

精實粹煉 再創高峰

Solidify the Growth Platforms  
and Lead the Waves of Change



董事長 Chairman  
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## 董事長報告 Chairman's Statement

### 緒言

二零零三年康師傅的經營並不理想，在預期中中國飲料市場仍將快速成長的前提下，大量增加飲品設備的投資，然而，遭逢非典型肺炎肆虐，涼夏與水災接踵而來，使得飲料未達預期的成長目標；加上二零零三年的原物料節節上升，第一季有國際棕櫚油及PET粒子價格上漲，第四季麵粉及大米等原材料價格另一波的漲價，使得經營成本持續升高，嚴重影響獲利狀況。慶幸本集團的核心事業方便麵業務的根基穩固，於逆境中充份發揮垂直整合生產、靈活的市場策略及通路精耕的優勢，全年錄得22.9%的銷售成長，營業額達783,441千美元；飲品業務於第四季的淡季，透過包裝延伸及熱飲策略，令單季銷售較去年同期大幅上升92.4%至59,459千美元；然而仍無法彌補於旺季時，因天然災害導致未能達到預期業績目標的落差，全年銷售額僅微升6.0%至379,112千美元。本集團全年總營業額為12.6億美元，較去年同期上升14.6%，股東應佔溢利為35,816千美元，每股盈利為0.64美仙。

### Introduction

The period under review was a year marked by different adverse circumstances so that the Group's performance was below expectation. With the forecast that the PRC beverage market would be fast growing, the Group had made huge investment in beverage facilities. Because of the outbreak of SARS (Severe Acute Respiratory Syndrome), cooler summer and the flood, beverage sales could not reach the Group's target. Coupled with the price increase both from palm oil and PET plastic materials in the first quarter and flour and rice in the fourth quarter, the continuous cost increase directly affected the Group's profit. Fortunately, thanks for the strong base for the Group's core business instant noodles, during the difficult period, it made use of its production with vertical integration, flexible marketing strategies and the advantage of the Group's sales network. Instant noodle sales for the year reached US\$783.441 million, an increase of 22.9% over 2002. During the traditional low season for beverage in the fourth quarter, through the strategy of "New Package Line Extension" and "Hot Drink", beverage sales achieved a growth of 92.4% when compared with the corresponding period last year and turnover reached US\$59.459 million. However, the substantial growth could not make up the sales loss caused by natural disasters during the high seasons. As a result, beverage sales for the year only grew by 6.0% to US\$379.112 million. For the whole year, the Group maintained a stable sales performance of US\$1,260 million, 14.6% higher than in previous year, profit attributable to shareholders amounted to US\$35.816 million and earnings per share amounted to US0.64 cents.



## 季度業績

本集團在二零零零年第三季開始公告季度業績，並於二零零一年第三季開始實行季度匯報，並於同一天將匯報內容載於本公司網站內，藉以提高企業管治水平，也為股東提供關於本集團業績表現的最新資料。不論是季度、中期或是全年的財務報告，在呈交董事會前皆先由審核委員會審閱。本集團主動按季公佈業績，正是本集團銳意提升透明度及良好企業管治的明證。

## 市場地位

據AC Nielsen 二零零三年十二月／二零零四年一月的報告指出，以銷售額為基準，本集團在方便麵、包裝茶飲品、稀釋果汁及夾心餅乾之市場佔有率分別為43.5%、47.2%、22.7%及24.4%，同時處於領導地位。

## Quarterly Reporting

The Group introduced quarterly results announcement during the third quarter in 2000 and released quarterly report and posted the full report in the Group's web-site on the same day during the third quarter in 2001. The quarterly reporting is to promote high standards of corporate governance and provide shareholders with timely information about the Group's performance. The quarterly, interim and final financial reports were reviewed by the Audit Committee before they were presented to the Board. The voluntary publication of the Group's results on a quarterly basis demonstrates the Group's commitment to transparency and good corporate governance.

## Market Position

According to AC Nielsen, for the period of December 2003/January 2004, based on sales value, market shares for the Group's instant noodle, RTD teas, diluted juice drinks and sandwich crackers were 43.5%, 47.2%, 22.7% and 24.4% respectively, showing the Group's leading position in the industry.





而進入台灣市場只有一年的康師傅方便麵，據 AC Nielsen 二零零三年十二月調查所得已取得 17% 台灣方便麵市場銷售的佔有率。同時於二零零三年九月，「康師傅」品牌亦取得由英國 INTERBRAND 負責調查的「二零零三年度台灣十大國際品牌」的第四位；並對「康師傅」品牌的估值達 3.41 億美元，為台灣食品行業的首位。

### 優質保證認證

品質管理是食品業的主宰，本集團致力達至「人人皆品管」的目標，目前方便麵事業轄下的十三家工廠中已有十家取得 ISO 9002 認證；年內，飲品事業轄下的工廠已全部通過『中國國家食品市場准入產品品質安全 QS 認證』；天津廠及武漢廠更分別通過 HKACCP 認證。糕餅事業轄下的天津廠分別通過 ISO 9001 2000 版及 QS 認證。目前本集團共有二十七家工廠通過 ISO 認證，董事們為本集團製造高質量食品的管理系統感到光榮。

The Group's instant noodle has entered into Taiwan market for one year. According to AC Nielsen, in December 2003, based on volume, Master Kong's instant noodle has gained 17% market share. In September 2003, the brand of "Master Kong" has gained the fourth position in the "2003 Taiwan Top 10 Global Brand" based on the research carried out by British INTERBRAND and the brand value for "Master Kong" has been estimated to reach US\$341 million, which is the most valued brand in Taiwan food industry.

### Quality Control

Quality Control is the heart of food industry. The Group has tried the best to achieve the aim of "ALL QC". During the year, out of the 13 instant noodle factories, 10 factories have obtained ISO 9002 certification. All beverage factories under the Group have been granted the PRC QS certificate. The beverage factories in Tianjin and Wuhan have also obtained the HKACCP certificate. The bakery factory in Tianjin has been granted the ISO 9001 Version 2000 and the PRC QS certificate. At present, 27 factories under the Group have been granted ISO certificates. The Directors are proud of the Group's management system of producing high-quality food products.





## 管理團隊

年內，本集團的方便麵事業及飲品事業均進行擴展，令本集團的員工總人數增加至27,803人，在非典型肺炎爆發期間以至經營環境極其嚴峻的情況下，各員工均緊守崗位與康師傅並肩克服困境，令本集團得以正常運作。本人謹藉此機會與股東們向他們致以衷心謝意。

## 社會貢獻

於五月爆發非典型肺炎期間，本集團分別於天津、北京、西安、蘭州、上海及重慶等地，將康師傅產品適時配送至各醫院，以表示本集團對這群奮戰非典的前線醫務人員的感謝。年內，本集團分別於多個地區舉行「康師傅園遊會」，總參加人數超過18,000人，除邀請來自政府機構及媒體的友好外，並邀請社會弱勢社群代表參加；同時，將各園遊會所得款項分別捐贈予各地慈善機構。此外，為表達本集團對中國足球事業的支持，特以「康師傅足球隊」冠名，以贊助天津泰達隊參加中國甲A聯賽。

## Management Team

For the expansion both for beverage division and instant noodle division, the Group increased its number of staff to 27,803. During the SARS outbreak and the period of severe operating conditions, all staff strictly adhered to their duties and joined hands with Master Kong to overcome the difficulty to maintain operations of the Group uninterrupted. The shareholders and I would like to thank everyone for their devoted performance during the year.

## Social Contribution

During the SARS outbreak in May, to respect the heroic performance of the frontline medical staff, the Group distributed Master Kong's products to hospitals in Tianjin, Beijing, Xian, Lanzhou, Shanghai and Chongqing. During the year, the Group continued to organize the "Carnival for Master Kong" in different areas to invite a total number of 18,000 staff and their relatives, friends from government department and media, and also representatives from weak social groups to join the events. All the contributed money derived from the carnival have been donated to different charity associations. Meanwhile, to provide the support to the PRC football development, the Group has sponsored the Tianjin TEDA Football Team to participate in the PRC Football Match Group A with the name of "Master Kong Football Team".



## 精實粹煉 再創高峰

中國市場的快速成長，已然成為全球的焦點，亦吸引國際大企業與本地廠商競相加入，使得中國食品市場的競爭更加劇烈。面對多樣化的市場變化與農村市場的發展，要進一步擴大市場佔有，唯有強強聯補補充本集團缺乏的能力，才能取得市場的長久領先地位。在引入國際先進的研發與生產技術，強化產品的開發與生產能力方面，本集團於二零零三年十二月二十七日與由日本朝日啤酒株式會社（「朝日」）及伊藤忠商事株式會社（「伊藤忠」）合組的AI Beverage Holding Co. Ltd.（「AI Beverage」）原AI Breweries簽訂合作協議，本集團將轉讓康師傅飲品業務49.995%股權予AI Beverage，共同經營此一快速成長且又將面臨激烈競爭的中國飲品市場。此外，透過國內聯盟的加強，耕耘廣大的農村市場，以增強本集團於佔有中國整體方便麵市場65%銷售量的低價麵市場的競爭力上，本集團於十二月與於中國大陸主力產銷低價方便麵的中旺集團，協議成立合資企業「河北三太子實業有限公司」，本集團出資人民幣二億五千萬並佔合資公司的50%股權。同時，為了進一步強化本集團物流事業的實力，本集團於二零零四年三月二十六日與伊藤忠達成協議，本集團將出售轄下從事物流服務的頂通（開曼島）控股有限公司49.99%的股份予伊藤忠，藉此以強化兩個集團在中國的物流整合，獲取更大的經營效益。

## Solidifying the Growth Platforms and Leading the Waves of Change

The fast growing PRC food market is the focus around the world and is so attractive that the international corporations and the domestic enterprises continue to join in the market. As a result, the PRC food market becomes more competitive. In view of the different changes in the market and the development of the rural area, to further expand the market share, the Group must accompany with strong strategic alliances to fill in the gap of the Group's diminishing capability so that the Group can achieve the everlasting leading position in the market. To enhance the ability for production and R&D by introducing international high technology, on 27 December 2003, the Group entered into the agreement in relation to the co-operation with Asahi Breweries, Ltd. ("Asahi") and Itochu Corporation ("Itochu") whereby the Group will transfer to AI Beverage Holding Co. Ltd. ("AI Beverage"), formerly AI Breweries, 49.995% interest of the beverage business and work together to operate the fast growing but intense competition beverage market in the PRC. To cultivate the sizable rural market, the Group also co-operates with the domestic companies. In December 2003, the Group entered into the agreement with ZhongWang Group which is mainly producing low-end instant noodle in the PRC and would establish a joint venture company called The Third Prince (Santazi) Company Limited, Hebei. The Group will invest Rmb250 million and will own 50% interest of the joint venture company. Such arrangement will strengthen the Group's competitiveness in the low-end instant noodle market which represents 65% of the total PRC instant noodle market. In addition, to further enhance the Group's logistics ability, the Group entered into an agreement on 26 March 2004 in relation to the co-operation with Itochu to form a strategic partnership in logistics business in the PRC. The Group will transfer 49.99% equity interests in Tingtong (Cayman Islands) Holding Corp. ("TingTong") to Itochu. Tingtong is the Group's wholly-owned subsidiary and engaged in logistics services. The co-operation will benefit the two groups in their operation of logistics industry in the PRC.



## 股息

基於本集團之財務根基穩固，在日常營運及拓展資金充裕的前提下，本人建議董事局採取較寬裕之派息政策，以回饋股東們對本集團的支持。因此，董事局將於二零零四年五月十八日舉行之股東大會上，建議派付末期股息每股1.13美仙予二零零四年五月十八日名列股東名冊之股東，派息總額為63,152千美元；去年之末期股息為每股0.93美仙，派息總額為51,975千美元。

在這競爭日益激烈的市場，深信憑藉「康師傅」於中國既有的優勢，加上勤奮務實及創新超越的拼搏精神，以及策略夥伴的加入，本集團必能實現繼續為消費者及股東資源增值。

董事長及行政總裁  
魏應州

中國天津  
二零零四年四月二十日

## Dividend

The Group has maintained a strong foundation in its financial structure. As the Group continues to maintain a healthy net cash position for funding future development, I would recommend to the Board to provide a return to our shareholders for their support by way of a more generous dividend policy. The board will therefore recommend at the Annual General Meeting to be held on 18 May 2004 the payment of a final dividend of US1.13 cents per share, totalling US\$63.152 million to shareholders whose names appear on the register of members on 18 May 2004. Final dividend for the last year was US0.93 cents per share, totalling US\$51.975 million.

In view of the increasingly intense competition in the PRC market, the Group believes that based on the existing advantages of Master Kong in the PRC, the struggling spirit of "diligence and practice, innovation and exceeding" and the establishment of strategic alliances, the Group would be able to enhance customers' and shareholders' value.

**Wei Ing-Chou**  
*Chairman and Chief Executive*

Tianjin, the PRC  
20 April 2004