by the Company.

There are no exchange control regulations or currency restrictions in the Cayman Islands.

### HONG KONG

#### *Withholding Tax*

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

#### *Profits Tax*

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), or the Inland Revenue Ordinance, as it is currently applied, Hong Kong profits tax may be charged on revenue profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

Interest on the Notes will be subject to Hong Kong profits tax where such interest has a Hong Kong source, and is received by or accrues to:

- (a) a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong; or
- (b) a corporation carrying on a trade, profession or business in Hong Kong by way of interest derived from Hong Kong; or
- (c) a person, other than a corporation, carrying on a trade, profession or business in Hong Kong by way of interest derived from Hong Kong and such interest is in respect of the funds of the trade, profession or business.

### ***Stamp Duty***

No Hong Kong stamp duty will be chargeable upon the issue or subsequent transfer of the Notes (for so long as the register of holders of the Notes is maintained outside Hong Kong).

### **EU SAVINGS DIRECTIVE**

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU territories, including Switzerland, have adopted similar measures (such as a withholding system in the case of Switzerland).

On April 29, 2009, the European Parliament approved an amended version of certain changes proposed by the European Commission to the Directive which, if implemented, would broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisors.

### **PRC TAXATION**

Pursuant to the New EIT Law, enterprises that are established under laws of foreign countries and regions (including Hong Kong, Macau and Taiwan) but whose de facto management bodies are within the territory of China shall be PRC tax resident enterprises for the purposes of the New EIT Law and shall pay enterprise income tax at the rate of 25% in respect of their income from both within and outside China. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the de facto management bodies of the Issuer is within the territory of the PRC, the Issuer may be deemed a PRC tax resident enterprise for the purposes of the New EIT Law and be subject to enterprise income tax at the rate of 25% for its income from both within and without the PRC.

The Issuer has not, as of the date of this Offering Memorandum, received notice from or been informed by the PRC tax authorities that it is treated as a PRC tax resident enterprise for the purposes of the PRC Enterprise Income Tax Law.

In the opinion of King & Wood Mallesons, the Issuer's PRC legal advisor, under existing PRC laws, if the Issuer is not treated as a PRC tax resident enterprise for the purpose of the PRC New EIT Law, non-PRC resident holders of the Notes are not subject to withholding tax, income tax or any other taxes or duties imposed by any PRC government authorities or agencies thereof in respect of (i) any payments, including principal premium, interests or other distributions made on the Notes or (ii) gains from sales of the Notes between non-residents of the PRC consummated outside the PRC, unless such holders are subject to such taxes in respect of the Notes by reason of being connected with the PRC other than the holding of the Notes.

However, there is no assurance that the Issuer, as the case may be, will not be treated as a PRC tax resident enterprise under the PRC Enterprise Income Tax Law and related implementation regulations in the future. Pursuant to the New EIT Law, any non-resident enterprise with no business premises in the PRC, or its income has no actual connection to its business premises in the PRC shall pay enterprise income tax at the rate of 10% on income derived within the PRC. Such income tax shall be withheld by the PRC payer acting as the obligatory withholder, who shall withhold the amount of the tax from each payment or payment due. Accordingly, in the event that the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future, the Issuer shall withhold income tax from the payments of interest in respect of the Notes for any non-PRC resident holder of the Notes. However, the Issuer, as the case may be, has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the scheduled payment in full, as set out in the Terms and Conditions of the Notes.



## SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with Barclays Bank PLC (“Barclays”), Deutsche Bank AG, Singapore Branch (“DB,” together with Barclays, the “Managers”) and UBS AG, Hong Kong Branch (the “Co-Manager”) dated June 13, 2012 (the “Subscription Agreement”) pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Issuer agreed to sell to the Managers, and the Managers severally and not jointly agreed to subscribe and pay for, or procure subscribers to subscribe and pay for, the Notes in the following principal amounts set out opposite their names respectively:

<b>Managers</b>	<b>Principal Amount of the Notes to be subscribed (US\$)</b>
Barclays Bank PLC. . . . .	250,000,000
Deutsche Bank AG, Singapore Branch. . . . .	250,000,000
Total . . . . .	<u>500,000,000</u>

The Issuer has agreed to indemnify the Managers and the Co-Manager against certain liabilities in connection with the offer and sale of the Notes. The Subscription Agreement provides that the obligations of the Managers (and where applicable, the Co-Manager) are subject to certain conditions precedent, and entitles the Managers to terminate it in certain circumstances at any time prior to payment of the net subscription moneys for the Notes to the Issuer. The Managers and certain of their respective affiliates may have performed certain investment banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its respective affiliates in the ordinary course of their business. The Managers or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. In the ordinary course of its various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and instruments of the Issuer and/or its subsidiaries.

The Managers or their respective affiliates may purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of Notes).

### GENERAL

The distribution of this Offering Memorandum or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

No action has been or will be taken in any jurisdiction by the Issuer or the Managers or Co-Manager that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Notes, or possession or distribution of this Offering Memorandum, any amendment or supplement thereto issued in connection with the proposed resale of the Notes or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, by the Issuer or the Managers or Co-Manager in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer, the Managers or Co-Manager.

Each Manager and Co-Manager has represented and agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes the Offering Memorandum (in preliminary, proof or final form) or any such other material, in all cases at its own expense. Neither the Issuer nor the other Managers or Co-Manager will have any responsibility for, and each Manager and Co-Manager has represented and agreed that it will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Manager or Co-Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, the Offering Memorandum (in final form) or any amendment or supplement to it.

## **UNITED STATES**

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

## **EUROPEAN ECONOMIC AREA**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Manager and Co-Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer, any Manager or the Co-Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## **UNITED KINGDOM**

Each Manager and Co-Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

## **PEOPLE’S REPUBLIC OF CHINA**

Each Manager and Co-Manager has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

## **HONG KONG**

Each Manager and Co-Manager has represented, warranted and agreed that (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **SINGAPORE**

Each Manager and Co-Manager has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore

(the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- (c) securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
  - (i) to an institutional investor (under Section 274 of the SFA), or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
  - (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
  - (iii) where no consideration is or will be given for the transfer;
  - (iv) where the transfer is by operation of law; or
  - (v) as specified in Section 276(7) of the SFA.

## **JAPAN**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, each Manager and Co-Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **CAYMAN ISLANDS**

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on The Cayman Islands Stock Exchange.

## **TAIWAN**

Each Manager and Co-Manager has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan, except as permitted by the securities laws of Taiwan.

## GENERAL INFORMATION

1. **Clearing Systems:** The Notes have been accepted for clearance through Euroclear and Clearstream with a Common Code of 079462101. The International Securities Identification Number for the Notes is XS0794621010.
2. **Authorizations:** We have obtained all necessary consents, approvals and authorizations in connection with the issue of the Notes. The issue of the Notes was authorized and approved by resolutions of our board of directors passed on May 18, 2012.
3. **No Material Adverse Change:** Except as disclosed in this Offering Memorandum, there has been no material adverse change in our financial or trading position or prospects since December 31, 2011, the date of our most recent audited consolidated financial statements.
4. **Litigation:** We are not involved in any litigation or arbitration proceedings that are material in the context of the issue of the Notes nor so far as we are aware is any such litigation or arbitration pending or threatened.
5. **Auditor:** The audited consolidated financial statements of our Group as of and for each of the years ended December 31, 2009, 2010 and 2011, reproduced or incorporated by reference in this Offering Memorandum had been audited by Mazars, Certified Public Accountant, as stated in their reports set forth in the “Index to Financial Statements” herein and in our annual report for the year ended December 31, 2009 (the “2009 Annual Report”). The consolidated financial statements of our Group for the year ended December 31, 2009 together with the auditor’s report thereon are incorporated by reference in this Offering Memorandum, however, all other information contained in the 2009 Annual Report, including the financial information for the year ended December 31, 2008 is not incorporated by reference herein and does not form part of this Offering Memorandum.
6. **Listing of Notes:** Approval in-principle has been obtained for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Memorandum. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of our Company, the Notes or any of our subsidiaries or associated companies. The Notes will be traded on the SGX-ST in a minimum board lot size of not less than S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for definitive certificates. In addition, in the event that the Global Certificate is exchanged for definitive certificates, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

7. **Available Documents:** Copies of our annual reports as of and for the years ended December 31, 2009, 2010 and 2011, as well as the Trust Deed and the Agency Agreement will be available for inspection from the Issue Date at our specified office at No. 15 3rd Street, Tianjin Economic-Technology Development Area, Tianjin 300457, People’s Republic of China and at the specified office of the Trustee during normal business hours so long as any of the Notes is outstanding.

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### *Audited consolidated financial information as of and for the year ended December 31, 2011*

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### *Audited consolidated financial information as of and for the year ended December 31, 2010*

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(1) The unaudited condensed consolidated financial information set out herein have been reproduced from the Company's 2012 First Quarterly Report and page references are references to pages set forth in such quarterly report.

(2) The audited consolidated financial statements of the Group set out herein have been reproduced from the Company's annual report for the years ended December 31, 2010 and 2011 and page references are references to pages set forth in such annual reports. These annual reports are not incorporated by reference herein and do not form part of this Offering Memorandum.





## SUMMARY

US\$ million	For the three months ended 31 March		
	2012	2011	Change
• Turnover	1,927,482	2,033,912	↓ 5.23%
• Gross margin	29.11%	26.67%	↑ 2.44 ppt.
• Gross profit of the Group	561,055	542,527	↑ 3.42%
• EBITDA	443,549	289,317	↑ 53.31%
• Profit for the period	302,570	167,484	↑ 80.66%
• Profit attributable to owners of the Company	198,318	123,035	↑ 61.19%
• Earnings per share (US cents)			
Basic	3.55	2.20	↑ 1.35 cents
Diluted	3.53	2.19	↑ 1.34 cents

At 31 March 2012, Cash and cash equivalents was US\$1,139.274 million and gearing ratio was 0.10 times.

## 2012 FIRST QUARTERLY RESULTS

The Board of Directors of Tingyi (Cayman Islands) Holding Corp. (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2012 together with the unaudited comparative figures for the corresponding period in 2011. These unaudited condensed consolidated first quarterly financial statements have been reviewed by the Company’s Audit Committee.

### Condensed Consolidated Income Statement

For the Three Months Ended 31 March 2012

	Note	For the three months ended 31 March	
		2012 (Unaudited) US\$'000	2011 (Unaudited) US\$'000
<b>Turnover</b>	2	1,927,482	2,033,912
Cost of sales		(1,366,427)	(1,491,385)
Gross profit		561,055	542,527
Other revenue and other net income		211,093	24,876
Distribution costs		(329,462)	(280,560)
Administrative expenses		(55,740)	(47,072)
Other operating expenses		(19,154)	(10,045)
Finance costs	5	(5,645)	(2,737)
<b>Profit before taxation</b>	5	362,147	226,989
Taxation	6	(59,577)	(59,505)
<b>Profit for the period</b>		<u>302,570</u>	<u>167,484</u>
<b>Attributable to:</b>			
Owners of the Company		198,318	123,035
Non-controlling interests	3	104,252	44,449
<b>Profit for the period</b>		<u>302,570</u>	<u>167,484</u>
<b>Earnings per share</b>	7		
Basic		<u>US 3.55 cents</u>	<u>US 2.20 cents</u>
Diluted		<u>US 3.53 cents</u>	<u>US 2.19 cents</u>





# TINGYI (CAYMAN ISLANDS) HOLDING CORP.

## Condensed Consolidated Statement of Comprehensive Income For the Three Months Ended 31 March 2012

	For the three months ended 31 March	
	2012	2011
	(Unaudited)	(Unaudited)
	US\$'000	US\$'000
<b>Profit for the period</b>	302,570	167,484
<b>Other comprehensive income</b>		
Exchange differences on consolidation	(2,636)	18,427
Fair value changes in available-for-sale financial assets	4,163	(12,831)
<b>Other comprehensive income for the period, net of tax</b>	1,527	5,596
<b>Total comprehensive income for the period, net of tax</b>	304,097	173,080
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	200,388	124,019
Non-controlling interests	103,709	49,061
	304,097	173,080





## Condensed Consolidated Statement of Financial Position At 31 March 2012

	Note	At 31 March 2012 (Unaudited) US\$'000	At 31 December 2011 (Audited) US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,676,111	4,029,872
Intangible assets		7,600	—
Interest in associates		78,185	—
Prepaid lease payments		258,719	186,276
Available-for-sale financial assets		110,317	104,422
Deferred tax assets		56,660	52,176
		<u>5,187,592</u>	<u>4,372,746</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss		581	560
Inventories		469,740	312,562
Trade receivables	9	227,013	155,040
Prepayments and other receivables		633,120	367,814
Pledged bank deposits		6,359	9,662
Bank balances and cash		1,132,915	590,390
		<u>2,469,728</u>	<u>1,436,028</u>
<b>Total assets</b>		<u><u>7,657,320</u></u>	<u><u>5,808,774</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital	10	27,957	27,951
Reserves		2,457,744	2,071,794
<b>Total capital and reserves attributable to owners of the Company</b>		<u>2,485,701</u>	<u>2,099,745</u>
<b>Non-controlling interests</b>		<u>940,870</u>	<u>586,521</u>
<b>Total equity</b>		<u>3,426,571</u>	<u>2,686,266</u>
<b>Non-current liabilities</b>			
Long-term interest-bearing borrowings	11	569,371	549,382
Employee benefit obligations		14,021	14,064
Deferred tax liabilities		160,550	131,092
		<u>743,942</u>	<u>694,538</u>
<b>Current liabilities</b>			
Trade payables	12	1,124,214	974,113
Other payables		1,039,500	660,995
Current portion of interest-bearing borrowings	11	822,939	700,695
Advance payments from customers		429,898	66,501
Taxation		70,256	25,666
		<u>3,486,807</u>	<u>2,427,970</u>
<b>Total liabilities</b>		<u>4,230,749</u>	<u>3,122,508</u>
<b>Total equity and liabilities</b>		<u><u>7,657,320</u></u>	<u><u>5,808,774</u></u>
<b>Net current liabilities</b>		<u>(1,017,079)</u>	<u>(991,942)</u>
<b>Total asset less current liabilities</b>		<u><u>4,170,513</u></u>	<u><u>3,380,804</u></u>





# TINGYI (CAYMAN ISLANDS) HOLDING CORP.

## Condensed Consolidated Statement of Changes in Equity For the Three Months Ended 31 March 2012

	Attributable to Owners of the Company										
	Issued capital (Unaudited) <i>US\$'000</i>	Capital redemption reserve (Unaudited) <i>US\$'000</i>	Share premium (Unaudited) <i>US\$'000</i>	Exchange translation reserve (Unaudited) <i>US\$'000</i>	General reserve (Unaudited) <i>US\$'000</i>	Share-based payment reserve (Unaudited) <i>US\$'000</i>	Investment revaluation reserve (Unaudited) <i>US\$'000</i>	Retained profits (Unaudited) <i>US\$'000</i>	Total equity and reserve (Unaudited) <i>US\$'000</i>	Non-controlling interests (Unaudited) <i>US\$'000</i>	Total equity (Unaudited) <i>US\$'000</i>
<b>At 1 January 2011</b>	27,934	45	291,280	221,293	265,689	8,050	11,109	995,858	1,821,258	547,929	2,369,187
Profit for the period	—	—	—	—	—	—	—	123,035	123,035	44,449	167,484
<b>Other comprehensive income</b>											
Exchange differences on consolidation	—	—	—	13,815	—	—	—	—	13,815	4,612	18,427
Fair value changes in available-for-sale financial assets	—	—	—	—	—	—	(12,831)	—	(12,831)	—	(12,831)
<b>Total other comprehensive income</b>	—	—	—	13,815	—	—	(12,831)	—	984	4,612	5,596
<b>Total comprehensive income for the period</b>	—	—	—	13,815	—	—	(12,831)	123,035	124,019	49,061	173,080
<b>Transactions with owners of the company</b>											
Equity settled share-based transactions	—	—	—	—	—	1,430	—	—	1,430	—	1,430
<b>Total transactions with owners of the Company</b>	—	—	—	—	—	1,430	—	—	1,430	—	1,430
<b>At 31 March 2011</b>	27,934	45	291,280	235,108	265,689	9,480	(1,722)	1,118,893	1,946,707	596,990	2,543,697
<b>At 1 January 2012</b>	27,951	45	106,213	316,657	328,060	19,396	(5,624)	1,307,047	2,099,745	586,521	2,686,266
Profit for the period	—	—	—	—	—	—	—	198,318	198,318	104,252	302,570
<b>Other comprehensive income</b>											
Exchange differences on consolidation	—	—	—	(2,093)	—	—	—	—	(2,093)	(543)	(2,636)
Fair value changes in available-for-sale financial assets	—	—	—	—	—	—	4,163	—	4,163	—	4,163
<b>Total other comprehensive income</b>	—	—	—	(2,093)	—	—	4,163	—	2,070	(543)	1,527
<b>Total comprehensive income for the period</b>	—	—	—	(2,093)	—	—	4,163	198,318	200,388	103,709	304,097
<b>Transactions with owners of the Company</b>											
Equity settled share-based transactions	—	—	—	—	—	3,608	—	—	3,608	—	3,608
Gain on deemed disposal of interest in a subsidiary	—	—	—	—	—	—	—	180,468	180,468	250,640	431,108
Share issued under share option scheme	6	—	1,844	—	—	(358)	—	—	1,492	—	1,492
Transfer to general reserve	—	—	—	—	148	—	—	(148)	—	—	—
<b>Total transactions with owners of the Company</b>	6	—	1,844	—	148	3,250	—	180,320	185,568	250,640	436,208
<b>At 31 March 2012</b>	27,957	45	108,057	314,564	328,208	22,646	(1,461)	1,685,685	2,485,701	940,870	3,426,571





**Condensed Consolidated Statement of Cash Flows**  
For the Three Months Ended 31 March 2012

	<b>For the three months ended 31 March</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>US\$'000</i>	<i>US\$'000</i>
Net cash from operating activities	669,888	850,290
Net cash used in investing activities	(26,728)	(332,611)
Net cash (used in) from financing activities	(103,937)	19,232
	<hr/>	<hr/>
Net increase in cash and cash equivalents	539,223	536,911
Cash and cash equivalents at 1 January	600,051	893,340
	<hr/>	<hr/>
Cash and cash equivalents at 31 March	<u>1,139,274</u>	<u>1,430,251</u>
<b>Analysis of the balances of cash and cash equivalents:</b>		
Bank balances and cash	1,132,915	1,414,973
Pledged bank deposits	6,359	15,278
	<hr/>	<hr/>
	<u>1,139,274</u>	<u>1,430,251</u>





**Notes to the condensed consolidated financial statements**

**1. Basis of preparation and accounting policies**

The Directors are responsible for the preparation of the Group's condensed consolidated quarterly financial statements. These condensed consolidated first quarterly financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These condensed quarterly financial statements should be read in conjunction with the 2011 annual financial statements. The accounting policies adopted in preparing the condensed consolidated first quarterly financial statements for the three months ended 31 March 2012 are consistent with those in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the adoption of the new/revised standards, amendments and interpretations to Hong Kong Financial Reporting Standards ("HKFRS") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2012:

Amendments to HKFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets (effective for annual periods beginning on or after July 2011)
Amendments to HKAS 12	Income Taxes — Deferred tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)

The adoption of these new/revised standards, amendments and interpretations to HKFRS did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years.

**2. Turnover**

The Group's turnover represents revenue arising from the sale of goods at invoiced value to customers, net of returns, discounts and Value Added Tax.







### 3. Segment information

#### Segment results

	For the Three Months ended 31 March 2012					
	Instant noodles (Unaudited) US\$'000	Beverages (Unaudited) US\$'000	Instant food (Unaudited) US\$'000	Others (Unaudited) US\$'000	Inter-segment elimination (Unaudited) US\$'000	Group (Unaudited) US\$'000
<b>Turnover</b>						
Revenue from external customers	1,029,524	817,490	59,485	20,983	—	1,927,482
Inter-segment revenue	14	68	32	25,944	(26,058)	—
Segment revenue	<u>1,029,538</u>	<u>817,558</u>	<u>59,517</u>	<u>46,927</u>	<u>(26,058)</u>	<u>1,927,482</u>
<b>Segment results after finance costs</b>	<u>137,690</u>	<u>32,931</u>	<u>688</u>	<u>2,765</u>	<u>(2,509)</u>	<u>171,565</u>
Gain on bargain purchase, net of direct expenses related to acquisition	—	—	—	—	—	190,582
<b>Profit before taxation</b>	<u>137,690</u>	<u>32,931</u>	<u>688</u>	<u>2,765</u>	<u>(2,509)</u>	<u>362,147</u>
Taxation	(42,521)	(15,541)	(556)	(959)	—	(59,577)
<b>Profit for the period</b>	<u>95,169</u>	<u>17,390</u>	<u>132</u>	<u>1,806</u>	<u>(2,509)</u>	<u>302,570</u>

	For the Three Months ended 31 March 2011					
	Instant noodles (Unaudited) US\$'000	Beverages (Unaudited) US\$'000	Instant food (formerly "Bakery") (Unaudited) US\$'000	Others (Unaudited) US\$'000	Inter-segment elimination (Unaudited) US\$'000	Group (Unaudited) US\$'000
<b>Turnover</b>						
Revenue from external customers	928,722	1,042,156	46,788	16,246	—	2,033,912
Inter-segment revenue	26	7	21	18,168	(18,222)	—
Segment revenue	<u>928,748</u>	<u>1,042,163</u>	<u>46,809</u>	<u>34,414</u>	<u>(18,222)</u>	<u>2,033,912</u>
<b>Segment results after finance costs and Profit before taxation</b>	<u>107,854</u>	<u>117,593</u>	<u>1,821</u>	<u>187</u>	<u>(466)</u>	<u>226,989</u>
Taxation	(30,656)	(28,363)	(300)	(186)	—	(59,505)
<b>Profit for the period</b>	<u>77,198</u>	<u>89,230</u>	<u>1,521</u>	<u>1</u>	<u>(466)</u>	<u>167,484</u>

Segment result represents the profit earned by each segment. Segment information is prepared based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components' and review of these components' performance.





**3. Segment information (continued)**

**Segment assets**

	At 31 March 2012					
	Instant noodles (Unaudited)	Beverages (Unaudited)	Instant food (Unaudited)	Others (Unaudited)	Inter-segment elimination (Unaudited)	Group (Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	2,545,466	5,303,126	159,016	894,376	(1,441,347)	7,460,637
Unallocated assets						196,683
Total assets						<u>7,657,320</u>

	At 31 December 2011					
	Instant noodles (Audited)	Beverages (Audited)	Instant food formerly "Bakery" (Audited)	Others (Audited)	Inter-segment elimination (Audited)	Group (Audited)
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	2,520,574	3,442,346	173,846	811,780	(1,244,754)	5,703,792
Unallocated assets						104,982
Total assets						<u>5,808,774</u>

Segment assets include all tangible assets and current assets with the exception of intangible assets, interest in associates, available-for-sale financial assets and financial assets at fair value through profit or loss. The identifiable assets acquired in the business combination during the period as disclosed in note 15 have been recognised in "Beverages" segment.

**4. Seasonality of operations**

Due to the seasonal nature of the beverages segment, higher revenue is usually expected in the second and third quarters. Higher sales during the period from June to August are mainly attributed to the increased demand for packed beverages during the hot season.

**5. Profit before taxation**

This is stated after charging:

	For the three months ended 31 March	
	2012 (Unaudited)	2011 (Unaudited)
	US\$'000	US\$'000
<b>Finance costs</b>		
Interest on bank and other borrowings wholly repayable within five years	5,645	2,737
<b>Other items</b>		
Depreciation	83,479	66,274
Amortisation of prepaid lease payments	881	647





## 6. Taxation

	For the three months ended 31 March	
	2012 (Unaudited) US\$'000	2011 (Unaudited) US\$'000
<b>Current tax – PRC Enterprise income tax</b>		
Current period	51,969	48,683
<b>Deferred taxation</b>		
Origination and reversal of temporary differences, net	1,903	1,643
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	5,705	9,179
Total tax charge for the period	<u>59,577</u>	<u>59,505</u>

The Cayman Islands levies no tax on the income of the Company and the Group.

Hong Kong Profits Tax has not been provided as the Group entities either incurred losses for taxation purpose or had no assessable profit subject to Hong Kong Profits Tax for the three months ended March 2012 and 2011.

For the PRC subsidiaries not entitled to a preferential PRC enterprise income tax, the applicable PRC enterprise income tax is at a statutory rate of 25% (2011: 25%).

Subsidiaries in the PRC which engage in manufacture and sale of instant noodles, beverages and bakery products are subject to tax laws applicable to foreign investment enterprises in the PRC. Most of the subsidiaries are located at state-level economic development zones and were entitled to a preferential PRC enterprise income tax rate of 15% before 31 December 2007. Also, they were fully exempt from PRC enterprise income tax for two years starting from the first profit-making year followed by a 50% reduction for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from the previous years.

According to the Tax Relief Notice (Cai Shui [2011] no. 58) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of PRC with principal revenue of over 70% generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2011 to 31 December 2020. Accordingly, certain subsidiaries located in the Western Region are entitled to a preferential rate of 15% (2011: 15%).

Pursuant to the State Council Circular on the Implementation of the Transitional Concession Policies for Enterprise Income Tax (Guo Fa [2007] no. 39), enterprises previously entitled to a reduced tax rate shall have a grace period of five years regarding the tax reduction commencing on 1 January 2008; the subsidiaries which were entitled to a 15% enterprise income tax rate will be subjected to tax rates of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012 and thereafter. The subsidiaries that have been granted a preferential income tax rate of 15% in the Grand Development of Western Region shall continue to enjoy the preferential income tax rate until expiry.

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and jurisdiction of the foreign investors. For the Group's PRC subsidiaries, the applicable rate is 10% and deferred tax liability is only provided on 50% of post-2007 earnings that are expected to be distributable in the foreseeable future.





**7. Earnings per share**

(a) *Basic earnings per share*

	<b>For the three months ended 31 March</b>	
	<b>2012 (Unaudited)</b>	<b>2011 (Unaudited)</b>
Profit attributable to ordinary shareholders (US\$'000)	198,318	123,035
Weighted average number of ordinary shares ('000)	5,590,347	5,586,793
Basic earnings per share (US cents)	3.55	2.20

(b) *Diluted earnings per share*

	<b>For the three months ended 31 March</b>	
	<b>2012 (Unaudited)</b>	<b>2011 (Unaudited)</b>
Profit attributable to ordinary shareholders (US\$'000)	198,318	123,035
<i>Weighted average number of ordinary shares (diluted) ('000)</i>		
Weighted average number of ordinary shares	5,590,347	5,586,793
Effect of the Company's share option scheme	23,459	20,305
Weighted average number of ordinary shares for the purpose of calculated diluted earnings per share	5,613,806	5,607,098
Diluted earnings per share (US cents)	3.53	2.19

**8. Dividend**

The Board of Directors does not recommend the payment of an interim dividend for the three months ended 31 March 2012 (2011: nil).

**9. Trade receivables**

The majority of the Group's sales is cash-on-delivery. The remaining balances of sales are mainly at credit terms ranging from 30 to 90 days. The aging analysis of the trade receivables (net of impairment losses for bad and doubtful debts) based on invoice date, at the end of the reporting period is as follows:

	<b>At 31 March 2012 (Unaudited) US\$'000</b>	<b>At 31 December 2011 (Audited) US\$'000</b>
0 - 90 days	221,004	146,883
Over 90 days	6,009	8,157
	227,013	155,040





**10. Issued capital**

	31 March 2012 (Unaudited)		At 31 December 2011 (Audited)	
	No. of shares	US\$'000	No. of shares	US\$'000
Authorised:				
Ordinary shares of US\$0.005 each	7,000,000,000	35,000	7,000,000,000	35,000
Issued and fully paid:				
At the beginning of the period/year	5,590,113,360	27,951	5,586,793,360	27,934
Shares issued under share option scheme	1,240,000	6	3,320,000	17
At the end of the reporting period	5,591,353,360	27,957	5,590,113,360	27,951

During the three months ended 31 March 2012, 1,240,000 options were exercised to subscribe for 1,240,000 ordinary shares of the Company at a consideration of US\$1,492,000 of which US\$6,000 was credited to share capital and the balance of US\$1,486,000 was credited to the share premium account. US\$358,000 has been transferred from the share-based payment reserve to the share premium account.

**11. Interest-bearing borrowings**

	At 31 March 2012 (Unaudited) US\$'000	At 31 December 2011 (Audited) US\$'000
The maturity of the unsecured bank loans is as follows:		
Within one year	822,939	700,695
In the second year	217,808	107,814
In the third year to the fifth years, inclusive	351,563	441,568
	1,392,310	1,250,077
Portion classified as current liabilities	(822,939)	(700,695)
Non-current portion	569,371	549,382

After considering the impact of the fluctuation of exchange rate, during the three months ended 31 March 2012, the Group obtained new bank loans in the amount of US\$246,163,000 (2011: US\$157,149,000) which were used for production facilities and working capital. Repayments of bank loans amounting to US\$358,546,000 (2011: US\$137,917,000) were made in line with previously disclosed repayment term. Interest-bearing borrowings of US\$254,616,000 (2011: nil) from the acquired subsidiaries in the business combination during the period as disclosed in note 15 have been included in the current portion of interest-bearing borrowings as at the end of the reporting period.

**12. Trade payables**

The aging analysis of trade payables based on invoice date at the end of the reporting period is as follows:

	At 31 March 2012 (Unaudited) US\$'000	At 31 December 2011 (Audited) US\$'000
0 - 90 days	1,060,166	915,284
Over 90 days	64,048	58,829
	1,124,214	974,113





**13. Commitments**

	<b>At 31 March 2012 (Unaudited) US\$'000</b>	<b>At 31 December 2011 (Audited) US\$'000</b>
<b>(a) Capital expenditure commitments</b>		
Contracted but not provided for	<u>331,775</u>	<u>290,319</u>
<b>(b) Commitments under operating leases</b>		
At the end of reporting period, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:		
Within one year	36,903	26,001
In the second to fifth years, inclusive	47,773	41,112
After five years	25,494	26,183
	<u>110,170</u>	<u>93,296</u>

**14. Related party transactions**

In addition to the transactions disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions in the ordinary course of the Group's business.

	<b>For the three months ended 31 March</b>	
	<b>2012 (Unaudited) US\$'000</b>	<b>2011 (Unaudited) US\$'000</b>
<b>(a) Sales of goods to:</b>		
Companies controlled by a substantial shareholder of the Company	<u>1,083</u>	<u>1,260</u>
<b>(b) Purchases of goods from:</b>		
A group of companies jointly controlled by the Company's directors and their dependent	111,566	—
A company jointly controlled by the Company's directors	3,120	—
Holding companies of a minority shareholder of a subsidiary of the Company	<u>536</u>	<u>996</u>







## 15. Business combination

### *Business combination during the period*

On 4 November 2011, the Company and PepsiCo Inc. (“PepsiCo”) entered into agreements for their strategic alliance in beverage business in the PRC (the “Strategic Alliance Arrangements”). Under the Strategic Alliance Arrangements, PepsiCo’s wholly-owned subsidiary, Far East Bottles (Hong Kong) Limited (“FEB”) has agreed to contribute its entire equity interest in PepsiCo’s non-alcoholic beverage bottling business in the PRC to Tingyi Asahi Beverages Holding Co., Ltd. (“TAB”), a non-wholly owned subsidiary of the Company, in exchange for a 9.5% direct equity interests in Master Kong Beverage (BVI) Co. Ltd. (“MKB”), which is a holding company of the Group’s beverage business in the PRC. As a consequence, FEB holds 5% indirect equity interest in TAB, details of this business combination are set out in the Circular of the Company dated 20 January 2012.

On 31 March 2012 (“date of acquisition”), the Strategic Alliance Arrangements was completed. The Group has obtained the control of China Bottlers (Hong Kong) Limited (“CBL”) which owns equity interest in PepsiCo’s non-alcoholic beverage bottling business in the PRC by acquiring the entire equity interest and voting rights in CBL. As a result, CBL has become a wholly-owned subsidiary of TAB and an indirect non wholly-owned subsidiary of the Company.

Under the Strategic Alliance Arrangements, TAB is exclusively responsible for manufacturing, selling and distributing PepsiCo’s non-alcoholic beverage bottling business in the PRC. The Group expects that the strategic alliance with PepsiCo will bring innovative new products to market faster across PepsiCo and the Company brand offerings and improve choice for consumers.

### *Consideration transferred*

Pursuant to the Strategic Alliance Arrangements, TAB has issued 52,637 ordinary shares to MKB and MKB has issued 5,263 ordinary shares to FEB. Consequently, the issuance of shares of the Company’s subsidiaries for the consideration transferred caused that the Group’s effective equity interest in TAB decreased from 50.005% to 47.5125%. A deemed disposal of 9.5% equity interest in MKB as well as a deemed disposal of 2.4925% equity interest in TAB was resulted.

FEB was granted an option (“Issued Option”) to increase its indirect interest in TAB from 5% to 20% on a fully diluted basis.

In addition, PepsiCo and The Concentrate Manufacturing Company of Ireland (“CMCI”), a wholly-owned subsidiary of PepsiCo (collectively, the “PepsiCo group”) and TAB have entered into Framework Exclusive Bottling Agreement (“FEBA”) and the Company, FEB and PepsiCo have entered into Option Agreements (“OA”). These options could be executed only when certain termination/triggering events occur, the details are as follows:-

- PepsiCo group was granted a call option (“FEBA Call Option”). TAB is required to sell assets and/ or undertakings primarily used in the production of carbonated soft drink (“CSD”) or products licensed to PepsiCo group at the aggregate book value of the assets being acquired at the date of exercise of FEBA Call Option upon the occurrence of any termination events;
- TAB was granted a put option (“FEBA Put Option”). PepsiCo group is required to buy assets and/ or undertakings primarily used in the production of CSD or products licensed from TAB at the aggregate book value of the assets being acquired at the date of exercise of FEBA Put Option upon the occurrence of any termination events;
- The Company granted FEB a put option (“OA Put Option”). The Company is required to buy all of FEB’s equity interest in MKB and TAB at fair market value after the occurrence of put triggering events;
- The Company was granted a call option (“OA Call Option”). FEB is required to sell all of its equity interest in MKB and TAB at fair market value after the occurrence of call triggering events; and
- The Company was also granted a sell-down option (“Sell-Down Option”). FEB/PepsiCo is required to sell of its equity interests in TAB to the Company after the occurrence of sell-down triggering event.





**15. Business combination (continued)**

The following summarises the consideration transferred and the amounts of the assets acquired and liabilities assumed, as well as the amount of non-controlling interests recognised at the date of acquisition:

	<b>Provisional fair value US\$'000</b>
<b>Consideration transferred:</b>	
Issuance of 5% shares of TAB, at fair value	420,000
Issuance of Issued Option, FEBA Call Option, FEBA Put Option, OA Put Option, OA Call Option, Sell-Down Option ("Financial Instruments"), at fair value	27,000
<b>Total consideration transferred</b>	<u>447,000</u>
	<i>US\$'000</i>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed:</b>	
Property, plant and equipment	534,507
Prepaid lease payments	73,415
Intangible assets	7,600
Interests in associates	78,185
Deferred tax assets	4,484
Cash and cash equivalents	151,264
Trade and other receivables	170,908
Inventories	120,087
Indemnification assets	155,122
Trade and other payables	(342,448)
Bank and other borrowings	(254,616)
Deferred tax liabilities	(21,850)
<b>Total identifiable net assets</b>	<u>676,658</u>
<b>Non-controlling interests</b>	(11,108)
<b>Provisional gain on bargain purchase</b>	(218,550)
<b>Total consideration transferred</b>	<u>447,000</u>
	<i>US\$'000</i>
<b>Net cash flow on acquisition of subsidiaries:</b>	
Bank and cash balances acquired from subsidiaries	151,264
Direct expenses relating to the acquisition	(27,967)
	<u>123,297</u>

The Financial Instruments granted under the Strategic Alliance Arrangements are measured at fair value on provisional basis. The provisional fair value of the contingent consideration is estimated with reference to share price volatilities on assumed financial multiples of companies deemed to be similar to TAB and assumed adjustments due to lack of control on TAB that market participants would consider when estimating the fair value of the contingent consideration.

The intangible assets represent exclusive rights granted to the Group for manufacturing, bottling, packaging, distributing and selling PepsiCo's CSD and Gatorade branded products on a royalty free basis under a specific trademark in the PRC, which are measured at provisional fair value and would be amortised over a straight-line basis over CCT agreements period of 39 years.





**15. Business combination (continued)**

The fair value of trade and other receivables at the date of acquisition amounted to US\$170,908,000. The gross contractual amounts of those trade and other receivables acquired amounted to US\$173,693,000 at the date of acquisition. The best estimate at the date of acquisition of the contractual cash flows not expected to be collected amounted to US\$2,785,000.

Pursuant to the Strategic Alliance Arrangements, PepsiCo has agreed to contribute its entire equity interest in CBL with adjusted net asset value of US\$600 million at the date of acquisition. Indemnification assets represent the excess of US\$600 million over the adjusted net asset value of CBL as at 31 March 2012. The provisional amount of the indemnification assets is determined based on unaudited adjusted net asset value of CBL at 31 March 2012.

The Group has selected to measure the non-controlling interests at its proportionate interest in the identifiable assets and liabilities of the acquiree.

The transaction costs relating to legal and professional fees and other charges of US\$27,967,000 have been excluded from the consideration transferred and have been recognised as expenses including in the Company's gain on bargain purchase of approximately US\$190,582,000 within the "Other revenue and other net income" in the condensed consolidated income statement.

The gain on bargain purchase of US\$218,550,000 arising from this business combination is mainly attributable to decline in fair value valuation of issuance of TAB shares. The gain from this bargain purchase was recognised in "Other revenue and other net income" in the condensed consolidated income statement.

Since the business combination, the acquired business made no contribution to revenue and results of the Group.

If the business combinations effected during the period had been taken place at the beginning of the period, the Group's revenue and profit for the period attributable to owners of the Company would have been US\$2,345,076,000 and US\$187,304,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2012, nor is intended to be a projection of future results.

As at the date of this quarterly report, the Group has not finalised the fair value assessments for the consideration transferred and acquiree's identifiable assets and liabilities as at the date of acquisition due to short period of time after the completion of the acquisition. The relevant fair values of consideration transferred and net assets acquired stated above are on a provisional basis and may be subject to significant changes in future period when the valuations performed by independent valuer have been finalised.

**16. Approval of first quarterly financial statements**

The first quarterly financial statements of 2012 were approved by the board of directors on 28 May 2012.



# 獨立核數師報告

## Independent Auditor's Report



### MAZARS CPA LIMITED

瑪澤會計師事務所有限公司  
42nd Floor, Central Plaza,  
18 Harbour Road, Wan Chai, Hong Kong  
香港灣仔港灣道18號中環廣場42樓

#### 致康師傅控股有限公司

(於開曼群島註冊成立的有限公司)

#### 全體股東

本核數師已審核列載於第68頁至193頁之康師傅控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於2011年12月31日之綜合及公司財務狀況表，截至該日止年度之綜合收益表，綜合全面收益表，綜合股東權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

#### 董事編製綜合財務報表之責任

貴公司董事須負責遵照香港會計師公會頒佈之《香港財務報告準則》及香港《公司條例》之披露規定編製具反映真實兼公平觀點之綜合財務報表，並落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

#### 核數師之責任

本核數師之責任是根據我們之審核對該等綜合財務報表作出意見，並將此意見僅向整體股東報告，而不作其他用途。我們不就此報告之內容，對任何其他人士負責或承擔法律責任。我們的審核工作已根據香港會計師公會頒佈之《香港審計準則》進行。該等準則要求我們遵守道德規範，並策劃及進行審核工作，就該等綜合財務報表是否不存有重大錯誤陳述，作出合理之確定。

To the shareholders of

#### Tingyi (Cayman Islands) Holding Corp.

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tingyi (Cayman Islands) Holding Corp. (the "Company") and its subsidiaries (together "the Group") set out on pages 68 to 193, which comprise the consolidated and the Company's statements of financial position as at 31 December 2011, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

# 獨立核數師報告

## Independent Auditor's Report

審核包括進程序以獲取有關該等綜合財務報表所載金額及披露資料之憑證。所選定之程序取決於我們之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在作出該等風險評估時，我們考慮與貴集團編製及真實而公平地反映相關之內部監控，以設計適當之審核程序，但並非旨在就貴集團之內部監控之效能發表意見。審核亦包括評估董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及就綜合財務報表之整體列報方式作出評估。

我們相信，我們所獲得之審核憑證能充足及適當地為我們的審計意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據《香港財務報告準則》真實兼公平地反映貴公司及貴集團於2011年12月31日之財務狀況及截至該日止年度其溢利及現金流量，並已按照香港《公司條例》之披露規定妥為編製。

瑪澤會計師事務所有限公司  
執業會計師  
香港2012年3月21日

陳志明  
執業牌照號碼：P05132

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 December 2011 and of the Group's profit and cash flows for the year then ended in accordance with HKFRS and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Mazars CPA Limited  
Certified Public Accountants  
Hong Kong, 21 March 2012

Chan Chi Ming Andy  
Practising Certificate number: P05132



# 綜合收益表

## Consolidated Income Statement

截止2011年12月31日年度  
Year ended 31 December 2011

		附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
營業額	<b>Turnover</b>	6	<b>7,866,580</b>	6,681,482
銷售成本	Cost of sales		<b>(5,778,611)</b>	(4,782,037)
毛利	Gross profit		<b>2,087,969</b>	1,899,445
其他收益及 其他淨收入	Other revenue and other net income	8	<b>169,905</b>	183,373
分銷成本	Distribution costs		<b>(1,322,975)</b>	(1,121,477)
行政費用	Administrative expenses		<b>(189,215)</b>	(125,953)
其他經營費用	Other operating expenses		<b>(73,336)</b>	(92,081)
財務費用	Finance costs	9	<b>(9,372)</b>	(6,511)
應佔聯營公司業績	Share of results of associates		—	9,978
除稅前溢利	<b>Profit before taxation</b>	9	<b>662,976</b>	746,774
稅項	Taxation	11	<b>(163,272)</b>	(134,200)
本年度溢利	<b>Profit for the year</b>		<b>499,704</b>	612,574
年內應佔溢利：	<b>Attributable to:</b>			
本公司股東	Owners of the Company		<b>419,545</b>	476,787
少數權益股東	Non-controlling interests		<b>80,159</b>	135,787
本年度溢利			<b>499,704</b>	612,574
每股溢利	<b>Earnings per share</b>	14		
基本	Basic		<b>US7.51 cents</b>	US8.53 cents
攤薄	Diluted		<b>US7.47 cents</b>	US8.50 cents



# 綜合全面收益表

## Consolidated Statement of Comprehensive Income

截止2011年12月31日止年度  
Year ended 31 December 2011

		2011 千美元 US\$'000	2010 千美元 US\$'000
本年度溢利	<b>Profit for the year</b>	<b>499,704</b>	612,574
其他全面收益：	<b>Other comprehensive income:</b>		
匯兌差額	Exchange differences on consolidation	<b>131,746</b>	77,369
可供出售金融資產 公允值之變動	Fair value changes in available-for-sale financial assets	<b>(16,733)</b>	11,109
於出售待出售資產時 釋放匯兌差額 之重分類調整	Reclassification adjustment for exchange differences release upon disposal of assets classified as held for sale	<b>(3,847)</b>	—
稅後本年度其他全面收益	<b>Other comprehensive income for the year, net of tax</b>	<b>111,166</b>	88,478
稅後本年度全面收益總額	<b>Total comprehensive income for the year, net of tax</b>	<b>610,870</b>	701,052
應佔全面收益：	<b>Attributable to:</b>		
本公司股東	Owners of the Company	<b>498,176</b>	545,221
少數權益股東	Non-controlling interests	<b>112,694</b>	155,831
		<b>610,870</b>	701,052



# 綜合財務狀況表

## Consolidated Statement of Financial Position

於2011年12月31日  
At 31 December 2011

		附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
<b>資產</b>	<b>ASSETS</b>			
<b>非流動資產</b>	<b>Non-current assets</b>			
物業、機器及設備	Property, plant and equipment	15	4,029,872	2,922,936
土地租約溢價	Prepaid lease payments	17	186,276	117,799
可供出售金融資產	Available-for-sale financial assets	18	104,422	112,659
遞延稅項資產	Deferred tax assets	30	52,176	50,451
			<b>4,372,746</b>	3,203,845
<b>流動資產</b>	<b>Current assets</b>			
按公允價值列賬及在損益賬處理的金融資產	Financial assets at fair value through profit or loss	19	560	771
存貨	Inventories	20	312,562	309,801
應收賬款	Trade receivables	21	155,040	127,730
預付款項及其他應收款項	Prepayments and other receivables	22	367,814	280,704
抵押銀行存款	Pledged bank deposits	24	9,662	12,024
銀行結餘及現金	Bank balances and cash	24	590,390	881,316
			<b>1,436,028</b>	1,612,346
<b>分類為持作出售資產</b>	<b>Assets classified as held for sale</b>		—	75,221
<b>總資產</b>	<b>Total assets</b>		<b>5,808,774</b>	4,891,412
<b>股東權益及負債</b>	<b>EQUITY AND LIABILITIES</b>			
<b>股本及儲備</b>	<b>Capital and reserves</b>			
發行股本	Issued capital	25	27,951	27,934
儲備	Reserves		2,071,794	1,793,324
<b>本公司股東應佔權益</b>	<b>Total capital and reserves attributable to owners of the Company</b>		<b>2,099,745</b>	1,821,258
<b>少數股東權益</b>	<b>Non-controlling interests</b>		<b>586,521</b>	547,929
<b>股東權益總額</b>	<b>Total equity</b>		<b>2,686,266</b>	2,369,187

# 綜合財務狀況表

## Consolidated Statement of Financial Position

於2011年12月31日  
At 31 December 2011

		附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
<b>非流動負債</b>	<b>Non-current liabilities</b>			
長期有息借貸	Long-term interest-bearing borrowings	28	549,382	177,259
其他非流動應付款項	Other non-current payables		—	791
員工福利責任	Employee benefit obligations	29	14,064	12,097
遞延稅項負債	Deferred tax liabilities	30	131,092	104,165
			<b>694,538</b>	294,312
<b>流動負債</b>	<b>Current liabilities</b>			
應付賬款	Trade payables	31	974,113	1,083,913
其他應付款項	Other payables	32	660,995	572,249
有息借貸 之即期部份	Current portion of interest-bearing borrowings	28	700,695	456,876
客戶預付款項	Advance payments from customers		66,501	86,940
稅項	Taxation		25,666	25,315
			<b>2,427,970</b>	2,225,293
分類為持作出售資產之 相關負債	Liabilities associated with assets classified as held for sale		—	2,620
<b>總負債</b>	<b>Total liabilities</b>		<b>3,122,508</b>	2,522,225
<b>股東權益及負債</b>	<b>Total equity and liabilities</b>		<b>5,808,774</b>	4,891,412
<b>淨流動負債</b>	<b>Net current liabilities</b>		<b>(991,942)</b>	(612,947)
<b>總資產減流動負債</b>	<b>Total assets less current liabilities</b>		<b>3,380,804</b>	2,666,119

於2012年3月21日經董事會批准及授權簽發

Approved and authorised for issue by the Board of Directors on 21 March 2012

魏應州 Wei Ing-Chou  
董事 Director

井田毅 Takeshi Ida  
董事 Director



# 財務狀況表

## Statement of Financial Position

於2011年12月31日

At 31 December 2011

		附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
<b>資產</b>	<b>ASSETS</b>			
<b>非流動資產</b>	<b>Non-current assets</b>			
物業、機器及設備	Property, plant and equipment	15	99	120
附屬公司權益	Interest in subsidiaries	16	504,494	452,865
可供出售金融資產	Available-for-sale financial assets	18	66,389	76,735
			<b>570,982</b>	529,720
<b>流動資產</b>	<b>Current assets</b>			
按公允價值列賬及在損益賬 處理的金融資產	Financial assets at fair value through profit or loss	19	560	771
預付款項及其他應收款項	Prepayments and other receivables	22	992	1,155
應收附屬公司款項	Amounts due from a subsidiary	23	160,000	25,000
銀行結餘及現金	Bank balances and cash		6,396	60,196
			<b>167,948</b>	87,122
<b>分類為持作出售資產</b>	<b>Assets classified as held for sale</b>		—	19,482
<b>總資產</b>	<b>Total assets</b>		<b>738,930</b>	636,324
<b>股東權益及負債</b>	<b>EQUITY AND LIABILITIES</b>			
<b>股本及儲備</b>	<b>Capital and reserves</b>			
發行股本	Issued capital	25	27,951	27,934
儲備	Reserves	26	277,413	350,628
<b>股東權益總額</b>	<b>Total equity</b>		<b>305,364</b>	378,562
<b>非流動負債</b>	<b>Non-current liabilities</b>			
長期有息借貸	Long-term interest-bearing borrowings	28	205,000	65,000
員工福利責任	Employee benefit obligations	29	8,425	7,814
			<b>213,425</b>	72,814

# 財務狀況表

## Statement of Financial Position

於2011年12月31日  
At 31 December 2011

			2011 千美元 US\$'000	2010 千美元 US\$'000
	附註 Note			
<b>流動負債</b>		<b>Current liabilities</b>		
應付賬款	31	Trade payables	2,154	2,126
其他應付款項	32	Other payables	12,987	25,822
有息借貸 之即期部份	28	Current portion of interest-bearing borrowings	205,000	157,000
			<b>220,141</b>	184,948
<b>總負債</b>		<b>Total liabilities</b>	<b>433,566</b>	257,762
<b>股東權益及負債</b>		<b>Total equity and liabilities</b>	<b>738,930</b>	636,324
<b>淨流動負債</b>		<b>Net current liabilities</b>	<b>(52,193)</b>	(97,826)
<b>總資產減流動負債</b>		<b>Total assets less current liabilities</b>	<b>518,789</b>	451,376

於2012年3月21日經董事會批准及授權簽發

Approved and authorised for issue by the Board of Directors on 21 March 2012

魏應州 **Wei Ing-Chou**  
董事 *Director*

井田毅 **Takeshi Ida**  
董事 *Director*



# 綜合股東權益變動表

## Consolidated Statement of Changes in Equity

截止2011年12月31日止年度

Year ended 31 December 2011

		本公司股東權益 Attributable to owners of the Company										
		股份 贖回儲備	股份 溢價	外幣換算 儲備	購股權儲備	投資 重估價儲備	股本及 儲備	少數股東 權益	股東 權益總額			
		發行股本 Issued capital 千美元 US\$'000	Capital redemption reserve 千美元 US\$'000	Share premium 千美元 US\$'000	Exchange translation reserve 千美元 US\$'000	一般儲備 General reserve 千美元 US\$'000	Share- based payment reserve 千美元 US\$'000	投資 重估價儲備 Investment revaluation reserve 千美元 US\$'000	保留溢利 Retained profits 千美元 US\$'000	股本及 儲備 Total capital and reserves 千美元 US\$'000	Non- controlling interests 千美元 US\$'000	股東 權益總額 Total equity 千美元 US\$'000
於2010年1月1日	<b>At 1 January 2010</b>	27,934	45	330,492	163,968	228,709	3,030	—	708,466	1,462,644	446,420	1,909,064
本年度溢利	Profit for the year	—	—	—	—	—	—	—	476,787	476,787	135,787	612,574
其他全面收益	<b>Other comprehensive income</b>											
匯兌差額	Exchange differences on consolidation	—	—	—	57,325	—	—	—	—	57,325	20,044	77,369
可供出售金融資產 公允值之變動	Fair value change in available-for-sale financial assets	—	—	—	—	—	—	11,109	—	11,109	—	11,109
其他 全面收益總額	<b>Total other comprehensive income</b>	—	—	—	57,325	—	—	11,109	—	68,434	20,044	88,478
本年度 全面收益總額	<b>Total comprehensive income for the year</b>	—	—	—	57,325	—	—	11,109	476,787	545,221	155,831	701,052
與本公司股東 之交易	<b>Transactions with owners of the Company:</b>											
權益結算股份支付 之款項	Equity settled share- based transactions	—	—	—	—	—	5,020	—	—	5,020	—	5,020
已付2009年末期股息	2009 final dividend paid	—	—	(39,212)	—	—	—	—	(152,415)	(191,627)	(54,322)	(245,949)
轉發往一般儲備	Transfer to general reserve	—	—	—	—	36,980	—	—	(36,980)	—	—	—
與本公司股東 之交易總額	<b>Total transactions with owners of the Company</b>	—	—	(39,212)	—	36,980	5,020	—	(189,395)	(186,607)	(54,322)	(240,929)
於2010年12月31日	<b>At 31 December 2010</b>	27,934	45	291,280	221,293	265,689	8,050	11,109	995,858	1,821,258	547,929	2,369,187



# 綜合股東權益變動表

## Consolidated Statement of Changes in Equity

截止2011年12月31日止年度  
Year ended 31 December 2011

		本公司股東權益 Attributable to owners of the Company										
		股份 贖回儲備	股份 溢價	外幣換算 儲備	一般儲備	購股權儲備	投資 重估價儲備	保留溢利	股本及 儲備	少數股東 權益	股東權益 總額	
		發行股本	Share premium	Exchange translation reserve	General reserve	Share- based payment reserve	Investment revaluation reserve	Retained profits	capital and reserves	Non- controlling interests	Total equity	
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
於2011年1月1日	At 1 January 2011	27,934	45	291,280	221,293	265,689	8,050	11,109	995,858	1,821,258	547,929	2,369,187
本年度溢利	Profit for the year	—	—	—	—	—	—	—	419,545	419,545	80,159	499,704
其他全面收益	Other comprehensive income											
匯兌差額	Exchange differences on consolidation	—	—	—	97,322	—	—	—	—	97,322	34,424	131,746
可供出售金融資產 公允值之變動	Fair value changes in available-for-sale financial assets	—	—	—	—	—	—	(16,733)	—	(16,733)	—	(16,733)
於出售待出售資產時 釋放匯兌差額之 重分類調整	Reclassification adjustment for exchange differences release upon disposal of assets classified as held for sale	—	—	—	(1,958)	—	—	—	—	(1,958)	(1,889)	(3,847)
其他 全面收益總額	Total other comprehensive income	—	—	—	95,364	—	—	(16,733)	—	78,631	32,535	111,166
本年度 全面收益總額	Total comprehensive income for the year	—	—	—	95,364	—	—	(16,733)	419,545	498,176	112,694	610,870



# 綜合股東權益變動表

## Consolidated Statement of Changes in Equity

截止2011年12月31日止年度

Year ended 31 December 2011

		本公司股東權益 Attributable to owners of the Company										
		股份 贖回儲備	外幣換算 儲備	購股權儲備	投資 重估價儲備	股本及 儲備	少數股東 權益	股東權益 總額				
		發行股本 Issued capital	Capital redeemption reserve	Share premium	Exchange translation reserve	一般儲備 General reserve	Share- based payment reserve	投資 重估價儲備 Investment revaluation reserve	保留溢利 Retained profits	股本及 儲備 capital and reserves	少數股東 權益 Non- controlling interests	股東權益 總額 Total equity
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
與本公司股東 之交易	Transactions with owners of the Company											
權益結算股份支付 之款項	Equity settled share-based transactions	—	—	—	—	—	13,349	—	—	13,349	—	13,349
根據購股權計劃 發行之股份	Share issued under share option scheme	17	—	7,557	—	—	(2,003)	—	—	5,571	—	5,571
已付2010年末期股息	2010 final dividend paid	—	—	(192,624)	—	—	—	—	(45,985)	(238,609)	(62,916)	(301,525)
轉撥往一般儲備	Transfer to general reserve	—	—	—	—	65,480	—	—	(65,480)	—	—	—
出售一家非全資持有 之附屬公司(以前 被分類為持作出售資產) 所產生之減少	Realisation on disposal of a non-wholly owned subsidiary previously classified as asset held for sale	—	—	—	—	(3,109)	—	—	3,109	—	(11,186)	(11,186)
與本公司股東 之交易總額	Total transactions with owners of the Company	17	—	(185,067)	—	62,371	11,346	—	(108,356)	(219,689)	(74,102)	(293,791)
於2011年12月31日	At 31 December 2011	27,951	45	106,213	316,657	328,060	19,396	(5,624)	1,307,047	2,099,745	586,521	2,686,266

# 綜合現金流量表

## Consolidated Statement of Cash Flows

截止2011年12月31日止年度  
For the year ended 31 December 2011

			2011 千美元 US\$'000	2010 千美元 US\$'000
	附註 Note			
<b>經營活動</b>		<b>OPERATING ACTIVITIES</b>		
經營業務所得現金	33	Cash generated from operations	739,353	1,396,225
已繳中國企業所得稅		The People's Republic of China ("PRC") enterprise income tax paid	(135,858)	(129,365)
已繳利息		Interest paid	(12,871)	(6,511)
<b>經營活動所得現金淨額</b>		<b>Net cash from operating activities</b>	<b>590,624</b>	<b>1,260,349</b>
<b>投資活動</b>		<b>INVESTING ACTIVITIES</b>		
已收利息		Interest received	38,564	21,479
已收股利		Dividend income received	1,573	707
出售按公允價值列賬及 在損益賬處理的 金融資產之所得		Proceeds from disposal of financial assets at fair value through profit or loss	191	20,000
購入按公允價值列賬及 在損益賬處理的金融資產		Purchase of financial assets at fair value through profit or loss	(115)	(20,000)
購入可供出售金融資產		Purchase of available-for-sale financial assets	(8,496)	—
出售一家非全資附屬公司及 一家聯營公司(以前被 分類為持作出售資產) 之所得		Proceeds from disposal of a non-wholly owned subsidiary and an associate previously classified as held for sale	88,500	9,833
購入物業、 機器及設備		Purchase of property, plant and equipment	(1,327,420)	(965,633)
已付土地租約溢價		Prepaid lease payments	(85,262)	(32,267)
出售物業、機器及 設備及土地租約溢價 之所得		Proceeds from sale of property, plant and equipment and prepaid lease payments	52,648	2,810
<b>投資活動所用 現金淨額</b>		<b>Net cash used in investing activities</b>	<b>(1,239,817)</b>	<b>(963,071)</b>



# 綜合現金流量表

## Consolidated Statement of Cash Flows

截止2011年12月31日止年度

For the year ended 31 December 2011

	附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
<b>融資活動</b>			
已付本公司 股東之股息		(238,609)	(191,627)
已付少數 股東之股息		(62,916)	(54,322)
新發行之股本		5,571	—
新增貸款		1,337,643	884,801
償還貸款		(723,683)	(586,979)
<b>融資活動所得現金淨額</b>		<b>318,006</b>	51,873
<b>現金及現金等值物的 淨(減少)增加</b>		<b>(331,187)</b>	349,151
年初之現金及現金等值物		893,340	520,189
滙率變動之影響		37,899	24,000
年終之現金及 現金等值物	24	600,052	893,340

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 1. 一般資料

康師傅控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」)主要從事生產及銷售方便麵、飲品及糕餅產品。本公司為開曼群島註冊成立有限責任公司及股票於香港聯合交易所有限公司之主板上市。其主要營運地址為中國天津經濟技術開發區第3大街15號。

本公司為一家投資控股公司及從事機械備件及原材料銷售。本公司及其附屬公司(統稱為「本集團」)主要從事生產及銷售方便麵、飲品及糕餅產品。其附屬公司經營之主要業務載於附註39。

### 2. 編製基準

本財務報表乃按照香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)，此統稱已包括所有適用個別的香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港普遍接納之會計原則及香港公司條例之披露規定而編製。本財務報表同時亦符合香港聯合交易所有限公司證券上市規則之適用披露規定。

除詳載於附註4，於年內生效的新訂或經修訂之香港財務報告準則外，本財務報表採用之會計政策與2010年度的財務報表是一致的。本集團所採用之主要會計政策概要載於附註3。

### 1. GENERAL INFORMATION

Tingyi (Cayman Islands) Holding Corp. (the “Company”) is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its principal place of business is No. 15, The 3rd Street, Tianjin Economic-Technological Development Area, Tianjin, PRC.

The Company is an investment holding company and engaged in trading of spare parts of machineries and raw materials. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the manufacture and sale of instant noodles, beverages and bakery products. The principal activities of its subsidiaries are set out in note 39.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2010 financial statements except for the adoption of the new/revised HKFRS effective from the current year that are relevant to the Group as detailed in note 4 to the financial statements. A summary of the principal accounting policies adopted by the Group is set out in note 3 to the financial statements.



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 2. 編製基準 (續)

在編製財務報表時，於結算日，基於本集團與本公司流動負債較流動資產分別超出991,942,000美元(2010年：淨流動負債612,947,000美元)及52,193,000美元(2010年：淨流動負債97,826,000美元)，因此董事已審慎評估本集團及本公司在可見未來之營運資金及融資需求。

董事基於本集團現有可動用之銀行信貸與業務持續錄得溢利的情況下，認為本集團在可見將來有充份資源完全兌現其財務承擔。故此，財務報表以持續經營之準則編製。

### 3. 主要會計政策

#### (a) 編製基準

編製財務報表時以原值作為衡量標準，除按公允價值列賬之可出售金融資產及在損益賬處理的金融資產乃以公允價值計量。詳情載於下列之會計政策。

### 2. BASIS OF PREPARATION (Continued)

In preparing the financial statements, the directors have carefully assessed the working capital and financing requirements of the Group and the Company in the foreseeable future, as the Group's current liabilities exceeded its current assets by US\$991,942,000 (2010: net current liabilities of US\$612,947,000) and the Company's current liabilities exceeded its current assets by US\$52,193,000 (2010: net current liabilities of US\$97,826,000) at the end of the reporting period.

Taking into account the existing banking facilities of the Group and continuing profitable operations, the directors are satisfied that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

### 3. PRINCIPAL ACCOUNTING POLICIES

#### (a) Basis of measurement

The measurement basis used in the preparation of these financial statements is historical cost, except for available-for-sale financial assets at fair value and financial assets at fair value through profit or loss, which have been measured at fair value as explained in the accounting policies set out below.



### 3. 主要會計政策 (續)

#### (b) 綜合基準

綜合財務報表包括本公司及各附屬公司截至每年12月31日之財務報表。編製子公司財務報表的呈報年度與本公司相同，會計政策亦貫徹一致。

本集團內部各公司之間進行交易所致的所有結餘、交易、收支及損益均全數抵銷。附屬公司的業績自本集團取得控制權之日起合併，並繼續合併附屬公司直至控制權終止日期。

少數股東權益獨立呈列於綜合全面收益表內及於綜合財務狀況表之權益內，與本公司股東應佔權益分開呈列。屬現時購買方擁有且於清盤時令持有人有權按比例分佔企業資產淨值之少數股東權益，可初始按公允價值或少數股東權益所佔被購方可確認的比例確認於被購買方之任何少數股東權益。計量基準根據逐項收購而作出選擇。

#### 分配全面收益總額

本年度盈虧及全面收益的各項目均由本公司股東及少數股東權益分佔。全面收入及開支總額歸於本公司股東權益及少數股東權益，即使此舉會導致少數股東權益有虧損結餘。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. The non-controlling interests in the acquiree, that entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, is measured initially either at fair value or at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis.

#### Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.



### 3. 主要會計政策 (續)

#### (b) 綜合基準 (續)

##### 擁有權變動

不導致失去於附屬公司控制權之本集團擁有權變動，按權益交易入賬。股東及少數股東權益之面值乃經調整以反映其於附屬公司相關權益之變動。少數股東權益之調整金額與已付或已收代價公允值之差額，直接於權益確認，並由本公司股東分佔。

倘本集團失去於附屬公司之控制權，出售損益根據下列兩項之差額計算：(i)已收代價之公允值與於控制權失去當日所釐定任何保留權益之公允值之總額與(ii)於控制權失去當日附屬公司之資產(包括商譽)及負債以及任何非控股權益之賬面值。倘本公司股東直接出售相關資產或負債，先前於其他全面收益表就所售附屬公司確認之金額則須按相同基準確認。由控制權失去當日起，於前附屬公司保留之任何投資及欠收或欠付前附屬公司之任何金額入賬為財務資產、聯營公司、共同控制公司或其他公司。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (b) Basis of consolidation (Continued)

##### Changes in ownership interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary is recognised on the same basis as would be required if the owners of the Company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary is accounted for as a financial asset, associate, jointly controlled entity or others as appropriate from the date when control is lost.

### 3. 主要會計政策 (續)

#### (c) 物業、機器及設備

除在建工程以外之物業、機器及設備以原值減累計折舊及累計減值虧損入賬。物業、機器及設備之成本包括其購買價及任何使資產達致可使用狀態及現存地點作原定用途所產生之直接應佔成本。維修及保養於產生之年度內在損益賬中扣除。

當出售時或當繼續使用資產預期但不會產生任何未來經濟利益時，物業、廠房及設備項目撇除確認。當物業、機器及設備出售或棄用時所得之盈虧，按其出售所得淨額與資產賬面值間之差額用以評定，並認列於損益賬內。

除在建工程外，物業、機器及設備之折舊是根據全面投入運作之日期起按其可使用年限及預計殘值後以直線法計提折舊。當物業、機器及設備項目之不同部分有不同使用年期時，項目之成本或估值在不同部分之間按合理基準分配，每個部份分開計算折舊。

樓宇	10至30年
機器及設備：	
– 供生產方便麵及飲品	12年
– 其他	5至10年
電器及設備	5年
雜項設備	3至10年

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (c) Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the costs or valuation of the item is allocated on a reasonable basis and depreciated separately.

Buildings	10 to 30 years
Machinery and equipment:	
– For instant noodles and beverages	12 years
– Others	5 to 10 years
Electrical appliances and equipment	5 years
Miscellaneous equipment	3 to 10 years



### 3. 主要會計政策 (續)

#### (d) 在建工程

在建工程包括生產建設過程中或供自用建設過程中之物業、機器及設備，乃按成本減任何已確認之減值虧損列賬。在建工程以原值扣除累計減值虧損列賬，其中包括所有建造費用及其他直接成本，包括與該項目有關之利息成本。已完成工程之成本會撥入相關之資產類別。在建工程在完成及投入運作前不計提折舊。

#### (e) 土地租約溢價

土地租約溢價為以營運租約形式購入承租人佔用之物業基於固定條款之權益之預付款項。溢價乃以成本列賬，並於租期內以直線法攤銷計入損益賬中。

#### (f) 附屬公司

附屬公司乃本集團有權規管其財務及營運政策之實體，以從其業務中獲取利益。

在本公司財務狀況表內，附屬公司權益以成本減累積減值虧損列值。附屬公司權益之賬面值會個別撇減至其可收回金額。附屬公司業績由本公司按已收及應收股息基準入賬。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (d) Construction in progress

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is stated at cost less accumulated impairment losses. Cost includes all construction expenditure and other direct costs, including interest costs, attributable to such projects. Costs on completed construction works are transferred to the appropriate asset category. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

#### (e) Prepaid lease payments

Prepaid lease payments are up-front payments to acquire fixed term interests in lessee-occupied land that are classified as operating leases. The premiums are stated at cost and are amortised over the period of the lease on a straight-line basis to the profit or loss.

#### (f) Subsidiaries

A subsidiary is an entity in which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's statement of financial position, an interest in a subsidiary is stated at cost less impairment loss. The carrying amount of the interest in a subsidiary is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

### 3. 主要會計政策 (續)

#### (g) 金融工具

##### 確認及終止確認

金融資產及金融負債乃按交易日之基準及於本集團成為該工具合約條文之其中一方時確認。

當(i)本集團從金融資產收取未來現金流量的合約權利到期或(ii)本集團實質上轉讓了與該金融資產擁有權相關的幾乎全部風險和回報時，會終止確認該項金融資產。當於有關合約上列明之債務償清、被解除或取消或已到期時，則終止確認該金融負債。

##### 分類及計量

金融資產或金融負債起初按公允價值列賬。若金融資產或金融負債非按公允價值列賬及在損益賬處理，則加上其直接相關之交易費用列賬。

##### 按公允價值列賬及在損益賬處理的金融資產

按公允價值列賬及在損益賬處理之金融資產包括持有作為交易之金融資產，以及原先指定為按公允價值入收益表者。有關工具按公允價值計量，公允價值之變動乃入賬於損益賬內。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments

##### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and the Group has transferred substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

##### Classification and measurement

Financial assets or financial liabilities are initially recognised at their fair value plus, in the case of financial assets or financial liabilities not carried at fair value through profit or loss, transaction costs that are direct attributable to the acquisition or issue of the financial assets or financial liabilities.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. They are carried at fair value, with any resultant gain and loss recognised in the profit or loss.



### 3. 主要會計政策 (續)

#### (g) 金融工具 (續)

##### 貸款及應收賬款

貸款及應收款項(包括應收賬款及其他應收款項)指並無於活躍市場報價且並非為買賣而持有之具有固定或可釐定付款金額之非衍生金融資產，該等貸款及應收賬款以實際利率方法計算攤銷成本。若貸款及應收賬款為免息貸款及無固定還款期或其折現影響並不重大，貸款及應收款項按成本扣除減值虧損入賬。攤銷成本已計算在到期年內任何收購折讓或溢價。因取消確認、減值或攤銷所產生之盈虧計入該年度的損益賬。

##### 可供出售金融資產

可供出售金融資產乃指定為此類別或不能歸類於其他金融資產類別之非衍生工具。彼等均按公允價值(而列賬於其他全面收益中的價值變動確認為權益之單獨部份)計量，直至該等投資被出售、收取或另行處置為止，或直至該等資產被釐定將予減值為止，於此時，先前於其他全面收益中呈報之累積損益應以重分類調整重分類至損益賬中。

在活躍的交易市場上，若可供出售金融資產並無公開報價，並且其公允價值不能可靠計量，則以成本減累計減值虧損列賬。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments (Continued)

##### Loans and receivables

Loans and receivables including trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where receivables are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the profit or loss.

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as other comprehensive income and separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.



### 3. 主要會計政策 (續)

#### (g) 金融工具 (續)

##### 金融資產減值

於各結算日，本集團均會評估是否有客觀證據證明金融資產(按公允價值列賬及在損益賬處理的金融資產除外)出現減值現象。金融資產之減值虧損按攤銷成本列賬，並以資產之賬面值與其按金融資產之原有實際利率折算之預期未來現金流之現值間之差異計算。金融資產的減值虧損於損益賬中確認。倘資產之可收回金額於日後增加而可客觀地與確認減值後發生的事件有關連，則於往後期間在損益賬中撥回減值虧損，惟資產於減值日期撥回之賬面值不得超過並無確認減值時之攤銷成本。

如果可供出售金融資產發生減值，則該資產的初始取得成本(扣除已收回本金和已攤銷金額)與當前公允價值之間的累計損失，減去所有先前已確認之減值虧損後，乃由權益轉撥入收益或虧損。可供出售股本工具認列於損益賬中之減值虧損不會通過損益中撥回。倘若可供出售金融資產已提減值虧損，其公允價值於日後增加，有關增加則會轉撥入權益內。若可供出售債務工具之公允價值回升可以客觀地歸因於其減值虧損於損益賬中確認後才發生之事項，則可供出售債務工具之減值虧損可以通過損益中轉回。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments (Continued)

##### Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had determined the impairment not been recognised.

When an available-for-sale financial asset is impaired, a cumulative loss comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, less any previously recognised impairment loss, is reclassified from equity to profit or loss. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale financial asset after recognition of impairment loss is recognised in equity. Reversal of impairment loss of available-for-sale debt instruments are reversed through profit or loss, if the increase in fair value of the financial asset can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 3. 主要會計政策 (續)

#### (g) 金融工具 (續)

##### 金融資產減值 (續)

以成本價列賬之持作出售金融資產，減值虧損以其賬面值與及以同類金融資產之現時市場回報率估計該金融資產相關的未來現金流折算所得出的現值兩者之差額計算。此減值虧損不得轉回。

##### 金融負債

本集團之金融負債包括應付賬項及其他應付款項、有息借貸以及其他非流動應付款項。所有金融負債初始按其公允值確認，後續採用實際利率法按攤餘成本計量，除非折現的影響不重大，這種情況下，它們按成本計量。

##### 財務擔保合約

財務擔保合約是指當某一指定債務人不能根據債務工具的條款支付到期債務，而擔保發行人須向債權人償付有關款項。本公司之財務擔保合約皆為發行予其下附屬公司之信貸安排。基於此等信貸工具涉及關聯關係，對於此等財務擔保之公允價值評估並沒有意義及不可行，故此沒有認列其價值於財務狀況表內。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (g) Financial instruments (Continued)

##### Impairment of financial assets (Continued)

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

##### Financial liabilities

The Group's financial liabilities include trade and other payables, interest-bearing borrowings and other non-current payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

##### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer of the contract to make specified payments to reimburse the holder of the contract for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. The financial guarantee contracts of the Company represent the financial guarantees in respect of credit facilities issued to its subsidiaries. The fair values of the financial guarantees have not been recognised in the statement of financial position of the Company, as the estimation of the fair values of the financial guarantees would not be meaningful and practicable due to related party nature of the instruments.

### 3. 主要會計政策 (續)

#### (h) 現金等值物

就綜合現金流量表而言，現金等值物是指短期和流通率極高的投資，扣除銀行透支(如有)。此等投資可隨時轉換為既定金額的現金。其價值變動風險有限。

#### (i) 收益之確認

收益是在本集團能獲得有關經濟效益，並且於入賬時該收益及成本(如適用)能可靠地計算。

出售貨品所得收益於貨品之擁有權所涉及之風險及回報轉交買家，通常亦即貨物付運時入賬。

利息收入以時間為基準參照未償還本金及適用之實際利率法確認入賬。

股利收入在本集團收取款項的權利確立時確認。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (h) Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdraft, if any.

#### (i) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably.

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered and title has been passed.

Interest income from financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the Group's rights to receive payment have been established.



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 3. 主要會計政策 (續)

#### (j) 外幣換算

本集團各實體包括本公司、附屬公司、聯營公司及共同控制公司之賬目所列項目，乃按該實體經營所在之主要經濟環境貨幣（「功能貨幣」）計量。本公司之功能貨幣為美元，而其大部份附屬公司之功能貨幣為人民幣。本綜合財務報表按本公司之功能及呈報貨幣美元呈列。

外幣交易均按交易當日之現行匯率換算為功能貨幣。因上述交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之滙兌損益，均於損益賬中確認。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (j) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is United States Dollars ("US\$") and majority of its subsidiaries have Renminbi ("RMB") as their functional currency. The consolidated financial statements are presented in US\$, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

### 3. 主要會計政策 (續)

#### (j) 外幣換算 (續)

在綜合賬目時，所有集團實體的業績及財務狀況的功能貨幣如有別於呈報貨幣，均按以下方式換算為呈報貨幣：

- (a) 於各財務狀況表呈列的資產及負債乃按有關結算日的收市匯率換算；
- (b) 於綜合收益表中呈列的各項收支乃按年度加權平均匯率換算；
- (c) 所有從上述換算產生的匯兌差異及組成本集團海外業務投資淨額一部分的貨幣項目所產生的匯兌差異，乃確認為權益中的獨立部分。

在出售海外業務時，包括出售本集團於海外業務之所有權益時，有關該海外業務的權益中的獨立部分所遞延的匯兌差異之累計款項，於出售盈虧獲確認時於損益賬中確認。

#### (k) 存貨

存貨以成本或可變現淨值兩者之較低者列賬。成本包括所有採購成本，加工成本(如適用)及其他將存貨達至現存地點及狀況之成本，並且採用加權平均成本法計算。可變現淨值指在日常業務中之估計出售價減去估計達成銷售所需之成本。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (j) Foreign currency translation (Continued)

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (b) income and expenses for each income statement presented are translated at the weighted average exchange rates for the year;
- (c) all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

On disposal of a foreign operation, which includes the disposal of the Group's entire interest in a foreign operation and the loss of control of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation is recognised in the profit or loss when the gain or loss on disposal is recognised.

#### (k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.



### 3. 主要會計政策 (續)

#### (I) 非金融資產的減值

本集團於每個結算日檢討內部及外間資訊，以確認其物業、機器及設備及土地租約之溢價是否可能已經出現減值現象，或之前所確認之減值虧損是否已不再存在或可能已經減少。若出現任何以上的現象，本集團將需評估資產的可收回價值。據此，資產之可收回價值乃其公允值減去出售成本及使用價值之較高者。如個別資產未能在大致獨立於其他資產下賺取現金流量，則就能獨立賺取現金流量之最小組別資產(即賺取現金單位)釐訂可收回價值。

倘本集團估計某項資產或即賺取現金單位之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回價值。減值虧損將即時確認為開支。

倘若某項減值虧損期後撤回，則該項資產或即賺取現金單位之賬面值須增加至重新估計之可收回價值，惟增加後之賬面值不得超過在以往年度並無減值虧損而釐定之賬面值。若減值虧損撤回時將即時確認為收益。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (I) Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment and prepaid lease payments may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is recognised as income immediately.



### 3. 主要會計政策 (續)

#### (m) 借貸成本

收購、建造或生產合資格資產 (即需要一段頗長時間始能達至其擬定用途或出售之資產) 之直接應佔借貸成本，在扣除特定借貸之暫時性投資收益後，均作資本化並作為此等資產成本之一部份。當此等資產大體上可作其擬定用途或出售時，該等借貸成本將會停止資本化。所有其他借貸成本均列為發生期間之費用。

#### (n) 營運租賃

資產之絕大部份回報及風險由出租公司保留之租賃，皆作為營運租賃列賬。營運租賃之租金支出在有關租賃之租賃期內以直線法於損益賬確認。營運租賃協議所涉及的租賃回贈均在損益賬中確認為資產租賃淨付款總額的組成部份。或有租金則於發生之會計期間以費用入賬。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (m) Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the respective borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

#### (n) Operating leases

Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term of the relevant lease. Lease incentives received are recognised in the profit or loss as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.



### 3. 主要會計政策 (續)

#### (o) 政府補助

政府補助乃鼓勵本集團在各有關開發區經營及發展業務而從中國有關部門收取之津貼。

政府補助是在可合理地確定將取得該資助並將可符合所有附帶條件時按公允價值入賬。當該資助涉及開支項目，則以有系統方式將資助在有關年份內呈列並確認為收益，以抵銷擬作補償的成本。當該資助與資產有關時，公允價值乃記錄於遞延收入中，並以相等金額於每年分期按有關資產的預計使用年期於損益賬中確認為收入。與資產無關的資助乃確認為損益賬中的其他收入，以有系統地與有關成本配合。

#### (p) 員工福利

##### 短期僱員福利

薪金、年度花紅、有薪年假、定額供款退休金計劃之供款及非貨幣福利之成本均在僱員提供相關服務之年度內累計。倘延遲付款或清繳款項可能構成重大影響，則有關金額按現值列賬。

##### 界定供款計劃

界定退休供款計劃的供款責任於產生時在損益賬中確認為開支，並扣除僱員於未完成供款計劃而離職所發生的供款部份。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (o) Government grants

Government grants represent incentive grants from the relevant PRC authorities in respect of the running of business by the Group in certain development zones and to encourage the furtherance of such business.

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

#### (p) Employee benefits

##### Short term employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

##### Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

### 3. 主要會計政策 (續)

#### (p) 員工福利 (續)

##### 界定福利計劃

經考慮獨立精算師以精算方式的預計單位成本法所作出的供款建議，僱主及僱員共同作出界定福利計劃的供款。本集團之界定福利計劃的責任為就各項計劃獨立估計僱員於本年度及過往年度提供服務所賺取的未來利益金額，該利益乃折現至其現值，再減去有關計劃資產的公允價值。

於財務狀況表中確認的退休福利義務，相當於界定利益責任的現有價值（經未確認精算利潤及虧損及未確認過去服務成本作調整，並減去計劃資產的公允價值）（如有）。因這項計算所產生的任何資產，其金額限於累計未確認精算虧損淨額和過去服務成本，加上可從該計劃獲得的退款並減去計劃的未來供款金額的現有價值的總額。倘若經濟利益現值沒有變更或減少，本期之淨精算盈虧及過往服務成本即時認列於收益賬。

精算盈虧超出界定福利責任之現值與計劃資產之公允價值兩者中較高者之10%部份，需按僱員的預計平均尚餘服務年期攤銷。倘利益即時歸屬予僱員，過往服務成本則即時確認；否則過往服務成本按平均期間以直線法攤銷，直至僱員享有該等利益為止。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (p) Employee benefits (Continued)

##### Defined benefit plans

Defined benefit plans are generally funded by payments from employees and the Group, taking into account of the recommendations of the independent qualified actuaries using the projected unit credit method. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods, which is discounted to the present value and reduced by the fair value of any plan assets.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets, if any. Any asset resulting from this calculation is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs, plus the present value of any future refunds from the plan or reductions in future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains or losses with the past service cost of the current period is recognised immediately.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, which exceed 10% of the greater of the present value of the Group's defined benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.



### 3. 主要會計政策 (續)

#### (q) 以股份為支付基礎之交易

##### 權益結算股份支付之款項

本集團僱員(包括董事)乃根據以股份為支付基礎之交易方式收取酬金，據此，彼等提供服務以換取股份或享有股份之權利。該等與僱員交易之成本乃參考權益工具於授出日期之公允價值計量。授予僱員之購股權公允價值乃確認為僱員成本，而權益內之以股份為支付基礎之儲備亦會相應增加。公允價值乃以二項式模式釐定，並計及該等交易之條款及條件，惟不包括與本公司股份價格相連之條件。

股權結算交易之成本會(連同權益之相應增幅)於達成歸屬條件之年度內確認，直至相關僱員完全獲授應得之購股權當日(「歸屬期」)為止。於歸屬期內，預期最終會歸屬之購股權數目會予以審閱。過往年度所確認之累計公允價值之任何調整會於審閱年度之損益表內扣除/計入，並於權益內之儲備中作相應調整。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (q) Share-based payment transactions

##### Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share-based payment reserve within equity. The fair value is determined using the binomial model taking into account the terms and conditions of the transactions, other than conditions linked to the price of shares of the Company.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year(s) in which the vesting conditions are to be fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, with a corresponding adjustment to the reserve within equity.

### 3. 主要會計政策 (續)

#### (q) 以股份為支付基礎之交易 (續)

##### 權益結算股份支付之款項 (續)

當行使購股權時，過往於購股權儲備認列之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於購股權儲備認列之金額將轉撥至保留溢利。本公司以股份為支付基礎的購股權授予其下附屬公司僱員所涉及之交易會於本公司的財務狀況表內認列為於附屬公司之投資之增加；並且會於編製綜合賬目時以增加權益內之儲備作抵銷。

#### (r) 稅項

稅項支出乃根據本年度業績就免課稅或不可扣減項目作調整並按於結算日已制定或實際會制定之稅率作出計算。

遞延稅項乃採用負債法，就資產與負債之稅項計算準則與其於綜合財務報表之賬面值兩者不同引致之短暫時差作出撥備。然而，倘若任何遞延稅項乃自商譽的初始認列；或自進行交易時不影響會計或應課稅溢利的資產或負債的初始確認（如屬業務合併的一部份則除外），則不會計入遞延稅項。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (q) Share-based payment transactions (Continued)

##### Equity-settled transactions (Continued)

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium account. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits. Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of interest in subsidiaries in the Company's statement of financial position which is eliminated on consolidation, with a corresponding credit to the reserve within equity.

#### (r) Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.



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### 3. 主要會計政策 (續)

#### (r) 稅項 (續)

當資產被變現或負債被清還時，遞延稅項負債及資產以該期間預期之適用稅率衡量，根據於結算日已制定或實際會制定之稅率及稅務法例計算。

遞延稅項資產乃根據有可能獲得之未來應課稅溢利與短暫時差可互相抵銷之程度而予以確認。

遞延稅項是就附屬公司之權益所產生之應課稅暫時差額而確認，惟於本集團可控制暫時差額之撥回及暫時差額可能在可見將來不會撥回則除外。

#### (s) 有關聯人士

關聯人士為與本集團有關聯之個人或實體。

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本公司之主要管理層成員。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (r) Taxation (Continued)

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on interest in subsidiaries except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

#### (s) Related parties

A related party is a person or entity that is related to the Group:

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) Has control or joint control over the Group;
  - (ii) Has significant influence over the Group; or
  - (iii) Is a member of the key management personnel of the Group.

### 3. 主要會計政策 (續)

#### (s) 有關聯人士 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關聯：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
  - (ii) 實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
  - (v) 實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。倘本集團本身便是該計劃，提供資助之僱主亦與本集團有關聯。
  - (vi) 實體受(a)所識別人士控制或受共同控制。
  - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (s) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).





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### 3. 主要會計政策 (續)

#### (s) 有關聯人士 (續)

與該人士關係密切的家庭成員是指他們在與實體進行交易時，預期可能會影響該人士或受該人士影響的家庭成員並包括：

- (a) 該名人士之子女及配偶或同居伴侶；
- (b) 該名人士之配偶或同居伴侶的子女；及
- (c) 該名人士或該名人士之配偶或同居伴侶的依靠者。

#### (t) 分部報告

營運分部之報告方式與主要營運決策者獲提供的內部報告之方式一致。本公司負責分配資源並評核營運分部表現的執行董事已被確立為制訂策略決定的主要營運決策者。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (s) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the Group and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

#### (t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's executive directors, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the chief operating decision-makers that make strategic decisions.

### 3. 主要會計政策 (續)

#### (u) 香港財務報告準則之未來變動

於本綜合財務報表授權日，本集團並未提早採用下列香港會計師公會已頒佈於本年度尚未生效之新訂及經修訂香港財務報告準則及詮釋。

香港財務報告準則第1號之修訂本 (經修訂)	財務報表的呈報 – 嚴重高通脹及剔除首次採納者之固定日期 <sup>[1]</sup>
香港財務報告準則第7號之修訂本	金融工具：披露 – 轉讓財務資產 <sup>[1]</sup>
香港財務報告準則第7號之修訂本	金融工具：披露 – 金融資產與金融負債抵銷 <sup>[4]</sup>
香港會計準則第12號之修訂本	所得稅 – 遞延稅項：收回相關資產 <sup>[2]</sup>
香港會計準則第32號之修訂本	金融資產與金融負債抵銷 <sup>[5]</sup>
香港會計準則第1號之修訂本 (經修訂)	財務報表的呈報 – 呈列其他全面收益項目 <sup>[3]</sup>

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (u) Future changes in HKFRS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/ revised standards and amendments to HKFRS that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 1 (Revised)	<i>Presentation of Financial Statements - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> <sup>[1]</sup>
Amendments to HKFRS 7	<i>Financial Instruments: Disclosures - Transfer of Financial Assets</i> <sup>[1]</sup>
Amendments to HKFRS 7	<i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i> <sup>[4]</sup>
Amendments to HKAS 12	<i>Income Taxes - Deferred Tax: Recovery of Underlying Assets</i> <sup>[2]</sup>
Amendments to HKAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i> <sup>[5]</sup>
Amendments to HKAS 1 (Revised)	<i>Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income</i> <sup>[3]</sup>



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### 3. 主要會計政策 (續)

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (u) 香港財務報告準則之未來變動 (續)

#### (u) Future changes in HKFRS (Continued)

香港會計準則 僱員福利 <sup>[4]</sup> 第19號 (2011年)	HKAS 19 (2011)	<i>Employee Benefits</i> <sup>[4]</sup>
香港會計準則 獨立財務報表 <sup>[4]</sup> 第27號 (2011年)	HKAS 27 (2011)	<i>Separate Financial Statements</i> <sup>[4]</sup>
香港會計準則 於聯營公司及 第28號 合營企業 (2011年) 之投資 <sup>[4]</sup>	HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> <sup>[4]</sup>
香港財務報告 財務工具 <sup>[6]</sup> 準則第9號	HKFRS 9	<i>Financial Instruments</i> <sup>[6]</sup>
香港財務報告 綜合財務報表 <sup>[4]</sup> 準則第10號	HKFRS 10	<i>Consolidated financial statements</i> <sup>[4]</sup>
香港財務報告 合營安排 <sup>[4]</sup> 準則第11號	HKFRS 11	<i>Joint Arrangements</i> <sup>[4]</sup>
香港財務報告 於其他實體權益 準則第12號 之披露 <sup>[4]</sup>	HKFRS 12	<i>Disclosures of Interests with Other Entities</i> <sup>[4]</sup>
香港財務報告 公平值計量 <sup>[4]</sup> 準則第13號	HKFRS 13	<i>Fair Value Measurement</i> <sup>[4]</sup>
國際財務報告 露天礦生產階段 準則詮釋 的剝採成本 <sup>[4]</sup> 委員會 – 詮釋第20號	HK(IFRIC) - Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> <sup>[4]</sup>

<sup>[1]</sup> 於2011年7月1日或之後開始之年度期間生效

<sup>[2]</sup> 於2012年1月1日或之後開始之年度期間生效

<sup>[3]</sup> 於2012年7月1日或之後開始之年度期間生效

<sup>[4]</sup> 於2013年1月1日或之後開始之年度期間生效

<sup>[5]</sup> 於2014年1月1日或之後開始之年度期間生效

<sup>[6]</sup> 於2015年1月1日或之後開始之年度期間生效

本集團董事現正對將來採納該等新推出及修訂之準則之潛在影響進行評估，故此，暫不能在此進行對本集團綜合財務報表的影響作出合理估計。

<sup>[1]</sup> Effective for annual periods beginning on or after 1 July 2011

<sup>[2]</sup> Effective for annual periods beginning on or after 1 January 2012

<sup>[3]</sup> Effective for annual periods beginning on or after 1 July 2012

<sup>[4]</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>[5]</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>[6]</sup> Effective for annual periods beginning on or after 1 January 2015

The directors are in the process of assessing the possible impact of the future adoption of these new/revised HKFRS, but are not yet in a position to reasonably estimate their impact on the Group's consolidated financial statements.

#### 4. 採納新增／經修訂之香港財務報告準則

香港會計師公會已頒佈一項新香港財務報告準則、一項香港財務報告準則之新詮釋及多項相關修訂，並首次於本集團及本公司此會計期間生效。當中，下列修改與本集團財務報表有關：

香港會計準則第24號(經修訂) — 關聯方之披露

香港會計準則第24號之修訂重新釐定關聯方的定義及豁免與以下關聯人士之交易及結欠餘額(包括各種承擔)之披露：

- (a) 對本集團有控制權、共同控制權或重大影響的政府；及
- (b) 與本集團一同受政府控制，共同控制或重大影響的公司

本集團已採納經修訂的關聯方定義，但此等修訂對本集團的綜合財務報表並無重大影響。由於本集團並非政府之關聯實體，因此，有關對與政府之關聯實體之更新披露要求並沒對本集團有所影響。

#### 4. ADOPTION OF NEW/REVISED HKFRS

The HKICPA has issued one revised HKFRS, a number of amendments to HKFRS and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the changes in accounting policy relevant to the Group's financial statements are as follows:

HKAS 24 (Revised) - *Related Party Disclosures*

HKAS 24 was revised to include a new definition of related party and to provide a partial exemption from the disclosure requirements in relation to related party transactions and outstanding balances, including commitments, with:

- (a) a government that has control, joint control or significant influence over the reporting entity; and
- (b) another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

The Group adopted the new definition in its accounting policies but such adoption does not have an effect on the disclosures made in the consolidated financial statements. The modified disclosure requirements for government-related entities also do not impact the Group because the Group is not a government-related entity.



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### 4. 採納新增／經修訂之香港財務報告準則 (續)

香港財務報告準則之改進(2010年)  
— 香港財務報告準則之改進(2010年)

香港財務報告準則之改進(2010年)包括一系列對香港財務報告準則的修訂，適用於本集團的關鍵修訂如下：

香港會計準則第7號(修訂) 金融工具披露：闡明披露規定

此修訂準則闡明就信貸風險及持有的抵押品的披露要求水平及解除於此修訂準則生效前對重新磋商之貸款的披露要求。合併財務報表附註36內有關本集團金融工具之披露已遵照相關修訂後的規定披露。

香港會計準則第1號(修訂) 財務報表的呈報：闡明權益變動表

相關修訂準則闡明其他綜合收益內之項目調節可於權益變動表或財務報告附註中披露。本集團已決定繼續於合併權益變動表內披露相關項目調節。

### 4. ADOPTION OF NEW/REVISED HKFRS (Continued)

Improvements to HKFRSs 2010 – *Improvements to HKFRSs 2010*

The improvements comprise a number of improvements to standards including the following that are considered to be relevant to the Group:

Amendments to HKFRS 7 *Financial Instrument Disclosures: Clarification of disclosures*

The Amendments clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required for renegotiated loans. The disclosures about the financial instruments in the consolidated financial statements in note 36 are conformed to the amended disclosure requirements.

Amendments to HKAS 1 (Revised): *Presentation of Financial Statements: Clarification of statement of changes in equity*

The Amendments clarify that the reconciliation of each component of other comprehensive income may be presented either in the statement of changes in equity or in the notes to the financial statements. The Group has decided to continue presenting the reconciliation on the face of the consolidated statement of changes in equity.

#### 4. 採納新增／經修訂之香港財務報告準則 (續)

香港(國際財務報告詮釋委員會)－詮釋第13號(修訂)客戶忠誠積分計劃：獎勵積分的公允價值

此修訂準則闡明當計算獎勵積分的公允價時，獎勵積分的公允價計算需考慮預期會作廢的獎勵積分及於銷售相關產品時會提供給未能享有相關獎勵積分的客戶的折扣或獎勵等因素。採納此修訂準則對本集團的綜合財務報表並無重大影響。

香港(國際財務報告詮釋委員會)－詮釋第14號(修訂)最低資金要求之預付款

相關修訂準則適用於當一家公司的界定福利計劃需受最低資金要求的約束及其需預先繳付供款以符合相關資金要時。此修訂準則允許此公司把相關的預付款視為公司的資產。在此修訂準則生效前，若本集團沒有不符條件的權力收回相關預付款時，此預付款需認列為費用。

由於本集團的界定福利計劃並沒有最低資金的要求，因此採納此修訂準則對本集團的綜合財務報表並無重大影響。

#### 4. ADOPTION OF NEW/REVISED HKFRS (Continued)

Amendments to HK(IFRIC) – Int 13 *Customer Loyalty Programmes: Fair value of award credits*

The Amendments clarify that when the fair value of award credits is measured on the basis of the value of the awards for which they could be redeemed, the fair value of the award credits should take into account of expected forfeitures as well as the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The adoption of this Interpretation has no impact on the consolidated financial statements.

Amendments to HK(IFRIC) – Int 14 - *Prepayments of a Minimum Funding Requirement*

The Amendments apply when an entity is subject to minimum funding requirements for its defined benefits retirement plan and makes an early payment of contributions to cover those requirements. The Amendments permit such an entity to treat the benefit of such an early payment as an asset. Previously, if the Group did not have an unconditional right to a refund of surplus, a prepayment was recognised as an expense.

Since there is no minimum funding requirement in the defined benefit plans of the Group, the adoption of this amendment to the Interpretation has no impact on the consolidated financial statements.



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### 5. 關鍵會計估計及判斷

有關未來之估計及假設以及判斷乃由管理層在編製綜合財務報表時作出。這些估計、假設及判斷會對本集團之會計政策應用、資產、負債、收入及開支之申報金額以及所作出之披露構成影響，並會持續根據經驗及相關因素(包括日後出現在有關情況下相信屬合理之事件)評估。於適當時，會計估計之修訂會於修訂期間及於未來期間(倘修訂亦影響日後期間)確認。

#### 使用年限及物業、機器及設備及土地租約溢價之減值

董事每年透過預計用量、對資產使用之損耗及技術過時之潛在性進行謹慎研究，以評估物業、機器及設備及土地租約溢價之殘值，可用年期及折舊／攤銷方法。

為了判斷資產是否減值及有跡象顯示減值虧損不再存在，董事須判斷資產減值，尤其是評估：(1)是否已發生可能影響資產價值之事件或其事件影響資產價值不再存在；(2)按持續使用資產之業務而估計未來之現金流量經折現後之淨現值能否支持該項資產之賬面值；以及(3)使用適當的主要假設於預計現金流量，包括是否應用適當折現率於該等現金流量預測。倘改變管理層用以確定減值程度之假設，包括現金流量預測中採用之折現率或增長率假設，足以對減值測試中使用的淨現值產生重大影響。

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

#### Useful lives and impairment of property, plant and equipment and prepaid lease payments

The directors review the residual value, useful lives and depreciation/amortisation method of property, plant and equipment and prepaid lease payments at the end of each reporting period, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the assets.

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the directors have to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.



### 5. 關鍵會計估計及判斷 (續)

#### 遞延稅項資產

於結算日，合併財務狀況表並沒有源於稅務虧損之未確認之遞延稅項資產。遞延稅項資產之確認主要根據將來有否足夠之收益或應課稅短暫時差。如將來實際發生之收益與原本預估有差異，重大的遞延稅項資產確認便可能發生。而當預估收益發生變化時，此遞延稅項資產將會被確認為得益或損失。

### 6. 營業額

本集團之營業額指向客戶售貨之發票值，扣除退貨、折扣及增值稅之收益。

### 7. 分部資料

執行董事已確立為本集團主要營運決策者。經營分部已被確立，而分部資料已按內部慣常呈報給本公司之執行董事之財務資料製作，依據該等資料作出經營分部資源分配決定及評估其表現。基於本集團超過99%以上之集團銷售是在內地進行，故本公司之執行董事主要以產品觀點評定本集團之業務。可報告之經營分部確立為方便麵、飲品、方便食品(原稱糕餅)及其他業務。

### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### Deferred tax assets

As at the end of the reporting period, no deferred tax asset in relation to unused tax losses has been recognised in the consolidated statement of financial position. The recognition of the deferred tax asset mainly depends on whether sufficient profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are different from the original estimate, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss in the period in which such estimate is changed.

### 6. TURNOVER

The Group's turnover represents revenue arising from the sale of goods at invoiced value to customers, net of returns, discounts and Value Added Tax.

### 7. SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-maker of the Group. The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors consider the business principally from a product perspective as over 99% of the Group's sales and business are conducted in the PRC. Business reportable operating segments identified are instant noodles, beverages, instant food (formerly known as "bakery") and others.



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### 7. 分部資料 (續)

執行董事以本年度經營分部之淨溢利作出經營分部資源分配決定及評估其表現。

分部資產包括除可供出售金融資產及按公允價值列賬及在損益賬處理的金融資產外的所有有形資產及流動資產。分部負債包括除員工福利責任之相關負債外的應付賬款、其他應付款、有息銀行貸款、遞延稅項負債及客戶預付款項。

分部之間的銷售是以成本加邊際利潤作定價。可呈報分部之會計政策與本集團於「主要會計政策」附註3所述本集團的會計政策一致。

客戶地區位置乃按貨品付運地點劃分。本集團多於99%來自外部客戶之收益均源於本集團各經營實體所在地中國的顧客。同時，本集團多於99%的非流動資產(可供出售金融資產除外)均位於中國。

並無來自單一外部客戶的收入佔本集團收入10%或以上。

### 7. SEGMENT INFORMATION (Continued)

For the purposes of assessing the performance of the operating segments and allocating resources between segments, the executive directors assess segment net profit for the year which is consistent with that in the financial statements.

Segment assets include all tangible assets and current assets with the exception of available-for-sale financial assets and financial assets at fair value through profit or loss. Segment liabilities include trade payables and other payables, interest-bearing borrowings, deferred tax liabilities and advance payments from customers with the exception of employee benefit obligations.

Inter-segment sales are priced at cost plus profit margin. The accounting policies of the reporting segments are the same as the Group's accounting policies as described in note 3.

The geographical location of the Group's customers is based on the location at which the goods are delivered. Over 99% of the revenues from external customers of the Group are attributable to customers located in the PRC, the place of domicile of the Group's operating entities. Meanwhile, over 99% of the Group's non-current assets other than available-for-sale financial assets are located in the PRC.

No revenue from a single external customer amounted to 10% or more of the Group's revenue.

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### 7. 分部資料 (續)

於2011年及2010年12月31日之分部資料如下：

#### 業務分部分析

### 7. SEGMENT INFORMATION (Continued)

The segment information for the years ended 31 December 2011 and 2010 are as follows:

#### Business segment analysis

		2011					
		方便麵	飲品	方便食品	其他	內部沖銷	綜合
		Instant noodles	Beverages	Instant food	Others	Inter-segment elimination	Group
		千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>營業額</b>	<b>Turnover</b>						
外來客戶收益	Revenue from external customers	3,592,270	3,998,702	201,432	74,176	—	7,866,580
分部間之收益	Inter-segment revenue	119	1,804	67	82,766	(84,756)	—
分部營業額	Segment revenue	3,592,389	4,000,506	201,499	156,942	(84,756)	7,866,580
<b>分部業績</b>	<b>Segment result after finance costs and Profit before taxation</b>						
(已扣除財務費用)							
及除稅前溢利		418,044	208,460	5,862	35,459	(4,849)	662,976
稅項	Taxation	(112,220)	(49,252)	330	(2,130)	—	(163,272)
本年度之溢利	Profit for the year	305,824	159,208	6,192	33,329	(4,849)	449,704
<b>資產</b>	<b>Assets</b>						
分部資產	Segment assets	2,520,574	3,442,346	173,846	811,780	(1,244,754)	5,703,792
未分配資產	Unallocated assets						104,982
資產總值	Total assets						5,808,774
<b>負債</b>	<b>Liabilities</b>						
分部負債	Segment liabilities	888,017	2,279,707	74,232	723,268	(856,780)	3,108,444
未分配負債	Unallocated liabilities						14,064
負債總額	Total liabilities						3,122,508
<b>其他資料</b>	<b>Other information</b>						
資本開支	Capital expenditures	256,935	1,069,045	17,388	6,121	—	1,349,489



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### 7. 分部資料 (續)

#### 業務分部分析 (續)

2011年6月，本公司以代價98,333,000美元完成出售一家非全資持有之附屬公司及一家聯營公司(之前表達在分類為持作出售資產之項目內)予本公司之董事共同控制之公司。此出售事項的收益為39,175,000美元，已計入在分部資料中「其他」群的收益及包括在綜合收益表其他淨收入中。

### 7. SEGMENT INFORMATION (Continued)

#### Business segment analysis (Continued)

In June 2011, the Company completed the disposal of a non-wholly owned subsidiary and an associate previously classified as assets held for sale at a consideration in aggregate of US\$98,333,000 to a company jointly controlled by the Company's directors. Gain on the disposal of US\$39,175,000 has been recognised in the segments results under "Others" segment and included in the other net income in the consolidated income statement.

		2010									
		方便麵 Instant noodles 千美元 US\$'000		方便食品 (前為「糕餅」) Instant food (formerly "Bakery") 千美元 US\$'000		其他 Others 千美元 US\$'000		內部沖銷 Inter- segment elimination 千美元 US\$'000		綜合 Group 千美元 US\$'000	
<b>營業額</b>	<b>Turnover</b>										
外來客戶收益	Revenue from external customers	2,931,555	3,531,911	161,383	56,633	—	6,681,482				
分部間之收益	Inter-segment revenue	78	1,855	45	87,217	(89,195)	—				
分部營業額	Segment revenue	2,931,633	3,533,766	161,428	143,850	(89,195)	6,681,482				
<b>分部業績 (已扣除財務費用)</b>	<b>Segment results after finance costs</b>	372,698	325,672	3,179	(30,098)	(3,308)	668,143				
應佔聯營公司業績	Share of results of associates	—	—	—	—	—	9,978				
視作出售聯營公司 之收益	Gain on discontinuation of equity accounting for an associate	—	—	—	—	—	68,653				
除稅前溢利	<b>Profit before taxation</b>	372,698	325,672	3,179	(30,098)	—	746,774				
稅項	Taxation	(66,711)	(62,543)	(1,800)	(3,146)	—	(134,200)				
本年度之溢利	<b>Profit for the year</b>	305,987	263,129	1,379	(33,244)	—	612,574				

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### 7. 分部資料 (續)

### 7. SEGMENT INFORMATION (Continued)

#### 業務分部分析 (續)

#### Business segment analysis (Continued)

		2010					
		方便食品 (前為「糕餅」)		Instant food (formerly "Bakery")	其他 Others	內部沖銷 Inter- segment elimination	綜合 Group
		方便麵 Instant noodles 千美元 US\$'000	飲品 Beverages 千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
<b>資產</b>	<b>Assets</b>						
分部資產	Segment assets	1,969,050	2,554,156	136,484	634,322	(641,702)	4,652,310
未分配資產	Unallocated assets						239,102
資產總值	Total assets						4,891,412
<b>負債</b>	<b>Liabilities</b>						
分部負債	Segment liabilities	746,089	1,511,496	54,680	405,788	(314,710)	2,403,343
未分配負債	Unallocated liabilities						118,882
負債總額	Total liabilities						2,522,225
<b>其他資料</b>	<b>Other information</b>						
資本開支	Capital expenditures	213,713	732,666	5,002	8,331	5,921	965,633



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### 8. 其他收益及其他淨收入

### 8. OTHER REVENUE AND OTHER NET INCOME

		2011 千美元 US\$'000	2010 千美元 US\$'000
<b>其他收益</b>	<b>Other revenue</b>		
利息收入	Interest income	38,564	21,479
股利收入	Dividend income	1,573	1,701
		<b>40,137</b>	23,180
<b>其他淨收入</b>	<b>Other net income</b>		
匯兌收益淨額	Exchange gains, net	15,811	7,792
出售廢品之收益	Gain on sales of scrapped materials	23,282	19,770
政府補助	Government grants	28,521	38,958
視作出售聯營公司之收益	Gain on discontinuation of equity accounting for an associate	—	68,653
出售一家非全資持有之附屬公司及一家聯營公司(以前被分類為持作出售資產)之收益	Gain on disposal of a non-wholly owned subsidiary and an associate previously classified as assets held for sale	39,175	—
其他	Others	22,979	25,020
		<b>129,768</b>	160,193
		<b>169,905</b>	183,373

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### 9. 除稅前溢利

### 9. PROFIT BEFORE TAXATION

	2011 千美元 US\$'000	2010 千美元 US\$'000
經扣除(計入)下列項目後： This is stated after charging (crediting):		
<b>財務費用</b>		
須於5年內悉數償還之 銀行及其他貸款之 利息支出	12,871	8,077
減：利息支出资本化列入 物業、機器及設備 (加權平均資本化率為 1.32% (2010 : 1.36%))	(3,499)	(1,566)
	<b>9,372</b>	6,511
<b>其他項目</b>		
員工成本(包括董事 酬金)：		
薪金及報酬	562,550	444,390
以權益結算股份 支付之款項	11,346	5,020
退休金成本：		
界定供款計劃	64,072	42,931
界定福利計劃	3,328	1,364
核數師費用：		
核數師酬金	1,343	1,086
非審核服務	121	190
已售存貨成本	5,778,611	4,782,037
折舊	317,544	275,054
土地租約溢價之攤銷	3,697	2,544
物業、機器及 設備之減值虧損(已 包括於其他經營費用)	4,169	35,520
建築物營運租約 最低租賃付款	58,967	40,121
出售物業、機器及設備 之(收益)虧損	(74)	8,083





# 賬目附註

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### 10. 董事及高階僱員酬金

本公司董事已收及應收之酬金總額如下：

### 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The aggregate amounts of emoluments received or receivable by the Company's directors are as follows:

		2011						
		薪金及 其他酬金	花紅	以股份支付 之款項	退休保障 計劃供款	總計		
董事袍金	Salaries and other fees emoluments	Discre- tionary bonuses	小計	Share- based payments	Retirement scheme contribution	Total		
千美元	千美元	千美元	千美元	千美元	千美元	千美元		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
執行董事：	Executive directors:							
魏應州	Wei Ing-Chou	200	990	427	1,617	2,607	1	4,225
井田毅	Takeshi Ida	80	16	—	96	—	—	96
吳崇儀	Wu Chung-Yi	50	4	—	54	—	—	54
魏應交	Wei Ying-Chiao	50	16	—	66	—	—	66
吉澤亮	Ryo Yoshizawa	50	32	—	82	—	—	82
井田純一郎	Junichiro Ida	50	16	—	66	—	—	66
獨立非執行董事：	Independent non-executive directors:							
徐信群	Hsu Shin-Chun	50	16	—	66	—	—	66
李長福	Lee Tiong-Hock	50	12	—	62	—	—	62
太田道彥	Michihiko Ota	22	8	—	30	—	—	30
岡田大介	Daisuke Okada	28	4	—	32	—	—	32
		630	1,114	427	2,171	2,607	1	4,779

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截至2011年12月31日止年度  
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### 10. 董事及高階僱員酬金 (續)

於2011年6月13日，太田道彥先生辭退本公司的獨立非執行董事一職，同日，岡田大介先生被委任為本公司的獨立非執行董事。在2012年1月3日，岡田大介先生辭退本公司的獨立非執行董事一職，同日，深田宏先生被委任為本公司的獨立非執行董事。

### 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

On 13 June 2011, Mr Michihiko Ota resigned as an independent non-executive director of the Company and Mr Daisuke Okada was appointed as an independent non-executive director of the Company. On 3 January 2012, Mr Daisuke Okada resigned as an independent non-executive director of the Company and Mr Hiromu Fukada was appointed as an independent non-executive director of the Company.

		2010						
		薪金及 其他酬金	花紅		以股份支付 之款項	退休保障 計劃供款		
董事袍金	Salaries and other fees	Discre- tionary bonuses	小計	Share- based payments	Retirement scheme contribution	總計		
千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
執行董事：	Executive directors:							
魏應州	Wei Ing-Chou	200	760	384	1,344	1,112	1	2,457
井田毅	Takeshi Ida	80	4	—	84	—	—	84
吳崇儀	Wu Chung-Yi	50	12	—	62	—	—	62
魏應交	Wei Ying-Chiao	50	16	—	66	—	—	66
吉澤亮	Ryo Yoshizawa	50	16	—	66	—	—	66
井田純一郎	Junichiro Ida	50	16	—	66	—	—	66
獨立非執行董事：	Independent non-executive directors:							
徐信群	Hsu Shin-Chun	50	12	—	62	—	—	62
李長福	Lee Tiong-Hock	50	8	—	58	—	—	58
桑原道夫	Michio Kuwahara	13	4	—	17	—	—	17
太田道彥	Michihiko Ota	29	8	—	37	—	—	37
		622	856	384	1,862	1,112	1	2,975

於2011年及2010年12月31日止年度並無董事放棄領取酬金。

本集團沒有為勸誘董事加入本集團而付酬金或在董事加入本集團後付上酬金或為董事失去職位作出賠償。

No directors have waived emoluments in respect of the years ended 31 December 2011 and 2010.

No emoluments have been paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

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## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 10. 董事及高階僱員酬金 (續)

本集團5位最高薪人士包括1位(2010年: 1位)董事, 其酬金詳情載於上文。其餘4位(2010年: 4位)人士之酬金詳情如下:

### 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The five individuals whose emoluments were the highest in the Group for the year include one director (2010: one) whose emoluments is reflected in the analysis presented above. Details of the emoluments of the remaining four individuals (2010: four) are as follows:

		2011 千美元 US\$'000	2010 千美元 US\$'000
薪金及其他酬金	Salaries and other emoluments	1,636	1,453
以股份支付之款項	Share-based payments	3,514	1,600
花紅	Discretionary bonuses	525	443
退休保障計劃供款	Retirement scheme contribution	4	5
		5,679	3,501

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### 10. 董事及高階僱員酬金 (續)

支付4位最高薪人士之酬金組別如下：

### 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The emoluments were paid to the four highest paid individuals as follows:

酬金組別	Emoluments band	僱員人數 Number of individuals	
		2011	2010
576,924美元至705,128美元 (4,500,001港元至5,500,000港元)	US\$576,924 to US\$705,128 (HK\$4,500,001 to HK\$5,500,000)	—	1
705,129美元至833,333美元 (5,500,001港元至6,500,000港元)	US\$705,129 to US\$833,333 (HK\$5,500,001 to HK\$6,500,000)	—	1
833,334美元至961,538美元 (6,500,001港元至7,500,000港元)	US\$833,334 to US\$961,538 (HK\$6,500,001 to HK\$7,500,000)	1	—
961,539美元至1,089,744美元 (7,500,001港元至8,500,000港元)	US\$961,539 to US\$1,089,744 (HK\$7,500,001 to HK\$8,500,000)	—	1
1,089,745美元至1,217,949美元 (8,500,001港元至9,500,000港元)	US\$1,089,745 to US\$1,217,949 (HK\$8,500,001 to HK\$9,500,000)	—	1
1,217,950美元至1,345,154美元 (9,500,001港元至10,500,000港元)	US\$1,217,950 to US\$1,345,154 (HK\$9,500,001 to HK\$10,500,000)	1	—
1,345,155美元至1,474,359美元 (10,500,001港元至11,500,000港元)	US\$1,345,155 to US\$1,474,359 (HK\$10,500,001 to HK\$11,500,000)	—	—
1,474,360美元至1,602,564美元 (11,500,001港元至12,500,000港元)	US\$1,474,360 to US\$1,602,564 (HK\$11,500,001 to HK\$12,500,000)	—	—
1,602,565美元至1,730,769美元 (12,500,001港元至13,500,000港元)	US\$1,602,565 to US\$1,730,769 (HK\$12,500,001 to HK\$13,500,000)	—	—
1,730,770美元至1,858,974美元 (13,500,001港元至14,500,000港元)	US\$1,730,770 to US\$1,858,974 (HK\$13,500,001 to HK\$14,500,000)	2	—
		4	4



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 11. 稅項

### 11. TAXATION

		2011 千美元 US\$'000	2010 千美元 US\$'000
<b>本年度稅項－ 中國企業所得稅</b>	<b>Current tax – PRC Enterprise income tax</b>		
本年度	Current year	143,516	135,188
比前年度(多計)少計撥備	(Over)/Under provision in prior year	(5,446)	698
		<b>138,070</b>	135,886
<b>遞延稅項</b>	<b>Deferred taxation</b>		
產生及轉回之 暫時差異淨額	Origination and reversal of temporary differences, net	1,438	(31,236)
按本集團於中國之 附屬公司可供分配 利潤之預提稅(附註30)	Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries (Note 30)	23,764	29,550
		<b>25,202</b>	(1,686)
本年度稅項總額	Total tax charge for the year	<b>163,272</b>	134,200

開曼群島並不對本公司及本集團之收入徵收任何稅項。

於2011年及2010年內本集團之公司由於錄得稅項虧損或並無任何香港利得稅應課稅利潤，因此並未為香港利得稅計提撥備。

該等不能享有中國優惠稅率繳納企業所得稅於中國的附屬公司，其中國企業所得稅法定稅率為25% (2010年：25%)。

The Cayman Islands levies no tax on the income of the Company and the Group.

Hong Kong Profits Tax has not been provided as the Group entities either incurred losses for taxation purpose or had no assessable profits subject to Hong Kong Profits Tax for the years ended 2011 and 2010.

For the PRC subsidiaries not entitled to a preferential PRC enterprise income tax, the applicable PRC enterprise income tax is at a statutory rate of 25% (2010: 25%).

### 11. 稅項 (續)

從事製造及銷售各類方便麵、飲品及糕餅產品的中國附屬公司均須受到適用於中國外商投資企業的稅法所規限。本集團大部份附屬公司設立於國家級經濟技術開發區，於2007年12月31日以前按15%的優惠稅率繳納企業所得稅。另由首個獲利年度開始，於抵銷結轉自往年度的所有未到期稅項虧損後，可於首兩年獲全面豁免繳交中國企業所得稅，及在其後3年獲稅率減半優惠。

根據財政部、海關總署與國家稅務總局聯合發佈的《關於深入實施西部大開發戰略有關稅收政策問題的通知》(財稅[2011]58號)，位於中國大陸西部地區的國家鼓勵類產業的外商投資企業，其鼓勵類產業主營業務收入佔企業總收入的70%以上的，在2011年至2020年年度，減按15%的稅率徵收企業所得稅。因此，本集團於西部地區之附屬公司其優惠稅率為15% (2010年：15%)。

根據國務院關於實施企業所得稅過渡優惠政策的通知(國法[2007]39號)，自2008年1月1日起，原享受低稅率優惠政策的企業，在新稅法施行後5年內逐步過渡到法定稅率。其中：享受企業所得稅15%稅率的企業，2008年按18%稅率執行，2009年按20%稅率執行，2010年按22%稅率執行，2011年按24%稅率執行，2012年及以後按25%稅率執行。受惠於減按15%的優惠企業所得稅稅率之西部地區之附屬公司可繼續享受其優惠企業所得稅稅率至到期。

### 11. TAXATION (Continued)

Subsidiaries in the PRC which engage in manufacture and sale of instant noodles, beverages and bakery products are subject to tax laws applicable to foreign investment enterprises in the PRC. Most of the subsidiaries are located at state-level economic development zones and were entitled to a preferential PRC enterprise income tax rate of 15% before 31 December 2007. Also, they were fully exempt from PRC enterprise income tax for two years starting from the first profit-making year followed by a 50% reduction for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from the previous years.

According to the Tax Relief Notice (Cai Shui [2011] no. 58) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of PRC with principal revenue of over 70% generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2011 to 31 December 2020. Accordingly, certain subsidiaries located in the Western Region are entitled to a preferential rate of 15% (2010:15%).

Pursuant to the State Council Circular on the Implementation of the Transitional Concession Policies for Enterprise Income Tax (Guo Fa [2007] no. 39), enterprises previously entitled to a reduced tax rate shall have a grace period of five years regarding the tax reduction commencing on 1 January 2008; the subsidiaries which were entitled to a 15% enterprise income tax rate will be subjected to tax rates of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012 and thereafter. The subsidiaries that have been granted a preferential income tax rate of 15% in the Grand Development of Western Region shall continue to enjoy the preferential income tax rate until expiry.



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### 11. 稅項 (續)

本集團之稅項以中國法定稅率25%計算(2010年: 25%)與稅前溢利之理論稅項之差別為:

#### 稅項開支之對賬

### 11. TAXATION (Continued)

The taxation on the Group's profit before taxation differs from theoretical amount that would arise using the statutory tax rate in the PRC of 25% (2010: 25%) as follows:

#### Reconciliation of tax expenses

		2011 千美元 US\$'000	2010 千美元 US\$'000
除稅前溢利	Profit before taxation	662,976	746,774
按中國法定稅率25% 之稅項(2010年: 25%)	Income Tax at statutory tax rate of 25% in the PRC (2010:25%)	165,744	186,694
不可扣稅開支	Non-deductible expenses	17,059	14,242
無需課稅收入	Tax exempt revenue	(31,869)	(20,870)
未確認稅項虧損	Unrecognised tax losses	12,081	5,066
未確認暫時性差異	Unrecognised temporary differences	201	(27,605)
扣除過往並未 確認稅項虧損	Utilisation of previously unrecognised tax losses	(109)	(231)
優惠稅率減免	Effect of preferential tax rates	(10,638)	(22,888)
於西部大開發的中國 附屬公司之稅收減免	Effect of tax relief on PRC's subsidiaries in Western Region	(7,852)	(17,287)
按本集團於中國之附屬公司 所得稅之過渡優惠減免	Effect of tax concessions granted to the Group's PRC subsidiaries	(4,247)	(13,631)
按本集團於中國之附屬公司 可供分配利潤之預提稅 (附註30)	Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries (Note 30)	23,764	29,550
以前年度(多計)少計撥備	(Over)/Under provision in prior years	(5,446)	698
本年度多提撥備	Over provision in current year	4,341	—
其他	Others	243	462
本年度稅項	Tax expense for the year	163,272	134,200



## Notes to the Financial Statements

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### 12. 股東應佔溢利

股東應佔綜合溢利48,447,000美元 (2010年：1,904,000美元)已於本公司之賬目內作出處理。

上述金額與本公司本年度溢利之調節如下：

### 12. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company includes a profit of US\$48,447,000 (2010: profit of US\$1,904,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

		2011 千美元 US\$'000	2010 千美元 US\$'000
已於本公司賬目內處理的股東應佔綜合溢利	Amount of consolidated profit attributable to owners dealt with in the Company's financial statements	48,447	1,904
上一財政年度溢利之應佔附屬公司及聯營公司股息，並已於年內獲批准及派發	Dividends from subsidiaries and associates attributable to the profits of the previous financial years, approved and paid during the year	116,832	44,081
本年度本公司溢利	Company's profit for the year	165,279	45,985



# 賬目附註

## Notes to the Financial Statements

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### 13. 股息

(a) 本公司擁有人於本年度應得之股息：

### 13. DIVIDENDS

(a) Dividends payable to owners of the Company attributable to the year:

		2011 千美元 US\$'000	2010 千美元 US\$'000
結算日後擬派之末期股息 每股普通股3.75美仙 (2010年： 每股普通股4.27美仙)	Final dividend proposed after the end of the reporting period of US3.75 cents (2010: US4.27 cents) per ordinary share	209,629	238,556

於2012年3月21日的會議，董事建議派發末期股息每股普通股3.75美仙。此建議末期股息於財務狀況表中不視為應付股息，但被視為分配截至2012年12月31日止年度之保留溢利。

At meeting held on 21 March 2012, the directors recommended the payment of final dividend of US3.75 cents per ordinary share. The proposed final dividend has not been recognised as dividend payables in the statement of financial position, but will be reflected as an appropriation of retained profits for the year ending 31 December 2012.

(b) 於本年內批准及派發歸屬於上一財政年度予本公司擁有人之應得股息：

(b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year:

		2011 千美元 US\$'000	2010 千美元 US\$'000
於本年內批准及於本年內派發屬於前年度末期股息為每股普通股4.27美仙 (2010年： 每股普通股3.43美仙)	Final dividend in respect of the previous financial year, approved and paid during the year, of US4.27 cents (2010: US3.43 cents) per ordinary share	238,609	191,627

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截至2011年12月31日止年度  
For the year ended 31 December 2011

### 14. 每股溢利

以下為每股基本溢利及每股攤薄溢利之計算：

#### (a) 每股基本溢利

		2011	2010
本公司股東年內應佔溢利(千美元)	Profit attributable to ordinary shareholders (US\$'000)	419,545	476,787
已發行普通股之加權平均股數(千股)	Weighted average number of ordinary shares ('000)	5,588,567	5,586,793
每股基本溢利(美仙)	Basic earnings per share (US cents)	7.51	8.53

### 14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

#### (a) Basic earnings per share

		2011	2010
本公司股東年內應佔溢利(千美元)	Profit attributable to ordinary shareholders (US\$'000)	419,545	476,787
已發行普通股之加權平均股數(千股)	Weighted average number of ordinary shares ('000)	5,588,567	5,586,793
每股基本溢利(美仙)	Basic earnings per share (US cents)	7.51	8.53

#### (b) 每股攤薄溢利

		2011	2010
本公司股東年內應佔溢利(千美元)	Profit attributable to ordinary shareholders (US\$'000)	419,545	476,787
普通股加權平均數(攤薄)(千股)	Weighted average number of ordinary shares (diluted) ('000)		
已發行普通股之加權平均股數	Weighted average number of ordinary shares	5,588,567	5,586,793
本公司購股權計劃之影響	Effect of the Company's share option scheme	24,949	20,402
用於計算每股攤薄溢利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculated diluted earnings per share	5,613,516	5,607,195
每股攤薄溢利(美仙)	Diluted earnings per share (US cents)	7.47	8.50



# 賬目附註

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### 15. 物業、機器及設備

### 15. PROPERTY, PLANT AND EQUIPMENT

#### 本集團

#### Group

		樓宇 Buildings 千美元 US\$'000	機器及設備 Machinery and equipment 千美元 US\$'000	電器及設備 Electrical appliances and equipment 千美元 US\$'000	雜項設備 Miscellaneous equipment 千美元 US\$'000	在建工程 Construction in progress 千美元 US\$'000	合計 Total 千美元 US\$'000
賬面值對賬 – 截至 2010年12月 31日止年度	Reconciliation of carrying amount – year ended 31 December 2010						
於年初	At beginning of year	461,086	1,298,637	13,471	74,913	368,531	2,216,638
添置	Additions	9,394	253,296	3,183	75,310	624,450	965,633
落成後轉撥	Transfer upon completion	101,199	308,357	215	14,029	(423,800)	—
減值虧損 (附註i)	Impairment loss (Note i)	(5,846)	(28,704)	—	(970)	—	(35,520)
出售	Disposals	(3,180)	(4,776)	(280)	(2,476)	—	(10,712)
轉撥至持作 出售資產	Transferred to assets classified as held for sale	(1,637)	(1,599)	(77)	(1,313)	(217)	(4,843)
折舊	Depreciation	(30,307)	(190,256)	(3,877)	(50,614)	—	(275,054)
滙兌差額	Exchange differences	14,532	36,439	1,583	2,209	12,031	66,794
於結算日	At end of the reporting period	545,241	1,671,394	14,218	111,088	580,995	2,922,936

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### 15. 物業、機器及設備 (續)

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

本集團 (續)

Group (Continued)

		電器及設備					合計
		樓宇	機器及設備	電器及設備	雜項設備	在建工程	
		Buildings	Machinery and equipment	Electrical appliances and equipment	Miscellaneous equipment	Construction in progress	Total
		千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>賬面值對賬 – 截至</b>	<b>Reconciliation of carrying</b>						
<b>2011年12月</b>	<b>amount –year ended</b>						
<b>31日止年度</b>	<b>31 December 2011</b>						
於年初	At beginning of year	545,241	1,671,394	14,218	111,088	580,995	2,922,936
添置	Additions	20,904	225,592	4,280	113,767	984,946	1,349,489
落成後轉撥	Transfer upon completion	86,548	486,191	282	19,725	(592,746)	—
減值虧損 (附註i)	Impairment loss (Note i)	—	(4,169)	—	—	—	(4,169)
減值虧損撥回 (附註i)	Reversal of impairment loss (Note i)	—	3,500	—	—	—	3,500
出售	Disposals	(50,553)	(3,058)	(282)	(2,552)	—	(56,445)
折舊	Depreciation	(36,191)	(199,637)	(4,455)	(77,261)	—	(317,544)
滙兌差額	Exchange differences	25,626	72,431	535	5,955	27,558	132,105
<b>於結算日</b>	<b>At end of the reporting period</b>	<b>591,575</b>	<b>2,252,244</b>	<b>14,578</b>	<b>170,722</b>	<b>1,000,753</b>	<b>4,029,872</b>
<b>於2011年1月1日</b>	<b>At 1 January 2011</b>						
原值	Cost	789,750	2,714,615	34,176	218,621	580,995	4,338,157
累計折舊和減值虧損	Accumulated depreciation and impairment losses	(244,509)	(1,043,221)	(19,958)	(107,533)	—	(1,415,221)
賬面淨值	Net carrying amount	545,241	1,671,394	14,218	111,088	580,995	2,922,936
<b>於2011年12月31日</b>	<b>At 31 December 2011</b>						
原值	Cost	843,503	3,498,465	38,174	355,998	1,000,753	5,736,893
累計折舊和減值虧損	Accumulated depreciation and impairment losses	(251,928)	(1,246,221)	(23,596)	(185,276)	—	(1,707,021)
賬面淨值	Net carrying amount	591,575	2,252,244	14,578	170,722	1,000,753	4,029,872



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 15. 物業、機器及設備 (續)

#### 本集團 (續)

附註：

- (i) 年內，本集團考慮了不斷的現代化，擴充及新生產線的投入，評估了機器設備之可收回金額。一些機器設備因長期閒置或功能退化需要減值。這些機器設備賬面值因此減值4,169,000美元 (2010年：29,674,000美元)。去年因非核心工廠關閉而產生之機器設備減值損失為5,846,000美元。該機器設備之可收回金額評估乃根據於其公允值減去於近日市場上同類機器設備可觀察之市場價值做參考的出售成本。年內，經過有效革新，一些在往年已減值之機器設備現在投入於生產更具盈利之產品。於計算日，本集團重新評估了這些機器設備之可收回金額，回沖減值損失3,500,000美元 (2010年：無)。

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### Group (Continued)

Notes :

- (i) During the year, the Group carried out a review of the recoverable amounts of its manufacturing machineries, having regards to the ongoing programme of modernisation, expansion and the introduction of new product lines. The review determined that a number of those assets were to be impaired due to prolonged idle and technical obsolescence. Accordingly, the carrying amounts of these manufacturing machineries were written down by US\$4,169,000 (2010: US\$29,674,000). The impairment losses of US\$5,846,000 in respect of certain production plants were made in prior year mainly due to closure of non-core production factories. The estimates of the recoverable amounts of these manufacturing plant and machineries, principally based on their fair value less costs to sell, determined by reference to the recent observable market prices for similar assets in the market. During the year, due to successful reformation, certain machineries which have been impaired previously, are currently used in production of more profitable products. At the end of the reporting period, the Group re-assessed the recoverable amounts of these machineries and impairment loss of US\$3,500,000 was reversed (2010: US\$Nil).

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截至2011年12月31日止年度  
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### 15. 物業、機器及設備 (續)

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (b) 本公司

#### (b) Company

		2011			2010		
		機器及設備		合計	機器及設備		合計
		Machinery and equipment	雜項設備 Miscellaneous equipment	Total	Machinery and equipment	雜項設備 Miscellaneous equipment	Total
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
<b>賬面值對賬</b>	<b>Reconciliation of carrying amount</b>						
於年初	At beginning of the year	90	30	120	118	13	131
添置	Additions	—	12	12	—	23	23
出售	Disposals	(1)	(1)	(2)	(1)	(1)	(2)
折舊	Depreciation	(22)	(9)	(31)	(34)	(5)	(39)
滙兌差額	Exchange differences	—	—	—	7	—	7
<b>於結算日</b>	<b>At end of the reporting period</b>	<b>67</b>	<b>32</b>	<b>99</b>	90	30	120
<b>於12月31日</b>	<b>At 31 December</b>						
原值	Cost	835	62	897	846	71	917
累計折舊	Accumulated depreciation	(768)	(30)	(798)	(756)	(41)	(797)
<b>賬面淨值</b>	<b>Net carrying amount</b>	<b>67</b>	<b>32</b>	<b>99</b>	90	30	120





# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 16. 附屬公司權益

### 16. INTEREST IN SUBSIDIARIES

		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000
非上市股份，按原值列賬	Unlisted shares, at cost	343,739	343,739
對附屬公司投資之增加	Contribution to a subsidiary	6,422	2,542
減值虧損	Impairment losses	(33,065)	(33,065)
		317,096	313,216
應收附屬公司款項	Amounts due from subsidiaries	248,764	247,821
減值虧損	Impairment losses	(10,853)	(9,094)
		237,911	238,727
應付附屬公司款項	Amounts due to subsidiaries	(50,513)	(99,078)
		504,494	452,865

由於部份附屬公司權益之賬面值大於其可收回金額，減值虧損已認列於該附屬公司權益賬面值36,613,000美元內(2010年：36,613,000美元)(減值虧損前)。

由於部份附屬公司於本年度錄得持續虧損並在可見將來無正現金流，減值虧損17,124,000美元(2010年：17,102,000美元)已認列於該附屬公司賬面值1,759,000美元之應收款項內(2010年：9,094,000美元)(減值虧損前)。

Impairment losses were recognised for certain interest in subsidiaries with carrying amounts of US\$36,613,000 (2010: US\$36,613,000) (before deducting the impairment loss) because their carrying values exceed the recoverable amounts of the assets.

An impairment was recognised for amounts due from certain subsidiaries with carrying amounts of US\$17,124,000 (2010: US\$17,102,000) (before deducting the impairment loss) because the subsidiaries had suffered continuous losses with no positive cash flows in the foreseeable future. Impairment loss of US\$1,759,000 (2010: US\$9,094,000) has been recognised during the year.

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 16. 附屬公司權益 (續)

應收／應付附屬公司之款項為無抵押、免息及無固定還款期，並預期於本結算日起十二個月內認列／還款。

於2011年12月31日主要附屬公司之詳情列示於附註39。

並沒有任何附屬公司於本年度或本結算日持有債券。

### 17. 土地租約溢價

土地租約溢價指位於中國境內之中期租賃土地成本。該成本按租賃期攤銷。於結算日12個月內應攤銷金額為4,290,000美元 (2010年：2,866,000美元)已計入預付款項及其他應收款項。

### 16. INTEREST IN SUBSIDIARIES (Continued)

Amounts due from/to subsidiaries are unsecured, interest-free and have no fixed repayment term but are not expected to be realised/repaid within the next twelve months after the end of the reporting period.

Details of principal subsidiaries at 31 December 2011 are shown in note 39.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

### 17. PREPAID LEASE PAYMENTS

Prepaid lease payments represent cost paid for medium-term leasehold land in the PRC. The cost is amortised over the leasehold period. The amount to be amortised within twelve months after the end of the reporting period amounted to US\$4,290,000 (2010: US\$2,866,000) and is included in prepayments and other receivables.



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 18. 可供出售金融資產

### 18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
於香港以外之上市 股本證券市值 公允值	<b>Equity security, listed outside Hong Kong</b> At fair value	<b>92,518</b>	109,251	<b>55,095</b>	73,937
私募投資基金 公允值	<b>Private investment funds</b> At fair value	<b>8,496</b>	—	<b>8,496</b>	—
非上市股本證券 原值	<b>Equity securities, unlisted</b> At costs	<b>11,452</b>	11,452	<b>3,140</b>	3,140
減值虧損	Impairment losses	<b>(8,044)</b>	(8,044)	<b>(342)</b>	(342)
		<b>3,408</b>	3,408	<b>2,798</b>	2,798
		<b>104,422</b>	112,659	<b>66,389</b>	76,735

上市股份之公允值以台灣證券交易所上的公開買入報價釐定。公允值變更已被確認及累計以借方入賬於投資重估價儲備內，金額為16,733,000美元（2010年：以貸方入賬於投資重估價儲備11,109,000美元）。

私募投資基金為於兩個海外基金之投資，分別為成立於英屬開曼島的有限責任合夥企業及成立於英屬處女島的股份有限責任公司，以達到可觀的回報為目的。本公司已訂約並承諾向此等基金投資總計50,000,000美元（2010：無），而其中8,496,000美元已於結算期內出資。此等基金之公允價值由相關投資經理於結算日作出評估。

The fair value of the listed securities is determined based on the quoted market bid price available in the Taiwan Stock Exchange. Changes in fair value of US\$16,733,000 (2010: US\$11,109,000 were credited to investment revaluation reserve) were debited to investment revaluation reserve.

The private investment funds represent investments in two overseas funds which were set up by limited partnership in Cayman Islands and liability limited by shares in British Virgin Islands respectively, aim at achieving substantial return. The Company has entered into agreements and committed to invest in aggregate of US\$50,000,000 (2010: US\$Nil) in these funds, of which amount of US\$8,496,000 was paid during the reporting period. The fair values of these funds are valued by the respective investment managers at the end of the reporting period.

## Notes to the Financial Statements

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### 18. 可供出售金融資產

非上市投資指非上市股本證券之長期投資。基於需合理估計公允價值的考慮範圍甚為重要，董事認為非上市投資之公允價值不能可靠地計量，故非上市證券乃以成本減去於結算日之減值計量。

本集團無意圖變賣其可供出售金融資產的投資。

可供出售金融資產乃以下列貨幣列值：

### 18. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

The unlisted investments represent long-term investments in unlisted equity securities. They are measured at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.

The Group has no intention to dispose of the investments in available-for-sale financial assets.

The available-for-sales financial assets are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
美元	US\$	9,510	1,014	9,510	1,014
人民幣	RMB	732	732	—	—
新台幣	New Taiwan dollar ("NTD")	93,954	110,809	56,653	75,495
其他	Others	226	104	226	226



# 賬目附註

## Notes to the Financial Statements

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### 19. 按公允價值列賬及在損益賬處理的金融資產

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
持作買賣投資	<b>Investments held for trading</b>				
— 於香港以外上市之股本證券	Equity securities, listed outside Hong Kong	551	762	551	762
— 美元貨幣基金	US\$ currency fund	9	9	9	9
		560	771	560	771

按公允價值列賬及在損益賬處理之金融資產乃以下列貨幣列值：

The financial assets at fair value through profit or loss are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
美元	US\$	9	9	9	9
新台幣	NTD	551	762	551	762

## Notes to the Financial Statements

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### 20. 存貨

### 20. INVENTORIES

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
原材料	Raw materials	145,095	169,556
在製品	Work in progress	14,909	11,822
製成品	Finished goods	152,558	128,423
		<b>312,562</b>	309,801

### 21. 應收賬款

### 21. TRADE RECEIVABLES

本集團之銷售大部份為貨到收現，餘下的銷售之信貸期主要為30至90天。有關應收賬款(扣除壞賬及呆賬減值虧損)於結算日按發票日期編製之賬齡分析列示如下：

The majority of the Group's sales is cash-on-delivery. The remaining balances of sales are mainly at credit term ranging from 30 to 90 days. The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts), based on invoice date, at the end of the reporting period is as follows:

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
0 - 90天	0 - 90 days	146,883	121,849
90天以上	Over 90 days	8,157	5,881
		<b>155,040</b>	127,730



# 賬目附註

## Notes to the Financial Statements

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### 21. 應收賬款 (續)

已過期但未減值之應收賬款賬齡：

### 21. TRADE RECEIVABLES (Continued)

Ageing of amounts that are past due but not impaired:

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
已超過正常賬齡之應收款項	Balances exceeded normal credit period:		
過期30天內	Within 30 days	4,567	4,147
過期31至90天	31-90 days	3,214	2,621
過期超過90天	Over 90 days	2,665	1,232
		<b>10,446</b>	8,000

這些非逾期或未減值的應收賬款相關之客戶於近期並無拖欠賬款記錄。

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

這些過期但未減值的應收賬款，是來自本集團多名具有良好紀錄的獨立客戶。由於其信譽並無重大的變化，本集團並無對這些賬款餘額作減值，並且管理層認為這些賬款可收回。本集團並未持有任何與這些賬款相關的抵押品。

The trade receivables that are past due but not impaired related to a number of independent customers that have a good track record with the Group. The Group has not impaired these debtors as there has not been a significant change in credit quality and the directors believe that the amounts are recoverable. The Group does not hold any collateral over these balances.

應收賬款主要以人民幣列值。

The trade receivables are mainly denominated in RMB.



## Notes to the Financial Statements

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### 22. 預付費用及其他應收款

### 22. PREPAYMENTS AND OTHER RECEIVABLES

		附註 Note	本集團 Group		本公司 Company	
			2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
預付貨款	Prepayments to suppliers for purchase of goods		5,179	8,103	—	—
預付設備款	Prepayments for purchase of equipments		30,010	28,654	—	—
預付增值稅	Prepaid value-added taxes		71,874	62,550	—	—
預付營運開支	Prepaid operating expenses		119,591	71,789	—	—
應收貸款	Loan receivables	22(a)	102,393	57,843	—	—
其他	Others		38,767	51,765	992	1,155
			<b>367,814</b>	<b>280,704</b>	<b>992</b>	<b>1,155</b>

#### 22(a) 應收貸款

應收貸款乃由本集團之附屬公司貸款予其原材料供應商供其作營運用途之款項。此等應收貸款為無抵押，須於一年內償還及附年息由5.35%至7.02%（2010：4.99%至5.60%）的貸款。

本公司董事預期此等貸款將於結算日後十二個月內全數收回。根據以現行市場利率折算之預期未來現金流之現值來判斷，此等貸款在結算日之公允價值與其有關賬面值相符。

在結算日當日並無已逾期但未付之利息，亦無因未能收回貸款及利息作出撥備。

#### 22(a) Loan receivables

Loan receivables represent the advances by wholly owned subsidiaries of the Company to raw materials suppliers of the Group for the purpose of the operations use of the suppliers. The loan receivables are unsecured, repayable within 12 months from the date of drawdown and bear interest ranging from 5.35% to 7.02% (2010: from 4.99% to 5.60%) per annum.

The directors expected the amounts will be realised in the next twelve months after the end of the reporting period. The fair value of the amounts as at the end of the reporting period, determined based on the present value of the estimated future cash flows discounted using prevailing market rate, approximate their corresponding carrying amount.

At the end of the reporting period, there was no interest due but unpaid and no provision had been made for non-repayment of the advances and interest.



# 賬目附註

## Notes to the Financial Statements

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### 23. 應收附屬公司款項

應收附屬公司之款項金額160,000,000美元(2010年: 20,000,000美元及5,000,000美元)為無抵押、附年息1.45%(2010年分別為: 1.255%及1.25%)及須於一年內償還之貸款。

### 23. AMOUNTS DUE FROM A SUBSIDIARY

Amounts due from a subsidiary of US\$160,000,000 (2010: US\$20,000,000 and US\$5,000,000) are unsecured, bearing interest at 1.45% (2010: 1.255% and 1.25% respectively) per annum and repayable within 1 year.

### 24. 現金及等同現金項目

### 24. CASH AND CASH EQUIVALENTS

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
銀行結餘及現金	Bank balances and cash	590,390	881,316
抵押銀行存款	Pledged bank deposits	9,662	12,024
於綜合現金流量表列示	As stated in the consolidated statement of cash flows	600,052	893,340

銀行存款已予抵押，作為提供本集團一般銀行及貿易融資的銀行授信之抵押品。

The pledged bank deposits are secured for general banking and trade finance facilities, including the issuance of bank acceptance bills, granted to the Group by banks.

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### 24. 現金及等同現金項目 (續)

現金及等同現金項目以下列貨幣列值：

### 24. CASH AND CASH EQUIVALENTS (Continued)

The cash and cash equivalents are denominated in the following currencies:

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
人民幣	RMB	500,352	799,484
美元	US\$	81,645	84,836
歐元	EUR	12,897	1,703
其他	Others	5,158	7,317

有關外匯風險的部份，於附註36詳述。

Details of the Group's foreign currency risk and credit risk discussion are set out in note 36.



# 賬目附註

## Notes to the Financial Statements

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### 25. 發行股本

### 25. ISSUED CAPITAL

		本公司 Company			
		2011		2010	
		股份數目 No. of shares	千美元 US\$'000	股份數目 No. of shares	千美元 US\$'000
法定： 每股0.005美元 之普通股	Authorised: Ordinary shares of US\$0.005 each	7,000,000,000	35,000	7,000,000,000	35,000
已發行及繳足： 於年初	Issued and fully paid: At the beginning of the year	5,586,793,360	27,934	5,586,793,360	27,934
根據購股權計劃 發行之股份	Shares issued under share option scheme	3,320,000	17	—	—
於結算日	At the end of the reporting period	5,590,113,360	27,951	5,586,793,360	27,934

2011年5月至8月，3,320,000購股權獲行使以認購本公司3,320,000普通股股份，總代價為5,571,000美元，其中17,000美元計入股本，而結餘5,554,000美元計入股份溢價賬。2,003,000美元由儲備轉撥至股份溢價賬。

During May to August 2011, 3,320,000 options were exercised to subscribe for 3,320,000 ordinary shares of the Company at a consideration of US\$5,571,000 of which US\$17,000 was credited to share capital and the balance of US\$5,554,000 was credited to the share premium account. US\$2,003,000 has been transferred from the share-based payment reserve to the share premium account.

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### 26. 儲備

### 26. RESERVES

本公司		Company						
		股份贖回 儲備 Capital redemption reserve 千美元 US\$'000	股份 溢價 Share premium 千美元 US\$'000	外幣換算 儲備 Exchange translation reserve 千美元 US\$'000	購股權 儲備 Share-based payment reserve 千美元 US\$'000	投資重估 價儲備 Investment revaluation reserve 千美元 US\$'000	保留溢利 Retained profits 千美元 US\$'000	總額 Total 千美元 US\$'000
於2010年1月1日	At 1 January 2010	45	330,492	(1,233)	3,030	—	152,415	484,749
本年度溢利	Profit for the year	—	—	—	—	—	45,985	45,985
其他全面收益	Other comprehensive income							
匯兌差額	Exchange translation difference	—	—	(1,017)	—	—	—	(1,017)
可供出售金融資產 公允值之變動	Fair value change in of available-for-sale financial assets	—	—	—	—	7,518	—	7,518
其他全面收益總額	Total other comprehensive income	—	—	(1,017)	—	7,518	—	6,501
本年度全面收益總額	Total comprehensive income for the year	—	—	(1,017)	—	7,518	45,985	52,486
與本公司股東之交易	Transactions with owners of the Company:							
權益結算股份支付之款項	Equity settled share-based transactions	—	—	—	5,020	—	—	5,020
已付2009年末期股息	2009 final dividend paid	—	(39,212)	—	—	—	(152,415)	(191,627)
與本公司股東 之交易總額	Total transactions with owners of the Company	—	(39,212)	—	5,020	—	(152,415)	(186,607)
於2010年12月31日	At 31 December 2010	45	291,280	(2,250)	8,050	7,518	45,985	350,628



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### 26. 儲備 (續)

### 26. RESERVES (Continued)

本公司 (續)

Company (Continued)

		股份贖回 儲備 Capital redemption reserve 千美元 US\$'000	溢價 Share premium 千美元 US\$'000	外幣換算 儲備 Exchange translation reserve 千美元 US\$'000	購股權 儲備 Share-based payment reserve 千美元 US\$'000	投資重估 價儲備 Investment revaluation reserve 千美元 US\$'000	保留溢利 Retained profits 千美元 US\$'000	總額 Total 千美元 US\$'000
於2011年1月1日	At 1 January 2011	45	291,280	(2,250)	8,050	7,518	45,985	350,628
本年度溢利	Profit for the year	—	—	—	—	—	165,279	165,279
其他全面收益	Other comprehensive income							
匯兌差額	Exchange translation difference	—	—	54	—	—	—	54
可供出售金融資產 公允值之變動	Fair value change in available-for-sale financial assets	—	—	—	—	(18,842)	—	(18,842)
其他全面收益總額	Total other comprehensive income	—	—	54	—	(18,842)	—	(18,788)
本年度全面收益總額	Total comprehensive income for the year	—	—	54	—	(18,842)	165,279	146,491
與本公司股東之交易	Transactions with owners of the Company:							
權益結算股份支付之款項	Equity-settled share-based transactions	—	—	—	13,349	—	—	13,349
根據購股權計劃發行 之股份	Share issued under share option scheme	—	7,557	—	(2,003)	—	—	5,554
已付2010年末期股息	2010 final dividend paid	—	(192,624)	—	—	—	(45,985)	(238,609)
與本公司股東 之交易總額	Total transactions with owners of the Company	—	(185,067)	—	11,346	—	(45,985)	(219,706)
於2011年12月31日	At 31 December 2011	45	106,213	(2,196)	19,396	(11,324)	165,279	277,413

### 26. 儲備 (續)

#### 股份贖回儲備

股份贖回儲備乃根據開曼群島之公司法有關回購及註銷本公司股份之條款而設立。

#### 股份溢價

根據開曼島公司條例，當公司以溢價發行股份時，不論是以現金或其他形式發行，在發行股份時所得的累計溢價均轉撥至股份溢價賬。

股份溢價賬之應用是根據開曼群島公司法之規定。

在符合公司章程規定之情況下，本公司之股份溢價可被分派予股東，惟本公司於分派後須仍有能力償還在日常業務中到期繳付之債務。本公司於2011年12月31日之可供分派儲備為271,492,000美元 (2010年：337,265,000美元)。

#### 外匯換算儲備

外幣換算儲備之設立及處理乃根據本公司有關外幣換算之會計政策。

### 26. RESERVES (Continued)

#### Capital redemption reserve

Capital redemption reserve has been set up in accordance with the provisions of the Companies Law of the Cayman Islands on repurchases and cancellations of the Company's own shares.

#### Share premium

Under the Companies Law of the Cayman Islands, where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on their shares shall be transferred to share premium account.

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

Share premium of the Company is distributable to shareholders subject to the provisions of the Company's Memorandum and Articles of Association and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's distributable reserves as at 31 December 2011 amounted to US\$271,492,000 (2010: US\$337,265,000).

#### Exchange translation reserve

The exchange translation reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation.





### 26. 儲備 (續)

#### 一般儲備

根據中國有關規例，中國附屬公司須將一筆不少於其除稅後溢利（按照中國會計規例編製有關中國附屬公司之法定賬目內呈列）10%之款項轉撥往一般儲備。倘一般儲備之總額達有關中國附屬公司註冊股本之50%時，該公司可毋須再作任何轉撥。

#### 購股權儲備

購股權儲備包括授予本集團僱員但尚未行使之購股權於授出日期之公平值之部分，並根據會計準則有關以股份為基礎之付款處理，詳情列示於附註3。

#### 投資重估價儲備

投資重估價儲備乃根據會計準則有關可供出售之金融資產公允值變更而設立，詳情列示於附註3。

### 26. RESERVES (Continued)

#### General reserve

In accordance with the relevant PRC regulations, the PRC subsidiaries are required to appropriate to the general reserve an amount not less than 10% of the amount of profit after taxation (as reported in the respective statutory financial statements of the PRC subsidiaries prepared in accordance with PRC accounting regulations). If the accumulated general reserve reaches 50% of the registered capital of the respective PRC subsidiaries, the enterprise may not be required to make any further appropriation.

#### Share-based payment reserve

Share-based payment reserve comprises the fair value at the grant date of unexercised share options granted to employees of the Group and will be dealt with in accordance with the accounting policy adopted for share-based payments as set out in note 3 to the consolidated financial statements.

#### Investment revaluation reserve

The investment revaluation reserve has been set up and will be dealt with in accordance with the accounting policies adopted for the changes of fair value in available-for-sale financial assets as set out in note 3 to the consolidated financial statements.

### 27. 以權益結算股份支付之交易

有關批准採納購股權計劃（「計劃」）之決議案已在於2008年3月20日通過。該計劃之目的乃鼓勵參與者（詳細如下）並確認他們曾對本集團作出的貢獻。

董事會可按其考慮授予以下人士購股權：

- (i) 公司及其附屬公司的任何全職或兼職僱員，行政人員或高級僱員；
- (ii) 公司及其附屬公司的任何董事（包括非執行董事及獨立非執行董事）；及
- (iii) 公司及其附屬公司的任何顧問，諮詢者，供應商，顧客及代理。

除經公司股東批准，該計劃及任何本公司之其他購股權計劃所授予之購股權涉及之股份數目不得超過本公司於採納此計劃當日（即2008年3月20日）之已發行股份的10%。於結算日，已授予的購股權為71,194,000股（2010年：53,492,000股），而未行使的購股權為62,273,000股（2010年：49,714,000股），佔全公司當日已發行的股份1.1%（2010年：0.9%）。

### 27. EQUITY SETTLED SHARE-BASED TRANSACTION

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 20 March 2008. The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants (as defined below) had or may have made to the Group.

The Board of Directors may, at its discretion, offer to grant an option to:-

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

Without prior approval from the Company's shareholders, the maximum number of shares in respect of which options may be granted under the Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the time the Scheme is adopted by the shareholders (i.e. 20 March 2008). At the end of reporting period, the number of shares in respect of which options had been granted was 71,194,000 (2010: 53,492,000) and remained outstanding under the Scheme was 62,273,000 (2010: 49,714,000), representing 1.1% (2010: 0.9%) of the shares of the Company in issue at that date.



# 賬目附註

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### 27. 以權益結算股份支付之交易 (續)

每名參與者在該計劃或其他購股權下可享有的最高授予股數(包括已行使及未行使之購股權), 在任何授予日始之12個月內不得超過在授予日期時已發行股份的1%。多於1%為限的授予須獲公司股東的批准。

行使價由董事會的董事決定, 而行使價將不少於(i)股份在購股權授予日於聯交所載的收市價; (ii)股份在購股權授予日前5個營業日於聯交所的平均收市價; 及(iii)股份的面值中之最高價值。

購股權計劃的行使期由董事會決定, 而購股權之行使期不多於授予後之10年。持購股權者被授予之每一批購股權之認購價為港幣一元。每一購股權授予持購股權者兌換本公司一股普通股的權利。

### 27. EQUITY SETTLED SHARE-BASED TRANSACTION

(Continued)

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to an individual 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. Any further grant of options in excess of this 1% limit shall be subject to the shareholders' approval.

The exercise price is determined by the Company's Board of Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The period during which an option may be exercised will be determined by the Company's Board of Directors, save that no option may be exercised more than 10 years after it has been granted. The options will be vested after five years from the date of grant. A nominal consideration at HK\$1 was paid by each option holder for each lot of share option granted. Each option gives the holder the right to subscribe for one ordinary share in the Company.

## Notes to the Financial Statements

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### 27. 以權益結算股份支付之交易 (續)

已授予之購股權詳情及於2010年及2011年12月31日年度內之變動如下：

### 27. EQUITY SETTLED SHARE-BASED TRANSACTION

(Continued)

Details of share options granted by the Company pursuant to the Scheme and the share options outstanding as at 31 December 2011 and 2010 are as follows:

授予日期 Grant date	授予購股權數目 Number of share options granted	未行使的 購股權數目 Number of share options outstanding		行使價 Exercise price HK\$	行使期 Exercisable period
		2011	2010		
20 March 2008 2008年3月20日	11,760,000	9,760,000	10,680,000	9.28	21 March 2013 to 20 March 2018 2013年3月21日至 2018年3月20日
22 April 2009 2009年4月22日	26,688,000	22,404,000	24,230,000	9.38	23 April 2014 to 22 April 2019 2014年4月23日至 2019年4月22日
1 April 2010 2010年4月1日	15,044,000	13,609,000	14,804,000	18.57	1 April 2015 to 31 March 2020 2015年4月1日至 2020年3月31日
12 April 2011 2011年4月12日	17,702,000	16,500,000	—	19.96	12 April 2016 to 11 April 2021 2016年4月12日至 2021年4月11日



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### 27. 以權益結算股份支付之交易 (續)

尚未行使之購股權及其加權平均行使價之變動如下：

### 27. EQUITY SETTLED SHARE-BASED TRANSACTION

(Continued)

Movements in the number of option outstanding and their weighted average exercise prices are as follows:

		本集團及本公司 Group and Company			
		2011		2010	
		加權平均 行使價 Weighted average exercise price HK\$	購股權數目 Number of options '000	加權平均 行使價 Weighted average exercise price HK\$	購股權數目 Number of options '000
於年初	At the beginning of year	12.10	49,714	9.35	37,126
於年內行使	Exercised during the year	13.14	(3,320)	—	—
於年內授出	Granted during the year	19.96	17,702	18.57	15,044
於年內沒收	Forfeited during the year	15.48	(1,823)	10.24	(2,456)
<b>於結算日</b>	<b>At the end of the reporting period</b>	<b>14.18</b>	<b>62,273</b>	12.10	49,714

於行使日，年內行使的購股權的加權平均股價為23.59元。沒有購股權在2010年內行使。

於2011年12月31日，尚未行使購股權的加權平均餘下合約期為7.86年(2010年：8.35年)。

自結算日至該等財務報表日期根據購股權計劃授出的186,000購股權已獲行使。

The weighted average share price at the date of exercise for shares options exercised during the year was \$23.59. No share option was exercised during the year ended 31 December 2010.

The options outstanding at 31 December 2011 had a weighted average remaining contractual life of 7.86 years (2010: 8.35 years).

Subsequent to the end of the reporting period and up to the date of these financial statements, 186,000 share options under the Share Option Scheme were exercised.

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### 27. 以權益結算股份支付之交易 (續)

購股權授予當日之公允值乃經考慮交易條款及細則後，以二項式購股權定價模式釐定。因受到計算公允值時的假設及所採用計算模式之限制，公允值之計算為比較主觀及不確定。計算購股權公允值時使用之資料如下：—

### 27. EQUITY SETTLED SHARE-BASED TRANSACTION

(Continued)

The fair value of the share options granted is measured at the date of grant, using the binomial option pricing model, taking into account the terms and conditions of the share-based arrangement. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The inputs into the model are as follows:—

#### 於下列日期授出之購股權 Share options granted on

		2011年 4月12日 12 April 2011	2010年 4月1日 1 April 2010	2009年 4月22日 22 April 2009	2008年 3月20日 20 March 2008
授予日之 公允值	Fair value at grant date	每股 7.61 港元 HK\$7.61 per share	每股 7.24 港元 HK\$7.24 per share	每股 3.34 港元 HK\$3.34 per share	每股 3.74 港元 HK\$3.74 per share
授予日之 收市價	Share price at grant date	每股 19.88 港元 HK\$19.88 per share	每股 18.42 港元 HK\$18.42 per share	每股 9.37 港元 HK\$9.37 per share	每股 8.55 港元 HK\$8.55 per share
行使價格	Exercise price	每股 19.96 港元 HK\$19.96 per share	每股 18.57 港元 HK\$18.57 per share	每股 9.38 港元 HK\$9.38 per share	每股 9.28 港元 HK\$9.28 per share
無風險情況 之利率	Risk-free interest rate	4.30%	4.10%	2.51%	4.37%
預期波幅	Expected volatility	31%	33%	36%	40%
預期行使期	Expected life	10年 10 years	10年 10 years	10年 10 years	10年 10 years
預期股息率	Expected dividend yield	2%	2%	2%	2%

預期波幅是按過去一年期間內公司股份收市價的概約波幅，計算購股權公允值時使用之變數及假設乃按管理層最佳之估計。

於2011年，已於收益表確認之以權益結算股份支付之款項為13,349,000美元(2010年：5,020,000美元)。

The expected volatility was determined by using the historical volatility of the Company's share price over the last one year of share option granted. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate.

During 2011, US\$13,349,000 (2010: US\$5,020,000) was charged to profit or loss in respect of equity settled share-based transactions.



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### 28. 有息借貸

### 28. INTEREST-BEARING BORROWINGS

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
銀行貸款，將到期：	The maturity of the unsecured bank loans is as follows:				
1年內	Within one year	700,695	456,876	205,000	157,000
第2年	In the second year	107,814	91,964	35,000	40,000
第3年至第5年 (包括首尾2年)	In the third to fifth years, inclusive	441,568	85,295	170,000	25,000
		1,250,077	634,135	410,000	222,000
被分類為 流動負債部份	Portion classified as current liabilities	(700,695)	(456,876)	(205,000)	(157,000)
非流動部分	Non-current portion	549,382	177,259	205,000	65,000

加權平均年利率為1.32% (2010年：1.36%)。

The weighted average effective interest rate on the bank loans is 1.32% (2010: 1.36%) per annum.



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### 28. 有息借貸 (續)

按類別劃分之合計貸款賬面值之分析  
列示如下：

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
固定利率	At fixed rates	50,366	60,055	—	—
浮動利率	At floating rates	1,199,711	574,080	410,000	222,000
		<b>1,250,077</b>	634,135	<b>410,000</b>	222,000

有息借貸以下列貨幣列值：

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
人民幣	RMB	81,031	9,918	—	—
美元	US\$	1,074,925	535,690	410,000	222,000
日元	JPY	20,025	—	—	—
歐元	EUR	74,096	88,527	—	—

有關外匯風險的部份，於附註36詳  
述。

An analysis of the carrying amounts of the Group's and the  
Company's total borrowings by type is as follows:

The interest-bearing borrowings are denominated in the  
following currencies:

Details of the Group's foreign currency risk and interest rate risk  
discussion are set out in note 36.



# 賬目附註

## Notes to the Financial Statements

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### 29. 員工福利責任

#### 界定供款計劃

本集團為所有中國僱員參加由中國各地方政府組織的界定供款計劃。據此本集團需每月向此等計劃按僱員薪資額之指定百分比作出供款。本集團除支付上述每月的供款外，不必負責支付員工退休時及其後之福利。

#### 界定福利計劃

本集團亦為所有台灣僱員提供界定福利計劃。此退休金責任之計算是以僱員服務年期及最後6個月的平均薪資為基礎。此計劃的供款金額是根據獨立精算師美商韜睿惠悅台灣分公司（「韜睿惠悅」）之建議而釐訂。最新之精算評估是由韜睿惠悅於2011年12月31日以預計單位給付成本法進行。

### 29. EMPLOYEE BENEFIT OBLIGATIONS

#### Defined contribution plans

The Group participates in defined contribution plans organised by the relevant local government authorities in the PRC for all PRC employees whereby the Group is required to make monthly contributions to these plans at certain percentage of the relevant portion of the payroll of these employees to the pension scheme to fund the benefits. The Group has no obligation for the payment of retirement and other post-retirement benefits for the PRC employees other than the monthly contributions described above.

#### Defined benefit plans

The Group has defined benefit plans for Taiwan employees. Pension obligation is provided based on the length of service and average monthly salary for the final six months of employment. The contributions made by the Group during the year were calculated based on advice from Messrs. Towers Watson, Taiwan Branch ("Towers Watson"), an independent actuaries and consultants. The latest actuarial valuation was performed by Towers Watson as at 31 December 2011 using the projected unit credit method.

## Notes to the Financial Statements

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### 29. 員工福利責任 (續)

#### 界定福利計劃 (續)

本集團及本公司對其界定福利計劃所產生之責任並計入財務狀況表之款項：

### 29. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

#### Defined benefit plans (Continued)

The amounts included in the statement of financial position arising from the obligation of the Group and the Company in respect of its defined benefit plans are as follows:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
未供款責任現值	Present value of unfunded obligations	33,730	27,037	18,301	15,538
未認列之淨精算損失	Net actuarial losses not recognised	(19,666)	(14,940)	(9,876)	(7,724)
來自界定福利責任的淨負債	Net liability arising from defined benefit obligation	14,064	12,097	8,425	7,814

界定福利責任現值變動如下：

Movements in the present value of defined benefit obligations are as follows:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
於年初	At beginning of year	27,037	18,193	15,538	11,009
本年度服務成本	Current service cost	1,707	1,268	860	657
利息成本	Interest cost	550	367	225	222
精算損失	Actuarial losses	6,312	5,922	3,095	2,865
已付福利	Benefits paid	(932)	—	(932)	—
匯兌差額	Exchange differences	(944)	1,287	(485)	785
於結算日	At end of the reporting period	33,730	27,037	18,301	15,538

# 賬目附註

## Notes to the Financial Statements

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### 29. 員工福利責任 (續)

### 29. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

#### 界定福利計劃 (續)

#### Defined benefit plans (Continued)

認列於綜合收益表中的開支：

Total amount of expense recognised in the consolidated income statement:

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
本年度服務成本	Current service cost	1,707	1,268
利息成本	Interest cost	550	367
本年度認列之淨精算損失	Net actuarial losses recognised during the year	1,071	534
少計部分	Under-provided	—	(805)
本年度淨開支 (已包括行政費用)	Net expense for the year included in administrative expenses	3,328	1,364

入賬的主要假設為：

The principal assumptions used for accounting purposes were:

		本集團及本公司 Group and Company	
		2011 %	2010 %
折現率	Discount rate	1.75	2.00
預期薪酬升幅	Expected rate of salary increases	10.00	10.00

## Notes to the Financial Statements

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### 29. 員工福利責任 (續)

### 29. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

#### 界定福利計劃 (續)

#### Defined benefit plans (Continued)

本年及過往年度之金額如下：

Historical information:

		本集團 Group				
		2011 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000	2008 千美元 US\$'000	2007 千美元 US\$'000
界定福利 責任現值	Present value of the defined benefit obligations	<b>33,730</b>	27,037	18,193	10,255	7,718
計劃負債 之經驗調整	Experience adjustments arising on plan liabilities	<b>5,093</b>	(1,433)	(903)	1,815	735
		本公司 Company				
		2011 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000	2008 千美元 US\$'000	2007 千美元 US\$'000
界定福利 責任現值	Present value of the defined benefit obligations	<b>18,301</b>	15,538	11,009	6,538	5,342
計劃負債 之經驗調整	Experience adjustments arising on plan liabilities	<b>2,458</b>	(1,091)	(485)	927	551



# 賬目附註

## Notes to the Financial Statements

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### 30. 遞延稅項

本集團淨遞延稅項變動如下：

### 30. DEFERRED TAXATION

The movement for the year in the Group's net deferred tax position was as follows:

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
於年初	At beginning of year	53,714	55,400
計入(扣出)綜合收益表內	Charge (credit) to consolidated income statement	25,202	(1,686)
<b>於結算日</b>	<b>At end of the reporting period</b>	<b>78,916</b>	<b>53,714</b>

於結算日，已確認之遞延稅項資產及負債如下：

Recognised deferred tax assets and liabilities at the end of the reporting period represent the followings:

		本集團 Group			
		2011		2010	
		資產 Assets 千美元 US\$'000	負債 Liabilities 千美元 US\$'000	資產 Assets 千美元 US\$'000	負債 Liabilities 千美元 US\$'000
加速稅務折舊	Accelerated depreciation allowance	—	(36,544)	—	(27,637)
減速稅務折舊	Decelerated depreciation allowance	296	—	282	—
減值虧損	Impairment losses	10,624	—	14,621	—
未獲得發票之 預提費用	Un-invoiced accrual	32,088	—	25,797	—
預提稅	Withholding tax	—	(92,649)	—	(68,885)
其他	Others	9,168	(1,899)	9,751	(7,643)
<b>遞延稅項資產(負債)</b>	<b>Deferred tax assets (liabilities)</b>	<b>52,176</b>	<b>(131,092)</b>	<b>50,451</b>	<b>(104,165)</b>

### 30. 遞延稅項 (續)

根據企業所得稅法，外國投資者從位於中國的外商投資企業所獲得的股息須按照10%的稅率徵收預提稅。該規定於2008年1月1日起生效，適用於2007年12月31日後始累計可供分配利潤。倘中國政府與該外國投資者所處國家或地區政府存在稅收安排，可適用較低稅率。本集團適用稅率為10%。本集團根據各中國附屬公司於2007年後賺取並預期在可見將來中的供分配利潤的50%而計提相關的遞延稅項負債。

若將淨餘50%於2007年後賺取並預期在可見將來中不作分配之利潤的部分作為分配，此舉須受額外徵稅。該等中國附屬公司未匯出之未分配利潤的預提稅預計為92,649,000美元(2010年：68,885,000美元)。董事認為目前為止該等未分配利潤須留作各中國附屬公司之營運資金，並在可見將來中的不作分配。因此並無作出額外徵稅撥備。

本集團並未確認遞延稅項資產源於稅務虧損86,274,000美元(2010年：48,861,000美元)，此稅務虧損可用作抵扣由該等虧損產生起計未來五年間之稅務收益。稅務虧損中10,301,000美元(2010年：9,986,000美元)、6,826,000美元(2010年：6,869,000美元)、9,546,000美元(2010年：9,109,000美元)、11,508,000美元(2010年：11,688,000美元)及48,093,000美元(2010年：無)將分別於2012、2013、2014、2015及2016到期。

本公司在結算日並無未被確認之遞延稅項負債。

### 30. DEFERRED TAXATION (Continued)

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and jurisdiction of the foreign investors. For the Group's PRC subsidiaries, the applicable rate is 10% and deferred tax liability is only provided on 50% of post-2007 earnings that are expected to be distributable in the foreseeable future.

The remaining 50% of post-2007 earnings that are not expected to be distributable in the foreseeable future would be subject to additional taxation if they are distributed. The estimated withholding tax effects on the distribution of these unremitted retained earnings of these PRC subsidiaries were approximately of US\$92,649,000 (2010: US\$68,885,000). In the opinion of the directors, these retained earnings, at the present time, are required for financing the continuing operations of the PRC subsidiaries and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

The Group has not recognised deferred tax assets in respect of tax losses of US\$86,274,000 (2010: US\$48,861,000), which can be carried forward for five years from the year in which the losses arose for offsetting against future taxable income. Losses amounting to US\$10,301,000 (2010: US\$9,986,000), US\$6,826,000 (2010: US\$6,869,000), US\$9,546,000 (2010: US\$9,109,000), US\$11,508,000 (2010: US\$11,688,000) and US\$48,093,000 (2010: US\$Nil) will expire in 2012, 2013, 2014, 2015 and 2016 respectively.

The Company does not have unrecognised deferred tax liabilities at the end of reporting period.





# 賬目附註

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### 31. 應付賬款

### 31. TRADE PAYABLES

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
應付賬款	<b>Trade payables</b>				
第三者	Due to third parties	<b>892,788</b>	989,113	<b>2,154</b>	2,126
有關聯人士	Due to related parties	<b>81,325</b>	94,800	—	—
		<b>974,113</b>	1,083,913	<b>2,154</b>	2,126

應付有關聯人士之應付賬款為無抵押、免息及附有90天還款期。

The trade payables due to related parties are unsecured, interest-free and with credit period of 90 days.

應付賬款於結算日按發票日編製之賬齡分析如下：

The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
0-90日	0 – 90 days	<b>915,284</b>	1,066,760	<b>2,152</b>	2,118
90日以上	Over 90 days	<b>58,829</b>	17,153	<b>2</b>	8
		<b>974,113</b>	1,083,913	<b>2,154</b>	2,126

應付賬款以下列貨幣列值：

The trade payables are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
人民幣	RMB	<b>971,959</b>	1,081,787	—	—
新台幣	NTD	<b>2,154</b>	2,126	<b>2,154</b>	2,126

## Notes to the Financial Statements

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### 32. 其他應付款

### 32. OTHER PAYABLES

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
預收按金	Deposits received in advance	177,288	116,965	—	9,833
運輸·宣傳及廣告費用之預提	Accruals for transportation, promoting and advertising expenses	221,937	173,268	—	—
應付工資及福利費	Salaries and welfare payables	84,887	82,533	—	—
應付設備款	Payables for purchase of equipments	60,360	42,036	—	—
其他預提費用	Other accruals	76,225	89,112	12,143	687
應付有關聯人士	Due to a related party	707	15,257	707	15,257
其他	Others	39,591	53,078	137	45
		<b>660,995</b>	572,249	<b>12,987</b>	25,822

應付有關聯人士的其他應付款為無抵押，免息及按要求還款。

The other payable due to a related party is unsecured, interest-free and repayable on demand.



# 賬目附註

## Notes to the Financial Statements

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### 33. 經營業務所得現金

### 33. CASH GENERATED FROM OPERATIONS

		2011 千美元 US\$'000	2010 千美元 US\$'000
除稅前溢利	Profit before taxation	662,976	746,774
利息費用	Interest expenses	9,372	6,511
利息收入	Interest income	(38,564)	(21,479)
股利收入	Dividend income	(1,573)	—
折舊	Depreciation	317,544	275,054
支付非供款員工福利責任	Unfunded employee benefit obligations paid	(932)	—
土地租約溢價之攤銷	Amortisation on prepaid lease payments	3,697	2,544
無形資產之攤銷	Amortisation on intangible assets	—	1,989
出售物業、機器及設備之(收益)虧損	(Gain) Loss on disposal of property, plant and equipment	(74)	8,083
出售一家非全資持有之附屬公司及一家聯營公司(以前被分類為持作出售資產)之收益	Gain on disposal of a non wholly-owned subsidiary and an associate previously classified as held for sale	(39,175)	—
物業、機器及設備減值虧損	Impairment loss on property, plant and equipment	4,169	35,520
物業、機器及設備減值虧損轉回	Reversal of impairment loss on property, plant and equipment	(3,500)	—
無形資產減值虧損	Impairment loss on intangible assets	—	4,966
按公允價值列賬及在損益賬處理的金融資產公允值之變動	Fair value change in financial assets at fair value through profit or loss	135	766
應佔聯營公司業績	Share of results of associates	—	(9,978)
視作出售聯營公司之收益	Gain on discontinuation of equity accounting for an associate	—	(68,653)
滙率變動之影響	Effect on exchange rate changes	7,677	2,438
認列以權益結算股份支付之款項	Recognition of equity-settled share-based payment	11,346	5,020

## Notes to the Financial Statements

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### 33. 經營業務所得現金 (續)

### 33. CASH GENERATED FROM OPERATIONS (Continued)

		2011 千美元 US\$'000	2010 千美元 US\$'000
前聯營公司應付賬款之增加	Increase in trade payables due to a former associate	—	56,933
存貨之減少(增加)	Decrease (Increase) in inventories	12,503	(93,123)
應收賬款之增加	Increase in trade receivables	(21,017)	(9,828)
預付款項及其他應收款項之增加	Increase in prepayments and other receivables	(68,994)	(68,513)
應付賬款之(減少)增加	(Decrease) Increase in trade payables	(163,205)	334,905
其他應付款項之增加	Increase in other payables	69,583	143,356
客戶預付款項之(減少)增加	(Decrease) Increase in advance payments from customers	(24,723)	43,012
其他非流動應付款項之減少	Decrease in other non-current payables	(791)	(792)
非供款員工福利責任現值之增加	Increase in present value of unfunded employee benefit obligations	2,899	720
<b>經營業務所得現金</b>	<b>Cash generated from operations</b>	<b>739,353</b>	<b>1,396,225</b>

### 34. 與有關聯人士之重大交易

### 34. SIGNIFICANT RELATED PARTY TRANSACTIONS

除於本賬目其他部份披露之交易及餘額以外，以下乃本集團與有關聯人士進行之重大交易概要，此等交易乃於本集團之日常業務中進行。

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions in the ordinary course of the Group's business.



# 賬目附註

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### 34. 與有關聯人士之重大交易 (續)

### 34. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

	附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
<b>(a) 關聯人士之交易</b>	<b>(a) Related party transactions</b>		
向下列公司銷售貨品：	<b>Sales of goods to:</b>		
本公司之主要股東 控制之多間公司	Companies controlled by a substantial shareholder of the Company (i)	6,774	4,833
向下列公司購買貨品：	<b>Purchases of goods from:</b>		
前聯營公司	A former associate	219,938	405,395
前非全資持有 之附屬公司	A former non-wholly owned subsidiary	15,609	—
本公司之董事共同控制 之公司	A company jointly controlled by the Company's directors (i)	15,437	—
本公司之董事及 其親屬共同控制 之一組公司	A group of companies jointly controlled by the Company's directors and their dependent (i)	205,459	—
本公司若干少數股東之 控股公司	Holding companies of a minority shareholder of a subsidiary of the Company (i)	3,878	3,495
向下列公司出售一家 非全資附屬公司及一家 聯營公司(以前被分類為 持作出售資產之所得)：	<b>Proceed from the disposal of a non-wholly owned subsidiary and an associate previously classified as assets held for sale from:</b>		
本公司之董事共同控制 之公司	A company jointly controlled by the Company's directors (i)	88,500	9,833
向下列公司出售物業、 機器及設備及土地 租約溢價之所得：	<b>Proceeds from disposal of property, plant and equipment and prepaid lease payments to:</b>		
本公司之董事及 其親屬共同控制 之一組公司	A group of companies jointly controlled by the Company's directors and their dependent (i)	9,973	—
本公司之主要股東 控制之公司	A company controlled by a substantial shareholder of the Company (i)	6,479	—

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### 34. 與有關聯人士之重大交易 (續)

附註(i) 根據上市規則第14A章，該等與有關聯人士之交易亦為關連交易及持續關連交易。

### 34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(Continued)

Note (i) Those related party transactions also constitute connected transactions and continuing connected transactions as defined in Chapter 14A of the Listing Rules.

	附註 Note	2011 千美元 US\$'000	2010 千美元 US\$'000
<b>(b) 關聯交易結餘</b>			
<b>應付有關聯人士之賬款：</b>	<b>(b) Related party balances</b>		
	<b>Trade payables due to related parties:</b>		
本公司之董事共同控制之公司	A company jointly controlled by the Company's directors	3,512	—
本公司之董事及其親屬共同控制之一組公司	A group of companies jointly controlled by the Company's directors and their dependent	73,099	90,378
本公司之主要股東控制之公司	A company controlled by a substantial shareholder of the Company	4,714	4,422
		<b>81,325</b>	94,800
<b>應付有關聯人士之其他賬款：</b>	<b>Other payables due to related parties:</b>		
本公司之董事及其親屬共同控制之一組公司	A group of companies jointly controlled by the Company's directors and their dependent	707	15,257

# 賬目附註

## Notes to the Financial Statements

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### 34. 與有關聯人士之重大交易 (續)

#### (c) 關鍵管理人員之酬金

本集團關鍵管理人員之酬金(包括附註10所披露向本公司董事支付之款項及向若干最高薪僱員支付之款項)如下:

### 34. SIGNIFICANT RELATED PARTY TRANSACTIONS

(Continued)

#### (c) Key management personnel remuneration:

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees as disclosed in note 10, is as follows:

		2011 千美元 US\$'000	2010 千美元 US\$'000
董事袍金	Directors' fees	630	622
薪金及其他酬金	Salaries and other emoluments	3,600	2,998
以股份支付之款項	Share-based payments	7,009	3,104
花紅	Discretionary bonuses	1,213	1,071
退休保障計劃供款	Retirement scheme contribution	13	11
		<b>12,465</b>	<b>7,806</b>



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### 35. 資本管理

本集團管理資本的目標是保障本集團能夠持續經營，從而為股東提供回報及其他利益相關者提供利益。

本集團透過負債資產比率來監控資本（包括各項權益），負債資產比率的計算方法是以淨負債（計算有息借貸扣除現金及現金等值物）作為本公司股東應佔權益之比率，並於綜合權益變動表內披露。於結算日，債項對經調整資本之比率如下：

### 35. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group monitors its capital, which comprises all equity components, using a gearing ratio which is calculated on the basis of net debt (interest bearing borrowings net of cash and cash equivalents) as a ratio of the equity attributable to owners of the Company as disclosed in the consolidated statement of changes in equity. The debt-to-adjusted capital ratios at the end of the reporting period were as follows:

		本集團 Group		本公司 Company	
		2011 千美元 US\$'000	2010 千美元 US\$'000	2011 千美元 US\$'000	2010 千美元 US\$'000
有息借貸	Interest-bearing borrowings	<b>1,250,077</b>	634,135	<b>410,000</b>	220,000
減：現金及 現等值物	Less: Cash and cash equivalents	<b>(600,052)</b>	(893,340)	<b>(6,396)</b>	(60,196)
淨負債（現金）	Net debt (cash)	<b>650,025</b>	(259,205)	<b>403,604</b>	159,804
本公司股東應佔權益	Total equity	<b>2,099,745</b>	1,821,258	<b>305,364</b>	378,562
負債資產比率	Gearing ratio	<b>30.96%</b>	-14.23%	<b>132.17%</b>	42.21%



# 賬目附註

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### 35. 資本管理 (續)

本集團根據經濟狀況的改變，透過有效地運用債務及平衡股東權益，透過派發股息，回購股票及發行新債，積極地定期檢討及管理資本架構。此外，本集團也會考慮市場上現行的借款利率、日後的資本開支及投資機會。

本集團於2011年之管理政策與2010年一致，目標為維持淨負債近乎零。淨負債與資本比率在2011年上升的主要原因為本集團於年內增加銀行借貸以作資本開支用途。

本集團部份銀行融資須遵守若干銀行提出的財務契諾。

### 35. CAPITAL MANAGEMENT (Continued)

The Group actively and regularly reviews and manages its capital structure through the optimisation of the debt and equity balance and makes adjustments to capital structure according to changes in economic conditions for achieving its objectives through payment of dividends, share repurchase and issue of new debt. Changing of borrowing rate in the market, future capital expenditures and investment opportunities are taken into consideration.

During 2011, the Group's strategy, which was unchanged from 2010, was aimed at maintaining the net debt approximately to nil balance. The increase in the gearing ratio during 2011 was resulted primarily from increase in bank borrowings for financing the Group's capital expenditures during the year.

Some of the Group's banking facilities are subject to financial covenants requirements imposed by certain banks.

### 36. 金融風險因素

本集團所持有的金融工具面對外匯風險、利率風險、信貸風險、流動資金風險及價格風險。為降低本集團金融風險，董事會採用保守的風險管理對策。董事會檢討並同意採用之風險管理對策如下：

#### 外匯風險

本集團的附屬公司主要在中國經營，主要以人民幣作交易貨幣。本集團所面對的外匯風險為除功能貨幣以外，以其他貨幣作交易的資本開支、採購、銀行結餘、借貸、可供出售金融資產及按公允價值列賬及在損益賬處理的金融資產。

人民幣與美元的兌換須遵守中國人民銀行頒佈之外匯管制規則及條例。在附屬公司主要以人民幣作交易貨幣及人民幣兌美元升值的情況下，本集團並沒有重大的外匯風險，亦沒有作出相應的避險。

本集團於2011年12月31日以外幣（主要為美元、人民幣、新台幣、歐元及日元）計值的可供出售金融資產、按公允價值列賬及在損益賬處理的金融資產、銀行結餘及應付賬款借款詳情分別載於附註18, 19, 24, 28及31。

### 36. FINANCIAL RISK MANAGEMENT

The Group's financial instruments expose it to foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. The Board of Directors generally adopts conservative strategies on its risks management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

#### Foreign currency risk

The majority of the subsidiaries of the Group are operated in the PRC and most of their transactions are denominated in RMB. The Group is exposed to foreign currency risk primarily through capital expenditures, purchases, bank balances, borrowings, available-for-sales financial assets and financial assets at fair value through profit or loss that are denominated in currencies other than the functional currency of the subsidiaries.

The exchange rate of RMB against US\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have significant exposure to foreign exchange risk and has not hedged its foreign exchange risk because the subsidiaries of the Group mainly earn their profits in RMB and the value of RMB has been appreciating against US\$ in recent past years.

Details of the Group's available-for-sale financial assets, financial assets at fair value through profit or loss, bank balances, interest-bearing borrowings and trade payables denominated in US\$, RMB, NTD, EUR and JPY as at 31 December 2011 and 2010 are set out in notes 18, 19, 24, 28 and 31 respectively.



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### 36. 金融風險因素 (續)

#### 外匯風險 (續)

於結算日，倘所有其他變數保持不變，而人民幣兌換美元、人民幣兌新台幣、人民幣兌換歐元及人民幣兌換日元分別升值／貶值5%、9%、8%及1%，本年度集團溢利及保留溢利將增加／減少50,316,000美元(2010年：23,372,000美元)及其他全面收益將增加／減少162,894,000美元(2010年：129,623,000美元)，而外幣換算儲備將增加／減少123,097,000美元(2010年：95,143,000美元)。

#### 利率風險

本集團主要面對的利率風險是來自銀行借貸，所取得的浮動利率貸款令本集團面對現金流量利率風險。集團並無使用對沖現金流及公允值的利率風險。本集團的策略是根據經濟環境及集團策略把定息借貸及浮息借貸保持在適當比例。

於結算日，倘所有其他變量保持不變，銀行存款及借款利率調升／調低10個基點(2010年：10個基點)，本年度集團溢利及保留溢利將減少／增加1,200,000美元(2010年：574,000美元)。

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Foreign currency risk (Continued)

At the end of the reporting period, if the exchange rates of RMB/US\$, RMB/NTD, RMB/EUR and RMB/JPY had strengthened/weakened by 5%, 9%, 8% and 1% respectively with all other variables held constant, the Group's profit for the year and retained profits would have been US\$50,316,000 (2010: US\$23,372,000) higher/lower, other comprehensive income would have been US\$162,894,000 (2010: US\$129,623,000) higher/lower and exchange translation reserve would have been US\$123,097,000 (2010: US\$95,143,000) higher/lower.

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and floating rate debts. The Group has not hedged its cash flow and fair value interest rate risk. The Group's strategy is to maintain an appropriate proportion between borrowings at fixed interest rates and floating interest rates, in consideration of economic atmosphere and the strategies of the Group.

At the end of the reporting period, if interest rates had been 10 (2010: 10) basis points higher/lower and all other variables were held constant, the Group's profit for the year and retained profits would decrease/increase by US\$1,200,000 (2010: US\$574,000).

### 36. 金融風險因素 (續)

#### 信貸風險

本集團的信貸風險主要來自於抵押銀行存款、現金及現金等值物、應收賬款及其他應收賬款。本集團及本公司大部分已的抵押銀行存款和現金及現金等價物均存放在可信賴的國際金融機構及受國家管轄的財務機構裡，因此管理層認為這並不存在重大的信貸風險。

本集團之銷售大部份為現金銷售。本集團有政策確保以信貸銷售之直營零售商有良好的信貸紀錄並作定期審查。當客戶要求之信用金額超過一般標準時，須進行獨立信貸評估。本集團會持續監控應收賬款，故此並沒有重大的壞賬風險。

本集團之其他應收款項的信貸風險來自於交易對方違約，其最大之信貸風險相等於此等資產之賬面值。交易對方之信貸質數會以其財務狀況、信貸紀錄及其他因素作考慮。基於穩定還款紀錄作考慮，董事認為交易對方並沒有重大的違約風險。於結算日，本集團的集中信貸風險中，25% (2010年：20%) 之預付款項及其他應付款項的總款項源於五大交易對方。

於結算日，本公司的集中信貸風險中，97% (2010年：95%) 之應收附屬公司總款項源於五大附屬公司。

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Credit risk

The Group's credit risk is primarily attributable to pledged bank deposits, cash and cash equivalent, trade and other receivables. Substantially all of the Group's and the Company's pledged bank deposits and cash and cash equivalents were deposited in the creditworthy global financial institutions and state-controlled financial institutions in the PRC, which management consider they are without significant credit risk.

The majority of the Group's sales are conducted on a cash basis. The Group has implemented policies to ensure that sales of products are made to direct retailers, who wish to trade on credit terms, with an appropriate credit history which is subject to periodic reviews. Individual credit evaluations are performed on all customers requiring credit over a certain amount. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other receivables arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of these receivables. The credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the repayment history, the directors are of the opinion that the risk of default by these counterparties is not significant. At the end of the reporting period, the Group had a concentration of credit risk as 25% (2010: 20%) of the total amounts of the prepayments and other receivables was due from the five largest counterparties.

At the end of the reporting period, the Company had a concentration of credit risk as 97% (2010: 95%) of the total amounts due from subsidiaries was due from the five largest subsidiaries.



# 賬目附註

## Notes to the Financial Statements

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### 36. 金融風險因素 (續)

#### 流動資金風險

本集團針對於流動資金風險管理之目標為擁有足夠現金儲備以及維持充裕之已承諾信貸融資額度。並且，本集團定期監察現在及預期之流動資金需求，尤其在資本開支及償還債項等方面的資金需求。於結算日及可預見的未來，董事預期本集團並無流動資金風險。有關按持續經營之準則編製賬目之詳情載於附註2。

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Liquidity risk

The Group's objectives when managing liquidity risk are to maintain sufficient reserves of cash and adequate committed credit facilities to the Group. Also, the Group's policy is to regularly monitor current and expected liquidity requirements, in particular relating to capital expenditure and repayments of debts. At the end of the reporting period, the Board of Directors expected that the Group had no significant liquidity risk in the near future. Details of the preparation of financial statements on a going concern basis are set out in note 2.

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 36. 金融風險因素 (續)

#### 流動資金風險 (續)

本集團之金融負債於結算日至合約到期日之餘下期間按合約未貼現現金流量列示如下：

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments are summarised below:

		本集團 Group			
		1年內或 按 要求還款 Within 1 year or on demand 千美元 US\$'000	1年以上 但在2年內 More than 1 year but less than 2 years 千美元 US\$'000	2年以上但 在5年內 More than 2 years but less than 5 years 千美元 US\$'000	合計 Total 千美元 US\$'000
於2011年12月31日	At 31 December 2011				
應付賬款	Trade payables	974,113	—	—	974,113
其他應付款項	Other payables	660,995	—	—	660,995
有息借貸	Interest-bearing borrowings	709,611	112,901	450,160	1,272,672
		<b>2,344,719</b>	<b>112,901</b>	<b>450,160</b>	<b>2,907,780</b>
於2010年12月31日	At 31 December 2010				
應付賬款	Trade payables	1,083,913	—	—	1,083,913
其他應付款項	Other payables	571,458	—	—	571,458
有息借貸	Interest-bearing borrowings	461,894	94,108	86,419	642,421
其他非流動應付款項	Other non-current payables	791	791	—	1,582
		<b>2,118,056</b>	<b>94,899</b>	<b>86,419</b>	<b>2,299,374</b>





# 賬目附註

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### 36. 金融風險因素 (續)

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### 流動資金風險 (續)

#### Liquidity risk (Continued)

		本公司 Company			
		1年以上 但在2年內 1年內或 More than 1 year but less than 2 years on demand 千美元 US\$'000	2年以上但 在5年內 More than 2 years but less than 5 years 千美元 US\$'000	合計 Total 千美元 US\$'000	
於2011年12月31日	<b>At 31 December 2011</b>				
應付附屬公司款項	Due to subsidiaries	50,513	—	—	50,513
應付賬款	Trade payables	2,154	—	—	2,154
其他應付款項	Other payables	12,280	—	—	12,280
應付有關聯人士	Amount due to related parties	707	—	—	707
有息借貸	Interest-bearing borrowings	205,935	35,389	175,663	416,987
		<b>271,589</b>	<b>35,389</b>	<b>175,663</b>	<b>482,641</b>
於2010年12月31日	At 31 December 2010				
應付附屬公司款項	Due to subsidiaries	99,078	—	—	99,078
應付賬款	Trade payables	2,126	—	—	2,126
其他應付款項	Other payables	25,822	—	—	25,822
有息借貸	Interest-bearing borrowings	159,104	40,623	25,263	224,990
		286,130	40,623	25,263	352,016

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### 36. 金融風險因素 (續)

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### 流動資金風險 (續)

#### Liquidity risk (Continued)

		本公司 Company			
		1年以上 但在2年內 More than 1 year but less than 2 years	2年以上但 在5年內 More than 2 years but less than 5 years		合計 Total
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
已發出之財政擔保	<b>Financial guarantees issued:</b>				
已發出之最高 財政擔保	Maximum amounted guaranteed				
於2011年12月31日	<b>At 31 December 2011</b>	<b>105,000</b>	—	—	<b>105,000</b>
於2010年12月31日	At 31 December 2010	68,758	—	—	68,758

於結算日，本公司為其下兩間全資附屬公司之信貸擔保發出財政擔保，金額為150,000,000美元（2010年：161,057,000美元）。董事認為有關擔保向本公司索償之機會低。本公司於結算日最高負債為該等全資附屬公司有關之擔保，金額為105,000,000美元（2010年：68,758,000美元）。

基於此等信貸工具涉及關聯關係，董事認為估計此等財政擔保之公允價值並沒有意義及不可行，故此亦沒有認列其價值於財務狀況表內。

At the end of the reporting period, the Company has issued financial guarantees in respect of credit facilities to two wholly-owned subsidiaries of US\$150,000,000 (2010: US\$161,057,000). The directors do not consider it is probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued is the facility drawn down by the subsidiaries of US\$105,000,000 (2010: US\$68,758,000).

Due to the related party nature of the instruments, the directors considered it not meaningful and practicable to estimate the fair values of the financial guarantees and therefore they have not been recognised in the Company's statement of financial position.



### 36. 金融風險因素 (續)

#### 公允價值

##### (a) 以公允價值保留的金融工具

下表呈列於結算日，按《香港財務報告準則》第7號「金融工具：披露」所釐定的公允價值等級制度的三個等級中，以公允價值計量的金融工具之保留價值，每項被分類的金融工具之公允價值全數乃基於輸入的最低等級，有關輸入對公允價值計量相當重要。有關等級詳情如下：

- 第1級（最高等級）：利用在活躍市場中相同金融工具的報價（未經調整）計算公允價值
- 第2級：利用在活躍市場中類似金融工具的報價，或所有重要輸入均直接或間接基於可觀察市場數據的估值技術，計算公允價值
- 第3級（最低等級）：利用任何重要輸入並非基於可觀察市場數據的估值技術計算公允價值

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Fair value

##### (a) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instrument
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

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### 36. 金融風險因素 (續)

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### 公允價值 (續)

#### Fair value (Continued)

#### (a) 以公允價值保留的金融工具 (續)

#### (a) Financial instruments carried at fair value (Continued)

		本集團 Group							
		2011				2010			
		級別1	級別2	級別3	總計	級別1	級別2	級別3	總計
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
可供出售之財務資產	Available-for-sale								
- 於香港以外上市之 股本證券市值	- Equity securities, listed outside Hong Kong	92,518	—	—	92,518	109,251	—	—	109,251
- 私募投資基金	- Private investment funds	—	—	8,496	8,496	—	—	—	—
按公允價值在損益 賬處理之財務資產	Financial assets at fair value through profit or loss								
- 於香港以外上市之 股本證券市值	- Equity securities, listed outside Hong Kong	551	—	—	551	762	—	—	762
- 美元貨幣基金	- US\$ currency fund	—	9	—	9	—	9	—	9
		93,069	9	8,496	101,574	110,013	9	—	110,022



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 36. 金融風險因素 (續)

#### 公允價值 (續)

#### (a) 以公允價值保留的金融工具 (續)

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Fair value (Continued)

#### (a) Financial instruments carried at fair value (Continued)

		本公司 Company							
		2011				2010			
		級別1	級別2	級別3	總計	級別1	級別2	級別3	總計
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
可供出售之財務資產	Available-for-sale								
– 於香港以外之上市	– Equity securities, listed outside								
股本證券市值	Hong Kong	55,095	—	—	55,095	73,937	—	—	73,937
– 私募投資基金	– Private investment funds	—	—	8,496	8,496	—	—	—	—
按公允價值在損益	Financial assets at fair value								
賬處理之財務資產	through profit or loss								
– 於香港以外之上市	– Equity securities, listed outside								
股本證券市值	Hong Kong	551	—	—	551	762	—	—	762
– 美元貨幣基金	– US\$ currency fund	—	9	—	9	—	9	—	9
		55,646	9	8,496	64,151	74,699	9	—	74,708

### 36. 金融風險因素 (續)

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### 公允價值 (續)

#### Fair value (Continued)

#### (a) 以公允價值保留的金融工具 (續)

#### (a) Financial instruments carried at fair value (Continued)

於2011年及2010年度內，沒有項目在級別1與級別2之間移轉，亦沒有項目移轉至級別3或由級別3轉出。

During the year ended 2011 and 2010, there were no transfers between instruments in Level 1 and Level 2 and no transfers into and out of Level 3 fair value measurements.

年內級別3公允價值計量結餘的變動如下：

The movement in assets measured at fair value level based on level 3 for the year ended 31 December 2011 are shown as follows:

私募投資基金  
Private  
investment  
funds  
US\$'000

於年內及在結算日 之總購入額	Total purchases during the reporting period and at the end of the reporting period	8,496
於結算日持有之資產 計入損益的年度總損益	Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	—

非上市私募基金投資的公允價值是根據私募基金所投資的公司的公允價值，利用市盈率模型作評估。其包括非可觀察市場價格或比率之假定。被基金投資之非上市公司的年度平均增長率由9%至29%，可比較之公司的平均市盈率及相關市場之市盈率中位數由12.9%至24.7%，均用於評估其公允價值。

The fair values of the unlisted private investment funds are valued based on the fair values of the companies invested by the private funds which are estimated using price/earnings (P/E) multiple model. It includes assumptions that are not supported by observable market prices or rates. In determining the fair value, the average annual growth rates of unquoted companies invested by the funds ranging from 9% to 29%, average P/E ratios of comparable companies and median P/E ratios of the corresponding industries ranging from 12.9% to 24.7% are used.



# 賬目附註

## Notes to the Financial Statements

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### 36. 金融風險因素 (續)

#### 公允價值 (續)

#### (b) 以公允價值以外列賬的金融工具 公允價值

董事認為本集團及本公司金融工具之賬面值以成本或攤銷成本列賬，與其2011年及2010年12月31日之公允價值並無重大差異。

#### 價格風險

本集團及本公司持有之分類為按公允價值認列之可供出售金融資產及按公允價值列賬並在損益賬處理的金融資產，本集團就此承受股票價格風險。就本集團及本公司於可公開買賣之股票投資而言，其公允值乃參考市場報價而釐定。本集團及本公司之非上市投資是持作長期策略投資之用。其表現乃根據本集團所得資料以及與本集團的長期策略計劃之相關性作每年定期評估。

敏感度分析乃根據上市股票投資所承擔之股票價格風險。於結算日，假設其他變動因素不變下，當相關之股市指數增加或減少10% (2010年：10%)，本集團之本年度溢利及保留溢利將會因持作買賣投資之變動而增加或減少55,000美元 (2010年：76,000美元)。投資重估價儲備將會因可供出售金融資產其公允價值之變動而增加或減少9,251,000美元 (2010年：10,925,000美元)。本集團會監控價格風險及考慮就其風險上升而作出相應對沖。

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Fair value (Continued)

#### (b) Fair values of financial instruments carried at other than fair value

In the opinion of the directors, the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2011 and 2010.

#### Price risk

The Group and the Company are exposed to equity price risks arising from investments classified as available-for-sale financial assets at fair value and financial assets at fair value through profit or loss. For the Group's and the Company's equity securities investments that are publicly traded, the fair value is determined with reference to quoted market prices. The Group's and the Company's unlisted investments are held for long-term strategic purposes. Their performance is assessed at least annually based on the information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans.

The sensitivity analysis has been determined based on the exposure of the listed equity securities to equity price risk. At the end of the reporting period, it is estimated that an increase/decrease of 10% (2010: 10%) in the relevant stock market index as applicable, with all other variables held constant, would have increased/decreased the Group's profit for the year and retained profits by US\$55,000 (2010: US\$76,000) due to change in the fair value of investments held-for-trading, and would have increased/decreased the Group's investment valuation reserves by US\$9,251,000 (2010: US\$10,925,000) as a result of changes in fair value of available-for-sale financial assets. The Group will monitor the price risk and will consider hedging the risk exposure should the need rise.



## Notes to the Financial Statements

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### 36. 金融風險因素 (續)

#### 價格風險 (續)

敏感度分析假設股市指數之合理可能變動於結算日已發生並已應用於股票價格風險上。此外，集團之上市股票投資之公允值假設會根據過往與股市指數之相關性所變動；本集團以公允值計量的可供出售金融資產亦假設不會因相關股市指數的合理可能的下跌而作減值；並且其他相關因素維持不變。上述變動乃管理層對於相關股市指數由本年度結算日至下年度結算日的合理可能變動作出之評估。此分析基準與2010年相同。

### 36. FINANCIAL RISK MANAGEMENT (Continued)

#### Price risk (Continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's listed investments would change in accordance with the historical correlation with the relevant stock market index that none of the Group's available-for-sale investments at fair value would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2010.



# 賬目附註

## Notes to the Financial Statements

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### 37. 承擔

### 37. COMMITMENTS

#### (a) 資本支出承擔

#### (a) Capital expenditure commitments

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
已訂約但未撥備	Contracted but not provided for	290,319	260,662

#### (b) 營運租約承擔

#### (b) Commitments under operating leases

於結算日，根據不可撤銷之經營租約，本集團未來最低租賃付款總額列示如下：

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

		本集團 Group	
		2011 千美元 US\$'000	2010 千美元 US\$'000
1年內	Within one year	26,001	14,939
於第2年至第5年屆滿 (包括首尾2年)	In the second to fifth years inclusive	41,112	21,384
5年以後	After five years	26,183	14,996
		93,296	51,319

### 38. 無調整的結算日後事項

在2011年11月4日，本公司與PepsiCo為彼等於中國飲料業務訂立了資產注入協議，商業協議及其他有關協議（「戰略聯盟安排」），PepsiCo的全資附屬公司Far East Bottlers (Hong Kong) Limited（「FEB」），同意出資其持有PepsiCo集團於中國的非酒精飲品灌裝業務的全部股權予康師傅飲品控股有限公司（「康師傅飲品控股」），一家本公司非全資附屬公司，以換取康師傅飲品(BVI)有限公司（「康師傅飲品」），一間持有本集團中國飲料業務的控股公司9.5%的直接權益。完成後，FEB將持有「康師傅飲品控股」5%的間接權益，而其亦將獲授予發行期權，以將其間接持有「康師傅飲品控股」的權益由5%增至20%（按全面攤薄基準），有關此業務合併的詳細內容已於本公司於2012年1月20日所發出的通函內列明。「戰略聯盟安排」於結算日尚未完成，並受限於某些條件的達成。

於2012年2月17日，本公司股東們批准了「戰略聯盟安排」。截至2012年3月21日（本財務報表簽發日），「戰略聯盟安排」之完成尚待中國有關監管機構審批的結果。

根據戰略聯盟安排，交易完成時，「康師傅飲品」及「康師傅飲品控股」將分別發行其新股份；並將構成視為出售於「康師傅飲品」的9.5%權益以及視為出售於「康師傅飲品控股」的2.5%權益。PepsiCo被「康師傅飲品控股」收購於中國的非酒精飲品灌裝業務的調整後總資產淨值將為600百萬美元。由於「戰略聯盟安排」尚未完成，有關交易的期初會計亦尚未完結，所以暫未能可靠地估計其財務影響。

### 38. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

On 4 November 2011, the Company and PepsiCo Inc. ("PepsiCo") entered into the Contribution Agreement, the Commercial Agreements and the agreements for their strategic alliance in the beverage business in the PRC (the "Strategic Alliance Arrangements") that PepsiCo's wholly-owned subsidiary, Far East Bottlers (Hong Kong) Limited ("FEB"), has agreed to contribute its entire interest in PepsiCo's non-alcoholic beverage bottling businesses in the PRC to Tingyi-Asahi Beverages Holding Co., Ltd. ("TAB"), a non-wholly owned subsidiary of the Company, in exchange for a 9.5% direct interest in Master Kong Beverage (BVI) Co. Ltd. ("MKB"), which is a holding company of the Group's beverage business in the PRC. As a consequence, FEB will hold 5% indirect equity interest in TAB and FEB will be granted an option to increase its indirect interest in TAB to 20% on a fully diluted basis, details of this business combination are set out in the Circular of the Company dated 20 January 2012. At the end of the reporting period, the Strategic Alliance Arrangements have not been completed and are subject to the fulfillment of conditions.

On 17 February 2012, the Strategic Alliance Arrangements have been approved by the shareholders of the Company. As of 21 March 2012, the date of these financial statements, the closing of the Strategic Alliance Arrangements is still pending for the outcome of the regulatory approval in the PRC.

Pursuant to the Strategic Alliance Arrangements, upon the closing of the Strategic Alliance Arrangements, MKB and TAB will issue their respective new shares which will constitute a deemed disposal of 9.5% equity interest in MKB as well as a deemed disposal of 2.5% equity interest in TAB; and the adjusted aggregate book value of PepsiCo's non-alcoholic beverage bottling business in the PRC to be acquired by TAB will be amounted to US\$600 million. As the Strategic Alliance Arrangements has not been completed and the initial accounting for the transaction is incomplete, it is not practicable to reliably estimate its financial effect.



# 賬目附註

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### 39. 主要附屬公司

主要附屬公司表列如下：

### 39. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries are as follows:

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
康師傅方便食品(BVI)有限公司 Master Kong Instant Foods (BVI) Co., Ltd.	英屬處女群島 British Virgin Islands ("BVI")	50,000普通股每股US\$1 50,000 ordinary shares at US\$1 each/US\$1	100%	—	投資控股 Investment holding
天津頂益食品有限公司 (前為天津頂益國際食品有限公司) Tianjin Tingyi Food Co., Ltd. (formerly known as Tianjin Tingyi International Food Co., Ltd.)	中國 PRC	US\$72,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
廣州頂益食品有限公司 Guangzhou Tingyi Food Co., Ltd.	中國 PRC	US\$31,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 杭州頂益食品有限公司 Hangzhou Tingyi Food Co., Ltd.	中國 PRC	US\$131,500,000 / US\$92,700,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(杭州)方便食品有限公司 Master Kong (Hangzhou) Convenient Food Co., Ltd.	中國 PRC	US\$20,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
重慶頂益食品有限公司 Chongqing Tingyi Food Co., Ltd.	中國 PRC	US\$22,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
瀋陽頂益食品有限公司 Shenyang Tingyi Food Co., Ltd.	中國 PRC	US\$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
武漢頂益食品有限公司 Wuhan Tingyi Food Co., Ltd.	中國 PRC	US\$17,800,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles

## Notes to the Financial Statements

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
西安頂益食品有限公司 Xian Tingyi Food Co., Ltd.	中國 PRC	US\$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
青島頂益食品有限公司 Qingdao Tingyi Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
哈爾濱頂益食品有限公司 Harbin Tingyi Food Co., Ltd.	中國 PRC	US\$11,200,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
福建頂益食品有限公司 Fujian Tingyi Food Co., Ltd.	中國 PRC	US\$4,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 新疆頂益食品有限公司 Xinjiang Tingyi Food Co., Ltd.	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 南京頂益食品有限公司 NanJing Tingyi Food Co., Ltd.	中國 PRC	US\$14,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
台灣康師傅食品股份有限公司 Master Kong (Taiwan) Foods Co., Ltd. #	台灣 Taiwan	50,000,000 普通股 每股NT\$10 50,000,000 ordinary shares of NT\$10 each / NT\$500,000,000	100%	—	製造及銷售方便麵 Manufacture and sale of instant noodles
* 成都頂益食品有限公司 Chengdu Tingyi Food Co., Ltd.	中國 PRC	US\$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 河北一宛香食品有限公司 Hebei Yi Wan Xiang Foods Co., Ltd. #	中國 PRC	RMB187,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles



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## Notes to the Financial Statements

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 昆明頂益食品有限公司 Master Kong (Kunming) Convenient Food Co., Ltd.	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(瀋陽)方便食品有限公司 Master Kong (Shenyang) Convenient Food Co., Ltd.	中國 PRC	US\$6,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
康師傅方便麵投資(中國)有限公司 (前為康師傅方便食品投資(中國) 有限公司) Master Kong Instant Noodle Investment (China) Co., Ltd. (formerly known as Master Kong Instant Foods Investment (China) Co., Ltd.)	中國 PRC	US\$227,500,000/ US\$102,000,000	—	100%	投資控股 Investment holding
* 淮安福滿多食品有限公司 Huaian Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 眉山福滿多食品有限公司 Meishan Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 長沙福滿多食品有限公司 Changsha Fumanduo Food Co., Ltd. #	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 鄭州福滿多食品有限公司 Zhengzhou Fumanduo Food Co., Ltd. #	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 蘭州福滿多食品有限公司 Lanzhou Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 康師傅(重慶)方便食品有限公司 Master Kong (Chongqing) Convenient Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 咸陽福滿多食品有限公司 Xianyang Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 新疆福滿多食品有限公司 Xinjiang Fumanduo Food Co., Ltd.	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 河北福滿多食品有限公司 Hebei Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 哈爾濱福滿多食品有限公司 Harbin Fumanduo Food Co., Ltd. #	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 濟南福滿多食品有限公司 Jinan Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 東莞福滿多食品有限公司 Dongguan Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
康師傅糕餅(BVI)有限公司 Master Kong Bakery (BVI) Co., Ltd.	英屬處女群島 BVI	50,000普通股每股US\$1 50,000 ordinary shares at US\$1 each/US\$1	100%	—	投資控股 Investment holding
康師傅方便食品投資(中國)有限公司 Master Kong Instant Foods Investment (China) Co., Ltd.	中國 PRC	US\$85,400,000/ US\$4,500,000	—	100%	投資控股 Investment holding





# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
天津龜田食品有限公司 Tianjin Kameda Food Co., Ltd.	中國 PRC	US\$6,000,000	—	50%	製造及銷售米餅產品 Manufacture and sale of rice crackers
天津頂園食品有限公司 Tianjin Tingyuan Food Co., Ltd.	中國 PRC	US\$37,000,000	—	100%	製造及銷售糕餅產品 Manufacture and sale of bakery products
廣州頂園食品有限公司 Guangzhou Tingyuan Food Co., Ltd.	中國 PRC	US\$22,000,000	100%	—	製造及銷售糕餅產品 Manufacture and sale of bakery products
杭州頂園食品有限公司 Hangzhou Ting Yuan Food Co., Ltd.	中國 PRC	US\$18,400,000	—	100%	製造及銷售糕餅產品 Manufacture and sale of bakery products
康師傅飲品(BVI)有限公司 Master Kong Beverages (BVI) Co., Ltd.	英屬處女群島 BVI	50,000普通股每股US\$1 50,000 ordinary shares of US\$1 each/US\$50,000	100%	—	投資控股 Investment holding
康師傅飲品控股有限公司 Tingyi-Asahi Beverages Holding Co., Ltd.	開曼群島 Cayman Islands	5,000,000普通股 每股US\$0.01 5,000,000 ordinary shares of US\$0.01 each/US\$10,001	—	50.01%	投資控股 Investment holding
*天津頂津食品有限公司 Tianjin Tingjin Food Co., Ltd.	中國 PRC	US\$60,840,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
廣州頂津食品有限公司 Guangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$20,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages

## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 康師傅(廣州)飲品有限公司 Master Kong (Guangzhou) Beverage Co., Ltd.	中國 PRC	US\$14,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 杭州頂津食品有限公司 Hangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$38,100,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(杭州)飲品有限公司 Master Kong (Hangzhou) Beverage Co., Ltd.	中國 PRC	US\$28,350,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
西安頂津食品有限公司 Xi'an Tingjin Food Co., Ltd.	中國 PRC	US\$5,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 武漢頂津食品有限公司 Wuhan Tingjin Food Co., Ltd.	中國 PRC	US\$51,000,000 / US\$35,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
重慶頂津食品有限公司 Chongqing Tingjin Food Co., Ltd.	中國 PRC	US\$24,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 青島頂津食品有限公司 Qingdao Tingjin Food Co., Ltd.	中國 PRC	US\$15,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
福建頂津食品有限公司 Fujian Tingjin Food Co., Ltd.	中國 PRC	US\$13,700,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 哈爾濱頂津食品有限公司 Harbin Tingjin Food Co., Ltd. #	中國 PRC	US\$33,000,000 / US\$22,600,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages



# 賬目附註

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For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 新疆頂津食品有限公司 Xinjiang Tingjin Food Co., Ltd.	中國 PRC	US\$10,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 昆明頂津食品有限公司 Kunming Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 鄭州頂津食品有限公司 Zhengzhou Tingjin Food Co., Ltd.	中國 PRC	US\$24,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 蘭州頂津食品有限公司 Lanzhou Tingjin Food Co., Ltd.	中國 PRC	US\$16,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(瀋陽)飲品有限公司 Master Kong (Shenyang) Beverage Co., Ltd.	中國 PRC	US\$41,000,000 / US\$37,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(西安)飲品有限公司 Master Kong (Xi'an) Beverage Co., Ltd.	中國 PRC	US\$48,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(天津)飲品有限公司 Master Kong (Tianjin) Beverage Co., Ltd.	中國 PRC	US\$30,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 南京頂津食品有限公司 Nanjing Tingjin Food Co., Ltd.	中國 PRC	US\$5,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(吉林)長白山飲品有限公司 Master Kong (Jilin) The Changbai Mountain Beverage Co., Ltd.	中國 PRC	US\$5,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 揚州頂津食品有限公司 Yangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$36,500,000 / US\$30,400,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(杭州)千島湖飲品有限公司 Master Kong (Hangzhou) Qiandaohu Beverages Co., Ltd. #	中國 PRC	US\$12,000,000 / US\$1,800,029	—	50.01%	尚未開始業務經營 Not yet commenced business
* 廣州頂津飲品有限公司 Guangzhou Tingjin Beverage Co., Ltd.	中國 PRC	US\$59,300,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 天津頂津飲品有限公司 Tianjin Tingjin Beverage Co., Ltd.	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(大連)飲品有限公司 Master Kong (Dalian) Beverage Co., Ltd.	中國 PRC	US\$10,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 成都頂津食品有限公司 Chengdu Tingjin Food Co., Ltd.	中國 PRC	US\$20,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(烏魯木齊)飲品有限公司 Master Kong (Wulumuqi) Beverage Co., Ltd. #	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 南昌頂津食品有限公司 Nanchang Tingjin Food Co., Ltd.	中國 PRC	US\$14,000,000 / US\$13,200,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 運城頂津飲品有限公司 Yuncheng Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,110,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 駐馬店頂津飲品有限公司 Zhumadian Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,110,000 / US\$1,695,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 湛江頂津飲品有限公司 Zhanjiang Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,600,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 長春頂津飲品有限公司 Changchun Tingjin Beverage Co., Ltd.	中國 PRC	US\$4,000,000 / US\$3,200,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 漳州頂津食品有限公司 Zhangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000 / US\$2,400,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 贛州頂津飲品有限公司 Ganzhou Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 懷化頂津飲品有限公司 Huaihua Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 錦州頂津飲品有限公司 Jinzhou Tingjin Beverage Co., Ltd.	中國 PRC	US\$5,000,000 / US\$1,000,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 紅河頂津飲品有限公司 Honghe Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	尚未開始業務經營 Not yet commenced business
康師傅飲品投資(中國)有限公司 Master Kong Beverage Investment (China) Co., Ltd.	中國 PRC	US\$87,702,000	—	50.01%	投資控股 Investment holding

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 鹽城頂津飲品有限公司 Yancheng Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 六盤水頂津飲品有限公司 Liupanshui Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 康師傅(昆明)飲品有限公司 Master Kong (Kunming) Beverage Co., Ltd.	中國 PRC	US\$12,000,000 / US\$2,400,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 吳江頂津食品有限公司 Wujiang Tingjin Food Co., Ltd.	中國 PRC	US\$40,000,000 / US\$8,000,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 包頭頂津食品有限公司 Baotou Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000 / US\$9,600,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 南寧頂津食品有限公司 Nanning Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000 / US\$9,000,000	—	50.01%	尚未開始業務經營 Not yet commenced business
* 宜昌頂津飲品有限公司 Yichang Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 揭陽頂津飲品有限公司 Jieyang Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$420,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 南充頂津飲品有限公司 Nanchong Tingjin Beverage Co., Ltd.	中國 PRC	US\$2,100,000 / US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business



# 賬目附註

## Notes to the Financial Statements

截至2011年12月31日止年度  
For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 廈門頂津飲品有限公司 Xiamen Tingjin Beverage Co., Ltd.	中國 PRC	US\$13,500,000 / US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
營口頂津飲品有限公司 Yingkou Tingjin Beverage Co., Ltd. #	中國 PRC	US\$2,100,000 / US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
煙台頂津飲品有限公司 Yantai Tingjin Beverage Co., Ltd.	中國 PRC	US\$5,000,000 / US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
酒泉頂津飲品有限公司 Jiuquan Tingjin Beverage Co., Ltd. #	中國 PRC	US\$2,100,000 / US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
興化頂芳脫水食品有限公司 Xinghua Dinfang Dehydrate Foods Co., Ltd.	中國 PRC	US\$8,600,000	100%	—	製造及銷售脫水蔬菜 Manufacture and sale of dehydrated vegetables
天津頂嘉機械有限公司 Tian Jin Ting Jia Machinery Co., Ltd.	中國 PRC	US\$2,100,000	100%	—	保養及維修廠房及機械 Installation and maintenance of plant and machinery
天津頂育諮詢有限公司 Tianjin Tingyu Consulting Co., Ltd.	中國 PRC	US\$200,000	100%	—	提供管理服務 Provision of management services
天津頂全物業管理有限公司 Tianjin Tingquan Properties Management Co., Ltd.	中國 PRC	US\$210,000	100%	—	提供物業管理及 相關之顧問服務 Provision of property management and related consultancy services



## Notes to the Financial Statements

截至2011年12月31日止年度  
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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
天津頂雅房地產開發有限公司 Tianjin Dingya Property Development Co., Ltd.	中國 PRC	US\$2,100,000	100%	—	物業投資 Property development
* 廣州頂雅房地產開發有限公司 Guangzhou Dingya Real Estate Development Co., Ltd.	中國 PRC	RMB16,400,000	38%	62%	物業投資 Property development
天津頂新國際工程顧問有限公司 Tianjin Tingxin International Engineering Consultant Co., Ltd.	中國 PRC	US\$1,700,000	100%	—	提供工程顧問及研究服務 Provision of engineering related consultancy and research service
頂通(BVI)有限公司 Tingtong (BVI) Limited	英屬處女群島 BVI	50,000普通股每股US\$1 50,000 ordinary shares of US\$1 each/US\$1,000	100%	—	投資控股 Investment holding
頂通(開曼島)控股有限公司 Tingtong (Cayman Islands) Holding Corp.	開曼群島 Cayman Islands	15,000,000 普通股 每股US\$1 15,000,000 ordinary shares of US\$1 each/US\$2,118,334	—	50.01%	投資控股 Investment holding
上海頂通物流有限公司 Shanghai Tingtong Logistics Co., Ltd.	中國 PRC	US\$5,000,000	—	50.01%	提供物流服務 Logistics services
廣州頂通物流有限公司 Guangzhou Ting Tong Logistics Co., Ltd.	中國 PRC	US\$300,000	—	50.01%	提供物流服務 Logistics services
北京頂通物流有限公司 Beijing Ting Tong Logistics Co., Ltd.	中國 PRC	US\$500,000	—	50.01%	提供物流服務 Logistics services



# 賬目附註

## Notes to the Financial Statements

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For the year ended 31 December 2011

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
重慶頂通物流有限公司 Chongqing Ting Tong Logistics Co., Ltd.	中國 PRC	US\$300,000	—	50.01%	提供物流服務 Logistics services
瀋陽頂通物流有限公司 Shenyang Ting Tong Logistics Co., Ltd.	中國 PRC	US\$300,000	—	50.01%	提供物流服務 Logistics services
頂益(英屬處女島)國際有限公司 Tingyi (BVI) Int'l Co., Ltd.	英屬處女群島 BVI	50,000普通股每股US\$1 50,000 ordinary shares of US\$1 each/US\$50,000	100%	—	本集團之採購代理 Purchasing and sales agent for the Group
康師傅(香港)貿易有限公司 Master Kong (HK) Trading Company Limited	香港 HK	HK\$10,000 /HK\$2	100%	—	本集團之產品代理及貿易 Agent and trading of products for the Group
味全(安吉)乳品專業牧場有限公司 Wei Chuan (Anji) Dairy Farm Co., Ltd. #	中國 PRC	US\$2,100,000	100%	—	製造及銷售奶類飲品 Manufacture and sale of milk products
天津浩佳投資有限責任公司 Tianjin Haojia Investment Co., Ltd. #	中國 PRC	RMB10,000,000	—	100%	投資控股 Investment holding
康遠股份有限公司 Kon Yuan Corporation #	台灣 Taiwan	NT\$110,000,000	100%	—	投資控股 Investment holding

## Notes to the Financial Statements

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For the year ended 31 December 2011

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
康權股份有限公司 Kon Chuan Corporation #	台灣 Taiwan	NT\$96,000,000	100%	—	投資控股 Investment holding
康俊股份有限公司 Kon Jun Corporation #	台灣 Taiwan	NT\$110,000,000	100%	—	投資控股 Investment holding

\* 該等附屬公司註冊為中外合資／合作企業。

\* These subsidiaries are registered as Sino-foreign equity joint venture companies.

# 英文翻譯只供識別

# English translation for identification purposes only.

其他本集團於中國境內之附屬公司均成立及註冊為全資外商企業。

The other subsidiaries in the PRC are established and registered as wholly-owned foreign enterprises.





### MAZARS CPA LIMITED

瑪澤會計師事務所有限公司  
42nd Floor, Central Plaza,  
18 Harbour Road, Wan Chai, Hong Kong  
香港灣仔港灣道18號中環廣場42樓

致康師傅控股有限公司  
(在開曼群島註冊成立之有限公司)  
全體股東

本核數師已審核列載於第65頁至181頁之康師傅控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之賬目，此賬目包括於2010年12月31日之綜合及公司財務狀況表，截至該日止年度之綜合收益表，綜合全面收益表，綜合股東權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註說明。

### 董事編製綜合財務報表之責任

貴公司董事負責遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製反映真實兼公平觀點之綜合財務報表，並對董事釐定就確保編製並無重大錯誤陳述(不論其由欺詐或錯誤引起)之綜合財務報表而言屬必要之有關內部監控負責。

### 核數師之責任

本核數師之責任是根據我們之審核對此賬目作出意見，並將此意見僅向閣下匯報而不作其他用途。我們不就此報告之內容，對任何其他人士負責或承擔責任。我們的審核工作已根據香港會計師公會頒佈之香港審計準則進行。該等準則要求我們遵守操守規定，並策劃及進行審核工作，就該等賬目是否存有重大錯誤陳述，作出合理之確定。

To the shareholders of  
**Tingyi (Cayman Islands) Holding Corp.**  
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Tingyi (Cayman Islands) Holdings Corp. (the "Company") and its subsidiaries (together "the Group") set out on pages 65 to 181, which comprise the consolidated and the Company's statements of financial position as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

審核包括進程序以獲取有關該賬目所載金額及披露資料之憑證。所選定之程序取決於我們之判斷，包括評估由於欺詐或錯誤而導致賬目存有重大錯誤陳述之風險。在作出該等風險評估時，我們考慮與貴集團編製及真實而公平地呈列賬目相關之內部監控，以設計適當之審核程序，但並非旨在就貴集團之內部監控之效能發表意見。審核亦包括評估所採用之會計政策之合適性及董事所作出之會計估計之合理性，以及就賬目之整體呈列方式作出評估。

本核數師相信，我們所獲得之審核憑證就提出審核意見而言屬充分恰當。

### 意見

本核數師認為，本賬目已根據香港財務報告準則真實兼公平地反映貴集團於2010年12月31日之財務狀況及截至該日止年度其溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

瑪澤會計師事務所有限公司

香港執業會計師

香港

2011年3月21日

陳志明

執業牌照號碼：P05132

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 21 March 2011

Chan Chi Ming Andy

Practising Certificate number: P05132

# 綜合收益表

## Consolidated Income Statement

截止2010年12月31日年度  
Year ended 31 December 2010

		附註 Note	2010 千美元 US\$'000	2009 千美元 US\$'000
營業額與收益	<b>Turnover and revenue</b>	6	<b>6,681,482</b>	5,081,113
銷售成本	Cost of sales		<b>(4,782,037)</b>	(3,321,764)
毛利	Gross profit		<b>1,899,445</b>	1,759,349
其他淨收入	Other net income	8	<b>183,373</b>	79,913
分銷成本	Distribution costs		<b>(1,121,477)</b>	(1,032,759)
行政費用	Administrative expenses		<b>(125,953)</b>	(96,651)
其他經營費用	Other operating expenses		<b>(92,081)</b>	(81,650)
財務費用	Finance costs	9	<b>(6,511)</b>	(12,644)
應佔聯營公司業績	Share of results of associates		<b>9,978</b>	9,550
除稅前溢利	<b>Profit before taxation</b>	9	<b>746,774</b>	625,108
稅項	Taxation	11	<b>(134,200)</b>	(124,613)
本年度溢利	<b>Profit for the year</b>		<b>612,574</b>	500,495
年內應佔溢利	<b>Attributable to:</b>			
本公司股東	Owners of the Company		<b>476,787</b>	383,207
少數權益股東	Non-controlling interests		<b>135,787</b>	117,288
本年度溢利	<b>Profit for the year</b>		<b>612,574</b>	500,495
每股溢利	<b>Earnings per share</b>	14		
基本	Basic		<b>US8.53 cents</b>	US6.86 cents
攤薄	Diluted		<b>US8.50 cents</b>	US6.85 cents

# 綜合全面收益表

## Consolidated Statement of Comprehensive Income

截止2010年12月31日止年度  
Year ended 31 December 2010

		2010 千美元 US\$'000	2009 千美元 US\$'000
本年度溢利	<b>Profit for the year</b>	<b>612,574</b>	500,495
其他全面收益	<b>Other comprehensive income</b>		
匯兌差額	Exchange differences on consolidation	<b>77,369</b>	1,731
可供出售金融資產 公允值之變動	Fair value change in available-for-sale financial assets	<b>11,109</b>	—
稅後本年度其他全面收益	<b>Other comprehensive income for the year, net of tax</b>	<b>88,478</b>	1,731
稅後本年度全面收益總額	<b>Total comprehensive income for the year, net of tax</b>	<b>701,052</b>	502,226
應佔全面收益：	<b>Attributable to:</b>		
本公司股東	Owners of the Company	<b>545,221</b>	384,941
少數權益股東	Non-controlling interests	<b>155,831</b>	117,285
		<b>701,052</b>	502,226



# 綜合財務狀況表

## Consolidated Statement of Financial Position

於2010年12月31日

At 31 December 2010

		附註 Note	2010 千美元 US\$'000	2009 千美元 US\$'000
<b>資產</b>	<b>ASSETS</b>			
<b>非流動資產</b>	<b>Non-current assets</b>			
物業、機器及設備	Property, plant and equipment	15	2,922,936	2,216,638
無形資產	Intangible assets	16	—	6,955
聯營公司權益	Interests in associates	18	—	61,892
土地租約溢價	Prepaid lease payments	19	117,799	88,803
可供出售金融資產	Available-for-sale financial assets	20	112,659	3,408
遞延稅項資產	Deferred tax assets	32	50,451	5,379
			<b>3,203,845</b>	2,383,075
<b>流動資產</b>	<b>Current assets</b>			
按公允價值列賬及在損益賬 處理的金融資產	Financial assets at fair value through profit or loss	21	771	4,026
存貨	Inventories	23	309,801	212,923
應收賬款	Trade receivables	24	127,730	115,591
預付款項及其他應收款項	Prepayments and other receivables		280,704	171,889
抵押銀行存款	Pledged bank deposits	26	12,024	9,358
銀行結餘及現金	Bank balances and cash	26	881,316	510,831
			<b>1,612,346</b>	1,024,618
分類為持作出售資產	Assets classified as held for sale	22	75,221	—
<b>總資產</b>	<b>Total assets</b>		<b>4,891,412</b>	3,407,693
<b>股東權益及負債</b>	<b>EQUITY AND LIABILITIES</b>			
<b>股本及儲備</b>	<b>Capital and reserves</b>			
發行股本	Issued capital	27	27,934	27,934
儲備	Reserves	28	1,793,324	1,434,710
本公司股東應佔權益	Total capital and reserves attributable to owners of the Company		<b>1,821,258</b>	1,462,644
少數股東權益	Non-controlling interests		<b>547,929</b>	446,420
<b>股東權益總額</b>	<b>Total equity</b>		<b>2,369,187</b>	1,909,064

# 綜合財務狀況表

## Consolidated Statement of Financial Position

於2010年12月31日  
At 31 December 2010

		附註 Note	2010 千美元 US\$'000	2009 千美元 US\$'000
<b>非流動負債</b>	<b>Non-current liabilities</b>			
長期有息借貸	Long-term interest-bearing borrowings	30	177,259	116,983
其他非流動應付款項	Other non-current payables		791	1,531
員工福利責任	Employee benefit obligations	31	12,097	11,377
遞延稅項負債	Deferred tax liabilities	32	104,165	60,779
			<b>294,312</b>	190,670
<b>流動負債</b>	<b>Current liabilities</b>			
應付賬款	Trade payables	33	1,083,913	622,197
其他應付款項	Other payables		572,249	406,210
有息借貸 之即期部份	Current portion of interest-bearing borrowings	30	456,876	218,087
客戶預付款項	Advance payments from customers		86,940	42,497
稅項	Taxation		25,315	18,968
			<b>2,225,293</b>	1,307,959
分類為持作出售資產之 相關負債	Liabilities associated with assets classified as held for sale	22	2,620	—
<b>總負債</b>	<b>Total liabilities</b>		<b>2,522,225</b>	1,498,629
<b>股東權益及負債</b>	<b>Total equity and liabilities</b>		<b>4,891,412</b>	3,407,693
<b>淨流動負債</b>	<b>Net current liabilities</b>		<b>(612,947)</b>	(283,341)
<b>總資產減流動負債</b>	<b>Total assets less current liabilities</b>		<b>2,666,119</b>	2,099,734

於2011年3月21日經董事會批准及授權簽發

Approved and authorised for issue by the Board of Directors on 21 March 2011

魏應州 Wei Ing-Chou  
董事 Director

井田毅 Takeshi Ida  
董事 Director

# 財務狀況表

## Statement of Financial Position

於2010年12月31日

At 31 December 2010

	Note	2010 US\$'000	2009 US\$'000
<b>資產</b>			
<b>ASSETS</b>			
<b>非流動資產</b>			
<b>Non-current assets</b>			
物業、機器及設備	15	120	131
Property, plant and equipment			
附屬公司權益	17	452,865	528,251
Interest in subsidiaries			
聯營公司權益	18	—	62,601
Interests in associates			
可供出售金融資產	20	76,735	2,712
Available-for-sale financial assets			
		<b>529,720</b>	593,695
<b>流動資產</b>			
<b>Current assets</b>			
按公允價值列賬及在損益賬 處理的金融資產	21	771	4,026
Financial assets at fair value through profit or loss			
預付款項及其他應收款項		1,155	979
Prepayments and other receivables			
應收附屬公司款項	25	25,000	5,000
Amounts due from a subsidiary			
銀行結餘及現金		60,196	6,312
Bank balances and cash			
		<b>87,122</b>	16,317
<b>分類為持作出售資產</b>			
<b>Assets classified as held for sale</b>			
	22	19,482	—
<b>總資產</b>		<b>636,324</b>	610,012
<b>Total assets</b>			
<b>股東權益及負債</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>股本及儲備</b>			
<b>Capital and reserves</b>			
發行股本	27	27,934	27,934
Issued capital			
儲備	28	350,628	484,749
Reserves			
<b>股東權益總額</b>		<b>378,562</b>	512,683
<b>Total equity</b>			
<b>非流動負債</b>			
<b>Non-current liabilities</b>			
長期有息借貸	30	65,000	65,000
Long-term interest-bearing borrowings			
員工福利責任	31	7,814	8,246
Employee benefit obligations			
		<b>72,814</b>	73,246

# 財務狀況表

## Statement of Financial Position

於2010年12月31日  
At 31 December 2010

			2010	2009
		Note	US\$'000	US\$'000
<b>流動負債</b>	<b>Current liabilities</b>			
應付賬款	Trade payables	33	2,126	2,818
其他應付款項	Other payables		25,822	765
有息借貸 之即期部份	Current portion of interest-bearing borrowings	30	157,000	20,500
			<b>184,948</b>	24,083
<b>總負債</b>	<b>Total liabilities</b>		<b>257,762</b>	97,329
<b>股東權益及負債</b>	<b>Total equity and liabilities</b>		<b>636,324</b>	610,012
<b>淨流動負債</b>	<b>Net current liabilities</b>		<b>97,826</b>	7,766
<b>總資產減流動負債</b>	<b>Total assets less current liabilities</b>		<b>451,376</b>	585,929

於2011年3月21日經董事會批准及授權簽發

Approved and authorised for issue by the Board of Directors on 21 March 2011

魏應州 Wei Ing-Chou  
董事 Director

井田毅 Takeshi Ida  
董事 Director

# 綜合股東權益變動表

## Consolidated Statement of Changes in Equity

截止2010年12月31日止年度

Year ended 31 December 2010

		本公司股東應佔儲備 Attributable to owners of the Company										
		股份 贖回儲備	股份 溢價	外幣換算 儲備	一般儲備	購股權儲備	投資 重估儲備	保留溢利	少數股東 權益	股本及儲備		
		Capital redeemtion reserve	Share premium	Exchange translation reserve	General reserve	Share- based payment reserve	Investment revaluation reserve	Retained profits	Non- controlling interests	Capital and reserves		
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	
於2009年1月1日	At 1 January 2009	27,934	45	330,492	163,834	177,555	750	—	506,593	1,207,203	331,435	1,538,638
本年度溢利	Profit for the year	—	—	—	—	—	—	383,207	383,207	117,288	500,495	
其他全面收益	Other comprehensive income											
匯兌差額	Exchange differences on consolidation	—	—	—	1,734	—	—	—	—	1,734	(3)	1,731
本年度全面收益 總額	Total comprehensive income for the year	—	—	—	1,734	—	—	383,207	384,941	117,285	502,226	
與本公司股東 之交易	Transactions with owners of the Company											
權益結算股份支付 之款項	Equity settled share- based transactions	—	—	—	—	—	2,280	—	—	2,280	—	2,280
已付2008年末期股息	2008 final dividend paid	—	—	—	—	—	—	(130,172)	(130,172)	(2,300)	(132,472)	
轉撥往一般儲備	Transfer to general reserve	—	—	—	51,162	—	—	(51,162)	—	—	—	
出售附屬公司 所產生之減少	Realisation upon disposal of a subsidiary	—	—	—	(1,600)	(8)	—	—	(1,608)	—	(1,608)	
與本公司股東 之交易總額	Total transactions with owners of the Company	—	—	—	(1,600)	51,154	2,280	(181,334)	(129,500)	(2,300)	(131,800)	
於2009年12月31日	At 31 December 2009	27,934	45	330,492	163,968	228,709	3,030	—	708,466	1,462,644	446,420	1,909,064

# 綜合股東權益變動表

## Consolidated Statement of Changes in Equity

截止2010年12月31日止年度  
Year ended 31 December 2010

		本公司股東應佔儲備 Attributable to owners of the Company										
		股份 贖回儲備	外幣換算 儲備	購股權儲備	投資 重估價儲備	保留溢利	少數股東 權益	股本及儲備				
		發行股本 Issued capital	Capital redemption reserve	股份溢價 Share premium	Exchange translation reserve	一般儲備 General reserve	Share- based payment reserve	Investment revaluation reserve	Retained profits	總額 Total	Non- controlling interests	Capital and reserves
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
於2010年1月1日	At 1 January 2010	27,934	45	330,492	163,968	228,709	3,030	—	708,466	1,462,644	446,420	1,909,064
本年度溢利	Profit for the year	—	—	—	—	—	—	—	476,787	476,787	135,787	612,574
其他全面收益	Other comprehensive income											
匯兌差額	Exchange differences on consolidation	—	—	—	57,325	—	—	—	—	57,325	20,044	77,369
可供出售金融資產 公允值之變動	Fair value change in available-for-sale financial assets	—	—	—	—	—	—	11,109	—	11,109	—	11,109
本年度其他 全面收益總額	Total other comprehensive income	—	—	—	57,325	—	—	11,109	—	68,434	20,044	88,478
本年度 全面收益總額	Total comprehensive income for the year	—	—	—	57,325	—	—	11,109	476,787	545,221	155,831	701,052
與本公司股東 之交易	Transactions with owners of the Company											
權益結算股份支付 之款項	Equity settled share- based transactions	—	—	—	—	—	5,020	—	—	5,020	—	5,020
已付2009年末期股息	2009 final dividend paid	—	—	(39,212)	—	—	—	—	(152,415)	(191,627)	(54,322)	(245,949)
轉撥往一般儲備	Transfer to general reserve	—	—	—	—	36,980	—	—	(36,980)	—	—	—
與本公司股東 之交易總額	Total transactions with owners of the Company	—	—	(39,212)	—	36,980	5,020	—	(189,395)	(186,607)	(54,322)	(240,929)
於2010年12月31日	At 31 December 2010	27,934	45	291,280	221,293	265,689	8,050	11,109	995,858	1,821,258	547,929	2,369,187

# 綜合現金流量表

## Consolidated Statement of Cash Flows

截至2010年12月31日

At 31 December 2010

	Note	2010 US\$'000	2009 US\$'000
<b>經營活動</b>			
<b>OPERATING ACTIVITIES</b>			
經營業務所得現金	34	1,396,225	1,109,552
已繳中國企業所得稅		(129,365)	(96,032)
已繳利息		(6,511)	(12,644)
<b>經營活動所得現金淨額</b>		<b>1,260,349</b>	<b>1,000,876</b>
<b>投資活動</b>			
<b>INVESTING ACTIVITIES</b>			
已收利息		21,479	15,579
出售按公允價值列賬及 在損益賬處理的 金融資產之所得		20,000	—
出售附屬公司之 所得		—	6,258
出售分類為持作出售資產 所得之預收款項		9,833	—
前聯營公司股息收入		707	3,059
購入按公允價值列賬及 在損益賬處理的金融資產		(20,000)	(4,002)
購入物業、 機器及設備		(965,633)	(497,875)
已付土地租約溢價		(32,267)	(9,698)
出售物業、機器及 設備之所得		2,810	14,386
<b>投資活動所用 現金淨額</b>		<b>(963,071)</b>	<b>(472,293)</b>

# 綜合現金流量表

## Consolidated Statement of Cash Flows

截至2010年12月31日  
At 31 December 2010

	Note	2010 US\$'000	2009 US\$'000
<b>融資活動</b>			
已付本公司 股東之股息		<b>(191,627)</b>	(130,172)
已付少數 股東之股息		<b>(54,322)</b>	(45,071)
新增貸款		<b>884,801</b>	328,065
償還貸款		<b>(586,979)</b>	(546,722)
<b>融資活動所得(所用) 現金淨額</b>		<b>51,873</b>	(393,900)
<b>現金及現金等值物的 淨增加</b>		<b>349,151</b>	134,683
<b>年初之現金及 現金等值物</b>		<b>520,189</b>	384,964
匯率變動之影響		<b>24,000</b>	542
<b>年終之現金及 現金等值物</b>	26	<b>893,340</b>	520,189



### 1. 一般資料

康師傅控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」)主要從事生產及銷售方便麵、飲品及糕餅產品。本公司為開曼群島註冊成立有限責任公司及股票於香港聯合交易所有限公司之主板上市。其主要營運地址為中國天津經濟技術開發區第3大街15號。

本公司為一家投資控股公司及從事機械備件及原材料銷售。本公司及其附屬公司(統稱為「本集團」)主要從事生產及銷售方便麵、飲品及糕餅產品。其附屬公司經營之主要業務載於綜合財務狀況表賬目附註39。

### 2. 賬目編製

本賬目乃按照香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)，此統稱已包括所有適用個別之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港普遍接納之會計原則及香港公司條例之披露規定而編製。本賬目同時亦符合香港聯合交易所有限公司證券上市規則之適用披露規定。

除詳載於附註4，於年內生效的新訂或經修訂之香港財務報告準則外，本賬目採用之會計政策與2009年度的賬目是一致的。本集團所採用之主要會計政策概要載於附註3。

### 1. GENERAL INFORMATION

Tingyi (Cayman Islands) Holding Corp. (the "Company") is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its principal place of business is No. 15, The 3rd Street, Tianjin Economic-Technological Development Area, Tianjin, PRC.

The Company is an investment holding company and engaged in trading of spare parts of machineries and raw materials. The Company and its subsidiaries (collectively, the "Group") are principally engaged in the manufacture and sale of instant noodles, beverages and bakery products. The principal activities of its subsidiaries are set out in note 39 to the consolidated financial statements.

### 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2009 financial statements except for the adoption of the new / revised HKFRS effective from the current year that are relevant to the Group as detailed in note 4 to the financial statements. A summary of the principal accounting policies adopted by the Group is set out in note 3 to the financial statements.

**2. 賬目編製 (續)**

在編製賬目時，於結算日，基於本集團流動負債較流動資產超出612,947,000美元（2009年：淨流動負債283,341,000美元），因此董事已審慎評估本集團在可見未來之營運資金及融資需求。

董事基於本集團現有可動用之銀行信貸與業務持續錄得溢利的情況下，認為本集團在可見將來有充份資源完全兌現其財務承擔。故此，賬目以持續經營之準則編製。

**3. 主要會計政策****(a) 編製基準**

編製賬目時以原值作為衡量標準，除按公允價值列賬及在損益賬處理的金融資產乃以公允價值計量。詳情載於下列之會計政策。

**(b) 綜合基準**

綜合賬目包括本公司及各附屬公司截至每年12月31日之賬目。編製子公司財務報表的呈報年度與本公司相同，會計政策亦貫徹一致。

本集團內部各公司之間進行交易所致的所有結餘、交易、收支及損益均全數抵銷。附屬公司的業績自本集團取得控制權之日起合併，並繼續合併附屬公司直至控制權終止日期。

**2. BASIS OF PREPARATION (Continued)**

In preparing the financial statements, the directors have carefully assessed the working capital and financing requirements of the Group in the foreseeable future, as the Group's current liabilities exceeded its current assets by US\$612,947,000 (2009: net current liabilities of US\$283,341,000) at the end of the reporting period.

Taking into account the existing banking facilities of the Group and continuing profitable operations, the directors are satisfied that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

**3. PRINCIPAL ACCOUNTING POLICIES****(a) Basis of measurement**

The measurement basis used in the preparation of these financial statements is historical cost, except for available-for-sale financial assets at fair value and financial assets at fair value through profit or loss, which have been measured at fair value as explained in the accounting policies set out below.

**(b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All inter-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceased.

**3. 主要會計政策 (續)****(b) 綜合基準 (續)**

少數股東權益於綜合損益表及綜合財務狀況表之權益內呈列，與本公司股東應佔權益分開呈列。就於2010年1月1日或之後進行之各業務合併而言，於被收購方之非控股權益初步以公平值或非控股權益應佔被收購方資產淨值之比例計量。按逐項收購基準選擇計量基準。就於2010年1月1日之前進行之各業務合併而言，於被收購方之非控股權益乃以非控股權益應佔被收購方資產淨值之比例計量。

*分配全面收益總額*

損益及其他全面收益各部份由本公司股東及非控股權益分佔。由2010年1月1日起，即使導致非控股權益出現虧絀餘，全面收益總額由本公司股東及非控股權益分佔。於2010年1月1日之前，非控股權益應佔之虧損超逾附屬公司權益中非控股權益之部分在本集團之權益中進行分配，惟非控股權益具約束責任且可作出額外投資以彌補損失除外。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(b) Basis of consolidation (Continued)**

Non-controlling interests are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from owners of the Company. For each business combination occurs on or after 1 January 2010, the non-controlling interest in the acquiree is measured initially either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. For each business combination occurred prior to 1 January 2010, the non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's net assets.

*Allocation of total comprehensive income*

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. From 1 January 2010, total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Prior to 1 January 2010, losses applicable to the non-controlling interest in excess of the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

## 3. 主要會計政策 (續)

## (b) 綜合基準 (續)

## 擁有權變動

由2010年1月1日起，不導致失去於附屬公司控制權之本集團擁有權變動，按權益交易入賬。控股及非控股權益之面值乃經調整以反映其於附屬公司相關權益之變動。非控股權益之調整金額與已付或已收代價公平值之差額，直接於權益確認，並由本公司股東分佔。

倘本集團失去於附屬公司之控制權，出售損益根據下列兩項之差額計算：(i)已收代價之公平值與於控制權失去當日所釐定任何保留權益之公平值之總額與(ii)於控制權失去當日附屬公司之資產（包括商譽）及負債以及任何非控股權益之賬面值。倘母公司直接出售相關資產或負債，先前於其他全面收益表就所售附屬公司確認之金額則須按相同基準確認。由控制權失去當日起，於前附屬公司保留之任何投資及欠收或欠付前附屬公司之任何金額入賬為財務資產、聯營公司、共同控制公司或其他公司（如適用）。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (b) Basis of consolidation (Continued)

## Changes in ownership interest

From 1 January 2010, changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary is recognised on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary is accounted for as a financial asset, associate, jointly controlled entity or others as appropriate from the date when control is lost.

**3. 主要會計政策 (續)****(b) 綜合基準 (續)***擁有權變動 (續)*

於2010年1月1日之前，本集團於附屬公司之擁有權增加如收購般處理入賬。就本集團於屬公司之擁有權減少而言，不論出售是否導致失去控制權，已收代價與攤佔所出售資產淨值之賬面值之差額於損益中確認。

**(c) 物業、機器及設備**

除在建工程以外之物業、機器及設備以原值減累計折舊及累計減值虧損入賬。物業、機器及設備之成本包括其購買價及任何使資產達致可使用狀態及現存地點作原定用途所產生之直接應佔成本。維修及保養於產生之年度內在損益賬中扣除。

當出售時或當繼續使用資產預期但不會產生任何未來經濟利益時，物業、廠房及設備項目撇除確認。當物業、機器及設備出售或棄用時所得之盈虧，按其出售所得淨額與資產賬面值間之差額用以評定，並認列於損益賬內。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(b) Basis of consolidation (Continued)***Changes in ownership interest (Continued)*

Prior to 1 January 2010, any increase in the Group's ownership interest in a subsidiary was treated in the same manner as an acquisition. For decreases in the Group's ownership interest in a subsidiary, regardless of whether the disposals would result in a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

**(c) Property, plant and equipment**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year in which the item is derecognised.

### 3. 主要會計政策 (續)

#### (c) 物業、機器及設備 (續)

除在建工程外，物業、機器及設備之折舊是根據全面投入運作之日期起按其可使用年限及預計殘值後以直線法計提折舊。當物業、機器及設備項目之不同部分有不同使用年期時，項目之成本或估值在不同部分之間按合理基準分配，每個部份分開計算折舊。

樓宇	10至30年
機器及設備：	
– 供生產方便麵 及飲料	12年
– 其他	5至10年
電器及設備	5年
雜項設備	3至10年

#### (d) 在建工程

在建工程包括生產建設過程中或供自用建設過程中之物業、機器及設備，乃按成本減任何已確認之減值虧損列賬。在建工程以原值扣除累計減值虧損列賬，其中包括所有建造費用及其他直接成本，包括與該項目有關之利息成本。已完成工程之成本會撥入相關之資產類別。在建工程在完成及投入運作前不計提折舊。

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (c) Property, plant and equipment (Continued)

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, other than construction in progress, over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the costs or valuation of the item is allocated on a reasonable basis and depreciated separately.

Buildings	10 to 30 years
Machinery and equipment:	
– For instant noodles and beverages	12 years
– Others	5 to 10 years
Electrical appliances and equipment	5 years
Miscellaneous equipment	3 to 10 years

#### (d) Construction in progress

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is stated at cost less accumulated impairment losses. Cost includes all construction expenditure and other direct costs, including interest costs, attributable to such projects. Costs on completed construction works are transferred to the appropriate asset category. No depreciation is provided in respect of construction in progress until it is completed and ready for its intended use.

**3. 主要會計政策 (續)****(e) 分類為持作出售資產**

當資產之賬面值將透過出售被變現而非作持續使用，則被分類為持作出售資產。在資產極有可能被出售及可於現況下立即作出售的情況下方可列為分類為持作出售資產。管理層必須已承諾出售，並預計於被分類為持作出售資產那天起一年內完成有關出售。當本集團已承諾之出售計劃涉及失去對附屬公司控制權時，不論本集團在出售該附屬公司後會否保留該附屬公司之非控股權益，該附屬公司之所有資產及負債須於以上分類準則達到時認列為持作出售。分類為持作出售資產以其賬面值或其公允值減去出售成本兩者之較低者列賬。

**(f) 無形資產 – 商標**

由本集團購入之商標之成本以資本化入賬。年期有限之商標以成本減累計攤銷及累計減值虧損列賬。商標攤銷乃以直線法按預計可使用之年期而計提。

**(g) 土地租約溢價**

土地租約溢價為購入承租人佔用之物業基於固定條款之權益之預付款項。溢價乃以成本列賬，並於租期內以直線法攤銷計入損益賬中。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(e) Assets classified as held for sale**

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale. Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**(f) Intangible assets - Trademarks**

The initial cost of acquiring trademarks is capitalised. Trademarks with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over their estimated useful lives.

**(g) Prepaid lease payments**

Prepaid lease payments are up-front payments to acquire fixed term interests in lessee-occupied land. The premiums are stated at cost and are amortised over the period of the lease on a straight-line basis to the profit or loss.



## 3. 主要會計政策 (續)

## (h) 附屬公司

附屬公司乃本集團有權規管其財務及營運政策之實體，以從其業務中獲取利益。

在本公司財務狀況表內，附屬公司權益以成本減累積減值虧損列值。投資賬面值會個別撇減至其可收回金額。附屬公司業績由本公司按已收及應收股息基準入賬。

## (i) 聯營公司

聯營公司為本集團具有重大影響力之企業，但不屬於本集團之附屬公司或合營企業。

聯營公司權益乃以會計權益法列賬。綜合收益表包括本集團所佔本年度聯營公司之收購後業績。綜合財務狀況包括本集團享有聯營公司之淨資產及商譽。若本集團所佔聯營公司虧損相當於或多於本集團所佔聯營公司賬面值（包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司權益淨額之一部分），本集團終止認列應佔之虧損。

當本集團與其聯營公司進行交易時，未變現之盈利及虧損將按本集團於有關聯營公司所佔權益予以對銷。除非證明已轉讓資產減值，在此情況下則即時入賬於損益賬內。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (h) Subsidiaries

A subsidiary is an entity in which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's statement of financial position, an investment in subsidiary is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

## (i) Associates

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

The Group's investments in associates are accounted for under the equity method of accounting. The consolidated income statement includes the Group's share of the post-acquisition results of its associates for the year. The consolidated statement of financial position includes the Group's share of the net assets of associates and also goodwill. The Group discontinues recognising its share of further losses when the Group's share of losses of the associate equals or exceeds the carrying amount of its interest in the associate, which includes any long term interests that, in substance, form part of the Group's net investments in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.



**3. 主要會計政策 (續)****(i) 聯營公司 (續)**

於本公司之財務狀況表內，聯營公司權益以個別成本減累計減值虧損列賬。聯營公司之業績透過已收股利及應收股利反映在本公司賬內。

當本集團失去對聯營公司之重大影響力時，以出售本集團在被投資公司之所有權益計量及產生之收益或虧損入賬於損益賬中。於失去重大影響力時，任何保留於在被投資公司之權益會以公允值認列，並於初始確認為金融資產時以此公允值作釐定。詳情列示於附註3(j)。

於聯營公司權益被分類為持作出售時，則根據香港財務報告準則第5號持有待出售之非流動資產及終止業務處理。

**(j) 金融工具**

金融資產及金融負債乃按交易日之基準及於本集團成為該工具合約條文之其中一方時確認。

當本集團從金融資產收取未來現金流量的合約權利到期或本集團實質上轉讓了與該金融資產擁有權相關的幾乎全部風險和回報時，會終止確認該項金融資產。只有當金融負債消除時，才能終止確認該項金融負債。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(i) Associates (Continued)**

In the Company's statement of financial position, an investment in associates is stated at cost less impairment loss determined on individual basis. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset as set out in note 3(j) to the consolidated financial statements.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

**(j) Financial instruments**

Financial assets and financial liabilities are recognised when the Group become a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when the Group's contractual rights to future cash flows from the financial asset expire or when the Group transfers the financial asset and the Group has transferred substantially all the risks and rewards of ownership of the financial asset. A financial liability is derecognised only when the liability is extinguished, that is, when the obligation specified in the relevant contract expires.

## 3. 主要會計政策 (續)

## (j) 金融工具 (續)

按公允價值列賬及在損益賬處理的金融資產

按公允價值列賬及在損益賬處理之金融資產包括持有作為交易之金融資產，以及原先指定為按公允價值入收益表者。有關工具按公允價值計量，公允價值之變動乃入賬於損益賬內。

## 貸款及應收賬款

貸款及應收款項(包括應收賬款及其他應收款項)指並無於活躍市場報價且並非為買賣而持有之具有固定或可釐定付款金額之非衍生金融資產，該等貸款及應收賬款以實際利率方法計算攤銷成本。若貸款及應收賬款為免息貸款及無固定還款期或其折現影響並不重大，貸款及應收款項按成本扣除減值虧損入賬。攤銷成本已計算在到期年內任何收購折讓或溢價。因取消確認、減值或攤銷所產生之盈虧計入該年度的損益賬。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (j) Financial instruments (Continued)

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. They are carried at fair value, with any resultant gain and loss recognised in the profit or loss.

*Loans and receivables*

Loans and receivables including trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading. They are measured at amortised cost using the effective interest method, except where balances are interest-free loans and without any fixed repayment term or the effect of discounting would be insignificant. In such case, the receivables are stated at cost less impairment loss. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. Gains and losses arising from derecognition, impairment or through the amortisation process are recognised in the profit or loss.

## 3. 主要會計政策 (續)

## (j) 金融工具 (續)

## 可供出售金融資產

可供出售金融資產乃指定為此類別或不能歸類於其他金融資產類別之非衍生工具。彼等均按公允價值(而列賬於全面收益中的價值變動確認為權益之單獨部份)計量,直至該等投資被出售、收取或另行處置為止,或直至該等資產被釐定將予減值為止,於此時,先前於權益中呈報之累積損益乃轉入損益賬中。在活躍的交易市場上,若可供出售金融資產並無公開報價,並且其公允價值不能可靠計量,則以成本減累計減值虧損列賬。

## 金融資產減值

於各結算日,本集團均會評估是否有客觀證據證明金融資產(按公允價值列賬及在損益賬處理的金融資產除外)出現減值現象。金融資產之減值虧損按攤銷成本列賬,並以資產之賬面值與其按金融資產之原有實際利率折算之預期未來現金流之現值間之差異計算。金融資產的減值虧損於損益賬中確認。倘資產之可收回金額於日後增加而可客觀地與確認減值後發生的事件有關連,則於往後期間在損益賬中撥回減值虧損,惟資產於減值日期撥回之賬面值不得超過並無確認減值時之攤銷成本。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (j) Financial instruments (Continued)

## Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets that are either designated at this category or not classified in any of the other categories of financial assets. They are measured at fair value with changes in value recognised as other comprehensive income and separate component of equity until the assets are sold, collected or otherwise disposed of, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in equity is transferred to profit or loss. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less impairment loss.

## Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that financial assets, other than those at fair value through profit or loss, are impaired. The impairment loss of financial assets carried at amortised cost is measured as the difference between the assets' carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. The impairment loss is recognised in the profit or loss. Such impairment loss is reversed in subsequent periods through profit or loss when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had determined the impairment not been recognised.

## 3. 主要會計政策 (續)

## (j) 金融工具 (續)

## 金融資產減值 (續)

如果可供銷售金融資產發生減值，則該資產的初始取得成本（扣除已收回本金和已攤銷金額）與當前公允值之間的差額，減去所有先前已確認之減值虧損後之數，乃由權益轉撥入收益或虧損。倘若可供銷售股本工具已提減值虧損，其公允值於日後增加，有關增加則會轉撥入全面收益內。若可供銷售債務工具之公允值回升可以客觀地歸因於其減值虧損於損益賬中確認後才發生之事項，則可供銷售債務工具之減值虧損可以通過損益中轉回。

以成本價列賬之持作出售金融資產，減值虧損以其賬面值與及以同類金融資產之現時市場回報率估計該金融資產相關的未來現金流折算所得出的現值兩者之差額計算。此減值虧損不得轉回。

## 金融負債

本集團之金融負債包括應付賬項及其他應付款項、應付聯營公司款項、有息借貸以及其他非流動應付款項。所有金融負債初始按其公允值確認，後續採用實際利率法按攤餘成本計量，除非折現的影響不重大，這種情況下，它們按成本計量。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (j) Financial instruments (Continued)

## Impairment of financial assets (Continued)

When an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and current fair value, the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, less any previously recognised impairment loss, is transferred from equity to profit or loss. Impairment losses recognised in profit or loss in respect of available-for-sale equity instrument are not reversed through profit or loss. Any subsequent increase in fair value of available-for-sale financial asset after recognition of impairment loss is recognised in equity. Reversal of impairment loss of available-for-sale debt instruments are reversed through profit or loss, if the increase in fair value of the financial asset can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

For an available-for-sale financial asset that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed.

## Financial liabilities

The Group's financial liabilities include trade and other payables, amounts due to associates, interest-bearing borrowings and other non-current payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

## 3. 主要會計政策 (續)

## (k) 現金等值物

就綜合現金流量表而言，現金等值物是指短期和流通率極高的投資，扣除銀行透支(如有)。此等投資可隨時轉換為既定金額的現金。其價值變動風險有限。

## (l) 收益之確認

收益是在本集團能獲得有關經濟效益，並且於入賬時該收益及成本(如適用)能可靠地計算。

出售貨品所得收益於貨品之擁有權所涉及之風險及回報轉交買家，通常亦即貨物付運時入賬。

## (m) 外幣換算

本集團各實體包括本公司、附屬公司、聯營公司及共同控制公司之賬目所列項目，乃按該實體經營所在之主要經濟環境貨幣(「功能貨幣」)計量。本公司之功能貨幣為美元，而其大部份附屬公司之功能貨幣為人民幣。本綜合賬目按本公司之呈報貨幣美元呈列。

外幣交易均按交易當日之現行匯率換算為功能貨幣。因上述交易結算及按結算日之匯率兌換以外幣計值之貨幣資產及負債而產生之滙兌損益，均於損益賬中確認。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (k) Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdraft, if any.

## (l) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue and costs, if applicable, can be measured reliably.

Sale of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered and title has been passed.

## (m) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is United States Dollars ("US\$") and majority of its subsidiaries have Renminbi ("RMB") as their functional currency. The consolidated financial statements are presented in US\$, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

## 3. 主要會計政策 (續)

## (m) 外幣換算 (續)

在綜合賬目時，所有集團實體的業績及財務狀況的功能貨幣如有別於呈報貨幣，均按以下方式換算為呈報貨幣：

- (a) 於各財務狀況表呈列的資產及負債乃按有關結算日的收市匯率換算；
- (b) 綜合收益表中的各項收支乃按平均匯率換算；
- (c) 所有從上述換算產生的匯兌差異及組成本集團海外業務投資淨額一部分的貨幣項目所產生的匯兌差異，乃確認為權益中的獨立部分。在出售海外業務時，有關該海外業務的權益中的獨立部分所遞延的匯兌差異之累計款項，於出售盈虧獲確認時於損益賬中確認。

## (n) 存貨

存貨以成本或可變現淨值兩者之較低者列賬。成本包括所有採購成本，加工成本(如適用)及其他將存貨達至現存地點及狀況之成本，並且採用加權平均成本法計算。可變現淨值指在日常業務中之估計出售價減去估計達成銷售所需之成本。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (m) Foreign currency translation (Continued)

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (b) income and expenses for each income statement are translated at average exchange rates;
- (c) all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity. On disposal of a foreign operation, the cumulative amount of the exchange differences deferred in the separate component of equity relating to that foreign operation is recognised in the profit or loss when the gain or loss on disposal is recognised.

## (n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, costs of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

**3. 主要會計政策 (續)****(o) 非金融資產的減值**

本集團於每個結算日檢討內部及外間資訊，以確認其物業、機器及設備，土地租約之溢價及無形資產是否可能已經出現減值現象，或之前所確認之減值虧損是否已不再存在或可能已經減少。若出現任何以上的現象，本集團將需評估資產的可收回價值。據此，資產之可收回價值乃其公允價值減去出售成本及使用價值之較高者。如個別資產未能在大致獨立於其他資產下賺取現金流量，則就能獨立賺取現金流量之最小組別資產(即賺取現金單位)釐訂可收回價值。

倘本集團估計某項資產或即賺取現金單位之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回價值。減值虧損將即時確認為開支。

倘若某項減值虧損期後撤回，則該項資產或即賺取現金單位之賬面值須增加至重新估計之可收回價值，惟增加後之賬面值不得超過在以往年度並無減值虧損而釐定之賬面值。若減值虧損撤回時將即時確認為收益。

**3. PRINCIPAL ACCOUNTING POLICIES (Continued)****(o) Impairment of non-financial assets**

At the end of each reporting period, the Group reviews internal and external sources of information to determine whether the carrying amounts of its property, plant and equipment, prepaid lease payments, and intangible assets have suffered an impairment loss or impairment loss previously recognised no longer exists or may be reduced. The Company reviews its interests in subsidiaries for any indication of impairment loss or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment losses is recognised as income immediately.



## 3. 主要會計政策 (續)

## (p) 借貸成本

收購、建造或生產合資格資產（即需要一段頗長時間始能達至其擬定用途或出售之資產）之直接應佔借貸成本，在扣除特定借貸之暫時性投資收益後，均作資本化並作為此等資產成本之一部份。當此等資產大體上可作其擬定用途或出售時，該等借貸成本將會停止資本化。所有其他借貸成本均列為發生期間之費用。

## (q) 營運租賃

資產之絕大部份回報及風險由出租公司保留之租賃，皆作為營運租賃列賬。營運租賃之租金支出在租賃期內以直線法確認為開支。營運租賃協議所涉及的激勵措施均在損益賬中確認為資產租賃淨付款總額的組成部份。或有租金則於發生之會計期間以費用入賬。

## (r) 政府補助

政府補助乃鼓勵本集團在各有關開發區經營及發展業務而從中國有關部門收取之津貼。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (p) Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the respective borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

## (q) Operating leases

Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases. Rentals payable under operating leases are recognised as an expense on the straight-line basis over the lease term. Lease incentives received are recognised in the profit or loss as an integral part of the net consideration agreed for the use of the leased asset. Contingent rentals are recognised as expenses in the accounting period in which they are incurred.

## (r) Government grants

Government grants represent incentive grants from the relevant PRC authorities in respect of the running of business by the Group in certain development zones and to encourage the furtherance of such business.



## 3. 主要會計政策 (續)

## (r) 政府補助 (續)

政府補助是在可合理地確定將取得該資助並將可符合所有附帶條件時按公允價值入賬。當該資助涉及開支項目，則以有系統方式將資助在有關年份內呈列並確認為收益，以抵銷擬作補償的成本。當該資助與資產有關時，公允價值乃記錄於遞延收入中，並以相等金額於每年分期按有關資產的預計使用年期於損益賬中確認為收入。與資產無關的資助乃確認為損益賬中的其他收入，以有系統地與有關成本配合。

## (s) 員工福利

*短期僱員福利*

薪金、年度花紅、有薪年假、定額供款退休金計劃之供款及非貨幣福利之成本均在僱員提供相關服務之年度內累計。倘延遲付款或清繳款項可能構成重大影響，則有關金額按現值列賬。

*界定供款計劃*

界定退休供款計劃的供款責任於產生時在損益賬中確認為開支，並扣除僱員於未完成供款計劃而離職所發生的供款部份。該計劃的資產與本集團的資產分開並由獨立管理基金持有。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (r) Government grants (Continued)

Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual instalments.

## (s) Employee benefits

*Short term employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

*Defined contribution plans*

The obligations for contributions to defined contribution retirement scheme are recognised as expenses in the profit or loss as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior the contributions are vested fully in those employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

## 3. 主要會計政策 (續)

## (s) 員工福利 (續)

## 界定福利計劃

經考慮獨立精算師以精算方式的預計單位成本法所作出的供款建議，僱主及僱員共同作出界定福利計劃的供款。本集團之界定福利計劃的責任為就各項計劃獨立估計僱員於本年度及過往年度提供服務所賺取的未來利益金額，該利益乃折現至其現值，再減去有關計劃資產的公允價值。

於資產負債表中確認的退休福利義務，相當於界定利益責任的現有價值(經未確認精算利潤及虧損及未確認過去服務成本作調整，並減去計劃資產的公允價值)。因這項計算所產生的任何資產，其金額限於累計未確認精算虧損淨額和過去服務成本，加上可從該計劃獲得的退款並減去計劃的未來供款金額的現有價值的總額。倘若經濟利益現值沒有變更或減少，本期之淨精算盈虧及過往服務成本即時認列於收益賬。

精算盈虧超出界定福利責任之現值與計劃資產之公允價值兩者中較高者之10%部份，需按僱員的預計平均尚餘服務年期攤銷。倘利益即時歸屬予僱員，過往服務成本則即時確認；否則過往服務成本按平均期間以直線法攤銷，直至僱員享有該等利益為止。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (s) Employee benefits (Continued)

## Defined benefit plans

The defined benefit plans are generally funded by payments from employees and the Group, taking into account of the recommendations of the independent qualified actuaries using the projected unit credit method. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods, which is discounted to the present value and reduced by the fair value of any plan assets.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any cumulative unrecognised net actuarial losses and past service costs, plus the present value of any future refunds from the plan or reductions in future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains or losses with the past service cost of the current period is recognised immediately.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, which exceed 10% of the greater of the present value of the Group's defined benefit obligations and the fair value of plan assets are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

## 3. 主要會計政策 (續)

## (t) 以股份為支付基礎之交易

## 權益結算股份支付之款項

本集團僱員(包括董事)乃根據以股份為支付基礎之交易方式收取酬金，據此，彼等提供服務以換取股份或享有股份之權利。該等與僱員交易之成本乃參考權益工具於授出日期之公允價值計量。授予僱員之購股權公允價值乃確認為僱員成本，而權益內之以股份為支付基礎之儲備亦會相應增加。公允價值乃以二項式模型釐定，並計及該等交易之條款及條件，惟不包括與本公司股份價格相連之條件(「市場條件」)。

股權結算交易之成本會(連同權益之相應增幅)於達成歸屬條件之年度內確認，直至相關僱員完全獲授應得之購股權當日(「歸屬期」)為止。於歸屬期內，預期最終會歸屬之購股權數目會予以審閱。過往年度所確認之累計公允價值之任何調整會於審閱年度之損益表內扣除／記賬，並於權益內之儲備中作相應調整。本公司以股份為支付基礎的購股權授予其下附屬公司僱員所涉及之交易會於本公司的財務狀況表內認列為於附屬公司之投資之增加；並且會於編製綜合賬目時以增加股本內之儲備作抵銷。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (t) Share-based payment transactions

## Equity-settled transactions

The Group's employees, including directors, receive remuneration in the form of share-based payment transactions, whereby the employees rendered services in exchange for shares or rights over shares. The cost of such transactions with employees is measured by reference to the fair value of the equity instruments at the grant date. The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share-based payment reserve within equity. The fair value is determined using the binomial model taking into account the terms and conditions of the transactions, other than conditions linked to the price of shares of the Company ("market conditions").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the year(s) in which the vesting conditions are to be fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). During the vesting period, the number of share options that is expected to vest ultimately is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged / credited to profit or loss for the year of the review, with a corresponding adjustment to the reserve within equity. Share-based payment transactions in which the Company grants share options to subsidiaries' employees are accounted for as an increase in value of investment in subsidiaries in the Company's statement of financial position which is eliminated on consolidation, with a corresponding credit to the reserve within equity.

## 3. 主要會計政策 (續)

## (u) 稅項

稅項支出乃根據本年度業績就免課稅或不可扣減項目作調整並按於結算日已制定或實際會制定之稅率作出計算。

遞延稅項乃採用負債法，就資產與負債之稅項計算準則與其於賬目之賬面值兩者不同引致之短暫時差作出全數撥備。然而，倘若遞延稅項資產和負債乃自進行交易時不影響會計或應課稅溢利的資產或負債的初始確認（如屬業務合併的一部份則除外），則不會計入遞延稅項。

當資產被變現或負債被清還時，遞延稅項負債及資產以該期間預期之適用稅率衡量，根據於結算日已制定或實際會制定之稅率及稅務法例計算。

遞延稅項資產乃根據有可能獲得之未來應課稅溢利與短暫時差可互相抵銷之程度而予以確認。

遞延稅項是就附屬公司及聯營公司之投資所產生之應課稅暫時差額而確認，惟於本集團可控制暫時差額之撥回及暫時差額可能在可見將來不會撥回則除外。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (u) Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, any deferred tax arises from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

## 3. 主要會計政策 (續)

## (v) 有關連人士

在下列情況下，有關人士將視為本集團之關連人士：

- (a) 透過一個或多個中介實體，該方直接或間接控制本集團，或由本集團控制或與本集團受到共同控制；於本集團擁有權益，並可藉著該權益對本集團行使重大影響力；或對本集團擁有共同控制；
- (b) 有關人士為本集團之聯營公司；
- (c) 本集團為該合營企業之合夥人；
- (d) 有關人士為本集團之主要管理人員；
- (e) 有關人士為(a)或(d)項所述人士之直系親屬；
- (f) 有關人士受直接或間接歸屬於(d)或(e)項所述人士之實體所控制、與他人共同控制或發揮重大影響力，或擁有重大投票權；或
- (g) 有關人士為本集團或其關連人士之僱員終止受僱後福利計劃之受益人。

## (w) 分部報告

營運分部之報告方式與主要營運決策者獲提供的內部報告之方式一致。作出決策的督導委員會是主要營運決策者，其負責分配資源並且評核營運分部的表現。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (v) Related parties

A party is related to the Group if

- (a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; or has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;
- (b) the party is an associate of the Group;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

## (w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's executive directors, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

### 3. 主要會計政策 (續)

#### (x) 香港財務報告準則之未來變動

於通過本賬目日期，本集團並未採用下列香港會計師公會已頒佈於本年度尚未生效之新訂及經修訂香港財務報告準則及詮釋。

香港會計準則 第32號之 修訂本	供股之分類 <sup>1</sup>
香港財務報告 準則第1號之 修訂本 (經修訂)	首次採納者就 香港財務報告 準則第7號 披露比較資料 獲得之有限 豁免 <sup>2</sup>
香港(國際財務 報告詮釋 委員會)－ 詮釋第19號	以股本工具抵銷 財務負債 <sup>2</sup>
香港會計準則 第24號 (經修訂)	關聯方披露 <sup>3</sup>
香港(國際財務 報告詮釋 委員會)－ 詮釋第14號 之修訂本	最低資金要求 之預付款 <sup>3</sup>
香港財務報告 準則(2010年) 之改進	香港財務報告 準則(2010年) 之改進 <sup>4</sup>
香港財務報告 準則第7號 之修訂本	披露－轉讓財務 資產 <sup>5</sup>
香港會計準則 第12號之 修訂本	遞延稅項：收回 相關資產 <sup>6</sup>
香港財務報告 準則第9號	金融工具 <sup>7</sup>

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (x) Future changes in HKFRS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/ revised standards and amendments to HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 32	<i>Classification of Rights Issues</i> <sup>1</sup>
Amendments to HKFRS 1 (Revised)	<i>Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> <sup>2</sup>
HK(IFRIC) - Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> <sup>2</sup>
HKAS 24 (Revised)	<i>Related Party Disclosures</i> <sup>3</sup>
Amendments to HK(IFRIC) - Int 14	<i>Prepayments of a Minimum Funding Requirement</i> <sup>3</sup>
Improvements to HKFRSs 2010	<i>Improvements to HKFRSs 2010</i> <sup>4</sup>
Amendments to HKFRS 7	<i>Disclosures - Transfer of Financial Assets</i> <sup>5</sup>
Amendments to HKAS 12	<i>Deferred Tax: Recovery of Underlying Assets</i> <sup>6</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>7</sup>

## 3. 主要會計政策 (續)

## (x) 香港財務報告準則之未來變動 (續)

- 1 於2010年2月1日或之後開始之年度期間生效
- 2 於2010年7月1日或之後開始之年度期間生效
- 3 於2011年1月1日或之後開始之年度期間生效
- 4 於2010年7月1日或2011年1月1日或之後開始之年度期間生效 (如適用)
- 5 於2011年7月1日或之後開始之年度期間生效
- 6 於2012年1月1日或之後開始之年度期間生效
- 7 於2013年1月1日或之後開始之年度期間生效

董事預期，應用上述修訂、修訂準則及新詮釋不會對綜合財務報表造成重大影響。

## 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

## (x) Future changes in HKFRS (Continued)

- 1 Effective for annual periods beginning on or after 1 February 2010
- 2 Effective for annual periods beginning on or after 1 July 2010
- 3 Effective for annual periods beginning on or after 1 January 2011
- 4 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
- 5 Effective for annual periods beginning on or after 1 July 2011
- 6 Effective for annual periods beginning on or after 1 January 2012
- 7 Effective for annual periods beginning on or after 1 January 2013

The directors do not anticipate that the adoption of these new HKFRS in future periods will have any material impact on the results and the financial position of the Group and the Company other than disclosure changes.



## 4. 採納新增／經修訂之香港財務報告準則

香港會計師公會已頒佈兩項新香港財務報告準則、香港財務報告準則之多項修訂及新詮釋，並首次於本集團及本公司此會計期間生效。當中，下列發展與本集團財務報表有關：

香港財務報告準則第3號(修訂)業務合併／香港財務報告準則之改進(2009年)－香港財務報告準則第3號(修訂)

修訂之準則介紹了數個主要轉變，包括：

- 除了股本及債務發行之成本外，與購買相關之成本在發生時即確認為費用；
- 現時存在於被購買方之權益會以公允價值重新計量，並在損益賬中確認得益或損失，直至擁有權權益隨後轉變；
- 被購買方之少數權益股東會以公允價值計量或以其享有被購買方可識別資產及負債的份額進行計量；
- 或有對價按其在購買日的公允價值確認；
- 商譽之計量，是以購買方於收購日所佔被購買方權益之公允價值及少數權益股東金額之總和，超過於收購日所收購之可識別資產及負債之淨額而得出。

## 4. ADOPTION OF NEW / REVISED HKFRS

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and two new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the changes in accounting policy relevant to the Group's financial statements are as follows:

HKFRS 3 (Revised): *Business Combinations* / Improvements to HKFRSs 2009 with amendments to HKFRS 3 (Revised)

The revised Standard introduces a number of major changes including the following:

- acquisition-related transaction costs, other than share and debt issue costs, to be expensed as incurred;
- existing interest in the acquiree to be remeasured at fair value, with the gain or loss recognised in profit or loss, upon subsequent changes in ownership interests;
- non-controlling interest in the acquiree to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree;
- contingent consideration to be recognised at fair value at the acquisition date; and
- goodwill to be measured at the excess of the aggregate of the acquisition-date fair value of the acquirer's interest in the acquiree and the amount of any non-controlling interest over the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed from the acquisition.



#### 4. 採納新增／經修訂之香港財務報告準則 (續)

香港財務報告準則之改進(2009年)所包括之修改，澄清了於業務合併時所獲得無形資產之公允價值計量及准予將每一擁有相似可使用經濟年限之無形資產歸類為單一資產。

根據香港財務報告準則第3號(2008修訂)之過渡性條文，新會計政策會以未來適用法應用於現時及將來之業務合併。有關此修訂準則可應用之前所收購而衍生之資產及負債帳面值並沒有作出調整。

因本集團年內並無進行任何收購活動，故採納香港財務報告準則第3號(2008修訂)及其他香港財務報告準則隨後發生之更改對本集團本年或以往的財務賬目並無影響。變更之會計政策詳載於附註3(b)。

香港會計準則第27號(修訂)綜合及獨立財務報表

有關修訂準則規定把附屬公司之擁有權權益變動，但仍保留有關附屬公司之控制權，計入為權益交易。當集團失去附屬公司之控制權，有關之修訂準則也規定把保留在前附屬公司之權益按公允價值重新計量，並在損益賬中確認得益或損失。透過相應修訂了之香港會計準則第28號：聯營投資，此原則也可伸延至出售聯營公司。新會計政策已載於賬目附註。一致於香港財務報告準則第3號之過渡性條文，這些新會計政策會以未來適用法應用於現時及將來之交易，因此以前時期之交易不會重新編列。

#### 4. ADOPTION OF NEW / REVISED HKFRS (Continued)

The Improvements to HKFRSs 2009 contains amendments to clarify the measurement of the fair value of an intangible asset acquired in a business combination and to permit the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

The application of HKFRS 3 (revised 2008) and the consequential amendments to other HKFRSs had no effect on the financial statements for the current or prior accounting periods as the Group has not entered into any business combination during the year. The details of the changed accounting policy are summarized in note 3(b).

HKAS 27 (Revised): *Consolidated and Separate Financial Statements*

The revised Standard requires accounting for changes in ownership interests in a subsidiary, while maintaining control, to be recognised as an equity transaction. It also requires, when the group loses control of a subsidiary, any interest retained in the former subsidiary to be remeasured at fair value with the gain or loss recognised in profit or loss. This principle is also extended to a disposal of an associate through the consequential amendments to HKAS 28: *Investments in Associates*. The new accounting policies are set out in the notes to the financial statements. Consistent with the transitional provisions in HKFRS3, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

## 4. 採納新增／經修訂之香港財務報告準則 (續)

此會計政策之變動影響本年度視作出售聯營公司之收益的確認。本年度確認於其他淨收入中的視作出售聯營公司之收益金額68,653,000美元乃聯營公司權益的賬面值與其公允值之差。如按集團以往會計政策處理，聯營公司權益的賬面值將按香港會計準則第39號金融工具：確認及計量，被視為可供出售金融資產的成本值入賬；其後其公允值的變動將確認為綜合全面收益表中。此會計政策之變動因此令本年度溢利增加68,653,000美元及投資重估儲備減少68,653,000美元；另每股基本溢利及每股攤薄溢利均增加1.22美仙。將來，當該投資出售時，本年度溢利所增加之金額將與將來出售該投資利益之減少所沖抵。

香港會計準則第17號(修訂)：土地及樓宇租賃分類(已包括在香港會計準則(2009年)之改進)

這些修訂刪除了有關具體指導土地租賃的分類。因此，香港會計準則第17號(修訂)下土地租賃可以分為融資租賃也可以分為經營租賃。

本集團已重新評估租賃土地的分類。在本集團之判斷下，土地之分類取決於資產擁有權之絕大部分風險及回報是否已轉移，從而使本集團在經濟上之位置與購買者相類似。本集團認為土地租賃繼續分類為經營租賃及確認為土地租約溢價是適當的。採用此準則之修訂對財務賬目並無影響。

## 4. ADOPTION OF NEW / REVISED HKFRS (Continued)

This change in accounting policy has affected the accounting for the discontinuation of equity accounting for an associate in 2010. The difference of US\$68,653,000 between the carrying amount of the interest in an associate and its fair value has been recognised in profit or loss included in other net income for the year. Had the Group's previous accounting policy been followed, the carrying amount of the investment retained would have been regarded as cost for the purpose of subsequent accounting as an available-for-sale investment under HKAS 39 *Financial Instruments: Recognition and Measurement* and the movement in fair value would have been recognised in other comprehensive income. The profit reported for 2010 has therefore been increased by US\$68,653,000, the investment revaluation reserve has been decreased by US\$68,653,000; and an increase in the basic and diluted earnings per share for the year by US1.22cents and US1.22cents respectively as a result of the change in accounting policy. This increase will be offset by a decrease in profit of an equivalent amount when the investment is disposed of in future accounting periods.

Amendments to HKAS 17: *Classification of leases of land and buildings* included in Improvements to HKFRSs 2009

The Amendments remove the specific guidance regarding classification of leases of land so that, following the amendment, leases of land are classified as either "finance" or "operating" using the general principles of HKAS 17.

The Group has re-evaluated the classification of its interests in prepaid lease payments as to whether, in the Group's judgement, the lease transfers substantially all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases and recognition as prepaid lease payments continues to be appropriate. The adoption of these amendments to the Standard has no impact on the financial statements.

**4. 採納新增／經修訂之香港財務報告準則 (續)**

香港詮釋第5號財務報表之列報－借款人對包含隨時要求償還條文之定期貸款之分類

有關詮釋認為，如果定期貸款（即貸款需要在指定日子償還或於一段時期分期償還，通常超過一年）包含可隨時要求償還之條文（即條文無條件給予貸款人權利在沒有通知或少於12個月通知之情況下要求隨時還款），借款人需將有關之貸款於財務狀況表分類為流動負債。同樣地，有關定期貸款之償還金額需要根據香港財務準則第7號：金融工具－披露分類到合約到期分析之最早時間欄內。由於本集團之定期貸款並沒有包含可隨時要求償還之條文，採用此詮釋對財務賬目並無影響。

**4. ADOPTION OF NEW / REVISED HKFRS (Continued)**

HK - Int 5: *Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The Interpretation concludes that, if a term loan (i.e. a loan that is repayable on a specified date or in installments over a specified period, usually in excess of one year) has a demand clause (i.e. a clause that gives the lender an overriding right to demand repayment without notice or with notice period of less than 12 months at its sole discretion) in its term, the loan shall be classified by the borrower as a current liability in the statement of financial position. Similarly, the amounts repayable under such a term loan shall be classified in the earliest time bracket in the contractual maturity analysis as required to be disclosed under HKFRS 7: *Financial Instruments: Disclosures*. Since there is no such demand clause in the term loans borrowed by the Group, the adoption of this Interpretation has no material impact on the financial statements.

## 4. 採納新增／經修訂之香港財務報告準則 (續)

香港財務報告準則第5號(修訂本)「持作買賣之非流動資產及已終止經營業務」

有關修訂闡明只有列於香港財務報告準則第5號內的被列為持作買賣之非流動資產(或出售組別)或已終止經營業務需要披露。其他香港財務報告準則的披露規定只適用如該等非流動資產(或出售組別)有具體之披露規定。

香港財務報告準則第8號(修訂本)分部資產之資料披露

有關修訂闡明各報告分部之資產之資料披露，僅於定期向最高營運決策者提供有關金額時，方須披露有關資料。

## 4. ADOPTION OF NEW / REVISED HKFRS (Continued)

Amendments to HKFRS 5: *Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations*

The Amendments clarify that the disclosures required in respect of non-current assets or disposal groups classified as held for sale or discontinued operations are only those set out in HKFRS 5. The disclosure requirements of other HKFRSs only apply if specifically required for such non-current assets or discontinued operations.

Amendments to HKFRS 8: *Disclosure of information about segment assets*

The Amendments clarify that the disclosure of segment assets is required only if that measure is regularly reported to the chief operating decision-maker.

## 5. 關鍵會計估計及判斷

有關未來之估計及假設以及判斷乃由管理層在編製財務報表時作出。這些估計、假設及判斷會對本集團之會計政策應用、資產、負債、收入及開支之申報金額以及所作出之披露構成影響，並會持續根據經驗及相關因素（包括日後出現在有關情況下相信屬合理之事件）評估。於適當時，會計估計之修訂會於修訂期間及於未來期間（倘修訂亦影響日後期間）確認。

### 使用年限及物業、機器及設備及無形資產之減值

董事每年透過預計用量、對資產使用之損耗及技術過時之潛在性進行謹慎研究，以評估物業、機器及設備及無形資產之殘值及可用年期。

為了判斷資產是否減值及有跡象顯示減值虧損不再存在，董事須判斷資產減值，尤其是評估：(1)是否已發生可能影響資產價值之事件或其事件影響資產價值不再存在；(2)按持續使用資產之業務而估計未來之現金流量經折算後之淨現值能否支持該項資產之賬面值；以及(3)使用適當的主要假設於預計現金流量，包括是否應用適當折現率於該等現金流量預測。倘改變管理層用以確定減值程度之假設，包括現金流量預測中採用之折現率或增長率假設，足以對減值測試中使用的淨現值產生重大影響。

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

### Useful lives and impairment of intangible assets and property, plant and equipment

The directors review the residual value, useful lives and depreciation method of intangible assets and property, plant and equipment at each financial year-end, through careful consideration with regards to expected usage, wear-and-tear and potential technical obsolescence to usage of the assets.

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the directors have to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

### 6. 營業額與收益

本集團之營業額與收益指向客戶售貨之發票值，扣除退貨、折扣及增值稅。

### 7. 分部資料

執行董事已確定為主要營運決策者。經營分部已被確立，而分部資料已按內部慣常呈報給本公司之執行董事之財務資料製作，依據該等資料作出經營分部資源分配決定及評估其表現。基於本集團超過99%以上之集團銷售是在內地進行，故本公司之執行董事主要以產品觀點評定本集團之業務。可報告之經營分部確立為方便麵、飲品、糕餅及其他業務。

執行董事以未有分配應佔聯營公司業績及終止以權益法認列投資之收益的經營分部本年度之溢利作出經營分部資源分配決定及評估其表現。此與財務報表一致。

### 6. TURNOVER AND REVENUE

The Group's turnover and revenue represents the invoiced value of goods sold to customers, net of returns, discounts and Value Added Tax.

### 7. SEGMENT INFORMATION

The executive directors have been identified as the chief operating decision-maker of the Group. The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors consider the business principally from a product perspective as over 99% of the Group's sales and business are conducted in the PRC. Business reportable operating segments identified are instant noodles, beverages, bakery and others.

For the purposes of assessing the performance of the operating segments and allocating resources between segments, the executive directors assess segment net profit for the year without allocation of share of results of associates and gain on discontinuation of equity accounting for an associate, which is consistent with that in the financial statements.

**7. 分部資料 (續)**

分部資產包括除可供出售金融資產、按公允價值列賬及在損益賬處理的金融資產、遞延稅項資產、按公允價值列賬及在損益賬處理的金融資產及分類為持作出售資產外的所有有形資產、無形資產及流動資產。分部負債包括除員工福利責任及遞延稅項負債及分類為持作出售資產之相關負債外的應付賬款、其他應付款、有息銀行貸款及客戶預付款項。

分部之間的銷售是以成本加邊際利潤作定價。可呈報分部之會計政策與本集團於附註3「主要會計政策」所述本集團的會計政策一致。

客戶地區位置乃按貨品付運地點劃分。本集團多於99%來自外部客戶之收益均源於本集團各經營實體所在地中國的顧客。同時，本集團多於99%的非流動資產(可供出售金融資產及遞延稅項資產除外)均位於中國。

並無來自單一外部客戶的收入佔本集團收入10%或以上。

**7. SEGMENT INFORMATION (Continued)**

Segment assets include all intangible assets, tangible assets and current assets with the exception of available-for-sale financial assets, deferred tax assets, financial assets at fair value through profit or loss and assets classified as held for sale. Segment liabilities include trade payables, and other payables, interest-bearing borrowings and advance payments from customers with the exception of employee benefit obligations, deferred tax liabilities and liabilities associated with assets classified as held for sale.

Inter-segment sales are priced at cost plus profit margin. The accounting policies of the reporting segments are the same as the Group's accounting policies as described in note 3.

The geographical location of the Group's customers is based on the location at which the goods are delivered. Over 99% of the revenues from external customers of the Group are attributable to customers located in the PRC, the place of domicile of the Group's operating entities. Meanwhile, over 99% of the Group's non-current assets other than available-for-sale financial assets and deferred tax assets are located in the PRC.

No revenues from a single external customer amounted to 10% or more of the Group's revenue.



# 賬目附註

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### 7. 分部資料 (續)

#### 業務分部分析

於2010年及2009年12月31日之分部資料如下：

### 7. SEGMENT INFORMATION (Continued)

#### Business segment analysis

The segment information for the years ended 31 December 2010 and 2009 are as follows:

		2010					
		方便麵	飲品	糕餅	其他	內部沖銷	綜合
		Instant	Beverages	Bakery	Others	Inter-segment	Group
		noodles				elimination	
		千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>營業與收益</b>	<b>Turnover and revenue</b>						
外來客戶收益	Revenue from external customers	2,931,555	3,531,911	161,383	56,633	—	6,681,482
分部間之收益	Inter-segment revenue	78	1,855	45	87,217	(89,195)	—
分部營業額與收益	Segment turnover and revenue	2,931,633	3,533,766	161,428	143,850	(89,195)	6,681,482
<b>分部業績</b>	<b>Segment results</b>						
(已扣除財務費用)	after finance costs	372,698	325,672	3,179	(30,098)	(3,308)	668,143
應佔聯營公司業績	Share of results of associates	—	—	—	—	—	9,978
終止以權益法認列	Gain on discontinuation of						
投資之收益	equity accounting						
	for an associate	—	—	—	—	—	68,653
除稅前溢利	Profit before taxation	372,698	325,672	3,179	(30,098)	(3,308)	746,774
稅項	Taxation	(66,711)	(62,543)	(1,800)	(3,146)	—	(134,200)
本年度之溢利	Profit for the year	305,987	263,129	1,379	(33,244)	(3,308)	612,574
<b>資產</b>	<b>Assets</b>						
分部資產	Segment assets	1,969,050	2,554,156	136,484	634,322	(641,702)	4,652,310
未分配資產	Unallocated assets						239,102
資產總值	Total assets						4,891,412
<b>負債</b>	<b>Liabilities</b>						
分部負債	Segment liabilities	746,089	1,511,496	54,680	405,788	(314,710)	2,403,343
未分配負債	Unallocated liabilities						118,882
負債總額	Total liabilities						2,522,225
<b>其他資料</b>	<b>Other information</b>						
年內資本開支	Capital expenditures	213,713	732,666	5,002	8,331	5,921	965,633



## 7. 分部資料 (續)

## 業務分部分析 (續)

## 7. SEGMENT INFORMATION (Continued)

## Business segment analysis (Continued)

		2009					
		方便麵	飲品	糕餅	其他	內部沖銷	綜合
		Instant	Beverages	Bakery	Others	Inter-segment	Group
		noodles				elimination	
		千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>營業額與收益</b>	<b>Turnover and revenue</b>						
外來客戶收益	Revenue from external customers	2,307,513	2,541,962	155,232	76,406	—	5,081,113
分部間之收益	Inter-segment revenue	160	2,829	1,352	81,563	(85,904)	—
分部營業額與收益	Segment turnover and revenue	2,307,673	2,544,791	156,584	157,969	(85,904)	5,081,113
<b>分部業績</b>	<b>Segment results after</b>	325,521	276,173	8,695	5,932	(763)	615,558
(已扣除財務費用)	<b>finance costs</b>						
應佔聯營公司業績	Share of results of associates	—	—	—	—	—	9,550
除稅前溢利	Profit before taxation	325,521	276,173	8,695	5,932	(763)	625,108
稅項	Taxation	(72,066)	(47,426)	(2,100)	(3,021)	—	(124,613)
本年度之溢利	<b>Profit for the year</b>	253,455	228,747	6,595	2,911	(763)	500,495
<b>資產</b>	<b>Assets</b>						
分部資產	Segment assets	1,436,047	1,743,479	119,682	1,068,872	(1,027,658)	3,340,422
聯營公司權益	Interests in associates						61,892
未分配資產	Unallocated assets						5,379
資產總值	Total assets						3,407,693
<b>負債</b>	<b>Liabilities</b>						
分部負債	Segment liabilities	510,404	868,598	39,456	417,087	(483,195)	1,352,350
未分配負債	Unallocated liabilities						146,279
負債總額	Total liabilities						1,498,629
<b>其他資料</b>	<b>Other information</b>						
年內資本開支	Capital expenditures	126,982	363,443	196	16,493	—	507,114

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## 8. 其他淨收入

## 8. OTHER NET INCOME

		2010 千美元 US\$'000	2009 千美元 US\$'000
匯兌收益淨額	Exchange gains, net	7,792	—
利息收入	Interest income	21,479	15,579
投資收入	Investment income	1,701	5,296
出售廢品之收益	Gain on sales of scrapped materials	19,770	13,640
政府補助	Government grants	38,958	33,395
視作出售聯營公司之收益	Gain on discontinuation of equity accounting for an associate	68,653	—
其他	Others	25,020	12,003
		<b>183,373</b>	79,913

# 賬目附註

## Notes to the Financial Statements

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### 9. 除稅前溢利

### 9. PROFIT BEFORE TAXATION

		2010 千美元 US\$'000	2009 千美元 US\$'000
經扣除下列項目後：	This is stated after charging:		
<b>財務費用</b>	<b>Finance costs</b>		
須於5年內悉數償還之 銀行及其他貸款之 利息支出	Interest on bank and other borrowings wholly repayable within five years	<b>8,077</b>	14,915
減：利息支出资本化列入 物業、機器及設備	Less: Borrowing costs capitalised into property, plant and equipment	<b>(1,566)</b>	(2,271)
		<b>6,511</b>	12,644
<b>其他項目</b>	<b>Other items</b>		
員工成本：	Staff costs (including directors' remuneration):		
薪金及報酬	Salaries and wages	<b>444,390</b>	340,199
以權益結算股份 支付之款項	Equity-settled share-based payment expenses	<b>5,020</b>	2,280
退休金成本：	Pension costs:		
界定供款計劃	Defined contribution plans	<b>42,931</b>	32,224
界定福利計劃	Defined benefit plans	<b>1,364</b>	2,177
核數師費用：	Auditor's Fees:		
核數師酬金	Auditor's remuneration	<b>1,086</b>	997
非審核服務	Non-audit services	<b>190</b>	—
已售存貨成本	Cost of inventories	<b>4,782,037</b>	3,321,764
折舊	Depreciation	<b>275,054</b>	196,569
攤銷：	Amortisation:		
土地租約溢價	Prepaid lease payments	<b>2,544</b>	2,048
無形資產(已包括 於其他經營費用)	Intangible assets (included in other operating expenses)	<b>1,989</b>	2,778
減值虧損(已包括 其他經營費用)：	Impairment loss (included in other operating expenses):		
無形資產	Intangible assets	<b>4,966</b>	—
物業、機器及設備	Property, plant and equipment	<b>35,520</b>	25,778
可供出售金融資產	Available-for-sale financial assets	—	342
營運租約最低租賃付款	Minimum lease payments in respect of operating lease charges for premises	<b>40,121</b>	30,766
出售物業、機器及設備 之虧損	Loss on disposal of property, plant and equipment	<b>8,083</b>	2,051
匯兌損失淨額	Exchange losses, net	—	675

# 賬目附註

## Notes to the Financial Statements

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### 10. 董事及高階僱員酬金

本公司董事已收及應收之酬金總額如下：

### 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The aggregate amounts of emoluments received or receivable by the Company's directors are as follows:

		2010					
		薪金及 其他酬金	花紅	以股份支付 之款項	小計	總計	
董事袍金	Salaries and other emoluments	Discretionary bonuses	Share-based payments	Sub-total	Total		
千美元	千美元	千美元	千美元	千美元	千美元		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
執行董事：	Executive directors:						
魏應州	Wei Ing-Chou	200	761	384	1,345	1,112	2,457
井田毅	Takeshi Ida	80	4	—	84	—	84
吳崇儀	Wu Chung-Yi	50	12	—	62	—	62
魏應交	Wei Ying-Chiao	50	16	—	66	—	66
吉澤亮	Ryo Yoshizawa	50	16	—	66	—	66
井田純一郎	Junichiro Ida	50	16	—	66	—	66
獨立非執行 董事：	Independent non-executive directors:						
徐信群	Hsu Shin-Chun	50	12	—	62	—	62
李長福	Lee Tiong-Hock	50	8	—	58	—	58
桑原道夫	Michio Kuwahara	13	4	—	17	—	17
太田道彥	Michihiko Ota	29	8	—	37	—	37
		622	857	384	1,863	1,112	2,975

### 10. 董事及高階僱員酬金 (續)

本公司董事已收及應收之酬金總額如下：(續)

### 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The aggregate amounts of emoluments received or receivable by the Company's directors are as follows: (Continued)

		2009					
董事袍金	薪金及 其他酬金	花紅	以股份支付 之款項	小計	總計		
Directors' fees	Salaries and other emoluments	Discretionary bonuses	Share-based payments	Sub-total	Total		
千美元	千美元	千美元	千美元	千美元	千美元	千美元	
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
執行董事：		Executive directors:					
魏應州	Wei Ing-Chou	200	671	134	1,005	433	1,438
井田毅	Takeshi Ida	80	—	—	80	—	80
吳崇儀	Wu Chung-Yi	50	8	—	58	—	58
魏應交	Wei Ying-Chiao	50	12	—	62	—	62
吉澤亮	Ryo Yoshizawa	50	12	—	62	—	62
井田純一郎	Junichiro Ida	50	12	—	62	—	62
獨立非執行董事：		Independent non-executive directors:					
徐信群	Hsu Shin-Chun	50	12	—	62	—	62
李長福	Lee Tiong-Hock	50	8	—	58	—	58
桑原道夫	Michio Kuwahara	50	12	—	62	—	62
		630	747	134	1,511	433	1,944

於2010年及2009年12月31日止年度並無董事放棄領取酬金。

No directors have waived emoluments in respect of the years ended 31 December 2010 and 2009.

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## 10. 董事及高階僱員酬金 (續)

本集團5位最高薪人士包括1位(2009年：1位)董事，其酬金詳情載於上文。其餘4位(2009年：4位)人士之酬金詳情如下：

## 10. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

The five individuals whose emoluments were the highest in the Group for the year include one director (2009: one) whose emoluments is reflected in the analysis presented above. Details of the emoluments of the remaining four individuals (2009: four) are as follows:

		2010 千美元 US\$'000	2009 千美元 US\$'000
薪金及其他酬金	Salaries and other emoluments	1,458	1,291
以股份支付之款項	Share-based payments	1,600	665
花紅	Discretionary bonuses	443	331
		<b>3,501</b>	<b>2,287</b>

支付4位最高薪人士之酬金組別如下：

The emoluments were paid to the four highest paid individuals as follows:

酬金組別	Emoluments band	僱員人數 Number of individuals	
		2010	2009
448,719美元至576,923美元 (3,500,001港元至4,500,000港元)	US\$448,719 to US\$576,923 (HK\$3,500,001 to HK\$4,500,000)	—	2
576,924美元至705,128美元 (4,500,001港元至5,500,000港元)	US\$576,924 to US\$705,128 (HK\$4,500,001 to HK\$5,500,000)	1	1
705,129美元至833,333美元 (5,500,001港元至6,500,000港元)	US\$705,129 to US\$833,333 (HK\$5,500,001 to HK\$6,500,000)	1	1
833,334美元至961,538美元 (6,500,001港元至7,500,000港元)	US\$833,334 to US\$961,538 (HK\$6,500,001 to HK\$7,500,000)	—	—
961,539美元至1,089,744美元 (7,500,001港元至8,500,000港元)	US\$961,539 to US\$1,089,744 (HK\$7,500,001 to HK\$8,500,000)	1	—
1,089,745美元至1,217,949美元 (8,500,001港元至9,500,000港元)	US\$1,089,745 to US\$1,217,949 (HK\$8,500,001 to HK\$9,500,000)	1	—
		<b>4</b>	<b>4</b>

## 11. 稅項

## 11. TAXATION

		2010 千美元 US\$'000	2009 千美元 US\$'000
<b>本年度稅項 –</b>	<b>Current tax - PRC</b>		
<b>中國企業所得稅</b>	<b>Enterprise income tax</b>		
本年度	Current year	135,188	103,252
比前年度少計撥備	Under provision in prior year	698	430
		<b>135,886</b>	103,682
<b>遞延稅項</b>	<b>Deferred taxation</b>		
產生及轉回之	Origination and reversal of temporary		
暫時差異淨額	differences, net	(31,236)	4,696
按本集團於中國之	Effect of withholding tax on the		
附屬公司可供分配	distributable profits of the Group's		
利潤之預提稅(附註32)	PRC subsidiaries (Note 32)	29,550	16,235
本年度稅項總額	Total tax charge for the year	<b>134,200</b>	124,613

開曼群島並不對本公司及本集團之收入徵收任何稅項。

由於本集團於2010年及2009年內並無任何香港利得稅應課稅利潤，因此並未為香港利得稅計提撥備。

從事製造及銷售各類方便麵、飲品及糕餅產品的中國附屬公司均須受到適用於中國外商投資企業的稅法所規限。本集團大部份附屬公司設立於國家級經濟技術開發區，於2007年12月31日以前按15%的優惠稅率繳納企業所得稅。另由首個獲利年度開始，於抵銷結轉自往年度的所有未到期稅項虧損後，可於首兩年獲全面豁免繳交中國企業所得稅，及在其後3年獲稅率減半優惠。

The Cayman Islands levies no tax on the income of the Company and the Group.

Hong Kong Profits Tax has not been provided as the Company did not have any assessable profit subject to Hong Kong Profit Tax for the years ended 2010 and 2009.

Subsidiaries in the PRC which engage in manufacture and sale of instant noodles, beverages and bakery products are subject to tax laws applicable to foreign investment enterprises in the PRC. Most of the subsidiaries are located at state-level economic development zones and were entitled to a preferential PRC Enterprise Income Tax ("EIT") rate of 15% before 31 December 2007. Also, they were fully exempt from PRC Enterprise Income Tax for two years starting from the first profit-making year followed by a 50% reduction for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses carried forward from the previous years.

## 11. 稅項 (續)

根據財政部、國家稅務總局與海關總署聯合頒佈的一項關於西部大開發的稅收減免通知(財稅[2001]第202號)，位於中國大陸西部地區的國家鼓勵類產業的外商投資企業，其鼓勵類產業主營收入佔企業總收入70%以上的，在2001年至2010年年度，減按15%的稅率徵收企業所得稅。因此，本集團於西部地區之附屬公司其優惠稅率為15%(2009年：15%)。

該等不能以中國優惠稅率繳納企業所得稅於中國的附屬公司，其中國企業所得稅法定稅率為25%(2009年：25%)。

根據國務院關於實施企業所得稅過渡優惠政策的通知(國發[2007]39號)，自2008年1月1日起，原享受低稅率優惠政策的企業，在新稅法施行後5年內逐步過渡到法定稅率。其中：享受企業所得稅15%稅率的企業，2008年按18%稅率執行，2009年按20%稅率執行，2010年按22%稅率執行，2011年按24%稅率執行，2012年及以後按25%稅率執行。西部大開發企業所得稅優惠政策繼續執行至到期。

## 11. TAXATION (Continued)

According to the Tax Relief Notice (Cai Shui [2001] no. 202) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of PRC with principal revenue of over 70% generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2001 to 31 December 2010. Accordingly, certain subsidiaries located in Western Region are entitled to a preferential rate of 15% (2009:15%).

For the PRC subsidiaries not entitled to a preferential PRC EIT, the applicable PRC EIT is at a statutory rate of 25% (2009: 25%).

Pursuant to the State Council Circular on the Implementation of the Transitional Concession Policies for Enterprise Income Tax (Guo Fa [2007] no. 39), enterprises previously entitled to a reduced tax rate shall have a grace period of five years regarding the tax reduction commencing on 1 January 2008; the subsidiaries which were entitled to a 15% EIT rate will be subjected to tax rates of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012 and thereafter. The subsidiaries that have been granted tax concessions under the tax preferential policies in the Grand Development of Western Region shall continue to enjoy the tax concessions until expiry.



## 11. 稅項 (續)

本集團之稅項以中國法定稅率25%計算(2009年：25%)與稅前溢利之理論稅項之差別為：

## 稅項開支之對賬

## 11. TAXATION (Continued)

The taxation on the Group's profit before taxation differs from theoretical amount that would arise using the statutory tax rate in the PRC of 25% (2009: 25%) as follows:

## Reconciliation of tax expenses

		2010 千美元 US\$'000	2009 千美元 US\$'000
除稅前溢利	Profit before taxation	746,774	625,108
按中國法定稅率25% 之稅項(2009年：25%)	Income Tax at statutory tax rate of 25% in the PRC (2009:25%)	186,694	156,277
不可扣稅開支	Non-deductible expenses	14,242	14,565
無需課稅收入	Tax exempt revenue	(20,870)	(4,425)
未確認稅項虧損	Unrecognised tax losses	5,066	2,972
未確認暫時性差異	Unrecognised temporary differences	(27,605)	730
扣除過往並未 確認稅項虧損	Utilisation of previously unrecognised tax losses	(231)	(532)
優惠稅率減免	Effect of preferential tax rates	(22,888)	(24,333)
西部大開發稅收減免	Effect of tax relief on Western Region	(17,287)	(15,711)
按本集團於中國之附屬公司 所得稅之過渡優惠減免	Effect of tax concession granted to the Group's PRC subsidiaries	(13,631)	(20,846)
按本集團於中國之附屬公司 可供分配利潤之預提稅 (附註32)	Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries (Note 32)	29,550	16,235
以前年度少計撥備	Under provision in prior years	698	430
其他	Others	462	(749)
本年度稅項	Tax expense for the year	134,200	124,613

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## 12. 股東應佔溢利

股東應佔綜合溢利包括已於本公司賬目處理之溢利為1,904,000美元(2009年: 5,601,000美元虧損), 此項溢利已於本公司之賬目內作出處理。

上述金額與本公司本年度溢利之調節如下:

## 12. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company includes a profit of US\$1,904,000 (2009: loss of US\$5,601,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

		2010 千美元 US\$'000	2009 千美元 US\$'000
已於本公司賬目內處理的股東應佔綜合溢利(虧損)	Amount of consolidated profit (loss) attributable to owners dealt with in the Company's financial statements	1,904	(5,601)
上一財政年度溢利之應佔附屬公司及聯營公司股息, 並已於年內獲批准及派發	Dividends from subsidiaries and associates attributable to the profits of the previous financial years, approved and paid during the year	44,081	206,180
本年度本公司溢利	Company's profit for the year	45,985	200,579

### 13. 股息

### 13. DIVIDENDS

(a) 本公司擁有人於本年度應得之股息：

(a) Dividends payable to owners of the Company attributable to the year:

	2010 千美元 US\$'000	2009 千美元 US\$'000
結算日後擬派之末期股息 每股普通股4.27美仙 (2009年： 每股普通股3.43美仙)	238,556	191,627

於2011年3月21日的會議，董事建議派發末期股息每股普通股4.27美仙。此建議末期股息於財務狀況債表中不視為應付股息，但被視為分配截至2011年12月31日止年度之保留盈餘。

At meeting held on 21 March 2011, the directors recommended the payment of final dividend of US4.27 cents per ordinary share. The proposed final dividend has not been recognised as dividend payables in the statement of financial position, but will be reflected as an appropriation of retained profits for the year ending 31 December 2011.

(b) 於本年內批准及派發歸屬於上一財政年度予本公司擁有人之應得股息：

(b) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year:

	2010 千美元 US\$'000	2009 千美元 US\$'000
於本年內批准及於本年內派發屬於前年度末期股息為每股普通股3.43美仙(2009年： 每股普通股2.33美仙)	191,627	130,172

Final dividend in respect of the previous financial year, approved and paid during the year, of US\$3.43 cents (2009: US\$2.33 cents) per ordinary share

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## 14. 每股溢利

以下為每股基本溢利及每股攤薄溢利之計算：

## (a) 每股基本溢利

		2010	2009
本公司股東年內應佔溢利(千美元)	Profit attributable to ordinary shareholders (US\$'000)	476,787	383,207
已發行普通股之加權平均股數(千股)	Weighted average number of ordinary shares ('000)	5,586,793	5,586,793
每股基本溢利(美仙)	Basic earnings per share (US cents)	8.53	6.86

## 14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is as follows:

## (a) Basic earnings per share

		2010	2009
本公司股東年內應佔溢利(千美元)	Profit attributable to ordinary shareholders (US\$'000)	476,787	383,207
已發行普通股之加權平均股數(千股)	Weighted average number of ordinary shares ('000)	5,586,793	5,586,793
每股基本溢利(美仙)	Basic earnings per share (US cents)	8.53	6.86

## (b) 每股攤薄溢利

		2010	2009
本公司股東年內應佔溢利(千美元)	Profit attributable to ordinary shareholders (US\$'000)	476,787	383,207
普通股加權平均數(攤薄)(千股)	Weighted average number of ordinary shares (diluted) ('000)		
已發行普通股之加權平均股數	Weighted average number of ordinary shares	5,586,793	5,586,793
本公司購股權計劃之影響	Effect of the Company's share option scheme	20,402	10,202
用於計算每股攤薄溢利之普通股加權平均數	Weighted average number of ordinary shares for the purpose of calculated diluted earnings per share	5,607,195	5,596,995
每股攤薄溢利(美仙)	Diluted earnings per share (US cents)	8.50	6.85

### 15. 物業、機器及設備

### 15. PROPERTY, PLANT AND EQUIPMENT

#### (a) 本集團

#### (a) Group

		樓宇 Buildings 千美元 US\$'000	機器及設備 Machinery and equipment 千美元 US\$'000	電器及設備 Electrical appliances and equipment 千美元 US\$'000	雜項設備 Miscellaneous equipment 千美元 US\$'000	在建工程 Construction in progress 千美元 US\$'000	合計 Total 千美元 US\$'000
賬面值對賬 – 截至 2009年12月 31日止年度	Reconciliation of carrying amount - year ended 31 December 2009						
於年初	At beginning of year	422,867	1,280,822	16,096	45,918	208,742	1,974,445
添置	Additions	20,377	94,900	4,367	37,649	340,582	497,875
落成後轉撥	Transfer upon completion	51,584	119,560	517	8,765	(180,426)	—
減值虧損(附註i)	Impairment loss (Note i)	—	(25,778)	—	—	—	(25,778)
出售	Disposals	(4,744)	(9,764)	(462)	(1,467)	—	(16,437)
出售附屬公司	Disposal of a subsidiary	(2,739)	(13,628)	(433)	(605)	(458)	(17,863)
折舊	Depreciation	(26,704)	(148,143)	(3,686)	(18,036)	—	(196,569)
項目重分類	Reclassification	—	7	(2,931)	2,924	—	—
滙兌差額	Exchange differences	445	661	3	(235)	91	965
於結算日	At end of the reporting period	461,086	1,298,637	13,471	74,913	368,531	2,216,638

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### 15. 物業、機器及設備 (續)

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (a) 本集團 (續)

#### (a) Group (Continued)

		電器及設備					合計
		樓宇	機器及設備	電器及設備	雜項設備	在建工程	
		Buildings	Machinery and equipment	Electrical appliances and equipment	Miscellaneous equipment	Construction in progress	Total
		千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
賬面值對賬 – 截至2010年12月31日止年度	Reconciliation of carrying amount - year ended 31 December 2010						
於年初	At beginning of year	461,086	1,298,637	13,471	74,913	368,531	2,216,638
添置	Additions	9,394	253,296	3,183	75,310	624,450	965,633
落成後轉撥	Transfer upon completion	101,199	308,357	215	14,029	(423,800)	—
減值虧損 (附註i)	Impairment loss (Note i)	(5,846)	(28,704)	—	(970)	—	(35,520)
出售	Disposals	(3,180)	(4,776)	(280)	(2,476)	—	(10,712)
轉撥至持作出售資產	Transferred to assets classified as held for sale	(1,637)	(1,599)	(77)	(1,313)	(217)	(4,843)
折舊	Depreciation	(30,307)	(190,256)	(3,877)	(50,614)	—	(275,054)
滙兌差額	Exchange differences	14,532	36,439	1,583	2,209	12,031	66,794
於結算日	At end of the reporting period	545,241	1,671,394	14,218	111,088	580,995	2,922,936
於2010年1月1日	At 1 January 2010						
原值	Cost	665,368	2,135,885	32,117	132,662	368,531	3,334,563
累計折舊和減值虧損	Accumulated depreciation and impairment losses	(204,282)	(837,248)	(18,646)	(57,749)	—	(1,117,925)
賬面淨值	Net carrying amount	461,086	1,298,637	13,471	74,913	368,531	2,216,638
於2010年12月31日	At 31 December 2010						
原值	Cost	789,750	2,714,615	34,176	218,621	580,995	4,338,157
累計折舊和減值虧損	Accumulated depreciation and impairment losses	(244,509)	(1,043,221)	(19,958)	(107,533)	—	(1,415,221)
賬面淨值	Net carrying amount	545,241	1,671,394	14,218	111,088	580,995	2,922,936

### 15. 物業、機器及設備 (續)

#### (a) 本集團 (續)

附註：

- (i) 經管理層考慮部份機器設備功能上之退化及重新評估所有政策之調動或汰換策略之可行性，確認該機器設備可收回金額低於賬面值，並導致該機器設備賬面值減值 35,520,000 美元（2009年：25,778,000 美元）。該機器設備之可收回金額評估乃根據於其公允值減去於近日市場上同類機器設備可觀察之市場價值做參考的出售成本。

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (a) Group (Continued)

Notes :

- (i) After considering the technical obsolescence and reassessing the assets redeployment policy and assets replacement strategy of the Group, management determined that the recoverable amounts of certain plant and machineries have declined below their carrying amounts and as a result the carrying amounts of these plant and machineries were written down by US\$35,520,000 (2009: US\$25,778,000). The estimates of the recoverable amounts of these plant and machineries, principally based on their fair value less costs to sell, determined by reference to the recent observable market prices for similar assets in the market.

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### 15. 物業、機器及設備 (續)

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) 本公司

(b) Company

		2010			2009		
		Machinery and Miscellaneous equipment			Machinery and Miscellaneous equipment		
		equipment	equipment	Total	equipment	equipment	Total
		千美元	千美元	千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>賬面值對賬</b>	<b>Reconciliation of carrying amount</b>						
於年初	At beginning of the year	118	13	131	210	12	222
添置	Additions	—	23	23	—	5	5
出售	Disposals	(1)	(1)	(2)	—	—	—
折舊	Depreciation	(34)	(5)	(39)	(93)	(4)	(97)
滙兌差額	Exchange differences	7	—	7	1	—	1
<b>於結算日</b>	<b>At end of the reporting period</b>	<b>90</b>	<b>30</b>	<b>120</b>	<b>118</b>	<b>13</b>	<b>131</b>
<b>於12月31日</b>	<b>At 31 December</b>						
原值	Cost	846	71	917	807	50	857
累計折舊	Accumulated depreciation	(756)	(41)	(797)	(689)	(37)	(726)
<b>賬面淨值</b>	<b>Net carrying amount</b>	<b>90</b>	<b>30</b>	<b>120</b>	<b>118</b>	<b>13</b>	<b>131</b>



## 16. 無形資產

## 16. INTANGIBLE ASSETS

		本集團 Group 商標 Trademarks	
		2010 千美元 US\$'000	2009 千美元 US\$'000
<b>賬面值對賬</b>	<b>Reconciliation of carrying amount</b>		
於年初	At beginning of the year	6,955	9,733
年內攤銷	Amortisation	(1,989)	(2,778)
減值虧損	Impairment loss	(4,966)	—
<b>於結算日</b>	<b>At end of the reporting period</b>	—	6,955
<b>於12月31日</b>	<b>At 31 December</b>		
原值	Cost	17,657	17,657
累計攤銷 減值虧損	Accumulated amortisation and impairment losses	(17,657)	(10,702)
賬面淨值	Net carrying amount	—	6,955

無形資產代表透過重組合營企業權益換來之商標。商標攤銷按預計可使用七年半年期而計提。

Intangible assets represent trademarks exchanged through the reorganisation of a joint venture. The trademarks are amortised over the estimated useful life of seven and a half years.

## 17. 附屬公司權益

## 17. INTEREST IN SUBSIDIARIES

		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000
非上市股份，按原值列賬	Unlisted shares, at cost	343,739	350,548
對附屬公司投資之增加	Contribution to a subsidiary	2,542	—
減值虧損	Impairment losses	(33,065)	—
		313,216	350,548
應收附屬公司款項， 扣除減值虧損	Amounts due from subsidiaries, net of impairment losses	238,727	280,414
應付附屬公司款項	Amounts due to subsidiaries	(99,078)	(102,711)
		452,865	528,251

由於部份附屬公司權益之賬面值大於其可收回金額，減值虧損已認列於該附屬公司權益賬面值36,613,000美元內(2009年：零)(減值虧損前)。

由於部份附屬公司於本年度錄得持續虧損並在可見將來無正現金流，減值虧損9,094,000美元(2009年：零)已認列於該附屬公司賬面值17,102,000美元之應收款項內(2009年：零)(減值虧損前)。

應收／應付附屬公司之款項為無抵押、免息及無固定還款期，並預期於本結算日起十二個月內認列／還款。

於2010年12月31日主要附屬公司之詳情列示於附註39。

並沒有任何附屬公司於本年度或本結算日持有債券。

Impairment losses were recognised for certain interest in subsidiaries with a carrying amount of US\$36,613,000 (2009: US\$Nil) (before deducting the impairment loss) because their carrying values exceed the recoverable amounts of the assets.

An impairment was recognised for amounts due from certain subsidiaries with a carrying amount of US\$17,102,000 (2009: US\$Nil) (before deducting the impairment loss) because the subsidiaries had suffered continuous losses with no positive cashflow in the foreseeable future. Impairment loss of US\$9,094,000 has been recognised during the year (2009: US\$Nil).

Amounts due from/to subsidiaries are unsecured, interest-free and have no fixed repayment term but are not expected not to be realised/repaid in the next twelve months of the end of the reporting period.

Details of principal subsidiaries at 31 December 2010 are shown in note 39.

None of the subsidiaries had any debt securities outstanding during the year or at the end of the reporting period.

### 18. 聯營公司權益

### 18. INTERESTS IN ASSOCIATES

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
聯營公司投資成本	Cost of investment in associates				
於香港境外上市	Listed outside Hong Kong	23,836	23,836	14,748	14,748
非上市	Unlisted	18,831	18,831	13,872	13,872
		42,667	42,667	28,620	28,620
收購後應佔業績， 扣除已收股息	Share of post-acquisition results, net of dividends received	39,641	30,370	—	—
		82,308	73,037	28,620	28,620
應收聯營公司款項	Due from associates	—	35,930	—	33,981
應付聯營公司款項	Due to associates	—	(47,075)	—	—
		82,308	61,892	28,620	62,601
視作出售 聯營公司之權益	Discontinuation of equity accounting for an associate	(29,490)	—	(14,748)	—
重分類為持作 出售資產	Reclassified as assets held for sale	(52,818)	—	(13,872)	—
		—	61,892	—	62,601
上市股份於結算日 之市值	Market value of listed shares at the end of reporting period	—	117,711	—	79,661

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### 18. 聯營公司權益 (續)

本年度本集團主要聯營公司之權益如下：

### 18. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's interests in the associates during the year were set out as below:

名稱 Name	註冊成立/ 營業地點 Place of incorporation /operation	發行股份/ 註冊資本類別 Particulars of class of issued shares/ registered capital	應佔股權比例 Proportion of ownership interest		主要業務 Principal activity
			直接 Directly	間接 Indirectly	
味全食品工業股份有限公司(「味全」)(附註18a) Wei Chuan Foods Corporation Limited (Note 18a)	台灣 Taiwan	506,062,900普通股 每股新台幣10元 ordinary shares of NT\$10 each	11.61%	5.55%	製造及銷售 食品及飲料 Manufacture and sale of foods and beverages
頂正(開曼島)控股有限公司(附註18b) Tingzheng (Cayman Islands) Holding Corp. (Note 18b)	開曼群島 Cayman Islands	34,000,000普通股 每股1美元 34,000,000 ordinary shares of US\$1 each	40.80%	—	製造及銷售 包裝材料 Manufacture and sale of packaging materials
可果美(杭州)食品有限公司(附註18c) Kagome (Hangzhou) Foods Co., Ltd. (Note 18c)	中國 PRC	32,100,000美元/ 32,100,000美元 US\$32,100,000/ US\$32,100,000	—	15.45%	製造及銷售飲料 Manufacture Manufacture and sale of beverages

## 18. 聯營公司權益 (續)

## 18(a) 味全食品工業股份有限公司 (「味全」)

本集團持有味全17.16%的股東權益。味全為一家在香港以外上市的公司，味全及其附屬公司於台灣從事生產及銷售食品及飲料。

過去本集團透過委派董事代表出任味全董事會，從而行使重大影響力；因此，本集團視味全為本集團之聯營公司。於本年度內，味全董事會臨屆改選，本集團已沒有委派代表在味全之董事局，惟本集團持有味全之股權未有變更。

當本集團失去在味全之重大影響力時，本集團將不繼續以權益法認列在味全的權益。並於及後根據香港會計準則第39號金融工具：確認及計量之規定，確認本集團持有味全的權益：本集團終止確認投資於味全為聯營公司時，其公允值為98,142,000美元；並以此公允值確認為「可供出售的金融資產」。另投資於味全的公允值與賬面值之差金額68,653,000美元認列於其他淨收入內，並確認為「不繼續以權益法認列聯營公司之所得利益」。

## 18. INTERESTS IN ASSOCIATES (Continued)

## 18(a) Wei Chuan Foods Corporation Limited ("Wei Chuan")

The Group holds a 17.16% equity interest in Wei Chuan, a company listed outside Hong Kong which together with its subsidiaries are engaged in manufacture and sale of goods and beverages in Taiwan.

In prior years, Wei Chuan was an associate of the Group whereas the Group exercised significant influence through representation on the board of directors of Wei Chuan. During the year, the composition of the board of directors of Wei Chuan was changed that the Group has no longer had representation on the board of directors of Wei Chuan without a change in absolute ownership in Wei Chuan.

After the Group ceased to have significant influence over Wei Chuan, the Group discontinues the use of the equity method of accounting and, thereafter, the investment in Wei Chuan is accounted for in accordance with the requirements of HKAS 39 Financial Instruments: Recognition and Measurement. When the investment in Wei Chuan ceased to be an associate, the carrying amount of the Group's equity interest in Wei Chuan was measured at fair value at US\$98,142,000 which was regarded as the carrying value on initial recognition as available-for-sale financial assets. The difference between the fair value and the carrying amount of the investment in Wei Chuan at the date when significant influence was lost amounting to US\$68,653,000 was recognised as a gain on discontinuation of equity accounting for an associate within other net income.

## 18. 聯營公司權益 (續)

## 18(b) 頂正 (開曼島) 控股有限公司 (「頂正」)

於2010年9月28日，本公司訂立出售協議，有條件下出售於頂正的40.8%之權益。於此出售事項後，頂正股權已被重分類為流動資產項下的持作出售資產，金額為52,818,000美元，詳情列示於附註22。

## 18(c) 可果美 (杭州) 食品有限公司 (「杭州可果美」)

於本年度內，聯營公司「杭州可果美」透過向除本集團外，現有股東集資以增加其發行股本。此舉令到本集團所持有的實際權益由29%攤薄至15.44%。本集團因此失去在杭州可果美的重大影響力，將不繼續以權益法認列在杭州可果美的權益。於本集團失去對於杭州可果美之重大影響力時，杭州可果美並無任何賬面值及公允值。及後根據香港會計準則第39號金融工具：確認及計量之規定，確認本集團持有杭州可果美的權益。

## 18. INTERESTS IN ASSOCIATES (Continued)

## 18(b) Tingzheng (Cayman Islands) Holding Corp. ("TZCI")

On 28 September 2010, the Company entered into a disposal agreement to conditionally dispose of its entire interest of 40.8% in an associate, TZCI. Prior to the conditional disposal, the interests in TZCI had been accounted for using the equity method. Upon the conditional disposal, the equity interest in TZCI at carrying amount of US\$52,818,000 was reclassified as held for sale under current assets as further explained in note 22.

## 18(c) Kagome (Hangzhou) Food Co. Ltd. ("Kagome Hangzhou")

During the year, an associate, Kagome Hangzhou, increased its issued capital by subscription from the existing shareholders other than the Group and the effective shareholding of the Group was diluted from 29% to 15.44%. Consequently, the Group lost the significant influence over Kagome Hangzhou and ceased to use of the equity method of accounting. The carrying value and fair value of Kagome Hangzhou at the date the Group lost significant influence were US\$Nil. The investment in Kagome Hangzhou is accounted for as available-for-sale financial assets in accordance with HKAS 39 Financial Instruments: Recognition and Measurement.

## 19. 土地租約溢價

土地租約溢價指位於中國境內之中期租賃土地成本。該成本按租賃期攤銷。於結算日12個月內應攤銷金額為2,866,000美元(2009年: 2,216,000美元)已計入預付款項及其他應收款項。

## 19. PREPAID LEASE PAYMENTS

Prepaid lease payments represent cost paid for medium-term leasehold land in the PRC. The cost is amortised over the leasehold period. The amount to be amortised within twelve months after the end of the reporting period amounted to US\$2,866,000 (2009: US\$2,216,000) and is included in prepayments and other receivables.

## 20. 可供出售金融資產

## 20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
於香港以外之上市 股本證券市值 公允值	Equity security, listed outside Hong Kong At fair value	109,251	—	73,937	—
非上市股本證券 原值	Equity securities, unlisted At costs	11,452	11,452	3,140	3,054
減值虧損	Impairment losses	(8,044)	(8,044)	(342)	(342)
		3,408	3,408	2,798	2,712
		112,659	3,408	76,735	2,712

上市股份之公允值以台灣證券交易所上的公開買入報價釐定。公允值變更已被確認及累計於投資重估價儲備內，金額為11,109,000美元。

The fair value of the listed securities is determined based on the quoted market bid price available in the Taiwan Stock Exchange. Changes in fair value of US\$11,109,000 were credited to investment revaluation reserve.

非上市投資指非上市股本證券之長期投資。基於需合理估計公允價值的考慮範圍甚為重要，董事認為非上市投資之公允價值不能可靠地計量，故非上市證券乃以成本減去於結算日之減值計量。

The unlisted investments represent long-term investments in unlisted equity securities. They are measured at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably.

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### 20. 可供出售金融資產 (續)

可供出售金融資產乃以下列貨幣列值：

### 20. AVAILABLE-FOR-SALE FINANCIAL ASSETS (續)

The available-for-sales financial assets are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
美元	US\$	1,014	1,014	1,014	1,014
人民幣	RMB	732	732	—	—
新台幣	New Taiwan dollar ("NTD")	110,809	1,472	75,495	1,472
其他	Others	104	190	226	226

### 21. 按公允價值列賬及在損益賬處理的金融資產

### 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
持作買賣投資	Investments held for trading				
— 於香港以外上市之股本證券	Equity securities, listed outside Hong Kong	762	3,024	762	3,024
— 美元貨幣基金	US\$ currency fund	9	1,002	9	1,002
		771	4,026	771	4,026

按公允價值列賬及在損益賬處理之金融資產乃以下列貨幣列值：

The financial assets at fair value through profit or loss are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
美元	US\$	9	1,002	9	1,002
新台幣	NTD	762	3,024	762	3,024



## 22. 分類為持作出售資產／分類為持作出售資產之相關負債

於2010年9月28日，本公司與Great System Holdings Limited(關連公司)訂立合約，據此，本公司在有條件下分別以代價為84,438,000美元及13,895,000美元出售於頂正的40.8%及天津頂峰澱粉開發有限公司(「頂峰」)的51.0%之全部股權(「出售事項」)。於此出售事項前，頂正及頂峰分別為本集團一家聯營公司及一家非全資持有的附屬公司。

於合約訂立日，頂正股權已被重分類為持作出售資產，金額為52,818,000美元；同時，頂峰股權已被重分類，分別為22,106,000美元於流動資產項下的持作出售資產及2,586,000美元於流動負債項下的持作出售資產之相關負債。

頂正於開曼群島註冊成立，並於中國從事生產及銷售包裝材料。頂峰於中國註冊成立，並於中國從事生產及銷售改良馬鈴薯澱粉及調味品。

董事認為有關出售預料將於2011年6月30日或之前完成。

## 22. ASSETS CLASSIFIED AS HELD FOR SALE / LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 28 September 2010, the Company entered into disposal agreements with Great System Holdings Limited, a related party, to conditionally dispose of its entire equity interest of 40.8% in TZCI and 51.0% in Tianjin Ting Fung Starch Development Co., Ltd. ("TFS") at a consideration of US\$84,438,000 and US\$13,895,000 respectively (the "Disposals"). Prior to the Disposals, the Group accounted for the interest in TZCI and TFS as an associate and a non-wholly owned subsidiary respectively.

On the agreement date, the equity interest in TZCI was reclassified as held for sale at carrying amount of US\$52,818,000 and the equity interest in TFS was reclassified as assets held for sale and liabilities associated with assets held for sale at carrying amount of US\$22,106,000 and US\$2,586,000 respectively.

TZCI is incorporated in the Cayman Islands and its principal activity is manufacture and sales of packaging materials in the PRC. TFS is incorporated in the PRC and its principal activity is manufacture and sale of modified potato starch and seasoning flavours.

In the opinion of the directors, the Disposals are expected to be completed on or before 30 June 2011.

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## 22. 分類為持作出售資產／分類為持作出售資產之相關負債 (續)

於本結算日，以賬面值或公允值減去出售成本兩者之較低者列賬，並分類為持作出售資產的主要資產及負債項目如下：

## 22. ASSETS CLASSIFIED AS HELD FOR SALE / LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

The major classes of assets and liabilities classified as held for sale measured at the lower of carrying amount and fair value less costs to sell at the end of the reporting period are as follows:

		Group 2010 千美元 US\$ '000	Company 2010 千美元 US\$ '000
資產	Assets		
物業、機器及設備	Property, plant and equipment	4,843	—
聯營公司權益	Interests in an associate	52,818	
其他非流動資產	Other non-current assets	920	—
於附屬公司之投資成本	Investment cost in a subsidiary	—	5,610
於聯營公司之投資成本	Investment cost in an associate	—	13,872
存貨	Inventories	3,416	—
應收賬款及其他應收款項	Trade and other receivables	7,958	—
其他流動資產	Other current assets	5,266	—
分類為持作出售資產	Assets classified as held for sale	75,221	19,482
負債	Liabilities		
應付賬款及其他應付款項	Trade and other payables	1,626	—
其他非流動負債	Other current liabilities	994	—
分類為持作出售資產之直接相關負債	Liabilities directly associated with assets classified as held for sale	2,620	—
分類為持作出售資產之資產淨值	Net assets attributable to the assets classified as held for sale	72,601	19,482

### 23. 存貨

### 23. INVENTORIES

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
原材料	Raw materials	169,556	107,865
在製品	Work in progress	11,822	7,658
製成品	Finished goods	128,423	97,400
		<b>309,801</b>	212,923

### 24. 應收賬款

### 24. TRADE RECEIVABLES

本集團之銷售大部份為貨到收現，餘下的銷售之信貸期主要為30至90天。有關應收賬款(扣除壞賬及呆賬減值虧損)於結算日按發票日期編製之賬齡分析列示如下：

The majority of the Group's sales is cash-on-delivery. The remaining balances of sales are mainly at credit term ranging from 30 to 90 days. The ageing analysis of trade receivables (net of impairment losses for bad and doubtful debts), based on invoice date, at the end of the reporting period is as follows:

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
0 - 90天	0 - 90 days	121,849	105,985
90天以上	Over 90 days	5,881	9,606
		<b>127,730</b>	115,591

## 24. 應收賬款 (續)

已過期但未減值之應收賬款賬齡：

## 24. TRADE RECEIVABLES (Continued)

Ageing of amounts that are past due but not impaired:

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
已超過正常賬齡之應收款項	Balances exceeded normal credit period		
過期30天內	Within 30 days	4,147	5,398
過期30至90天	30-90 days	2,621	3,035
過期超過90天	Over 90 days	1,232	3,318
		8,000	11,751

這些非逾期或未減值的應收賬款相關之客戶於近期並無拖欠賬款記錄。

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

這些過期但未減值的應收賬款，是來自本集團多名具有良好紀錄的獨立客戶。由於其信譽並無重大的變化，本集團並無對這些賬款餘額作減值，並且管理層認為這些賬款可收回。本集團並未持有與這些賬款相關的抵押品。

The trade receivables that are past due but not impaired related to a number of independent customers that have a good track record with the Group. The Group has not impaired these debtors as there has not been a significant change in credit quality and the directors believe that the amounts are recoverable. The Group does not hold any collateral over these balances.

應收賬款主要以人民幣列值。

The trade receivables are mainly denominated in RMB.

## 25. 應收附屬公司款項

應收附屬公司之款項金額20,000,000美元及5,000,000美元(2009年：5,000,000美元)為無抵押、分別附年息1.255%及1.25%(2009年：1.25%)及須於一年內償還之貸款。

## 25. AMOUNTS DUE FROM A SUBSIDIARY

Amounts due from a subsidiary of US\$20,000,000 and US\$5,000,000 (2009: US\$5,000,000) are unsecured, bearing interest at 1.255% and 1.25% (2009: 1.25%) per annum respectively and repayable within 1 year.

### 26. 現金及等同現金項目

### 26. CASH AND CASH EQUIVALENTS

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
銀行結餘及現金	Bank balances and cash	<b>881,316</b>	510,831
抵押銀行存款	Pledged bank deposits	<b>12,024</b>	9,358
於綜合現金流量表列示	As stated in the consolidated statement of cash flows	<b>893,340</b>	520,189

銀行存款已予抵押，作為提供本集團一般銀行及貿易融資的銀行授信之抵押品。

The pledged bank deposits are secured for general banking and trade finance facilities, including the issuance of bank acceptance bills, granted to the Group by banks.

現金及等同現金項目以下列貨幣列值：

The cash and cash equivalents are denominated in the following currencies:

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
人民幣	RMB	<b>799,484</b>	492,794
美元	US\$	<b>84,836</b>	17,530
歐元	EUR	<b>1,703</b>	5,129
其他	Others	<b>7,317</b>	4,736

有關外匯風險的部份，於附註37詳述。

Details of the Group's foreign currency risk and credit risk discussion are set out in note 37.

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### 27. 發行股本

### 27. ISSUED CAPITAL

		本公司 Company			
		2010		2009	
		股份數目 No. of shares	千美元 US\$'000	股份數目 No. of shares	千美元 US\$'000
法定： 每股0.005美元 之普通股	Authorised: Ordinary shares of US\$0.005 each	7,000,000,000	35,000	7,000,000,000	35,000
已發行及繳足： 於年初 及結算日	Issued and fully paid: At the beginning of the year and the end of the reporting period	5,586,793,360	27,934	5,586,793,360	27,934

### 28. 儲備

### 28. RESERVES

#### (a) 本集團

本集團之保留溢利包括本集團聯營公司分類為持作出售資產之累計溢利 38,946,000 美元 (2009 年：20,898,000 美元)。

#### (a) Group

The retained profits of the Group include profits of US\$38,946,000 (2009: US\$20,898,000) accumulated by the associate classified as held for sale.

# 賬目附註

## Notes to the Financial Statements

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For the year ended 31 December 2010

### 28. 儲備 (續)

### 28. RESERVES (Continued)

#### (b) 本公司

#### (b) Company

		股份贖回 儲備 Capital redemption reserve 千美元 US\$'000	股份 溢價 Share premium 千美元 US\$'000	外幣換算 儲備 Exchange translation reserve 千美元 US\$'000	購股權 儲備 Share-based payment reserve 千美元 US\$'000	投資重估 價儲備 Investment revaluation reserve 千美元 US\$'000	保留溢利 Retained profits 千美元 US\$'000	總額 Total 千美元 US\$'000
於2009年1月1日	At 1 January 2009	45	330,492	(797)	750	—	82,008	412,498
本年度溢利	Profit for the year	—	—	—	—	—	200,579	200,579
其他全面收益	Other comprehensive income							
匯兌差額	Exchange translation difference	—	—	(436)	—	—	—	(436)
其他全面收益總額	Total other comprehensive income	—	—	(436)	—	—	—	(436)
本年度全面收益總額	Total comprehensive income for the year	—	—	(436)	—	—	200,579	200,143
與本公司股東之交易	Transactions with owners of the Company							
權益結算股份支付 之款項	Equity-settled share-based payment reserve	—	—	—	2,280	—	—	2,280
已付2008年末期股息	2008 final dividend paid	—	—	—	—	—	(130,172)	(130,172)
與本公司股東 之交易總額	Total transactions with owners of the Company	—	—	—	2,280	—	(130,172)	(127,892)
於2009年12月31日	At 31 December 2009	45	330,492	(1,233)	3,030	—	152,415	484,749

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### 28. 儲備 (續)

#### (b) 本公司 (續)

### 28. RESERVES (Continued)

#### (b) Company (Continued)

		股份贖回 儲備 Capital redemption reserve 千美元 US\$'000	股份 溢價 Share premium 千美元 US\$'000	外幣換算 儲備 Exchange translation reserve 千美元 US\$'000	購股權 儲備 Share-based payment reserve 千美元 US\$'000	投資重估 價儲備 Investment revaluation reserve 千美元 US\$'000	保留溢利 Retained profits 千美元 US\$'000	總額 Total 千美元 US\$'000
於2010年1月1日	At 1 January 2010	45	330,492	(1,233)	3,030	—	152,415	484,749
本年度溢利	Profit for the year	—	—	—	—	—	45,985	45,985
其他全面收益	Other comprehensive income							
匯兌差額	Exchange translation difference	—	—	(1,017)	—	—	—	(1,017)
可供出售金融資產 公允值之變動	Fair value change in available-for-sale financial assets	—	—	—	—	7,518	—	7,518
其他全面收益總額	Total other comprehensive income	—	—	(1,017)	—	7,518	—	6,501
本年度全面收益總額	Total comprehensive income for the year	—	—	(1,017)	—	7,518	45,985	52,486
與本公司股東之交易	Transactions with owners of the Company							
權益結算股份支付之款項	Equity settled share-based transactions	—	—	—	5,020	—	—	5,020
已付2009年末期股息	2009 final dividend paid	—	(39,212)	—	—	—	(152,415)	(191,627)
與本公司股東 之交易總額	Total transactions with owners of the Company	—	(39,212)	—	5,020	—	(152,415)	(186,607)
於2010年12月31日	At 31 December 2010	45	291,280	(2,250)	8,050	7,518	45,985	350,628

#### 股份贖回儲備

股份贖回儲備乃根據開曼群島之公司法有關回購及註銷本公司股份之條款而設立。

#### Capital redemption reserve

Capital redemption reserve has been set up in accordance with the provisions of the Companies Law of the Cayman Islands on repurchases and cancellations of the Company's own shares.



### 28. 儲備 (續)

#### 股份溢價

根據開曼島公司條例，當公司以溢價發行股份時，不論是以現金或其他形式發行，在發行股份時所得的累計溢價均轉撥至股份溢價賬。

股份溢價賬之應用是根據開曼群島公司法之規定。

在符合公司章程規定之情況下，本公司之股份溢價可被分派予股東，惟本公司於分派後須仍有能力償還在日常業務中到期繳付之債務。本公司於2010年12月31日之可供分派儲備為337,265,000美元(2009年：482,907,000美元)。

#### 外匯換算儲備

外幣換算儲備之設立及處理乃根據本公司有關外幣換算之會計政策。

### 28. RESERVES (Continued)

#### Share premium

Under the Companies Law of the Cayman Islands, where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on their shares shall be transferred to share premium account.

The application of the share premium account is governed by the Companies Law of the Cayman Islands.

Share premium of the Company is distributable to shareholders subject to the provisions of the Company's Memorandum and Articles of Association and provided that immediately following the distribution the Company is able to pay its debts as they fall due in the ordinary course of business. The Company's distributable reserves as at 31 December 2010 amounted to US\$337,265,000 (2009: US\$482,907,000).

#### Exchange translation reserve

The exchange translation reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation.

## 28. 儲備 (續)

## 一般儲備

根據中國有關規例，中國附屬公司須將一筆不少於其除稅後溢利(按照中國會計規例編製有關中國附屬公司之法定賬目內呈列)10%之款項轉撥往一般儲備。倘一般儲備之總額達有關中國附屬公司註冊股本之50%時，該公司可毋須再作任何轉撥。

## 投資重估價儲備

投資重估價儲備乃根據會計準則有關可供出售的金融資產公允值變更而設立。

## 購股權儲備

購股權儲備包括授予本集團僱員但尚未行使之購股權於授出日期之公平值之部分，並根據會計準則有關以股份為基礎之付款處理，詳情列示於附註3(t)。

## 28. RESERVES (Continued)

## General reserve

In accordance with the relevant PRC regulations, the PRC subsidiaries are required to appropriate to the general reserve an amount not less than 10% of the amount of profit after taxation (as reported in the respective statutory financial statements of the PRC subsidiaries prepared in accordance with PRC accounting regulations). If the accumulated general reserve reaches 50% of the registered capital of the respective PRC subsidiaries, the enterprise may not be required to make any further appropriation.

## Investment revaluation reserve

The investment revaluation reserve has been set up and will be dealt with in accordance with the accounting policies adopted for the change of fair value in available-for-sale financial assets.

## Share-based payment reserve

Share-based payment reserve comprises the fair value at the grant date of unexercised share options granted to employees of the Group and will be dealt with in accordance with the accounting policy adopted for share-based payments as set out in note3(t) to the consolidated financial statements.

## 29. 以權益結算股份支付之交易

有關批准採納購股權計劃(「計劃」)之決議案已在於2008年3月20日通過。該計劃之目的乃鼓勵參與者(詳細如下)並確認他們曾對本集團作出的貢獻。

董事會可按其考慮授予以下人士購股權：

- (i) 公司及其附屬公司的任何全職或兼職僱員，行政人員或高級僱員；
- (ii) 公司及其附屬公司的任何董事(包括非執行董事及獨立非執行董事)；及
- (iii) 公司及其附屬公司的任何顧問，諮詢者，供應商，顧客及代理。

除經公司股東批准，該計劃及任何本公司之其他購股權計劃所授予之購股權涉及之股份數目不得超過本公司於採納此計劃當日(即2008年3月20日)之已發行股份的10%。截至2010年12月31日止，已授予的購股權為53,492,000股(2009年：38,448,000股)，而未行使的購股權為49,714,000股(2009年：37,126,000)，佔全公司當日已發行的股份0.9%(2009年：0.7%)。

每名參與者在該計劃或其他購股權下可享有的最高授予股數(包括已行使及未行使之購股權)，在任何授予日始之12個月內不得超過在授予日期時已發行股份的1%。多於1%為限的授予須獲公司股東的批准。

## 29. EQUITY SETTLED SHARE-BASED TRANSACTION

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 20 March 2008. The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the eligible participants (as defined below) had or may have made to the Group.

The Board of Directors may, at its discretion, offer to grant an option to:-

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

Without prior approval from the Company's shareholders, the maximum number of shares in respect of which options may be granted under the Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue at the time the Scheme is adopted by the shareholders (i.e. 20 March 2008). At 31 December 2010, the number of shares in respect of which options had been granted was 53,492,000 (2009: 38,448,000) and remained outstanding under the Scheme was 49,714,000 (2009: 37,126,000), representing 0.9% (2009: 0.7%) of the shares of the Company in issue at that date.

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to an individual 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. Any further grant of options in excess of this 1% limit shall be subject to the shareholders' approval.

### 29. 以權益結算股份支付之交易 (續)

行使價由董事會的董事決定，而行使價將不少於(i)股份在購股權授予日於聯交所載的收市價；(ii)股份在購股權授予日前5個營業日於聯交所的平均收市價；及(iii)股份的面值中之最高價值。

購股權計劃的行使期由董事會決定，而購股權之行使期不多於授予後之10年。持購股權者被授予之每一批購股權之認購價為港幣一元。每一購股權授予持購股權者兌換本公司一股普通股的權利。

已授予之購股權詳情及於2009年及2010年12月31日年度內之變動如下：

### 29. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

The exercise price is determined by the Company's Board of Directors, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

The period during which an option may be exercised will be determined by the Company's Board of Directors, save that no option may be exercised more than 10 years after it has been granted. The options will be vested after five years from the date of grant. A nominal consideration at HK\$1 was paid by each option holder for each lot of share option granted. Each option gives the holder the right to subscribe for one ordinary share in the Company.

Details of share options granted by the Company pursuant to the Scheme and the share options outstanding as at 31 December 2010 and 2009 are as follows:

授予日期 Grant date	授予購股權數目 Number of share options granted	未行使的 購股權數目 Number of share options outstanding		行使價 Exercise price HK\$	行使期 Exercisable period
		2010	2009		
20 March 2008 2008年3月20日	11,760,000	10,680,000	11,530,000	9.28	21 March 2013 to 20 March 2018 2013年3月21日至 2018年3月20日
22 April 2009 2009年4月22日	26,688,000	24,230,000	25,596,000	9.38	23 April 2014 to 22 April 2019 2014年4月23日至 2019年4月22日
1 April 2010 2010年4月1日	15,044,000	14,804,000	—	18.57	1 April 2015 to 31 March 2020 2015年4月1日至 2020年3月31日

## 29. 以權益結算股份支付之交易 (續)

尚未行使之購股權及其加權平均行使價之變動如下：

29. EQUITY SETTLED SHARE-BASED TRANSACTION  
(Continued)

Movements in the number of option outstanding and their weighted average exercise prices are as follows:

		本集團及本公司 Group and Company			
		2010		2009	
		加權平均 行使價 Weighted average exercise price	購股權數目 Number of options	加權平均 行使價 Weighted average exercise price	購股權數目 Number of options
		港元 HK\$	千份 '000	港元 HK\$	千份 '000
於年初	At the beginning of year	9.35	37,126	9.28	11,760
於年內授出	Granted during the year	18.57	15,044	9.38	26,688
於年內沒收	Forfeited during the year	10.24	(2,456)	9.36	(1,322)
<b>於年末</b>	<b>At the end of year</b>	<b>12.10</b>	<b>49,714</b>	9.35	37,126

於2010年12月31日尚未行使之購股權之行使價為9.28港元、9.38港元或18.57港元(2009年：9.28港元或9.38港元)及加權平均剩餘合約行使期為8.35年(2009年：9.38年)。截止2010年12月31日，概無任何購股權已行使。

購股權授予當日之公允值乃經考慮交易條款及細則後，以二項式購股權定價模式釐定。因受到計算公允值時的假設及所採用計算模式之限制，公允值之計算為比較主觀及不確定。計算購股權公允值時使用之資料如下：—

The options outstanding at 31 December 2010 had an exercise price of HK\$9.28, HK\$9.38 or HK\$18.57 (2009: HK\$9.28 or HK\$9.38) and a weighted average remaining contractual life of 8.35 years (2009: 9.38 years). No option had been exercised up to 31 December 2010.

The fair value of the share options granted is measured at the date of grant, using the binomial option pricing model, taking into account the terms and conditions of the share-based arrangement. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitations of the model used. The inputs into the model are as follows:—

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### 29. 以權益結算股份支付之交易 (續)

### 29. EQUITY SETTLED SHARE-BASED TRANSACTION (Continued)

於下列日期授出之購股權  
Share options granted on

		2008年3月20日 20 March 2008	2009年4月22日 22 April 2009	2010年4月1日 1 April 2010
授予日之 公允值	Fair value at grant date	每股3.74港元 HK\$3.74 per share	每股3.34港元 HK\$3.34 per share	每股 <b>7.24</b> 港元 <b>HK\$7.24 per share</b>
授予日之 收市價	Share price at grant date	每股8.55港元 HK\$8.55 per share	每股9.37港元 HK\$9.37 per share	每股 <b>18.42</b> 港元 <b>HK\$18.42 per share</b>
行使價格	Exercise price	每股9.28港元 HK\$9.28 per share	每股9.38港元 HK\$9.38 per share	每股 <b>18.57</b> 港元 <b>HK\$18.57 per share</b>
無風險情況 之利率	Risk-free interest rate	4.37%	2.51%	<b>4.10%</b>
預期波幅	Expected volatility	40%	36%	<b>33%</b>
預期行使期	Expected life	10年 10 years	10年 10 years	<b>10年</b> <b>10 years</b>
預期股息率	Expected dividend yield	2%	2%	<b>2%</b>

預期波幅是按過去一年期間內公司股份收市價的概約波幅，計算購股權公允值時使用之變數及假設乃按管理層最佳之估計。

於2010年，已於收益表確認之以股份為支付基礎之交易之款項為5,020,000美元(2009年：2,280,000美元)。

Expected volatility was determined by using the historical volatility of the Company's share price over the year of share option granted. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate.

During 2010, US\$5,020,000 (2009: US\$2,280,000) was charged to profit or loss in respect of share-based payment transactions settled in equity.

### 30. 有息借貸

### 30. INTEREST-BEARING BORROWINGS

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
銀行貸款，將到期：	The maturity of the unsecured bank loans is as follows:				
1年內	Within one year	456,876	218,087	157,000	20,500
第2年	In the second year	91,964	71,983	40,000	20,000
第3年至第5年 (包括首尾2年)	In the third to fifth years, inclusive	85,295	45,000	25,000	45,000
		634,135	335,070	222,000	85,500
被分類為 流動負債部份	Portion classified as current liabilities	(456,876)	(218,087)	(157,000)	(20,500)
非流動部分	Non-current portion	177,259	116,983	65,000	65,000

加權平均年利率為1.36% (2009年：4.21%)。

The weighted average effective interest rate on the bank loans is 1.36% (2009: 4.21%) per annum.

按類別劃分之合計貸款賬面值之分析列示如下：

An analysis of the carrying amounts of the Group's total borrowings by type is as follows:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
固定利率	At fixed rates	60,055	70,674	—	—
浮動利率	At floating rates	574,080	264,396	222,000	85,500
		634,135	335,070	222,000	85,500

### 30. 有息借貸 (續)

有息借貸以下列貨幣列值：

### 30. INTEREST-BEARING BORROWINGS (Continued)

The interest-bearing borrowings are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
人民幣	RMB	9,918	44,855	—	—
美元	US\$	535,690	263,658	222,000	85,000
歐元	EUR	88,527	26,557	—	—

有關外匯風險的部份，於附註37詳述。

Details of the Group's foreign currency risk and interest rate risk discussion are set out in note 37.

### 31. 員工福利責任

#### 界定供款計劃

本集團為所有中國僱員參加由中國各地方政府組織的界定供款計劃。據此本集團需每月向此等計劃按僱員薪資額之指定百分比作出供款。本集團除支付上述每月的供款外，不必負責支付員工退休時及其後之福利。

### 31. EMPLOYEE BENEFIT OBLIGATIONS

#### Defined contribution plans

The Group participates in defined contribution plans organised by the relevant local government authorities in the PRC for all PRC employees whereby the Group is required to make monthly contributions to these plans at certain percentage of the relevant portion of the payroll of these employees to the pension scheme to fund the benefits. The Group has no obligation for the payment of retirement and other post-retirement benefits for the PRC employees other than the monthly contributions described above.



### 31. 員工福利責任

#### 界定福利計劃

本集團亦為所有台灣僱員提供界定福利計劃。此退休金責任之計算是以僱員服務年期及最後6個月的平均薪資為基礎。此計劃的供款金額是根據獨立精算師美商韜睿惠悅台灣分公司(「韜睿惠悅」)之建議而釐訂。最新之精算評估是由韜睿惠悅於2010年12月31日以預計單位給付成本法進行。

本集團及本公司對其界定福利計劃所產生之責任並計入財務狀況報表之款項：

### 31. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

#### Defined benefit plans

The Group has defined benefit plans for Taiwan employees. Pension obligation is provided based on the length of service and average monthly salary for the final six months of employment. The contributions made by the Group during the year were calculated based on advice from Messrs. Towers Watson, Taiwan Branch ("Towers Watson"), an independent actuaries and consultants. The latest actuarial valuation was performed by Towers Watson as at 31 December 2010 using the projected unit credit method.

The amounts included in the statement of financial position arising from the obligation of the Group and the Company in respect of its defined benefit plans are as follows:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
未供款責任現值	Present value of unfunded obligations	27,037	18,193	15,538	11,009
未認列之淨精算損失	Net actuarial losses not recognised	(14,940)	(6,816)	(7,724)	(2,763)
來自界定福利責任的淨負債	Net liability arising from defined benefit obligation	12,097	11,377	7,814	8,246

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### 31. 員工福利責任 (續)

#### 界定福利計劃 (續)

界定福利責任現值變動如下：

### 31. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

#### Defined benefit plans (Continued)

Movements in the present value of defined benefit obligations are as follows:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
於年初	At beginning of year	18,193	10,255	11,009	6,540
本年度服務成本	Current service cost	1,268	1,242	657	714
利息成本	Interest cost	367	225	222	143
精算損失	Actuarial losses	5,922	6,471	2,865	3,612
匯兌差額	Exchange differences	1,287	—	785	—
於結算日	At end of the reporting period	27,037	18,193	15,538	11,009

認列於綜合收益表中的開支：

Total amount of expense recognised in the consolidated income statement:

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
本年度服務成本	Current service cost	1,268	1,242
利息成本	Interest cost	367	225
本年度淨開支 (已包括於行政費用)	Net actuarial losses recognised during the year	534	—
少計部分	Under-provided	(805)	—
本年度淨開支 (已包括行政費用)	Net expense for the year included in administrative expenses	1,364	1,467

### 31. 員工福利責任 (續)

入賬的主要假設為：

### 31. EMPLOYEE BENEFIT OBLIGATIONS (Continued)

The principal assumptions used for accounting purposes were:

		本集團及本公司 Group and Company	
		2010 %	2009 %
折現率	Discount rate	2.00	2.00
預期薪酬升幅	Expected rate of salary increases	10.00	7.00

本年及過往年度之金額如下：

Historical information:

		本集團 Group				
		2010 千美元 US\$'000	2009 千美元 US\$'000	2008 千美元 US\$'000	2007 千美元 US\$'000	2006 千美元 US\$'000
界定福利 責任現值	Present value of the defined benefit obligations	27,037	18,193	10,255	7,718	7,627
計劃負債 之經驗調整	Experience adjustments arising on plan liabilities	(1,433)	(903)	1,815	735	473

		本公司 Company				
		2010 千美元 US\$'000	2009 千美元 US\$'000	2008 千美元 US\$'000	2007 千美元 US\$'000	2006 千美元 US\$'000
界定福利 責任現值	Present value of the defined benefit obligations	15,538	11,009	6,538	5,342	5,331
計劃負債 之經驗調整	Experience adjustments arising on plan liabilities	(1,091)	(485)	927	551	331

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### 32. 遞延稅項

本集團淨遞延稅項變動如下：

### 32. DEFERRED TAXATION

The movement for the year in the Group's net deferred tax position was as follows:

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
於年初	At beginning of year	55,400	34,469
(扣出)計入綜合收益表內	(Credit) charge to consolidated income statement	(1,686)	20,931
於結算日	At end of the reporting period	53,714	55,400

於結算日，已確認之遞延稅項資產及負債如下：

Recognised deferred tax assets and liabilities at the end of the reporting period represent the followings:

		Group			
		2010		2009	
		Assets 千美元 US\$'000	Liabilities 千美元 US\$'000	Assets 千美元 US\$'000	Liabilities 千美元 US\$'000
加速稅務折舊	Accelerated depreciation allowance	—	(27,637)	—	(18,190)
減速稅務折舊	Decelerated depreciation allowance	282	—	1,680	—
減值虧損	Impairment losses	14,621	—	2,806	—
未獲得發票之 預提費用	Un-invoiced accrual	25,797	—	—	—
預提稅	Withholding tax	—	(68,885)	—	(39,335)
其他	Others	9,751	(7,643)	893	(3,254)
遞延稅項資產(負債)	Deferred tax assets (liabilities)	50,451	(104,165)	5,379	(60,779)

## 32. 遞延稅項 (續)

根據企業所得稅法，外國投資者從位於中國的外商投資企業所獲得的股息須按照10%的稅率徵收預提稅。該規定於2008年1月1日起生效，適用於2007年12月31日後始累計可供分配利潤。倘中國政府與該外國投資者所處國家或地區政府存在稅收安排，可適用較低稅率。本集團適用稅率為10%。本集團根據各中國附屬公司於2007年後賺取並預期在可見將來中的供分配利潤的部分而計提相關的遞延稅項負債。

若將部分於2007年後賺取並預期在可見將來中不作分配之利潤作分配，此舉須受額外徵稅。該等中國附屬公司未匯出之未分配利潤的預提稅預計為68,885,000美元(2009年：39,335,000美元)董事認為目前為止該等未分配利潤須留作各中國附屬公司之營運資金，並在可見將來中的不作分配。因此並無作出額外徵稅撥備。

本集團並未確認遞延稅項資產源於稅務虧損48,861,000美元(2009年：40,015,000美元)，此稅務虧損可用作抵扣將來之稅務收益。稅務虧損中11,209,000美元(2009年：2,623,000美元)及9,986,000美元(2009年：11,380,000美元)將分別於2011及2012到期。

本年度並沒有香港應課稅利潤。本公司於結算日並無未確認之遞延稅項資產及負債。

## 32. DEFERRED TAXATION (Continued)

Pursuant to the PRC EIT Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and jurisdiction of the foreign investors. For the Group's PRC subsidiaries, the applicable rate is 10% and deferred tax liability is only provided on those parts of post-2007 earnings that are expected to be distributable in the foreseeable future.

The part of post-2007 earnings that are not expected to be distributable in the foreseeable future would be subject to additional taxation if they are distributed. The estimated withholding tax effects on the distribution of these unremitted retained earnings of these PRC subsidiaries were approximately of US\$68,885,000 (2009: US\$39,335,000). In the opinion of the directors, these retained earnings, at the present time, are required for financing the continuing operations of the PRC subsidiaries and no distribution would be made in the foreseeable future. Accordingly, no provisions for additional deferred taxation have been made.

The Group has not recognised deferred tax assets in respect of tax losses of US\$48,861,000 (2009: US\$40,015,000), which can be carried forward against future taxable income. Losses amounting to US\$11,209,000 (2009: US\$2,623,000) and US\$9,986,000 (2009: US\$11,380,000) will expire in 2011 and 2012 respectively.

There was no assessable profit in Hong Kong for the year and prior year. The Company does not have unrecognised deferred tax assets and liabilities at the end of reporting period.

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## 33. 應付賬款

## 33. TRADE PAYABLES

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
應付賬款	<b>Trade payables</b>				
第三者	Due to third parties	<b>989,113</b>	622,197	<b>2,126</b>	2,818
分類為持作出售 之聯營公司	Due to an associate classified as held for sale	<b>93,908</b>	—	—	—
分類為持作出售 之附屬公司	Due to a subsidiary classified as held for sale	<b>892</b>	—	—	—
		<b>1,083,913</b>	622,197	<b>2,126</b>	2,818

分類為持作出售之聯營公司及附屬公司之應付賬款為無抵押、免息及附有30至90天還款期。

The trade payables due to an associate and a subsidiary classified as held for sales are unsecured, interest-free and with credit period of 30 to 90 days.

### 33. 應付賬款 (續)

應付賬款於結算日按發票日編製之賬齡分析如下：

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
0-90日	0 - 90 days	1,066,760	586,944	2,118	2,818
90日以上	Over 90 days	17,153	35,253	8	—
		<b>1,083,913</b>	622,197	<b>2,126</b>	2,818

應付賬款以下列貨幣列值：

The trade payables are denominated in the following currencies:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
人民幣	RMB	1,081,787	618,991	—	—
美元	US\$	—	388	—	—
新台幣	NTD	2,126	2,818	2,126	2,818

# 賬目附註

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### 34. 經營業務所得現金

### 34. CASH GENERATED FROM OPERATIONS

		2010 千美元 US\$'000	2009 千美元 US\$'000
除稅前溢利	Profit before taxation	746,774	625,108
利息費用	Interest expenses	6,511	12,644
利息收入	Interest income	(21,479)	(15,579)
折舊	Depreciation	275,054	196,569
土地租約溢價之攤銷	Amortisation on prepaid lease payments	2,544	2,048
無形資產之攤銷	Amortisation on intangible assets	1,989	2,778
出售物業、機器及 設備之虧損	Loss on disposal of property, plant and equipment	8,083	2,051
物業、機器及設備減值虧損	Impairment loss on property, plant and equipment	35,520	25,778
無形資產減值虧損	Impairment loss on intangible assets	4,966	—
按公允價值列賬及在損益賬處理 的金融資產公允價值之變動	Fair value change in financial assets at fair value through profit or loss	766	526
應佔聯營公司業績	Share of results of associates	(9,978)	(9,550)
視作出售聯營公司 之收益	Gain on discontinuation of equity accounting for an associate	(68,653)	—
出售附屬公司之收益	Gain on disposal of interest in a subsidiary	—	(3,285)
滙率變動之影響	Effect on exchange rate changes	2,438	(8)
可供出售金融資產 之減值虧損	Impairment loss on available for sale financial assets	—	342
認列以權益結算股份 支付之款項	Recognition of equity-settled share-based payment	5,020	2,280
前聯營公司應付賬款之增加	Increase in trade payables due to a former associate	56,933	12,761
存貨之增加	Increase in inventories	(93,123)	(21,057)
應收賬款之增加	Increase in trade receivables	(9,828)	(657)
預付款項及其他應收款項 之增加	Increase in prepayments and other receivables	(68,513)	(69,612)
應付賬款之增加	Increase in trade payables	334,905	224,507
其他應付款項之增加	Increase in other payables	143,356	114,498
客戶預付款項之增加	Increase in advance payments from customers	43,012	5,997
其他非流動應付款項之減少	Decrease in other non-current payables	(792)	(764)
非供款員工福利 責任現值之增加	Increase in present value of unfunded employee benefit obligations	720	2,177
<b>經營業務所得現金</b>	<b>Cash generated from operations</b>	<b>1,396,225</b>	<b>1,109,552</b>



### 35. 與有關連人士之交易

除於本賬目其他部份披露之交易及餘額以外，以下乃本集團與有關連人士進行之重大交易概要，此等交易乃於本集團之日常業務中進行。

### 35. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions in the ordinary course of the Group's business.

		2010 千美元 US\$'000	2009 千美元 US\$'000
向下列人物支付薪金及其他短期僱員福利： 主要管理人員， 並不包括附註10 所披露之董事酬金	<b>Salaries and other short-term employee benefits paid to:</b> Key management personnel, excluding amounts paid to the Company's directors as disclosed in note 10	4,831	3,232
向下列公司購買貨品： 前聯營公司 本公司若干少數股東之 控股公司	<b>Purchases of goods from:</b> A former associate Holding companies of a minority shareholder of a subsidiary of the Company	405,395 3,495	261,802 2,664
向聯營公司出售附屬公司 之所得金額	<b>Proceed from the disposal of a subsidiary to an associate</b>	—	10,835
出售分類為持作出售資產 所得之預收款項 本公司之董事持有重大 影響力之公司	<b>Deposit received from the disposal of assets classified as held for sale</b> A company owned by the Company's directors with significant influence	9,833	—

## 36. 資本管理

本集團管理資本的目標是保障本集團能夠持續經營，從而為股東提供回報及其他利益相關者提供利益。

本集團透過負債資產比率來監控資本(包括各項權益)，負債資產比率的計算方法是以淨負債(計算借款扣除現金及現金等值物)作為本公司擁有人應佔權益之比率，並於綜合權益變動表內披露。於結算日，債項對經調整資本之比率如下：

## 36. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Group monitors its capital, which comprises all equity components, using a gearing ratio which is calculated on the basis of net debt (interest bearing borrowings net of cash and cash equivalents) as a ratio of the equity attributable to owners of the Company as disclosed in the consolidated statement of changes in equity. The debt-to-adjusted capital ratios at the end of the reporting period were as follows:

		本集團 Group		本公司 Company	
		2010 千美元 US\$'000	2009 千美元 US\$'000	2010 千美元 US\$'000	2009 千美元 US\$'000
有息借貸	Interest-bearing borrowings	634,135	335,070	220,000	85,500
減：現金及現等值物	Less: Cash and cash equivalents	(893,340)	(520,189)	(60,196)	(6,312)
淨(現金)債項	Net (cash) debt	(259,205)	(185,119)	159,804	79,188
總權益	Total equity	1,821,258	1,462,644	378,562	512,683
負債資產比率	Gearing ratio	-14.23%	-12.66%	42.21%	15.45%

本集團根據經濟狀況的改變，透過有效地運用債務及平衡股東權益，透過派發股息，回購股票及發行新債，積極地定期檢討及管理資本架構。此外，本集團也會考慮市場上現行的借款利率、日後的資本開支及投資機會。本集團此管理政策與2009年一致。

The Group actively and regularly reviews and manages its capital structure through the optimisation of the debt and equity balance and makes adjustments to capital structure according to changes in economic conditions for achieving its objectives through payment of dividends, share repurchase and issue of new debt. Changing of borrowing rate in the market, future capital expenditures and investment opportunities are taken into consideration. The Group's strategy remains unchanged from that of 2009.

### 37. 金融風險因素

本集團所持有的金融工具面對外匯風險、利率風險、信貸風險、流動資金風險及價格風險。為降低本集團金融風險，董事會採用保守的風險管理對策。董事會檢討並同意採用之風險管理對策如下：

#### 外匯風險

本集團的附屬公司主要在中國經營，主要以人民幣作交易貨幣。本集團所面對的外匯風險為除功能貨幣以外，以其他貨幣作交易的資本開支、採購、銀行結餘、借貸、可供出售金融資產及按公允值列賬及在損益賬處理的金融資產。

人民幣與美元的兌換須遵守中國人民銀行頒佈之外匯管制規則及條例。在附屬公司主要以人民幣作交易貨幣及人民幣兌美元升值的情況下，本集團並沒有重大的外匯風險，亦沒有作出相應的避險。

本集團於2010年12月31日以外幣（主要為美元、新台幣及歐元）計值的可供出售金融資產、按公允價值列賬及在損益賬處理的金融資產、銀行結餘及應付賬款借款詳情分別載於附註20, 21, 26, 30及33。

於結算日，倘所有其他變數保持不變，而人民幣兌換美元、人民幣兌新台幣及人民幣兌換歐元升值／貶值5%，本年度集團溢利及保留溢利將增加／減少23,372千美元（2009年：14,550千美元）。

### 37. FINANCIAL RISK MANAGEMENT

The Group's financial instruments expose it to foreign currency risk, interest rate risk, credit risk, liquidity risk and price risk. The Board of Directors generally adopts conservative strategies on its risks management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

#### Foreign currency risk

The majority of the subsidiaries of the Group are operated in the PRC and most of their transactions are denominated in RMB. The Group is exposed to foreign currency risk primarily through capital expenditures, purchases, bank balances, borrowings, available-for-sales financial assets and financial assets at fair value through profit or loss that are denominated in currencies other than the functional currency of the subsidiaries.

The exchange rate of RMB against US\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have significant exposure to foreign exchange risk and has not hedged its foreign exchange risk because the subsidiaries of the Group mainly earn their profits in RMB and the value of RMB has been appreciating against US\$.

Details of the Group's available-for-sale financial assets, financial assets at fair value through profit or loss, bank balances, interest-bearing borrowings and trade payables denominated in US\$, NTD and EUR as at 31 December 2010 and 2009 are set out in notes 20, 21, 26, 30 and 33 respectively.

At the end of the reporting period, if the exchange rates of RMB/US\$, RMB/NTD and RMB/EUR had strengthened/weakened by 5% with all other variables held constant, the Group's profit for the year and retained profits would have been US\$23,372,000 (2009: US\$14,550,000) higher / lower.

## 37. 金融風險因素 (續)

## 利率風險

本集團主要面對的利率風險是來自銀行借貸，所取得的浮動利率貸款令本集團面對現金流量利率風險。集團並無使用對沖現金流及公允值的利率風險。本集團的策略是根據經濟環境及集團策略把定息借貸及浮息借貸保持在適當比例。

於結算日，倘所有其他變量保持不變，銀行存款及借款利率調升／調低10個基點（2009年：10個基點），本年度集團溢利及保留溢利將減少／增加574,000美元（2009年：264,000美元）。

## 信貸風險

本集團的信貸風險主要來自於抵押銀行存款、現金及現金等值物、應收賬款及其他應收賬款。本集團及本公司大部分已的抵押銀行存款和現金及現金等價物均存放在可信賴的國際金融機構及受國家管轄的財務機構裡，因此管理層認為這並不存在重大的信貸風險。

本集團之銷售大部份為現金銷售。本集團有政策確保以信貸銷售之直營零售裔有良好的信貸紀錄並作定期審查。當客戶要求之信用金額超過一般標準時，須進行獨立信貸評估。本集團會持續監控應收賬款，故此並沒有重大的壞賬風險。

## 37. FINANCIAL RISK MANAGEMENT (Continued)

## Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowings with floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and floating rate debts. The Group has not hedged its cash flow and fair value interest rate risk. The Group's strategy is to maintain an appropriate proportion between borrowings at fixed interest rates and floating interest rates, in consideration of economic atmosphere and the strategies of the Group.

At the end of the reporting period, if interest rates had been 10 (2009: 10) basis point higher/lower and all other variables were held constant, the Group's profit for the year and retained profits would decrease/increase by US\$574,000 (2009: US\$264,000).

## Credit risk

The Group's credit risk is primarily attributable to pledged bank deposits, cash and cash equivalent, trade and other receivables. Substantially all of the Group's and the Company's pledged bank deposits and cash and cash equivalents were deposited in the creditworthy global financial institutions and state-controlled financial institutions in the PRC, which management consider they are without significant credit risk.

The majority of the Group's sales are conducted on a cash basis. The Group has implemented policies to ensure that sales of products are made to direct retailers, who wish to trade on credit terms, with an appropriate credit history which is subject to periodic reviews. Individual credit evaluations are performed on all customers requiring credit over a certain amount. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

## 37. 金融風險因素 (續)

## 信貸風險 (續)

本集團之其他應收款項的信貸風險來自於交易對方違約，其最大之信貸風險相等於此等資產之賬面值。交易對方之信貸質數會以其財務狀況、信貸紀錄及其他因素作考慮。基於穩定還款紀錄作考慮，董事認為交易對方並沒有重大的違約風險。於結算日，本集團並無重大的集中信貸風險，信貸風險已分散於若干交易對方中。

於結算日，本公司的集中信貸風險中，95% (2009年：95%) 之應收附屬公司總款項源於五大附屬公司。

## 流動資金風險

本集團針對於流動資金風險管理之目標為擁有足夠現金儲備以及維持充裕之已承諾信貸融資額度。並且，本集團定期監察現在及預期之流動資金需求，尤其在資本開支及償還債項等方面的資金需求。於結算日及可預見的未來，董事預期本集團並無流動資金風險。有關按持續經營之準則編製賬目之詳情載於附註2。

## 37. FINANCIAL RISK MANAGEMENT (Continued)

## Credit risk (Continued)

The credit risk of the Group's other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets. The credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the directors are of the opinion that the risk of default by these counterparties is not significant. At the end of the reporting period, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties.

At the end of the reporting period, the Company had a concentration of credit risk as 95% (2009: 95%) of the total amounts due from subsidiaries was due from the five largest subsidiaries.

## Liquidity risk

The Group's objectives when managing liquidity risk are to maintain sufficient reserves of cash and adequate committed credit facilities to the Group. Also, the Group's policy is to regularly monitor current and expected liquidity requirements, in particular relating to capital expenditure and repayments of debts. At the end of the reporting period, the Board of Directors expected that the Group had no significant liquidity risk in the near future. Details of the preparation of financial statements on a going concern basis are set out in note 2.

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### 37. 金融風險因素 (續)

#### 流動資金風險 (續)

本集團之金融負債於結算日至合約到期日之餘下期間按合約未貼現現金流量列示如下：

### 37. FINANCIAL RISK MANAGEMENT (Continued)

#### Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted payments are summarised below:

		本集團 Group			
		1年內或 按要求還款 Within 1 year or on demand 千美元 US\$'000	1年以上 但在2年內 More than 1 year but less than 2 years 千美元 US\$'000	2年以上但 在5年內 More than 2 years but less than 5 years 千美元 US\$'000	合計 Total 千美元 US\$'000
於2010年12月31日	At 31 December 2010				
應付賬款	Trade payables	1,083,913	—	—	1,083,913
其他應付款項	Other payables	571,458	—	—	571,458
有息借貸	Interest-bearing borrowings	461,894	94,108	86,419	642,421
其他非流動應付款項	Other non-current payables	791	791	—	1,582
		<b>2,118,056</b>	<b>94,899</b>	<b>86,419</b>	<b>2,299,374</b>
於2009年12月31日	At 31 December 2009				
應付聯營公司款項	Due to associates	47,075	—	—	47,075
應付賬款	Trade payables	622,197	—	—	622,197
其他應付款項	Other payables	405,445	—	—	405,445
有息借貸	Interest-bearing borrowings	220,411	72,947	45,627	338,985
其他非流動應付款項	Other non-current payables	765	765	766	2,296
		1,295,893	73,712	46,393	1,415,998

## 37. 金融風險因素 (續)

## 37. FINANCIAL RISK MANAGEMENT (Continued)

## 流動資金風險 (續)

## Liquidity risk (Continued)

		本公司 Company			
		1年以上 但在2年內 1年內或 按要還款 Within 1 year or on demand 千美元 US\$'000	More than 1 year but less than 2 years 千美元 US\$'000	2年以上但 在5年內 More than 2 years but less than 5 years 千美元 US\$'000	合計 Total 千美元 US\$'000
於2010年12月31日	At 31 December 2010				
應付附屬公司款項	Due to subsidiaries	99,078	—	—	99,078
應付賬款	Trade payables	2,126	—	—	2,126
其他應付款項	Other payables	25,822	—	—	25,822
有息借貸	Interest-bearing borrowings	159,104	40,623	25,263	224,990
		286,130	40,623	25,263	352,016
於2009年12月31日	At 31 December 2009				
應付附屬公司款項	Due to subsidiaries	102,711	—	—	102,711
應付賬款	Trade payables	2,818	—	—	2,818
其他應付款項	Other payables	765	—	—	765
有息借貸	Interest-bearing borrowings	21,390	20,737	45,627	87,754
		127,684	20,737	45,627	194,048

### 37. 金融風險因素 (續)

#### 流動資金風險 (續)

### 37. FINANCIAL RISK MANAGEMENT (Continued)

#### Liquidity risk (Continued)

		本公司 Company			
		1年以上 但在2年內	2年以上但 在5年內	合計	
		1年內或 按要求還款	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
		Within 1 year or on demand	than 2 years	5 years	
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
已發出之財政擔保	<b>Financial guarantees issued:</b>				
已發出之最高 財政擔保	Maximum amount guaranteed				
於2010年12月31日	<b>At 31 December 2010</b>	<b>68,758</b>	—	—	<b>68,758</b>
於2009年12月31日	At 31 December 2009	20,197	732	—	20,929

於結算日，本公司為其下兩間全資附屬公司之信貸擔保發出財政擔保，金額為161,057,000美元（2009年：248,059,000美元）。董事認為有關擔保向本公司索償之機會低。本公司於結算日最高負債為該等全資附屬公司有關之擔保，金額為68,758,000美元（2009年：20,929,000美元）。

基於此等信貸工具涉及關連關係，董事認為估計此等財政擔保之公允價值並沒有意義及不可行，故此亦沒有認列其價值於資產負責表內。

At the end of the reporting period, the Company has issued financial guarantees in respect of credit facilities to two wholly-owned subsidiaries of US\$161,057,000 (2009: US\$248,059,000). The directors do not consider it is probable that a claim will be made against the Company under the guarantees. The maximum liability of the Company at the end of the reporting period under the guarantees issued is the facility drawn down by the subsidiaries of US\$68,758,000 (2009: US\$20,929,000).

Due to the related party nature of the instruments, the directors considered it not meaningful and practicable to estimate the fair values of the financial guarantees and therefore they have not been recognised in the Company's statement of financial position.



## 37. 金融風險因素 (續)

## 公允價值

## (a) 以公平價值保留的金融工具

下表呈列於結算日，按《香港財務報告準則》第7號「金融工具：披露」所釐定的公平價值等級制度的三個等級中，以公平價值計量的金融工具之保留價值，每項被分類的金融工具之公平價值全數乃基於輸入的最低等級，有關輸入對公平價值計量相當重要。有關等級詳情如下：

- 第1級（最高等級）：利用在活躍市場中相同金融工具的報價（未經調整）計算公平價值
- 第2級：利用在活躍市場中類似金融工具的報價，或所有重要輸入均直接或間接基於可觀察市場數據的估值技術，計算公平價值
- 第3級（最低等級）：利用任何重要輸入並非基於可觀察市場數據的估值技術計算公平價值

## 37. FINANCIAL RISK MANAGEMENT (Continued)

## Fair value

## (a) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instrument
- Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data

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## 37. 金融風險因素 (續)

公允價值 (續)

(a) 以公平價值保留的金融工具 (續)

## 37. FINANCIAL RISK MANAGEMENT (Continued)

Fair value (Continued)

(a) Financial instruments carried at fair value (Continued)

		本集團 Group			
		級別1 Level 1	級別2 Level 2	級別3 Level 3	總計 Total
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
於2010年12月31日	<b>At 31 December 2010</b>				
可供出售之 財務資產	Available-for-sale financial assets				
— 於香港以外之上市 股本證券市值	-Equity securities, listed outside Hong Kong	<b>109,251</b>	—	—	<b>109,251</b>
按公允價值在 損益賬處理之 財務資產	Financial assets at fair value through profit or loss				
— 於香港以外之上市 股本證券市值	-Equity securities, listed outside Hong Kong	<b>762</b>	—	—	<b>762</b>
— 美元貨幣基金	- US\$ currency fund	—	<b>9</b>	—	<b>9</b>
		<b>110,013</b>	<b>9</b>	—	<b>110,022</b>

### 37. 金融風險因素 (續)

### 37. FINANCIAL RISK MANAGEMENT (Continued)

公允價值 (續)

Fair value (Continued)

(a) 以公平價值保留的金融工具 (續)

(a) Financial instruments carried at fair value (Continued)

		本公司 Company			
		級別1 Level 1	級別2 Level 2	級別3 Level 3	總計 Total
		千美元 US\$'000	千美元 US\$'000	千美元 US\$'000	千美元 US\$'000
於2010年12月31日	<b>At 31 December 2010</b>				
可供出售之 財務資產	Available-for-sale financial assets				
— 於香港以外之上市 股本證券市值	-Equity securities, listed outside Hong Kong	<b>73,937</b>	—	—	<b>73,937</b>
按公允價值在 損益賬處理之 財務資產	Financial assets at fair value through profit or loss				
— 於香港以外之上市 股本證券市值	-Equity securities, listed outside Hong Kong	<b>762</b>	—	—	<b>762</b>
— 美元貨幣基金	- US\$ currency fund	—	<b>9</b>	—	<b>9</b>
		<b>74,699</b>	<b>9</b>	—	<b>74,708</b>

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## 37. 金融風險因素 (續)

## 公允價值 (續)

## (a) 以公允價值保留的金融工具 (續)

於2009年12月31日  
按公允價值在  
損益賬處理之  
財務資產  
— 於香港以外之上市  
股本證券市值  
— 美元貨幣基金

At 31 December 2009  
Financial assets at  
fair value through  
profit or loss  
- Equity securities, listed  
outside Hong Kong  
- US\$ currency fund

本集團及本公司 Group and Company			
級別1 Level 1 千美元 US\$'000	級別2 Level 2 千美元 US\$'000	級別3 Level 3 千美元 US\$'000	總計 Total 千美元 US\$'000
3,024	—	—	3,024
—	1,002	—	1,002
3,024	1,002	—	4,026

於2010年及2009年度內，沒有  
項目在級別1與級別2之間移轉。

During the years ended 2010 and 2009, there were no  
transfers between instruments in Level 1 and Level 2.

## (b) 以公允價值以外列賬的金融工具公允價值

董事認為本集團及本公司金融工具之  
賬面值以成本或攤銷成本列賬，與其  
2010年及2009年12月31日之公允價  
值並無重大差異。

## (b) Fair values of financial instruments carried at other than fair value

In the opinion of the directors, the carrying amounts of the  
Group's and the Company's financial instruments carried at  
cost or amortised cost are not materially different from  
their fair values as at 31 December 2010 and 2009.

## 37. 金融風險因素 (續)

## 價格風險

本集團及本公司持有之分類為按公允價值認列之可供出售金融資產及按公允價值列賬並在損益賬處理的金融資產，本集團就此承受股票價格風險。就本集團及本公司於可公開買賣之股票投資而言，其公允值乃參考市場報價而釐定。本集團及本公司之非上市投資是持作長期策略投資之用。其表現乃根據本集團所得資料以及與本集團的長期策略計劃之相關性作每年定期評估。

敏感度分析乃根據上市股票投資所承擔之股票價格風險。於結算日，假設其他變動因素不變下，當相關之股市指數增加或減少10%（2009年：10%），本集團之本年度溢利及未分配利潤將會因持作買賣投資之變動而增加或減少76,000美元（2009年：134,000美元）。投資重估價儲備將會因可供出售金融資產其公允價值之變動而增加或減少10,925,000美元（2009年：零）。本集團會監控價格風險及考慮就其風險上升而作出相應對沖。

## 37. FINANCIAL RISK MANAGEMENT (Continued)

## Price risk

The Group and the Company are exposed to equity price risks arising from investments classified as available-for-sale financial assets at fair value and financial assets at fair value through profit or loss. For the Group's and the Company's equity securities investments that are publicly traded, the fair value is determined with reference to quoted market prices. The Group's and the Company's unlisted investments are held for long-term strategic purposes. Their performance is assessed at least annually based on the information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans.

The sensitivity analysis has been determined based on the exposure of the listed equity securities to equity price risk. At the end of the reporting period, it is estimated that an increase/decrease of 10% (2009: 10%) in the relevant stock market index as applicable, with all other variables held constant, would have increased/decreased the Group's profit for the year and retained profits by US\$76,000 (2009: US\$ 134,000) due to change in the fair value of investments held-for-trading. Investment valuation reserves would be increased / decreased by US\$10,925,000 (2009: US\$ Nil) as a result of changes in fair value of available-for-sale financial assets. The Group will monitor the price risk and will consider hedging the risk exposure should the need arise.

## 37. 金融風險因素 (續)

## 價格風險 (續)

敏感度分析假設股市指數之合理可能變動於結算日已發生並已應用於股票價格風險上。此外，集團之上市股票投資之公允值假設會根據過往與股市指數之相關性所變動；本集團以公允值計量的可供出售金融資產亦假設不會因相關股市指數的合理可能的下跌而作減值；並且其他相關因素維持不變。上述變動乃管理層對於相關股市指數由本年度結算日至下年度結算日的合理可能變動作出之評估。此分析基準與2009年相同。

## 37. FINANCIAL RISK MANAGEMENT (Continued)

## Price risk(Continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index had occurred at the end of the reporting period and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's listed investments would change in accordance with the historical correlation with the relevant stock market index that none of the Group's available-for-sale investments at fair value would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2009.

### 38. 承擔

### 38. COMMITMENTS

#### (a) 資本支出承擔

#### (a) Capital expenditure commitments

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
已訂約但未撥備	Contracted but not provided for	<b>260,662</b>	168,497

#### (b) 營運租約承擔

#### (b) Commitments under operating leases

於結算日，根據不可撤銷之經營租約，本集團未來最低租賃付款總額列示如下：

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

		本集團 Group	
		2010 千美元 US\$'000	2009 千美元 US\$'000
1年內	Within one year	<b>14,939</b>	12,950
於第2年至第5年屆滿 (包括首尾2年)	In the second to fifth years inclusive	<b>21,384</b>	19,282
5年以後	After five years	<b>14,996</b>	5,920
		<b>51,319</b>	38,152

## Notes to the Financial Statements

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### 39. 主要附屬公司

主要附屬公司表列如下：

### 39. PRINCIPAL SUBSIDIARIES

Details of the principal subsidiaries are as follows:

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
天津頂益國際食品有限公司 Tianjin Tingyi International Food Co., Ltd.	中國 PRC	US\$72,000,000	100%	—	製造及銷售方便麵 Manufacture and sale of instant noodles
廣州頂益食品有限公司 Guangzhou Tingyi Food Co., Ltd.	中國 PRC	US\$31,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 杭州頂益食品有限公司 Hangzhou Tingyi Food Co., Ltd.	中國 PRC	US\$131,500,000/ US\$92,700,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(杭州)方便食品有限公司 Master Kong (Hangzhou) Convenient Food Co., Ltd.	中國 PRC	US\$20,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
重慶頂益食品有限公司 Chongqing Tingyi Food Co., Ltd.	中國 PRC	US\$22,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
瀋陽頂益食品有限公司 Shenyang Tingyi Food Co., Ltd.	中國 PRC	US\$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
武漢頂益食品有限公司 Wuhan Tingyi Food Co., Ltd.	中國 PRC	US\$17,800,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
西安頂益食品有限公司 Xian Tingyi Food Co., Ltd.	中國 PRC	US\$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles



# 賬目附註

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 主要業務 Principal activity		
			Proportion of ownership interest		
			直接 Directly	間接 Indirectly	
青島頂益食品有限公司 Qingdao Tingyi Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
哈爾濱頂益食品有限公司 Harbin Tingyi Food Co., Ltd.	中國 PRC	US\$11,200,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
福建頂益食品有限公司 Fujian Tingyi Food Co., Ltd.	中國 PRC	US\$4,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 新疆頂益食品有限公司 Xinjiang Tingyi Food Co., Ltd.	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 南京頂益食品有限公司 NanJing Tingyi Food Co., Ltd.	中國 PRC	US\$14,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
台灣康師傅食品股份有限公司 Master Kong (Taiwan) Foods Co., Ltd. #	台灣 Taiwan	50,000,000普通股 每股NT\$10 50,000,000 ordinary shares of NT\$10 each/ NT\$500,000,000	100%	—	製造及銷售方便麵 Manufacture and sale of instant noodles
* 成都頂益食品有限公司 Chengdu Tingyi Food Co., Ltd.	中國 PRC	US\$17,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
河北一宛香食品有限公司 Hebei Yi Wan Xiang Foods Co., Ltd. #	中國 PRC	RMB187,500,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles

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## Notes to the Financial Statements

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 昆明頂益食品有限公司 Master Kong (Kunming) Convenient Food Co., Ltd.	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
* 康師傅(瀋陽)方便食品有限公司 Master Kong (Shenyang) Convenient Food Co., Ltd.	中國 PRC	US\$6,000,000	—	100%	製造及銷售方便麵 Manufacture and sale of instant noodles
康師傅方便食品投資(中國)有限公司 (前為福滿多投資有限公司) Master Kong Instant Foods Investment (China) Co., Ltd. (formerly Fumanduo Investment Co., Ltd.)	中國 PRC	US\$30,000,000	—	100%	投資控股 Investment holding
* 淮安福滿多食品有限公司 Huainan Fumanduo Food Co., Ltd	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 眉山福滿多食品有限公司 Meishan Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 長沙福滿多食品有限公司 Changsha Fumanduo Food Co., Ltd. #	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 鄭州福滿多食品有限公司 Zhengzhou Fumanduo Food Co., Ltd. #	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
* 蘭州福滿多食品有限公司 Lanzhou Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
康師傅(重慶)方便食品有限公司 *Master Kong (Chongqing) Convenient Food Co., Ltd..	PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
*咸陽福滿多食品有限公司 Xianyang Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
*新疆福滿多食品有限公司 Xinjiang Fumanduo Food Co., Ltd.	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
*河北福滿多食品有限公司 *Hebei Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
*哈爾濱福滿多食品有限公司 Harbin Fumanduo Food Co., Ltd. #	中國 PRC	US\$3,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
*濟南福滿多食品有限公司 Jinan Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
*東莞福滿多食品有限公司 Dongguan Fumanduo Food Co., Ltd.	中國 PRC	US\$5,000,000	—	100%	製造及銷售方便麵 Manufacturing and sale of instant noodles
康師傅方便食品(BVI)有限公司 Master Kong Instant Foods (BVI) Co., Ltd	英屬處女群島 British Virgin Islands ("BVI")	50,000普通股 每股US\$1 50,000 ordinary shares at US\$1 each/ US\$1	100%	—	投資控股 Investment holding

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
康師傅糕餅(BVI)有限公司 Master Kong Bakery (BVI) Co., Ltd.	英屬處女群島 BVI	50,000普通股每股US\$1 50,000 ordinary shares at US\$1 each/ US\$1	100%	—	投資控股 Investment holding
天津龜田食品有限公司 Tianjin Kameda Food Co., Ltd.	中國 PRC	US\$6,000,000	—	50%	製造及銷售米餅產品 Manufacture and sale of rice crackers
天津頂園食品有限公司 Tianjin Tingyuan Food Co., Ltd.	中國 PRC	US\$37,000,000	—	100%	製造及銷售糕餅產品 Manufacture and sale of bakery products
廣州頂園食品有限公司 Guangzhou Tingyuan Food Co., Ltd.	中國 PRC	US\$22,000,000	100%	—	製造及銷售糕餅產品 Manufacture and sale of bakery products
杭州頂園食品有限公司 Hangzhou Ting Yuan Food Co., Ltd.	中國 PRC	US\$18,400,000	—	100%	製造及銷售糕餅產品 Manufacture and sale of bakery products
康師傅飲品(BVI)有限公司 Master Kong Beverages (BVI) Co., Ltd	英屬處女群島 BVI	50,000普通股 每股US\$1 50,000 ordinary shares of US\$1 each/ US\$50,000	100%	—	投資控股 Investment holding
康師傅飲品控股有限公司 Tingyi-Asahi Beverages Holding Co., Ltd.	開曼群島 Cayman Islands	50,000普通股 每股US\$0.01 50,000 ordinary shares of US\$0.01 each/ US\$10,001	—	50.01%	投資控股 Investment holding

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 天津頂津食品有限公司 Tianjin Tingjin Food Co., Ltd.	中國 PRC	US\$60,840,000/ US\$41,673,813	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
廣州頂津食品有限公司 Guangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$20,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(廣州)飲品有限公司 Master Kong (Guangzhou) Beverage Co., Ltd.	中國 PRC	US\$14,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 杭州頂津食品有限公司 Hangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$38,100,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(杭州)飲品有限公司 Master Kong (Hangzhou) Beverage Co., Ltd.	中國 PRC	US\$21,350,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
西安頂津食品有限公司 Xi'an Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 武漢頂津食品有限公司 Wuhan Tingjin Food Co., Ltd.	中國 PRC	US\$51,000,000/ US\$35,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
重慶頂津食品有限公司 Chongqing Tingjin Food Co., Ltd.	中國 PRC	US\$24,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 青島頂津食品有限公司 Qingdao Tingjin Food Co., Ltd.	中國 PRC	US\$15,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
福建頂津食品有限公司 Fujian Tingjin Food Co., Ltd.	中國 PRC	US\$13,700,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 哈爾濱頂津食品有限公司 Harbin Tingjin Food Co., Ltd. #	中國 PRC	US\$20,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 新疆頂津食品有限公司 Xinjiang Tingjin Food Co., Ltd.	中國 PRC	US\$10,000,000/ US\$6,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 昆明頂津食品有限公司 Kunming Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 鄭州頂津食品有限公司 Zhengzhou Tingjin Food Co., Ltd.	中國 PRC	US\$24,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 蘭州頂津食品有限公司 Lanzhou Tingjin Food Co., Ltd.	中國 PRC	US\$16,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(瀋陽)飲品有限公司 Master Kong (Shenyang) Beverage Co. Ltd.	中國 PRC	US\$36,000,000/ US\$33,200,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(西安)飲品有限公司 Master Kong (Xi'an) Beverage Co., Ltd.	中國 PRC	US\$38,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(天津)飲品有限公司 Master Kong (Tianjin) Beverage Co., Ltd.	中國 PRC	US\$30,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 南京頂津食品有限公司 *Nanjing Tingjin Food Co., Ltd.	中國 PRC	US\$5,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(吉林)長白山飲品有限公司 Master Kong (Jilin) The Changbai Mountain Beverage Co., Ltd.	中國 PRC	US\$5,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 揚州頂津食品有限公司 Yangzhou Tingjin Food Co., Ltd.	中國 PRC	US\$34,500,000/ US\$29,700,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(杭州)千島湖飲品有限公司 Master Kong (Hangzhou) Qiandaohu Beverages Co., Ltd.	中國 PRC	US\$12,000,000/ US\$1,800,029	—	50.01%	尚未開始業務經營 Not yet commenced business
* 廣州頂津飲品有限公司 Guangzhou Tingjin Beverage Co., Ltd.	中國 PRC	US\$59,300,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 天津頂津飲品有限公司 Tianjin Tingjin Beverage Co., Ltd.	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 康師傅(大連)飲品有限公司 Master Kong (Dalian) Beverage Co., Ltd.	中國 PRC	US\$10,500,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 成都頂津食品有限公司 Chengdu Tingjin Food Co., Ltd.	中國 PRC	US\$12,000,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages

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### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
* 康師傅(烏魯木齊)飲品有限公司 Master Kong (Wulumuqi) Beverage Co., Ltd. #	中國 PRC	US\$12,000,000/ US\$2,400,000	—	50.01%	製造及銷售飲品 Manufacture and sale of beverages
* 南昌頂津食品有限公司 Nanchang Tingjin Food Co., Ltd.	中國 PRC	US\$10,000,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 運城頂津飲品有限公司 Yuncheng Tingjin Beverage Co., Ltd	PRC	US\$2,100,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 駐馬店頂津飲品有限公司 Zhumadian Tingjin Beverage Co., Ltd	PRC	US\$2,100,000/ US\$780,920	—	50.01%	尚未開始業務經營 Not yet commenced business
* 湛江頂津飲品有限公司 Zhanjiang Tingjin Beverage Co., Ltd	PRC	US\$2,600,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 長春頂津飲品有限公司 Changchun Tingjin Beverage Co., Ltd	PRC	US\$4,000,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 漳州頂津食品有限公司 Zhangzhou Tingjin Food Co., Ltd	PRC	US\$12,000,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 贛州頂津飲品有限公司 Ganzhou Tingjin Beverages Co., Ltd	PRC	US\$2,100,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 懷化頂津飲品有限公司 Huaihua Tingjin Beverages Co., Ltd	PRC	US\$2,100,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 錦州頂津飲品有限公司 Jinzhou Tingjin Beverage Co., Ltd	PRC	US\$5,000,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business
* 紅河頂津飲品有限公司 Honghe Tingjin Beverages Co., Ltd	PRC	US\$2,100,000/ US\$0	—	50.01%	尚未開始業務經營 Not yet commenced business



### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
味全(安吉)乳品專業牧場有限公司 Wei Chuan (Anji) Dairy Farm Co., Ltd. #	中國 PRC	US\$2,100,000	100%	—	製造及銷售奶類飲品 Manufacture and sale of milk products
天津頂峰澱粉開發有限公司 Tianjin Ting Fung Starch Development Co., Ltd	中國 PRC	US\$11,000,000	51%	—	製造及銷售改良 馬鈴薯澱粉及調味品 Manufacture and sale of modified potato starch and seasoning flavours
頂益(英屬處女島)國際有限公司 Tingyi (BVI) Int'l Co., Ltd.	英屬處女群島 BVI	50,000普通股 每股US\$1 50,000 ordinary shares of US\$1 each/US\$50,000	100%	—	本集團之採購代理 Purchasing and sales agent for the Group
康師傅(香港)貿易有限公司 Master Kong (HK) Trading Company Limited	香港 HK	HK\$10,000/ HK\$2	100%	—	本集團之產品代理及貿易 Agent and trading of products for the Group
興化頂芳脫水食品有限公司 Xinghua Dinfang Dehydrate Foods Co., Ltd.	中國 PRC	US\$8,600,000	100%	—	製造及銷售脫水蔬菜 Manufacture and sale of edehydrated vegetables
天津頂嘉機械有限公司 Tian Jin Ting Jia Machinery Co., Ltd.	中國 PRC	US\$2,100,000	100%	—	保養及維修廠房及機械 Installation and maintenance of plant and machinery
天津頂育諮詢有限公司 Tianjin Tingyu Consulting Co., Ltd.	中國 PRC	US\$200,000	100%	—	提供管理服務 Provision of management services

## Notes to the Financial Statements

截至2010年12月31日止年度  
For the year ended 31 December 2010

### 39. 主要附屬公司 (續)

### 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
天津頂全物業管理有限公司 Tianjin Tingquan Properties Management Co., Ltd.	中國 PRC	US\$210,000	100%	—	提供物業管理及 相關之顧問服務 Provision of property management and related consultancy services
天津頂雅房地產開發有限公司 Tianjin Dingya Property Development Co., Ltd.	中國 PRC	US\$2,100,000	100%	—	物業投資 Property development
* 廣州頂雅房地產開發有限公司 Guangzhou Dingya Real Estate Development Co., Ltd.	中國 PRC	RMB16,400,000	38%	62%	物業投資 Property development
天津頂新國際工程顧問有限公司 Tianjin Tingxin International Engineering Consultant Co., Ltd.	中國 PRC	US\$1,700,000	100%	—	提供工程顧問及研究服務 Provision of engineering related consultancy and research service
頂通(BVI)有限公司 Tingtong (BVI) Limited	英屬處女群島 BVI	50,000普通股 每股US\$1 50,000 ordinary shares of US\$1 each/ US\$1,000	100%	—	投資控股 Investment holding
頂通(開曼島)控股有限公司 Tingtong (Cayman Islands) Holding Corp.	開曼群島 Cayman Islands	15,000,000普通股 每股US\$1 15,000,000 ordinary shares of US\$1 each/ US\$2,118,334	—	50.01%	投資控股 Investment holding

## 39. 主要附屬公司 (續)

## 39. PRINCIPAL SUBSIDIARIES (Continued)

名稱 Name	註冊成立/ 營業地點 Place of incorporation / operation	註冊資本/ 已發行股本 Registered capital / issued share capital	應佔 股權比例 Proportion of ownership interest		應佔 股權比例 主要業務 Principal activity
			直接 Directly	間接 Indirectly	
上海頂通物流有限公司 Shanghai Tingtong Logistics Co., Ltd	中國 PRC	US\$5,000,000	—	50.01%	提供物流服務 Logistics services
北京頂通物流有限公司 Beijing Ting Tong Logistics Co., Ltd.	中國 PRC	US\$500,000	—	50.01%	提供物流服務 Logistics services
廣州頂通物流有限公司 Guangzhou Ting Tong Logistics Co., Ltd.	中國 PRC	US\$300,000	—	50.01%	提供物流服務 Logistics services
瀋陽頂通物流有限公司 Shenyang Ting Tong Logistics Co., Ltd.	中國 PRC	US\$300,000	—	50.01%	提供物流服務 Logistics services
重慶頂通物流有限公司 Chongqing Ting Tong Logistics Co., Ltd.	中國 PRC	US\$300,000	—	50.01%	提供物流服務 Logistics services
康遠股份有限公司 Kon Yuan Corporation #	台灣 Taiwan	NT\$110,000,000	100%	—	投資控股 Investment holding
康權股份有限公司 Kon Chuan Corporation #	台灣 Taiwan	NT\$96,000,000	100%	—	投資控股 Investment holding
康俊股份有限公司 Kon Jun Corporation #	台灣 Taiwan	NT\$110,000,000	100%	—	投資控股 Investment holding

\* 該等附屬公司註冊為中外合資/合作企業。

# 英文翻譯只供識別

其他本集團於中國境內之附屬公司均成立及註冊為全資外商企業。

\* These subsidiaries are registered as Sino-foreign equity joint venture companies.

# English translation for identification purposes only.

The other subsidiaries in the PRC are established and registered as wholly-owned foreign enterprises.

**PRINCIPAL AND REGISTERED OFFICES OF THE COMPANY**  
**Tingyi (Cayman Islands) Holding Corp.**

*Registered office*  
Genesis Building  
Fifth Floor P.O.  
Box 448  
George Town Grand Cayman  
Cayman Islands

*Principal Place of Business*  
No. 15, The 3rd Street  
Tianjin Economic-Technological  
Development Area  
Tianjin 300457  
People's Republic of China

*Hong Kong office*  
Suite 5607, 56th Floor  
Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

**TRUSTEE**

**Citicorp International Limited**  
56/F, One Island East  
18 Westlands Road  
Island East  
Hong Kong

**PRINCIPAL AGENT**

**Citibank, N.A., London Branch**  
c/o 1 North Wall Quay  
Dublin 1  
Ireland

**REGISTRAR**

**Citigroup Global Markets Deutschland AG**  
Reuterweg 16  
60323 Frankfurt  
Germany

**LEGAL ADVISERS TO THE COMPANY**

*as to Hong Kong law*

**Sidley Austin**  
Level 39  
Two International Finance Center  
8 Finance Street  
Central, Hong Kong

*as to English law*

**Sidley Austin LLP**  
Woolgate Exchange  
25 Basinghall Street  
London EC2V 5HA  
United Kingdom

*as to Cayman Islands law*

**Maples and Calder**  
53rd Floor  
The Center  
99 Queen's Road Central  
Hong Kong

*as to PRC law*

**King & Wood Mallesons**  
40th Floor, Office Tower A  
Beijing Fortune Plaza  
7 Dongsanhuan Zhonglu  
Chaoyang District, Beijing 10020  
People's Republic of China

**LEGAL ADVISERS TO THE MANAGERS AND CO-MANAGER**

*as to PRC law*

**Jingtian & Gongcheng**  
34th Floor, Tower 3  
China Central Place  
77 Jianguo Road, Chaoyang District  
Beijing 100025  
People's Republic of China

*as to English law*

**Linklaters**  
10th Floor  
Alexandra House  
Chater Road  
Hong Kong

**AUDITOR**

**Mazars**  
42nd Floor, Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong