

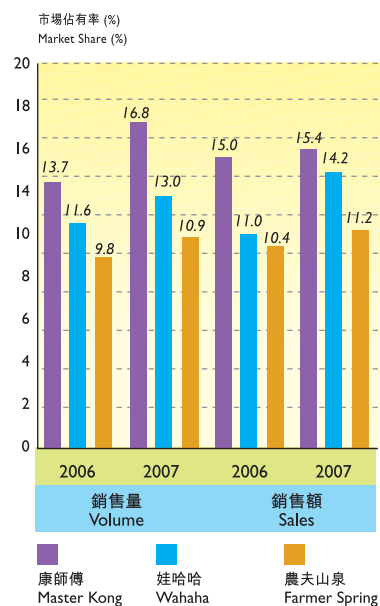
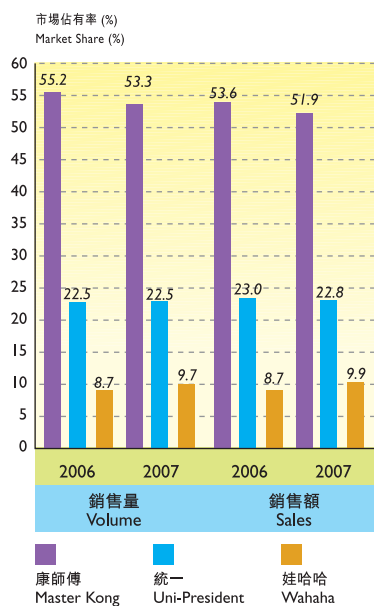
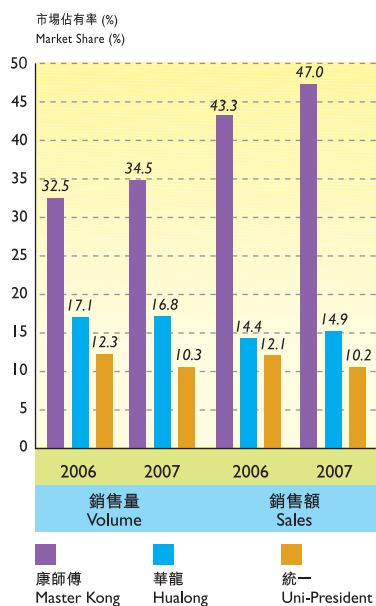


二零零七年度中國民生產總值(GDP)持續穩定成長，較去年上升11.4%，連續五年保持10%以上的快速增長；社會消費品零售總額亦較去年增長13.1%。

In 2007, the PRC sustained a steady yet rapid growth in its gross domestic products ("GDP"). GDP grew up by 11.4% in the year, manifesting consecutive growths of exceeding 10% p.a. over the past four years. Sales amount of social consumables surged even further by 13.1% compared with a year before.

回顧本集團於二零零七年總營業額較去年同期上升37.9%至3,215,404千美元。方便麵、飲品及糕餅的營業額分別較去年同期上升41.5%、38.9%及12.9%；於第四季本集團的總營業額較去年同期上升38.5%，達717,723千美元，主要來自方便麵及飲品的銷售成長。

In 2007, the Group's turnover was US\$3,215.404 million, an increase of 37.9% over 2006. The growth rates for turnover of instant noodle, beverage and bakery were 41.5%, 38.9% and 12.9% respectively. In the fourth quarter, the Group's turnover was US\$717.723 million, 38.5% higher than the same period last year. The increase was mainly from sales growth in instant noodle and beverage.



資料來源：ACNielsen零售研究報告～二零零七年十二月份
Sources: ACNielsen SCAN TRACK EXPRESS ~ December 2007



年內，主要原材料價格雖然持續高企，但透過本集團持續優化生產管理效率，有效控制生產成本，及穩健的營銷策略，並對產品銷售組合進行優化，令整體毛利率只較二零零六年微幅下降0.69個百分點至31.6%；分銷成本則為鞏固本集團在中國市場的強勢品牌領導地位，而策略性持續增加廣告的投入及強化銷售通路的精耕細作，致其佔總營業額的比例維持19.1%，與上年度持平。財務費用相較去年上升78.9%至19,418千美元，主要是因應資本開支及原料採購款而適量增加銀行貸款，期內本集團財務持續穩健的操作原則，維持充裕現金流量。

During the year, in spite of the fact that the prices for main raw materials remained at a high level, the Group's gross margin only slightly decreased 0.69ppt. to 31.6% through flexible marketing strategy, effective production management and cost control. Due to the extensive advertising strategy and strengthening sales network, the distribution costs as percentage of total sales maintained at last year's level of 19.1%. Finance costs increased by 78.9% to US\$19.418 million mainly due to the increase in bank borrowing for capital expenditure and purchasing of raw materials. During the year, the Group maintained a stable and healthy finance structure and a strong cash position.

二零零七年扣除利息、稅項、折舊及攤銷前盈利 (EBITDA) 為 478,306 千美元，本公司股東應佔溢利為 194,837 千美元；每股基本盈利

In 2007 earnings before interest, tax, depreciation and amortization (EBITDA) was US\$478.306 million and the profit attributable to equity holders of the company





3.49美仙。與去年同期相比，本年度EBITDA及本公司股東應佔溢利分別大幅上升35.5%及30.8%。

方便麵業務

延續著過往國際原材料成本的持續高漲，也連帶影響中國食品生產製造業的發展，在高價棕櫚油和麵粉成本推動下，中國食品的產業環境顯得更為嚴峻；生產效率低落及不具生產規模的小廠紛紛停止或退出市場。給予了領導品牌極有力的契機，得予持續推出各項創新口味產品，繼續經營市場，累積品牌力。

康師傅方便麵以主力口味紅燒牛肉麵廣受中國各地消費者歡迎，香辣牛肉、辣旋風、海陸鮮匯等全國美食系列成功建立

美味流行品牌形象。為更加滿足各地消費者的不同需求，本幫燒、油潑辣子、老火靚湯等推出了新口味，同時推出了老湯盛宴等新系列產品。對於副品牌的經營，食麵八方、乾拌麵進一步鞏固本集團在拌炒麵市場的領先地位；麵霸拉麵則有效滿足追求優質麵條消費者的需求。勁爽拉麵、好滋味則全力搶佔城市中下階層的市場。通過完整的產品佈局，不斷帶動業務的提升。



was US\$194.837 million which were sharply increased substantially by 35.5% and 30.8% respectively when compared to last year. Basic earnings per share was US3.49 cents.

Instant Noodle Business

The rising raw material costs worldwide have affected the development of manufacturing industries in China. With the high prices of palm oil price and flour, China's food manufacture industry has become more difficult. Small factories with lower capacity and inefficient productivity either cease their business or pull out the market. It provides a great opportunity to the market leader to continue their business, promote the products with new flavors and strengthen the brand name in order to cater the various needs of different consumers in different location.

The Group's mainstream noodle flavor — the "Hong Shao Niu Rou Mian (soy-braised beef flavor noodle)" — has gained wide popularity among consumers throughout China. Other

series of flavors such as the "Xiang La Niu Rou (Spicy Beef)", the "La Xuan Feng (Spicy Whirlwind)", the "Hai Lu Xian Hui (The Mixed Taste of Sea and Land Foods)", etc. have successfully established their image as trendy delicacies. New flavors rolled out to meet the tastes of various consumers in different locations included "Ben Bang Shao", "You Po La Zi", "Lao Hou Jing Soup". Also launched simultaneously were the "Lao Hou Sheng Yang" series of flavors. Concerning auxiliary brands, the launch of "Shimianbafan Gan Ban Mian" further solidified Master Kong's leading position in the rapidly growing mixed fried noodle market segment. "Mianba La Mian" has effectively satisfied consumers who crave for quality noodle. "Jin Shuang La Mian" and "Hao Zi Wei" have made their foray in the medium/low-end market segments. Thus, through the careful planning of product introductions, our noodle business flourished.



在平價麵市場，我們以福滿多為主要品牌經營。超級福滿多與「五月天」攜手，全面唱響「年輕就要對味」，吸引年輕人市場。金牌福滿多全力打造金牛品牌。在二／三／四級市場投入福滿多一碗香及福滿多公司品牌產品。在乾脆麵市場，推出福香脆大塊包，提升品牌附加價值。通過精進優化的產品佈局，有效帶動本集團在平價麵市場的成長。

In the low price noodle market segment, we have made “Fumanduo” a primary brand. The “Super Fumanduo” aims to attract young consumers while the “Gold Mark Fumanduo” forges the “Jin Niu (Taurus)” brand. For the 2nd/3rd/4th level markets we launched the “Fumanduo Yi Wan Xiang” and the “Fumanduo” corporate brand products. In the dry and crispy segment, the “Fu Xiang Cui Da Kuai Bao” was launched to increase the brand’s added value. Thus, the improved and refined product introductions has worked to grow the Group’s low price market.

根據ACNielsen 二零零七年十二月最新的零研數據顯示，「康師傅」方便麵銷售量與銷售額的市場佔有率分別為34.5%及47.0%，其中高價容器麵銷售額的佔有率為66%，高價袋面銷售額的佔有率是66%，穩居市場領先地位十餘年。



According to December 2007’s latest survey carried out by ACNielsen on retails, Master Kong’s sales volume and turnover of instant noodles respectively shared 34.5% and 47.0% of the market, among which noodles with high-end containers represented 66% of the market turnover and high-end packet noodles shared 66% of the market turnover, steadfastly securing the leading position for more than ten years.

在生產方面，透過高效率工廠的建設，以及導入TPM、5S等改善活動對現有工廠的生產力進行優化，使生產效率有效提升，緩解因原物料及薪資上漲所帶來的生產成本壓力。

The construction of higher efficiency manufacturing plants as well as the adoption of the TPM and 5S improvement tools have improved productivity effectively and increased production efficiency, thus alleviated the pressure on production costs from the rising raw material prices and labor cost.





本集團之方便麵業務仍然維持快速成長，在產品有味、品牌有利及服務有質的策略下，依靠提升產品價值、優化產品組合、通路精耕細作、建設高效率工廠、推動TPM等生產優化活動，以及強化管理機制等手段，有效地因應環境挑戰，掌握環境機遇，使本集團持續穩固方便麵市場的領導地位。

二零零七年方便麵業務的銷售額為1,488,086千美元，較去年同期上升41.5%，佔本集團總營業額的46.3%；雖然方便麵主要原材料棕欖油及麵粉價格在第四季度分別較去年同期上升66%及10%，期內(1)本集團高毛利的容器麵及高價袋麵的銷售額達到45.5%的成長，(2)透過精進生產效率有效控制生產成本，及(3)年內適時調整銷售價格，令本集團方便麵業務全年的毛利率僅較去年下降1.3個百分點至25.4%；銷售毛利則較去年上升34.7%。本公司股東應佔溢利較去年同期上升了26.6%至94,167千美元。

The Group's instant noodle business continued to grow rapidly thanks to the good taste, the edge of brand image and quality service. By gearing up its product value, perfecting its product mix, intensively cultivating its distribution channels, building higher efficiency production plants, promoting activities such as TPM that fine tune production, and strengthening management mechanism, the Group has effectively coped with the challenging environment and grasped the opportunities, to be the leader in the instant noodle market.

In 2007, turnover for instant noodle business amounted to US\$1,488.086 million, grew by 41.5% from previous year and represented 46.3% of the Group's total turnover. Although the price of main raw material of palm oil and flour increased 66% and 10% respectively in the fourth quarter, during the year, the gross margin of instant noodle only decreased by 1.3ppt. to 25.4% and gross profit increased by 34.7% compared with last year. The performance was mainly because of: (1) the adjustment on products mix, thus sales value for high-end container noodles and high-end packet noodles have grown by 45.5%; (2) the effective control of operating costs through enhancement of production efficiency; and (3) the agile pricing mechanism. Profit attributable to equity holders of instant noodle business was US\$94.167 million, grew by 26.6%.





飲品業務

二零零七年本集團即飲茶系列繼續保持著非碳酸飲料市場的領導地位，在構建茶專家形象的同時，引入時尚元素，如成功更換綠茶新瓶型、新包裝，運用熱氣球等活動創造話題、活化品牌，與消費者進行深度溝通，成功的拉開與其他主競爭品牌之間的距離。旗艦產品康師傅冰紅茶以強勢品牌活動，以音樂擴展冰茶市場，持續取得絕對領導地位。

包裝水持續空中與地面攻勢，並在源頭上進行資源的配備，縮短生產與目標市場的距離，加速銷售網路的擴展，「清新、自然」的礦物質水深入消費者內心，得到消費者的肯定與喜愛。

在競爭愈演愈烈的果汁市場，追求時尚、營養和健康的年輕消費群體，依然是主流消費層，針對此族群，我們選擇了形象健康、時尚，性格積極向上的梁靜茹做代言人，引領消費者對

Beverage Business

In 2007, the Group's RTD tea series maintained their leading positions in the non-carbonated beverage market. While simultaneously forging a tea specialist image, we incorporated some trendy elements — the new bottle shape for green tea, new packing, the deployment of the hot balloon activity to create public attention, activating brand image and the intense communication with consumers — to effectively build a further lead over major competitors. The flagship Master Kong ice tea was used as the basis for vigorous brand promotion activities including using music as a mean to expand the ice tea market and maintain its dominating leading position.

Through the allocation of resources, narrowing the distance between the production and the target market locations and the rapid expansion of our distribution network, our bottled water made its vigorous penetration in the market. "Fresh and natural" mineralized water has been well recognised and liked by the mass consumers.

The competition in the fruit juice market turned out to be even keener. In pursuit of trendy life style, nutrition and health are the main considerations of the young consumers. With this in mind, we have selected a celebrity – Liang Jing Ru, whose image is healthy, trendy and





業務回顧 Business Review

健康、時尚的追求。結合產品的差異化，配合靈活的市場策略，成功滿足廣大消費者的訴求，帶動飲料業務整體營業額屢創新高。

active, to be our spokeswoman. Together with product differentiation and an agile market strategy, we have successfully managed to satisfy the consumer mass's cravings. Hence the aggregate turnover of the beverage business surged to a new high.

據ACNielsen 二零零七年十二月最新零研數據顯示，康師傅即飲茶銷售額市場佔有率佔整體即飲茶市場51.9%，穩居市場領導地位。包裝水以15.4%的市佔率，躍居全國第一品牌。「鮮の每日C」與「康師傅」的雙品牌策略，以16.5%的市佔率，居稀釋果汁市場三甲地位。



The latest study by ACNielsen in December 2007 showed that the sales of Master Kong's RTD tea products had a market share of 51.9%, which again took the leading position among its competitors. Bottled water shared 15.4% of the market, which jumped to become the number one brand in the country. In the area of fruit juice, the duo brands — “Fresh Daily C” and “Master Kong” — commanded a market share of 16.5%, the third place in the diluted fruit juice market.

本集團之飲品業務取得如此亮麗成績，主要是靠有效的管理機制和良好的產品組合；其中，引進世界一流先進的生產設備，全面控制生產流程；健全並實施了ISO9002體系和HACCP體系，保證產品品質的全方位、全過程的控制；減少流通鏈中間環節的摩擦，保證低成本的運作。穩定可靠的產品品質，使本集團位居行業的領導地位。



The Group's outstanding performance in the beverage business could be attributed to its effective management mechanism and its good product mix. Advanced technological production plants and equipments have been introduced to control production process. Both ISO 9002 and HACCP systems were implemented to ensure effective product quality control throughout the processes. Processing modes within the

supply chain were smoothed to ensured low-cost processing. A reliable and stable product quality has helped the Group to gain the leading position in the industry.



二零零七年飲品事業的營業額較去年同期升38.9%至1,519,194千美元，佔本集團總營業額之比例增加至47.2%。飲品事業群所需的主要原材料如糖價銷售回落，但PET膠粒價格在年內持續維持高點，雖然透過本集團高效能的生產設備，以及不斷強化生產管理能力，令生產成本得以控制，但因為毛利率相對較低的礦物質水的銷售額於期內大幅成長67.3%，導致飲品業務毛利率較去年同期微幅下降0.1個百分點至36.8%。惟毛利額卻上升38.5%。年內本公司股東應佔溢利為89,152千美元，較去年同期上升32.5%。

In 2007, turnover for beverage business increased by 38.9% to US\$1,519.194 million as compared to last year and its proportion to the Group's total turnover increased to 47.2%. During the year, the prices of main raw materials maintained at a high level. Owing to the efficient production management capability, production cost was able to be controlled. However, sales value of mineralized water with a comparatively lower gross margin had grew by 67.3% causing the overall gross margin of beverage business to drop by 0.1ppt. to 36.8% with overall gross profit increased 38.5%. Profit attributable to equity holders of beverage business was US\$89.152 million, an increase by 32.5%.

糕餅業務

二零零七年糕餅事業群銷售額達到109,660千美元，較去年上升12.9%。二零零七年糕餅事業的毛利率為38.3%，本公司股東應佔溢利達到4,221千美元。主要是因為，核心品牌如3+2夾心餅乾、妙芙、美味酥、蛋酥卷的推廣奏效及精準式行銷策略成功。根據ACNielsen 二零零七年十二月之調查結果，康師傅於中國夾心餅乾市場的銷售量及銷售額之佔有率分別為22.7%及25.6%，穩居市場第二位。

Bakery Business

The turnover of the bakery business segment in 2007 amounted to US\$109.660 million, representing an increase of 12.9% compared with last year. In year 2007, gross margin for Bakery business was 38.3% and profit attributable to equity shareholders reached US\$4.221 million. The increase in sales and profit is resulted from the promotion of core bakery products, such as the "3+2" Sandwich Cracker, Muffin and Tasty Crisp, and the refined and accurate sales strategy. According to ACNielsen's survey in December 2007, Master Kong had respective market shares of 22.7% and 25.6% in sales volume and turnover in the sandwich cracker market, a second place among the market leaders.





展望二零零八年，糕餅事業的經營策略將持續核心品牌的經營、精準式的行銷及發展傳統美食現代化。以達致創建康師傅糕餅王國的目標！

冷藏事業部

二零零七年冷藏事業發展持續穩定。每日C果汁在華東地區持續穩居純果汁市場領導品牌，上海市場佔有率維持37%以上。年內味全乳酸菌飲料銷售大幅成長67%，上海市場佔有率提升至33%，於二零零七年三月推出家庭裝規格的乳酸菌飲料，藉以擴大消費者的飲用量；於十一月推出新口味蘆薈乳酸菌飲料，以持續建立品牌的創新形象，而於九月上市的味全優酪乳健康粗糧系列產品，凸顯了添加大麥的營養價值，持續建立「健康、優質、享受」的品牌形象。味全貝納頌咖啡於十二月在原有的拿鐵口味，將口味與包裝升級為「倍醇拿鐵」上市，更能符合現階段消費者對於咖啡的喜好需求。

冷藏事業的生產品質管理已取得QS及HACCP認證在案，去年並通過覆審。

財務分析

本集團在二零零七年繼續保持穩健的財務結構，是通過對應收、應付帳款和存貨的有效控制的成果。於二零零七年十二月三十一日，本集團的手頭現金及銀行存款為242,892千萬美元，較二零零六年同期增加78,972千萬美元。本集團總負債為1,052,726千萬美元，相對於總資產2,334,421千萬美元，負債比例為45.1%。相較於二零零六年十二月三十一日

The Group strategies for the year 2008 are to maintain core products, execute refined and accurate sales and distribution mechanism and develop the modernization of traditional delicacies. In the bakery business segment, we strive to build the "Master Kong's bakery kingdom".

Refrigeration Business

The development of the Group's refrigeration business in 2007 was stable. Fresh Daily C Juice became the leading fruit juice brand in Eastern China and had more than 37% market share in Shanghai. The sales of Wei Chuan Active Lactobacillus Drinks increased significantly by 67% while market share in Shanghai increased to 33%. The family size Active Lactobacillus Drink package was launched in March 2007 to enhance consumption. The new Aloe flavor Active Lactobacillus Drinks was rolled out in November 2007 in order to sustain our brand image as an innovator. Wei Chuan Yogurt launched a series of healthy coarse grain products with the appealing nutrition value of barley — the building up of a "healthy, supreme and relaxing" brand image. Wei Chuan's Bernachon coffee series upgraded a new taste from its original Latte flavor and launched the "Au Lait" to suit the cravings of current consumers.

The refrigerated business's product quality management passed the reexamination of QS certification and the HACCP.

Financing

The Group's healthy finance structure had benefited from the stable cash flow of the Group as a result of the well-controlled trade receivables, trade payables and inventories. At the year end, the Group's cash and bank deposit amounted to US\$242.892 million, an increase of US\$78.972 million from previous year. The Group's total liabilities amounted to approximately US\$1,052.726 million, represented an increase of US\$310.568 million from US\$742.158 million as at 31 December 2006. Total assets amounted to US\$2.334 billion. The debt ratio calculated as



的總負債742,158千美元，增加了310,568千美元，負債比例上升了4.8個百分點，負債比例略有上升主要因為資本開支及原材料採購導致應付帳款及長期有息借貸均有較大幅度增長。

同期，本集團長短期銀行貸款總額為398,427千美元，相較於二零零六年十二月三十一日增加了130,346千美元，主要用於增加飲品及方便麵生產設備的資本開支。總借貸中，外幣與人民幣銀行貸款所佔的比例分別為50.3%：49.7%，去年同期為60.4%：39.6%。長短貸比例為27%：73%，去年同期為11%：89%。由於本集團的交易大部份以人民幣為主，而期內人民幣對美元的匯率升值6.5%，對本集團造成二零零七年度匯兌收益共64,355千美元，分別包括損益表內的7,950千美元及外幣換算儲備內的56,405千美元。

生產規模

本集團於二零零七年在重慶及高碑店增建方便麵工廠，而天津成都、南京兩地加建的製麵工廠，計劃分別於二零零八年及二零零九年投產，將有助穩固本集團方便麵於整體市場的領導地位。此外，飲品事業群在去年的基礎上，繼續擴大生產基地的建設，分別在瀋陽、天津、西安、齊齊哈爾、牡丹江、寧波、廈門、上海、南昌、襄樊、江門和深圳興建十二個生產廠，並在二零零七年全部投入生產，進一步提高本集團於飲料市場的競爭能力。

total liabilities to total assets increased by 4.8 ppt. to 45.1% as compared with 31 December 2006. The increase in debt ratio was because both trade payables and long term loans have increased mainly for increases in capital expenditures and purchases of more raw materials, in line with the increase in activities.

At the end of 2007, the Group's total borrowings increased by US\$130.346 million to US\$398.427 million. The increase in borrowings were mainly used for the acquisition of more instant noodle and bottle water production facilities. The Group's proportion of the total borrowings denominated in foreign currency and Renminbi was 50.3% and 49.7% respectively, as compared with 60.4% and 39.6% respectively last year. The Group adjusted the proportion between long-term loans and short-term loans from the previous year's "11%: 89%" to 2007's "27%: 73%". The Group's transactions are mainly denominated in Renminbi. Appreciation in Renminbi in terms of US dollars 6.5% brought an exchange gain of US\$64.355 million to the Group during the year. US\$7.950 million and US\$56.405 million of the exchange gain was included in the income statement and reserves from exchange translation respectively.

Production Scale

In 2007, the Group has built instant noodle plants in Chongqing and Gaobeidian. The relocated Tianjin plant and new plants in Chengdao and Nanjing will also commence production in 2008 and 2009 respectively. These efforts will enhance the Group's leading position in the instant noodle market. In 2007, our beverage segment continued to extend its production in Shenyang, Tianjin, Xian, Qiqihar, Mudanjang River, Ningbo, Amoy, Shanghai, Nanchang, Xiangfan, Jiangmun and Shenzhen. These twelve plants have commenced production in 2007 which further enhanced the Group competitiveness.



人力資源

於二零零七年十二月三十一日，本集團員工人數為45,990人(2006年32,631人)。

本集團二零零七年繼續本著創造人力價值，累積長期競爭力的人力資源發展方針，完善選、育、用、留各項人力發展政策，為集團的持續發展儲備優秀人才。

建立人才評量系統，配合通路精耕細作與集團未來發展規劃，選擇適崗適任的人才。繼續選派優秀人才赴海外培訓，學習

國外的先進管理理念與管理技術，培養國際型專業人才；建立功能別訓練組織系統，完善專業培訓體系。因應國家政策調整人力資源管理規章，防範經營風險。擬定人才發展規劃，研擬薪資、福利與留才激勵政策，使員工與企業共享經營成果。於二零零八年三月二十日，本集團提供購股權計劃予部份之員工。

充分重視人才的培育、發展與儲備，將人才作為企業發展的基石，是康師傅得以快速成長的核心競爭力之一。

Human Resource

As at 31 December 2007 the Group employed 45,990 (2006: 32,631) employees.

In 2007 the Group continued its policy to create more value of its personnel and maintained a human resources direction for its long-term competitiveness. With comprehensive development strategies on human resources, including the recruitment, training, deployment and retention of talents, the Group shall be better equipped to retain staff and groom successors.

We have an appraisal system that coordinates with the future development plan of the Group and will cultivate and assign right talents for appropriate positions and right responsibilities. To nurture our staff to

becoming international professionals, we continue to send staff for overseas training to learn advanced management philosophy and technologies. We maintain a function-based training system to improve our professional training mechanism. In accordance with government policy, we will continue to monitor our human resources management regulations to avoid unnecessary operational risk. We will continue to formulate personal development plans, which include studying and formulating compensation, fringe benefit and stimulating policies, for retaining talents so that there is win-win between staff and enterprise. On 20 March 2008, the Group provided a share option scheme to some of its staff.

We recognise that talented employees is one of Master Kong's competitive edges. Consequently, we will continue to put significant emphasis on training staff, development and retention.

