

董事會報告 Directors' Report

董事會現向各位股東提呈其報告及本集團截至二零零七年十二月三十一日止年度之經審核賬目。

主要業務

本公司之主要業務為投資控股。其主要附屬公司經營之主要業務載於賬目附註37。

本集團之主要業務為在中國製造及銷售方便麵、糕餅及飲品。

按主要產品劃分之本集團收益及股東應佔溢利之分析列載如下：

The directors submit their report together with the audited financial statements of the Group for the year ended 31 December 2007.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 37 to the financial statements.

The principal activities of the Group are the manufacture and sale of instant noodles, bakery and beverages in the PRC.

An analysis of the Group's revenue and profit attributable to equity holders of the Company by major products is set out below:

		收益		股東應佔溢利	
		Revenue		Profit	
		2007	2006	2007	2006
		千美元	千美元	千美元	千美元
		US\$'000	US\$'000	US\$'000	US\$'000
方便麵	Instant noodles	1,488,086	1,051,915	94,167	74,399
飲品	Beverages	1,519,194	1,093,354	89,152	67,269
糕餅	Bakery	109,660	97,163	4,221	4,079
其他	Others	98,464	89,301	7,297	3,178
合計	Total	3,215,404	2,331,733	194,837	148,925

業績及股息分派

本集團截至二零零七年十二月三十一日止年度之業績詳情載於本年報第55頁的綜合收益表。

董事會建議分別派發特別及末期股息，每股1.07美仙及1.62美仙，合共派發59,799千美元及90,537千美元，特別股息已於二零零八年三月十四日派發。

儲備

本年度內本集團之儲備變動詳情載於賬目附註30。

物業、機器及設備

有關物業、機器及設備之變動，詳情載於賬目附註15。

五年財政摘要

本集團過去五年之業績及資產與負債摘要載於本年報第4及第5頁。

購入、出售或贖回股份

本公司或其任何附屬公司概無購入、出售或贖回本公司任何股份。

購股權計劃

於二零零八年三月二十日舉行的股東特別大會，本公司股東通過採納購股權計劃。本公司於同一天授出11,760,000股購股權予本集團的僱員。該購股權的行使期自二零一三年三月二十一日至二零一八年三月二十日，行使價為每股9.28港元。本公司向本集團執行董事魏應州先生授予2,000,000股購股權。

Results and Appropriations

The results of the Group for the year are set out in the consolidated income statement on page 55.

The directors recommend the payment of a special dividend and a final dividend of US 1.07 cents and US 1.62 cents per ordinary share, totalling US\$59.799 million and US\$90.537 million respectively. Special dividend was paid on 14 March 2008.

Reserves

Movements in the reserves of the Group during the year are set out in note 30 to the financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment are set out in note 15 to the financial statements.

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5.

Purchase, Sale or Redemption of Shares

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

Share Option Scheme

At the extraordinary general meeting held on 20 March 2008, the shareholders approved the adoption of the Share Option Scheme. On the same day, the Company granted 11,760,000 share options to employees of the Group. The share options are exercisable for the period from 21 March 2013 to 20 March 2018 at an exercise price of HK\$9.28 per share. The Company offered 2,000,000 share options to the Company's executive director, Mr. Wei Ing-Chou.

銀行借款

本集團之銀行借款之詳情載於賬目附註26。

Bank Loans

Details of bank loans of the Group are set out in note 26 to the financial statements.

董事

本年度內及截至本報告發表日期止之本公司董事為：

Directors

The directors of the Company during the year and up to the date of this report are as follows:

執行董事

魏應州先生
井田毅先生
吉澤亮先生
吳崇儀先生
魏應交先生
井田純一郎先生

Executive Directors

Mr. Wei Ing-Chou
Mr. Takeshi Ida
Mr. Ryo Yoshizawa
Mr. Wu Chung-Yi
Mr. Wei Ying-Chiao
Mr. Junichiro Ida

獨立非執行董事

徐信群先生
李長福先生
小川和夫先生
(於二零零八年四月一日辭任)
桑原道夫先生
(於二零零八年四月一日獲委任)

Independent Non-executive Directors

Mr. Hsu Shin-Chun
Mr. Lee Tiong-Hock
Mr. Kazuo Ogawa
(resigned on 1 April 2008)
Mr. Michio Kuwahara
(appointed on 1 April 2008)

由於年齡關係，小川和夫先生決定退休，故此，小川和夫先生於二零零八年四月一日辭任本公司獨立非執行董事。同時，桑原道夫先生獲董事會委任為本公司獨立非執行董事，自二零零八年四月一日起生效。根據本公司之組織章程細則第九十一條，桑原道夫先生將於二零零八年六月二日舉行之週年股東大會退位，惟願膺選連任。另根據本公司之公司組織章程細則第九十九條，井田毅先生、李長福先生及魏應交先生須輪席退位，惟願膺選連任。

各董事概無與本公司訂立任何本公司須作補償方可於一年內終止之服務合約。

本公司已接獲獨立非執行董事就根據上市規則第3.13條有關獨立性的規定的確認書。本公司認為所有獨立非執行董事均為獨立。

董事及高階管理人員簡介

董事及高階管理人員之個人資料載於本年報第16至21頁。

On 1 April 2008, Mr. Kazuo Ogawa resigned as an Independent Non-executive Director of the Company as he decided to retire from works because of age. Mr. Michio Kuwahara has been appointed by the Board of Directors as an Independent Non-executive Director of the Company with effect from 1 April 2008. In accordance with Article 91 of the Company's Articles of Association, Mr. Michio Kuwahara will retire and, being eligible, offer himself for re-election as a director of the Company at the annual general meeting to be held on 2 June 2008. In accordance with Article 99 of the Company's Articles of Association, Mr. Takeshi Ida, Mr. Lee Tiong-Hock and Mr. Wei Ying-Chiao retire by rotation and, being eligible, offer themselves for re-election.

None of the directors have a service contract with the Company which is not determinable by the Company within one year without the payment of compensation.

The Company received the Independent Non-executive Directors' confirmations of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considered all the Independent Non-executive Directors are independent.

Biographical Details of Directors and Senior Management

Brief biographical details of directors and senior management are set out on pages 16 to 21.

董事及行政總裁之股份權益

於二零零七年十二月三十一日，董事及行政總裁於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第十五部)之股份、相關股份或債券中之權益及淡倉須(a)根據證券及期貨條例第十五部第七及第八分部知會本公司及香港聯合交易所有限公司(「聯交所」)(包括根據該等條例當作或被視為擁有之權益或淡倉)；或(b)根據證券及期貨條例第352條規定記錄在該條所述之登記冊；或(c)根據上市公司董事進行證券交易之標準守則須知會本公司及聯交所如下：

股份之長倉

董事姓名

魏應州
魏應交

附註：該等股份由頂新(開曼島)控股有限公司(「頂新」)持有及以其名義登記；頂新由和德公司實益擁有約55.10%，Rich Cheer Holdings Limited(「Rich Cheer」)持有32.52%及獨立第三者持有其餘的12.38%。和德公司由魏應州擁有25%、魏應交擁有25%，其餘的50%由上述兩位董事之兄弟魏應充及魏應行擁有。Rich Cheer是由魏應州、魏應交、魏應充及魏應行等之配偶實益擁有相等的股權。

Interests of Directors and Chief Executive in Shares

As at 31 December 2007, the interests and short positions of the Directors and Chief Executive in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

Long position in shares

Name of directors	普通股數目 Number of ordinary shares	
	個人權益 Personal interests	法團權益 Corporate interests (附註) (Note)
Wei Ing-Chou	13,242,000	2,044,827,866
Wei Ying-Chiao	—	2,044,827,866

Note: These shares are held by and registered under the name of Ting Hsin (Cayman Islands) Holding Corp. ("Ting Hsin"). Ting Hsin is beneficially owned as to approximately 55.10% by Ho Te Investments Limited, as to approximately 32.52% by Rich Cheer Holdings Limited ("Rich Cheer") and as to the remaining 12.38% by unrelated third parties. Ho Te Investments Limited is beneficially owned as to 25% by Wei Ing-Chou, 25% by Wei Ying-Chiao, and the remaining 50% is owned by Wei Yin-Chun and Wei Yin-Heng (brothers of the above two directors) in equal proportion. Rich Cheer is beneficially owned by the spouses of Wei Ing-Chou, Wei Ying-Chiao, Wei Yin-Chun and Wei Yin-Heng in equal shares.

截至二零零七年十二月三十一日止年度內任何時間概無向任何董事或彼等各自之配偶或年齡未滿十八歲之子女授出可藉購入本公司之股份或債券而獲得利益之權利。彼等於期內亦無行使任何此等權利。本公司或其任何附屬公司概無參與訂立任何安排，致使董事可於任何其他法人團體獲得此等利益。

除本段所披露者外，於二零零七年十二月三十一日，概無董事及行政總裁於本公司或其相聯法團(定義見證券及期貨條例第十五部)之任何證券中之權益須(a)根據證券及期貨條例第十五部第七及第八分部知會本公司及聯交所(包括根據該等條例當作或被視為擁有之權益或淡倉)；或(b)法無 鑿 錘 蹈 罍

At no time during the year ended 31 December 2007 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in or any other body corporate.

Save as disclosed in this paragraph, as at 31 December 2007, none of the Directors and Chief Executive had interests in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

主要股東

就本公司董事或行政總裁所知，於二零零七年十二月三十一日，根據證券及期貨條例第十五部第二及三分部須予披露之股份或相關股份之權益或淡倉，或於任何類別之股本面值直接或間接擁有5%或以上之權益，可於本集團任何成員公司股東週年大會上所有情況下附帶投票權利的人士或公司(並非本公司董事或執行董事)如下：

股份之長倉

股東名稱

頂新(開曼島)控股有限公司

三洋食品株式會社

除上述者外，於二零零七年十二月三十一日，董事並不知悉任何人士擁有根據證券及期貨條例第十五部第二及三分部須予披露之股份或相關股份之權益或淡倉，或於任何類別之股本或有關該等股本之購股權面值擁有5%或以上之權益，可於本公司股東週年大會上所有情況下附帶投票權利。

Substantial Shareholders

So far as was known to any Director or Chief Executive of the Company, as at 31 December 2007, the persons or companies (not being a Director or Chief Executive of the Company) who had interests or short positions in the share or the underlying shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any number of the Group were as follows:

Long positions in shares

Name of shareholder	股份數目 Number of shares	股東權益 Shareholder's interests
Ting Hsin (Cayman Islands) Holding Corp.	2,044,827,866	36.5886%
Sanyo Foods Co., Ltd.	1,854,827,866	33.1889%

Save as disclosed above, as at 31 December 2007, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

足夠公眾持股量

根據本公司所得的公開資料及據董事所知，於刊印本報告前之最後可行日期，本公司已符合上市規則之規定，維持不少於本公司已發行股份25%的公眾持股量。

於合約之權益

除賬目所披露之有關連人士交易外，本公司或其附屬公司概無訂立本公司董事在其中直接或間接擁有重大權益且於年終或年內任何時間仍然有效之重要合約。

管理合約

於年內並無訂立或存在任何有關管理本公司全部或任何重要部份業務之合約。

主要客戶及供應商

本年度分別來自本集團五大客戶及五大供應商之銷售及採購總額均少於百分之三十。

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of its Directors, as at the latest practicable date prior to the printing of this report, the Company has maintained sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

Interests in Contracts

Except for the related party transactions as disclosed in the financial statements, no other contracts of significance in relation to the Company's business to which the Company or its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Major Customers and Suppliers

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods to its 5 largest customers.

持續關連交易

本集團根據本公司與其關連人士所簽訂之多項持續關連交易協議，進行了若干交易。有關該等交易之詳情包括下列情況：

本公司持有50.01%股權的杭州頂津食品有限公司及康師傅(杭州)飲品有限公司於二零零七年一月二日與康蓮國際食品(杭州)有限公司(「康蓮」)簽訂一份合約，由二零零七年一月一日至二零零九年十二月三十一日止期間，杭州頂津及康師傅(杭州)委任康蓮作為製造及包裝飲料之加工生產商。康蓮由董事魏應州及魏應交之胞弟魏應行先生全資擁有。本公司於二零零七年一月三日於報章刊發此項交易詳情之公佈，而此交易已由董事(包括獨立非執行董事)於二零零六年十二月二十九日審核及批准。此協議條款與二零零三年十二月三十一日訂立並於二零零四年一月五日公佈之協議相似。

董事(包括獨立非執行董事)已審閱及確認，上述持續關連交易為：

- (a) 該等交易為集團的日常業務；
- (b) 該等交易按照一般商務條款進行，或若可供比較的交易不足以判斷該等交易的條款是否一般商務條款，則對集團而言，該等交易的條款不遜於獨立第三者可取得或提供(視屬何情況而定)的條款；及
- (c) 該等交易是根據有關協議的規定而進行，交易條款乃公平合理，並且符合公司股東的整體利益。

Continuing Connected Transactions

The Group carried on certain continuing connected transactions under various agreements between the Group and connected persons of the Company. Details of certain transactions are set out below:

On 2 January 2007, Hangzhou Tingjin Food Co., Ltd. and Master Kong (Hangzhou) Beverage Co., Ltd, a 50.01% owned subsidiary of the Company, entered into an agreement with Comely International Food (Hangzhou) Co., Ltd. ("Comely"), which is wholly-owned by Mr Wei Yin-Heng, the brother of the directors Wei Ing-Chou and Wei Ying-Chiao, to engage Comely as a sub-contractor for the manufacture and package of beverages for the period from 1 January 2007 to 31 December 2009. A newspaper announcement setting out the details of this transaction was made on 3 January 2007 and the transaction was reviewed and approved by the Company's directors (including independent non-executive directors) on 29 December 2006. The terms of the agreement are similar to those set out in the agreement entered into on 31 December 2003 and announced by the Company on 5 January 2004.

The Directors (including the Independent Non-Executive Directors), have reviewed and confirmed that the above continuing connected transactions have been entered into by the Group:

- (a) in the ordinary and usual course of business of the Group;
- (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

本公司之核數師亦已審核該等交易，並向董事局確認：

- (a) 該等交易已獲得公司董事局批准；
- (b) 該等交易乃按照集團的定價政策而進行（如交易涉及由集團提供貨品或服務）；
- (c) 該等交易乃根據規限有關交易的協議而進行；及
- (d) 該等交易並無超逾之前刊發的公告所披露的有關年度上限。

優先購買權

本公司之公司組織章程細則並無有關優先購買權之規定，雖然開曼群島法例並無有關該等權利之限制。

核數師

本公司股東週年大會上將提呈續聘馬賽會計師事務所有限公司為本公司核數師之決議案。

承董事會命
魏應州
董事長

中國天津，二零零八年四月二十一日

The Auditors of the Company have also reviewed these transactions and confirmed to the Board that:

- (a) they have been approved by the Board of the Company;
- (b) they are in accordance with the pricing policies of the Group (if the transactions involve provision of goods or services by the Group);
- (c) they have been entered into in accordance with the relevant agreement governing the transactions; and
- (d) they have not exceeded the cap disclosed in previous announcements.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association although there are no restrictions against such rights under the laws in the Cayman Islands.

Auditors

A resolution will be submitted to the annual general meeting of the Company to re-appoint Mazars CPA Limited as auditors of the Company.

By order of the Board
Wei Ing-Chou
Chairman

Tianjin, the PRC, 21 April 2008