

A portrait of Wei Ing-Chou, the Chairman, smiling and wearing a dark suit and tie. He is positioned on the right side of the page against a yellow background with a faint, stylized mountain range.

人才、技術、
團隊及系統
共同建構百年企業

Talents, Technologies,
Teamwork and Systems
are the Foundation
of a Successful and
Sustainable
Enterprise

董事長 *Chairman*
魏應州 **Wei Ing-Chou**

1. 緒言

二零零八年，隨著世界經濟遭受次貸危機衝擊的不斷加大，以及國內出現的重大自然災害，中國經濟社會發展受到了多方面嚴峻考驗。為了保持國民經濟平穩較快發展的基本態勢，中國政府持續擴大內需政策，並推出4萬億人民幣的經濟刺激計劃。儘管二零零九年對快速消費品行業是困難大於機遇，生存大於發展的一年，但據國家有關部門預計，二零零九年國內GDP將依然保持8%的增長速度，快速消費品行業將不至於進入蕭條期。

儘管面臨全球經濟環境轉差、國內經濟由通脹轉向通縮的不良影響，但由於康師傅的主要產品方便麵及飲品是日常生活所需，產品價格彈性較低，即使在經濟放緩的階段，也能保持較高的盈利穩定性，因此本集團依然保持了強勁的發展勢頭。二零零八年康師傅速食麵及茶飲料繼續穩居市場領導地位，糕餅事業群於去年錄得盈利後繼續保持較高的增長，而出售冷藏事業將有助於集團優化資源配置，加快核心業務的發展。

1. Introduction

In 2008, due to the growing impact of the sub-prime mortgage crisis on the global economy and the severe natural disasters in China, the economic and social development of China faced rigorous tests in various aspects. In order to maintain the momentum of the steady and relatively rapid growth of the national economy, the Chinese government maintained its policy of stimulating domestic demand and launched a RMB4 trillion economic stimulus plan. For the fast-moving consumer goods industry, 2009 will be a year in which challenges outnumber opportunities and survival outweighs development. However, according to the estimation of relevant authorities of the State, China's GDP will continue to grow at 8% in 2009 and the fast-moving consumer goods industry is unlikely to enter into recession.

Despite the adverse impact brought by the deteriorating global economic environment and China's economy moving from inflation to deflation, Master Kong managed to stabilize its profitability during the economic slowdown, due mainly to the principal products of Master Kong, i.e. instant noodles and beverage, are necessities of daily life with relatively low price elasticity. As a result, the Group still maintains a strong growth momentum. In 2008, Master Kong's instant noodles and ready-to-drink ("RTD") tea products maintained their leading market positions, a higher growth was recorded in the bakery business segment following the profitable previous year, and the disposal of the refrigeration segment will also help the Group to optimize resource deployment and accelerate the development of its core business.

對我們來說，二零零八年是機遇與挑戰並存的一年，一方面由於大宗原材料如棕櫚油、PET粒子等價格由高漲到低，給集團帶來較大的獲利空間；但另一方面我們也面臨嚴峻的市場競爭而帶來的壓力。然而在集團全體員工的共同努力下，全集團營業額與利潤均創新高，圓滿達成了年初訂定的目標！二零零八年本集團之總營業額續創新高至4,272,053千美元，較去年同期上升32.86%；股東應佔溢利同比上升33.65%至260,404千美元，每股盈利為4.66美仙。

2. 股息

二零零八年本集團整體依然表現不凡，於評估整體營運、資本投資、營運資金及現金流量後，本人建議董事局增加末期股息之金額，以感謝股東們對本集團的支持。因此，董事局將於二零零九年六月八日舉行之股東大會上，建議派付末期股息每股2.33美仙（較二零零七年期末每股股息1.62美仙增加0.71美仙）於二零零九年六月八日名列本公司股東名冊上之本公司股東，（即於二零零九年六月一日或以前買進本公司股票及於二零零九年六月三日下午四時三十分之前辦理股票過戶登記手續之股東），末期派息總額為130,172千美元；較二零零七年度之期末總派息額90,537千美元，增加39,635千美元。

考量中國市場的發展機會，於營運形勢沒有逆轉的情況下，董事會擬訂本集團未來的股利發放率將不低於年度淨利的50%。

2008 was a year with both opportunities and challenges for us. On one hand, prices of staple raw materials, such as palm oil and PET resin, have fallen substantially from their high level which provided more room for profits for the Group. On the other hand, we faced the pressure of intense market competition. Nevertheless, with the efforts of all our staff, the Group met the goals set at the beginning of the year and achieved a record high in turnover and profit. The Group's total turnover reached a new high of US\$4,272.053 million in 2008, representing a year-on-year increase of 32.86%. Profit attributable to shareholders rose by 33.65% year-on-year to US\$260.404 million, and the earnings per share was US\$4.66 cents.

2. Dividend

Owing to the Group's 2008 excellent results and considering the overall operation, capital expenditures and working capital requirements and cash flow of the Group, I recommended to the Board in recognition of our shareholders' support, an increase in the final dividend this year. The Board will recommend at the Annual General Meeting to be held on 8 June 2009 the payment of a final dividend of US2.33 cents per share (an increase of US0.71 cents per share when compared to final dividend per share in 2007 of US1.62 cents) to shareholders whose names appear on the register of members on 8 June 2009 (shareholders who bought the Company's shares on or before 1 June 2009 should ensure that transfers are lodged with the Company's Registrar in Hong Kong for registration no later than 4:30 p.m. on 3 June 2009). Total amount of final dividend for the year 2008 will be US\$130.172 million, an increase of US\$39.635 million when compared to 2007 of US\$90.537 million).

Given the development opportunities in the PRC market, the Board proposes a future dividend distribution policy of not less than 50% of annual profits assuming there are no adverse changes to the business environment.

3. 產業規劃

雖然國內經濟高速發展的勢頭有所趨緩，但食品及飲料市場機會依然不少，伴隨著競爭也將會更加激烈。由於當前逐漸增強的通縮壓力也對居民消費結構產生影響，加之對農村市場的不斷開拓，為了順應當前宏觀形勢，集團也將及時合理地調整產品結構，促使集團於高、中、低端產品全面發展。另外我們將繼續執行精耕細作的策略，以期使康師傅產品的市場佔有率不斷攀升。

結合康師傅的長遠發展規劃，本集團將繼續恪守產品聚焦戰略，以圖實現方便麵、飲品和糕餅產業的專業化和規模化。與此同時，我們在洞悉國內外食品、飲料領域潛在商機的基礎上，有計劃地豐富集團產品的品項，不斷滿足客戶更多的需求。促使集團在激烈的市場競爭中保持更大的優勢，以期鞏固康師傅在食品和飲料行業的領導地位，在向著「全球最大中式方便食品及飲品集團」目標前進的同時實現股東收益最大化。

3. Industry Planning

Despite the slowing down of China's rapid economic growth, there are still ample opportunities in the food and beverage market but with increasingly more intense competition. In view of the growing pressure of deflation on consumers' consumption structure and the continuous development of rural markets and in light of the current macroeconomic environment, the Group will manage its product mix in a timely and suitable manner to facilitate the comprehensive development of its high-end, medium-end and low-end products. We will also continue to implement the strategy of "Better Access, Broader Reach" to increase the market share of Master Kong products.

In line with Master Kong's long-term development planning, the Group will continue to adhere to its product focus strategy to realize the professionalized and scale development of its instant noodles, beverage and bakery businesses. Meanwhile, we will be opened to any potential opportunities in domestic and overseas food and beverage markets and to enrich the Group's products in the highly competitive market offerings to meet further demands of clients, so as to better equip the Group in consolidating Master Kong's leading position in the food and beverage industry and maximize shareholders' return while developing toward the goal of becoming the "largest Chinese instant food and beverage group in the world".



4. 產品／品牌地位

一個企業的品牌在顧客心中所佔有空間的大小也就決定了這個企業在市場當中競爭力的強弱，現在的商業競爭實際上是在顧客內心當中展開的。眾所周知，康師傅作為中國食品行業的領導企業，一直以來都在不斷努力以獲得消費者良好的認知度和美譽度，更期許把中華大地的各色美味彙集一處，構建一個充分代表中國美食文化的食品王國。據ACNielsen二零零八年十二月報告指出，以銷售額為基準，於中國市場本集團的速食麵及即飲茶飲料的市場佔有率分別為50.8%和44.3%，穩居市場第一位；瓶裝水和夾心餅乾之市場佔有率分別為17.7%和25.5%，居市場第二位。

二零零八年九月「康師傅」入選福布斯亞洲企業50家最佳上市公司；於十一月，本集團被法國巴黎證券（亞洲）有限公司從亞洲區內挑選為最佳「抗疫勇士」之一。該報告指出入選公司憑藉其優勢，不但能夠成功擺脫金融危機，在危機時期表現會較同業出色。於十二月，摩根士丹利亞洲有限公司透過其全球分析員，於其研究的行業內挑選優質公司，從而選出50家基於其

4. Product/Brand Positions

The position of a company's brand in the mind of customers determines its competitiveness in the market. Nowadays, business competition actually starts in the inner minds of customers. It is well known that Master Kong, as a leading player in China's food industry, has been endeavouring to gain consumers' awareness and recognition with a goal of merging delicacies from all parts of China into one that will make Master Kong a kingdom of food that represents the culture of Chinese delicacies. According to the December 2008 report published by ACNielsen, based on sales, the Group holds the leading position in the market, had market shares of 50.8% and 44.3% for instant noodle and RTD tea respectively, and the market shares of its bottled water and sandwich cracker were 17.7% and 25.5%, ranking them second in the market.

In September 2008, "Master Kong" was named one of the 50 best listed companies in Asia by Forbes. In November, Tingyi was selected as one of BNP Paribas's "Survivors & Thrivers" top picks in Asia. The report identifies the companies best positioned to not just survive crisis, but to emerge from the crisis much stronger than their competitors. In December, globally of analysts from Morgan Stanley named Tingyi as one of the "50 for 2012" highest quality companies



營運模式及市場地位可予持有直至二零一二年的上市公司，康師傅榜上有名。本集團同時連續第六年登上台灣十大國際品牌前五名，該項調查是由台灣經濟部主辦，英國InterBrand協辦，評定康師傅品牌價值已達7.93億美元。此外，在新浪網主辦的網路盛典晚會上，康師傅更獲得最具價值品牌。對於多變的二零零八年來說，這些成績顯得更有意義，將為我們的未來發展奠定堅實的基礎和增添戰勝困難的信心。

5. 品質保證

「三聚氰胺」毒奶事件給全體國民生動地上了一堂食品安全課，消費者對食品品質的重視程度也前所未有，並已將食品安全放在了食品消費的第一位。而從二零零九年六月一日起即將實施的《中華人民共和國食品安全法》也再次提醒我們持續提升品質管理才是食品企業確保長期競爭優勢的基礎，這也驗證了我們一貫堅持食品安全為企業生命方針的正確性。

二零零八年，在現有品質保證體系下，集團繼續積極參加食品安全信用等級的評估工作，並持續投入資金購買更為先進的檢測儀器，提高原物料的檢測水準，把食品安全隱患從源頭上加以杜絕。我們有理由相信，康師傅將自始至終以誠信和社會責任為出發點，力爭使更多消費者可以享受到安全、美味和方便的食物。

in their sectors with business models and market positions that they would like to continue to hold to 2012. Master Kong also ranked in the top half of the top 10 international brands in Taiwan for six consecutive years. The survey was organised by Taiwan Economics Department in association with InterBrand from UK and the brand of Master Kong was valued at US\$793 million. In addition, Master Kong was named the Most Valuable Brand in the Internet Celebration Evening Party held by Sina. These recognitions mean a lot in the changing 2008 and will lay a solid foundation for our future development and strengthen our confidence in overcoming difficulties.

5. Quality Assurance

The "melamine" poisonous powdered milk scandal gave a live lesson of food safety to the Chinese people. As a result, consumers place unprecedented emphasis on food quality and regard food safety as their top priority in food consumption. The Food Safety Law of the People's Republic of China, to be effective from 1 June 2009, reminds us again that a continuous improvement in quality management is the foundation for the long-term competitive edge of a food enterprise, which justifies our consistent philosophy of recognising food safety as our lifeline.

In 2008, under its existing quality assurance system, the Group continued actively in the credit rating for food safety and purchase more advanced testing and inspection equipments to improve the testing and inspection of raw materials and eliminate potential food safety hazards at source. We believe in Master Kong constantly acting in good faith and bearing its social responsibilities and striving to enable more consumers to enjoy safe, tasty and convenient food.

6. 社會貢獻

企業社會責任是企業全球化進程中無法迴避的使命，作為一種國際普遍認同的理念，我們在創造利潤、為股東利益負責的同時，也積極承擔對消費者、員工、社區、環境的責任。二零零八年汶川大地震讓整個世界震驚，集團不僅在第一時間向災區捐贈價值1,000萬元人民幣的現金及飲用水、食品等物資，而且在接下來的災區重建過程中，又投資2,000萬元人民幣在都江堰重建兩所受災最嚴重的小學，希望能在最短時間內還給災區小朋友一個堅固實用、先進而美麗的校園。

鑒於中國及全球其他許多地區面臨水資源短缺與污染的雙重挑戰，集團在國內率先承擔起行業的企業公民責任，組織並發起「水創意公益提案競賽」，旨在鼓勵全國高校學生及公益團體為這個社會發展關鍵議題提出創意改善方案，並希望透過這次競賽找出適合中國國情的方案，以解決中國的水資源危機。

此外，我們亦繼續積極參加「希望工程」等一系列救助貧困兒童的活動，並積極參與環保事業的宣傳與推動工作；強烈的社會

6. Social Contribution

Corporate social responsibility is an unavoidable mission in the globalisation process of an enterprise and is the generally accepted international ideal. While making profit and bearing responsibilities for shareholders' interests, we also proactively assumed responsibilities for our consumers, staff, community and the environment. Following the Wenchuan earthquake which shocked the world in 2008, the Group not only donated immediately cash, drinking water and food etc. of RMB10 million to the stricken area, but also contributed RMB20 million to the subsequent rebuilding of two worst damaged primary schools in Dujiangyan so that in the shortest possible time giving back a solid, useful, advanced and beautiful school to the children in the stricken area.

In view of the lack of water resources and the pollution in China and other parts of the globe, the Group took the lead in bearing the responsibilities as a corporate citizen in China. We organised the "Water Innovative Public Welfare Plan Competition" to encourage college students and public welfare organisations to propose innovative improvement plans on social development and hopefully to find plausible practical solutions to help solve China's water resource crisis.

Furthermore, we continued to participate in campaigns such as the "Project Hope" to help underprivileged children and taken active part in publicity and promotion in respect of environmental



責任心也拉近了我們與消費者之間的距離，而成功入選最具愛心外資企業名單則是消費者對我們認可的見證。於二零零八年十二月二十八日，本集團獲得由人民日報社網絡中心頒發的「服務三農·最具社會責任企業」獎。

7. 管理團隊

企業的發展離不開一支優秀的管理團隊，隨著集團事業的不斷發展，對高素質的人才需求也愈加緊迫，人力資源亦將成為阻礙集團發展的主要瓶頸。有鑒於此，今年我們持續開展校園招募活動，為集團補充新鮮血液和增添活力，而留才政策也使我們的管理團隊更加穩定，並激發他們全身心地為集團服務。集團對關鍵崗位和關鍵職能進行了核實的工作，並為未來接班人培養做好了準備。另外，本集團成立發展基金，並繼續選派優秀人員至日本接受培訓，期待

protection. A strong sense of social responsibility brought us closer to consumers. As a reflection of consumers' recognition of us, we were selected as one of the most caring foreign enterprises. On 28 December 2008, the Group was granted the award "Serving agriculture, rural areas and farmers · Best Companies with Social Responsibility" by the internet centre of People's Daily.

7. Management Team

The development of an enterprise relies on an excellent management team. The continuous development of the Group's business, has resulted in increasing demand for talented employees, Human resource could become a major bottleneck for the Group's development. In view of this, we continued to conduct campus recruitment in the year to replenishing the Group with new blood and vitality. Policies of retaining talents also stabilized our management team and encouraged them to serve the Group wholeheartedly. The Group conducted a check on critical positions and critical functions and paved ways for the grooming of successors. In addition, the Group established a development fund and continued to send staff of outstanding performance to Japan for



他們把先進的生產管理經驗引入集團，為集團在日益激烈的市場競爭中繼續保持領先的地位做出貢獻。

最後，本人謹藉此機會，對本公司全體股東、業務夥伴及金融機構一直以來對本集團的鼎力支持，並對管理團隊和全體員工為集團業務發展所付出的努力和貢獻，致以衷心的感謝。

training, with a view to maintaining its leading position in this fiercely competitive market by riding on the experience in advanced production and management brought back by such staff.

Finally, I would like to take this opportunity to express our heartfelt appreciation to our shareholders, business partners and financial institutions who have given their support to our Group, and to the management teams and all other staff for their strenuous works and contributions to the Group's business development.

董事長及行政總裁
魏應州

Wei Ing-chou
Chairman and Chief Executive Officer

中國天津
二零零九年四月二十一日

Tianjin, the PRC
21 April 2009

