

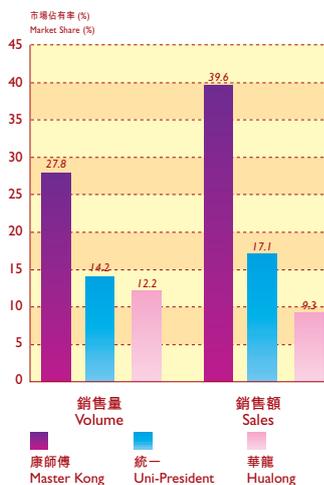
二零零二年度中國國內生產總值(GDP)持續成長，較去年上升8%，社會消費品零售總額亦較去年增長9.6%。加上中國政府相關政策的推行，如擴大內需，持續改善落後地區的生活及就業等措施，均帶動國民消費增加，亦間接造就本集團產品成長的空間。

回顧本集團於二零零二年一至九月的總營業額為869,566千美元，較去年同期上升22.86%，方便麵、飲品及糕餅的營業額分別較去年同期上升8.58%、69.57%及-6.17%；股東應佔溢利為87,819千美元，較去年同期成長83.85%。二零零二年首季度的業績表現亮麗，惟於第四季度受到方便麵主要原材料棕油價格大幅上升20%影響，以及為銜接二零零三年擴充的產能及維持產品於淡季的曝光度，飲品事業進行全國性的通路促銷活動，致第四季度的業績稍遜首三季之表現，第四季度的銷售額較去年同期下跌2.52%至230,839千美元，此外，由於本集團為糕餅事業群提列300萬美元的若干資產減值撥備是於第四季度入帳，導致第四季度股東應佔溢利為3,109千美元，較去年同期下跌75.27%。

With growth of 8% in the PRC's gross domestic products (GDP) in the year 2002, the total amount for retail food market also increased by 9.6% from the previous year. The implementation of certain policies by the PRC government such as to improve living and working condition in the vast rural areas has stimulated the growth for consumer expenditures and production also benefited the growth for the Group's sales.

During the first nine months in 2002, the Group's turnover was US\$869.566 million, rose by 22.86% from the corresponding period last year. Growth rates of turnover for instant noodle, beverage and bakery were 8.58%, 69.57% and -6.17% respectively from previous year. Profit attributable to shareholders reached US\$87.819 million, representing a growth of 83.85% as compared to the corresponding period last year. The Group's first three quarterly results was satisfactory. Owing to a 20% price growth for palm oil which is core material for instant noodle, to meet the expansion in 2003 and to maintain the product exposure during slack season, beverage division have organized a nationwide channel promotion and the US\$3 million provisions for impairment loss on certain property, plant and machinery in bakery division which was accounted in the fourth quarter, the fourth quarterly result performance was affected. Turnover for the fourth quarter dropped by 2.52% to US\$230.839 million and profit attributable to shareholders dropped by 75.27% to US\$3.109 million as compared to the corresponding period last year.

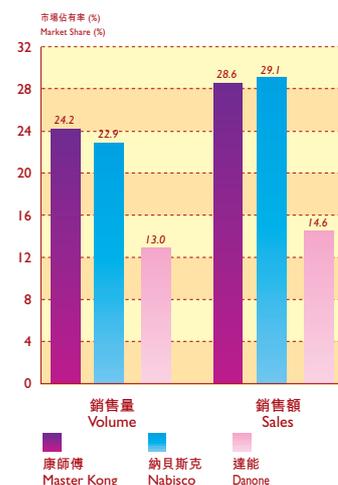
中國方便麵市場佔有率
Instant Noodle Market Share of the PRC



中國包裝茶飲品市場佔有率
RTD Tea Market Share of the PRC



中國夾心餅乾市場佔有率
Sandwich Cracker Market Share of the PRC



資料來源：ACNielsen零售研究報告—二零零二年十二月份／二零零三年一月份
Sources: ACNielsen SCAN TRACK EXPRESS - December 2002/January 2003

本集團二零零二年的總營業額為1,100,405千美元，較去年成長16.50%；年內，在高毛利的膠瓶裝飲品之銷售比重增加帶動下，本集團的整體毛利率相較去年同期成長0.24百分點至33.89%；其他淨收入達29,142千美元，較去年同期成長92.20%；分銷成本較去年增加19.53%至211,657千美元，分銷成本增加主要來自於廣告及宣傳活動的開支及運輸費用，本集團始終認為，廣告及宣傳的花費是對「康師傅」品牌的長期投資，目的在鞏固品牌力，是建立及鞏固本集團產品之市場地位不可缺少的資源；財務費用大致維持穩定，相較去年同期上升11.89%至26,465千美元；收入與扣除利息、稅項、折舊及攤銷前盈利(EBITDA)為190,151千美元，相較去年增加22.33%；總括而言，期內股東應佔溢利為90,928千美元，即每股盈利1.63美仙，較去年成長50.93%。

方便麵業務

十三億人口的中國依然是全球最大的方便麵市場，於二零零二年中國生產了219億包方便麵，較二零零一年成長9.3%，是世界少數成長最快的地區；然而中國每年人均消費方便麵只有16包，相比亞洲其他國家的40包以上，仍有極大的發展潛力。

方便麵業務於二零零二年度的營業額為637,454千美元，相比去年同期成長7.28%，佔本集團總營業額的57.93%。在既有逐步成熟的通路布建以及不斷完善的行銷佈局與價格策略，使得全品項產品在今年都有很好的表現。在高價麵部分，持續去年的「麵霸」年輕化包裝、「珍品」增大克重裝及成功推出「巧玲龍」杯麵、「康師傅小杯麵」及不同口味的「勁拉麵」等新產品，都有良好的銷售；加上本集團的「福滿多」及「好滋味」二品牌，於佔有整體中國方便麵市場65%的平價袋麵市場已累積相當知名度；使得本集團於方便麵市場的領導地位更形鞏固。據ACNielsen二零零

In 2002, the Group's turnover was US\$1,100.405 million, rose by 16.50% from previous year. Thanks for the increase of high margin PET drinks, the Group's gross margin rose by 0.24 pp to 33.89%. Other net income increased by 92.20% to US\$29.142 million. Distribution costs rose by 19.53% to US\$211.657 million which were mainly increased from the advertising and promotion activities and transportation expenses. The investment for advertising and promotion is an essential and long-term investment for the brand of Master Kong to establish and strengthen the Group's market position. Finance cost remained largely stable, rose by 11.89% to US\$26.465 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) was US\$190.151 million, increased by 22.33%. Generally speaking, the profit for the year 2002 attributable to shareholders was US\$90.928 million, representing earnings per share of US1.63 cents, an increase of 50.93% from previous year.

Instant Noodle Business

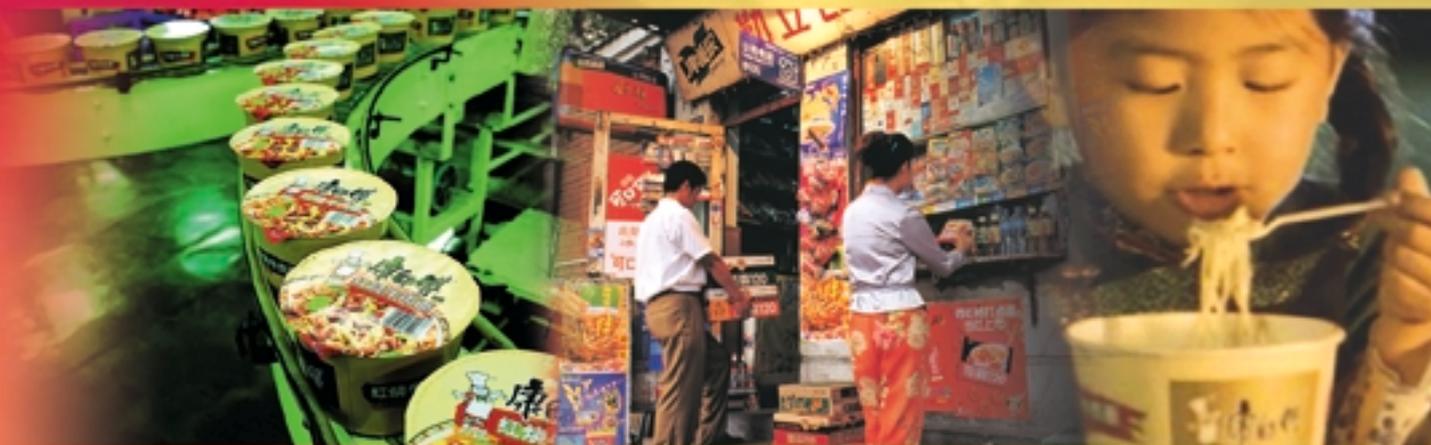
The PRC with 1.3 billion people is the biggest instant noodle market in the world. In 2002, more than 21.9 billion packs of instant noodle were produced in the PRC, represented a 9.3% volume growth when compared to the year 2001. The PRC instant noodle market is a fast growing market in the world. However, on a per capita basis, the PRC consumers only consumed 16 packs per year, one of the lowest level in Asia whose average is 40 packs. The market still has huge potential to develop.

In 2002, instant noodle segment turnover amounted to US\$637.454 million, representing a 7.28% growth from previous year and 57.93% of Group's turnover. All products have good performance during the year through the dense distribution strategy, sound management of sales network, aggressive marketing strategy and the suitable control policy of retail price. For the high-end noodles segment, continuation of the youthfully package for "Mian Ba", the increase in the size of "Luxury Series", the launch of "Master Kong" mine cup noodle, "Exquisite" cup noodle and different flavours for "Jin La Mian" (suitable to cook) have contributed satisfactory sales. For the low-end noodle market, which has 65% market share of the total PRC instant noodle market, the Group's "Fu Man Duo" and "Good Taste" series of packet noodles are highly popular in the industry. Those will further strengthen the Group's leader



方便麵業務

Instant Noodles Business



康師傅
红烧牛肉面

1992年：我們未曾想到「康師傅」的上市將引爆一個世界上最大的方便麵市場.....

2002年：「康師傅」方便麵年銷售量突破60億包，並取得中國方便麵市場27.8%佔有率

In 1992: We have never thought that the launch of Master Kong's instant noodle will lead out a biggest instant noodle market in the world.....

In 2002: The annual sales volume for Master Kong's instant noodle exceeded 6 billion packs and gained 27.8% market share in the PRC instant noodle market

二年十二月／二零零三年一月的報告指出，本集團的方便麵在銷售量與銷售額的市場佔有率分別為27.8%及39.6%，超過其他方便麵生產商之市佔率的距離越見加大。

在鞏固中國競爭優勢並善用WTO開放的有利條件，本集團歷經兩年多的規劃，於二零零二年十二月開始正式投入台灣產銷方便麵，由於策略得當，產品供不應求，目前本集團於台灣的方便麵生產線已增加到三條，預期於二零零三年七月將達到六條生產線投產。對於銷售額的提升與大中華市場的佔有，將有進一步的助益。

期內方便麵事業的毛利率下降1.79百分點[△]，至26.22%，主要由於低毛利的袋裝麵的成長幅度大於高價麵，棕梠油油價於第四季上升達20%，由於棕油為方便麵主要的原材料，預期棕油價格於二零零三年度仍維持高位，這將直接影響整體方便麵行業，惟本集團的垂直組合生產系統及經濟規模效益，相比同業，本集團較能舒緩因原材料價格上升帶來的影響。此外，為配合中國政府的環保政策，容器麵的包材由原來以PSP為主漸次改用成本較高的PP、PE等材料，亦令毛利下調。年內，方便麵業務之股東應佔溢利為68,475千美元，較去年同期上升20.13%。

飲品業務

縱使於過去三年中國茶飲品的銷量已快速成長，但在消費茶飲品及果汁飲品較多的大城市，現時平均每年每人消費茶飲品及果汁飲品分別只有5.5公升及5公升，遠低於對飲品喜好相近的日本的36公升和19公升及台灣的16公升和15公升。加上中國國民收入持續增加，預期中國的茶飲品及果汁飲品市場將繼續保持顯著的成長。

position in the PRC instant noodle market. According to ACNielsen SCAN TRACK EXPRESS, for the period of December 2002/January 2003, the Group gained 27.8% market share by volume and 39.6% market share by sales in the PRC instant noodle market. The extent of market share exceeded the other instant noodle players became larger than before.

To maintain the competitiveness in the PRC market and make use of the advantage of the open policy provided by WTO, the Group formally produced and launched instant noodle in Taiwan market from the beginning of December 2002 after planning for two years by the Group. As a result of the suitable strategy, the demand for Master Kong's instant noodle exceeded supply. At present, the Group has three noodle lines commencing production. The Group plans to have six noodle lines in total commencing production in July 2003. This arrangement will further increase the Group's sales and market share in the Greater China market.

During the fiscal year 2002, the gross margin of instant noodle dropped by 1.79 pp[△] to 26.22%. The decline was mainly due to the change of product mix so that the sales growth from low-end noodle was greater than high-end noodle and the increase in the price for the core material of instant noodle palm oil by 20% in the fourth quarter. The Group expects that the price for palm oil will maintain at a high level during 2003 and directly affect the instant noodle industry. Owing to the Group's vertical integration system and the advantage in the economy of scale, when comparing to other players in the same industry, the Group can face less pressure caused by the price increase of raw materials. In addition, the decrease in gross margin was also caused by the higher package costs due to gradually shift from using PSP to using PP and PE for container noodle to meet the government's environmental regulations. Profit attributable to shareholders rose by 20.13% to US\$68.475 million from a year ago.

Beverage Business

Even though fast growth for RTD tea drinks has happened in the PRC in the past three years, on a per capita basis, the PRC consumers, even though in the big cities, only consumed 5.5 litres in RTD tea drinks and 5 litres in juice drinks per year which were far below from regions with similarity in taste preferences, such as Japan's 36 litres in RTD tea and 19 litres in juice drinks, Taiwan's 16 litres in RTD tea drinks and 15 litres in juice drinks. Together with the continuous income growth in the PRC, the RTD tea drinks and juice drinks market in the PRC will maintain a significant growth.



飲品業務

Beverage Business



1996年進入中國飲品市場，由八寶粥、純淨水到茶飲品、果汁、冷藏飲品，2002年康師傅飲品年銷量已超逾16億個單位

Entered the PRC beverage market in 1996, from Canned Congee, Purified Water to Tea Drinks, Juice Drinks and Refrigerated Drinks, the annual sales volume for Master Kong's beverage exceeded 1.6 billion units in 2002

飲品業務於二零零二年度的營業額為357,611千美元，相較去年同期成長50.68%，佔本集團總銷售額的32.50%，成長主要來自旗艦產品茶飲品的不斷擴張和全新果汁飲品的成功銷售。「康師傅」冰紅茶在整合性「名人+音樂」行銷策略帶動下，更強化了冰酷時尚的領導地位。「康師傅」綠茶自3年前創新品類先河，一直高居全國第一品牌。稀釋果汁品類，採取雙品牌策略，攻略不同年齡層，於各地已陸續嶄露頭角，搶得優勢。「康師傅」果汁逐步塑造青少年品牌形象及構建全國性市場地位；「鮮の每日C」果汁，藉鮮明的品牌個性切入市場，市佔率穩定上升。據ACNielsen於二零零二年十二月／二零零三年一月的零研調查結果顯示，「康師傅」茶飲品的銷售量及銷售額於包裝茶市場的佔有率分別為51.5%和53.7%，為市場的領導品牌。本集團的稀釋果汁之銷售量及銷售額的市場佔有率分別為20.6%及20.1%，佔市場第二位。此外，冷藏系列的「每日C」以及新產品活乳酸飲品「健百分」亦在華東地區有良好的表現，進一步鞏固本集團進入冷藏飲品的基礎。

為面對未來競爭加劇的飲品市場，本集團於第四季度銷售淡季時，配合市場需要，安排二零零三年度新增加的24條生產線，進而調整部分生產設備位置，並對現有PET膠瓶裝飲品線設備進行效率提升改善工程，造成本集團於不同地區的飲品線在第四季暫時停產。然而，透過新增及提升產能作業，將可進一步提高產能的供應，以滿足未來市場的需求。為銜接二零零三年擴充產能及維持產品於淡季的曝光度，本集團在第四季曾進行全國性的通路促銷活動，以增加通路於淡季的進貨意願。

二零零二年度飲品業務的毛利率相較去年上升4.00百分點[△]至45.91%，主要是因為充份使用設備的產能及調整產品結構所致，而股東應佔溢利為45,937千美元，相較去年同期大幅成長211.75%。惟二零零三年初，由於伊拉克戰爭對於石油價格的衝擊，致使PET

In 2002, beverage segment turnover amounted to US\$357.611 million, representing a 50.68% growth from the previous year and 32.50% of the Group's total turnover. The growth was mainly due to the continuous sales expansion of the flagship products of tea drinks and the successful sales of the new juice series. The integration sales strategy of "Bighot + Music" has strengthened the leading position of the Ice Tea in cool and fashion. Since Master Kong developed the new type of tea for three years ago, Green Tea has been the first leading brand in the PRC. As to diluted juice drinks, catering to different ages by using two different brands and, they have achieved preliminary results in some districts and got the predominance. Master Kong is molding its juice drinks to be a brand for the young and promoting them in the whole national market. Taking advantage of the bright brand, "Fresh Daily C" juice drink has an increasing ready market. According to ACNielsen, for the period of December 2002/January 2003, the sale volume and value of Master Kong tea drinks gained a share of 51.5% and 53.7% in the PRC RTD tea market respectively, being the leader brand in the market. The market share of the diluted juice drinks was 20.6% by sales volume and 20.1% by sales value, being the second leading one in the market. In addition, the refrigerated series "Daily C" and the new product live lactobacillus drink "Jian Bai Fen" have also done well in the eastern part of the PRC market, further enhancing the basis for the Group to step into the refrigerated drinks market.

In order to face the increasingly intense competition in the future market, in the slack season of the fourth quarter the Group decided to add 24 new product lines for PET drinks in 2003, relocated some production facilities, and embarked an engineering project to improve efficiency of the existing PET drinks product lines. Because of this, the drinks lines in some districts stopped production in the fourth quarter. However, the Group can meet with the requirements of the future market by adding facilities and improving the production ability. In order to meet the production expansion in 2003 and to maintain the product exposure during slack season, the Group organized channel promotion activities throughout the country to stimulate the willingness of the channel sellers to increase orders during slack season.

During the fiscal year 2002, the Group's gross margin of beverage segment rose by 4.00 pp[△] to 45.91% from previous year, mainly due to better utilisation of the production capacity and change in the product mix. Profit attributable to shareholders was US\$45.937 million, rose by 211.75% from a year ago. The Iraq war caused the price increase for petro and led out the 20% to 40% price increase for PET resin during the



糕餅業務

Bakery Business



由蛋卷、米餅到夾心餅乾、妙芙蛋糕以至與知名食品公司策略聯盟令康師傅提供更多樣化及具差異性的產品

From Egg Rolls, Rice Crackers to Sandwich Crackers and Muffin, then, linked with famous food companies as strategic partners, Master Kong's products become more diverse and different

膠粒價格大幅上升20%至40%，因此，將直接影響整體PET飲品行業的毛利率，幸好本集團於去年第四季度已作好提升產效的安排，加上已有的垂直組合系統，相比同業因原料價格上升帶來的影響將會顯著減輕。

糕餅業務

糕餅業務於二零零二年度的營業額為86,339千美元，相比去年同期下跌7.30%，佔本集團總銷售額的7.85%。銷售下降主要由於夾心餅乾銷售未如理想，惟「妙芙」蛋糕及蛋卷仍有可觀的升幅，然而據ACNielsen的報告指出，本年度「康師傅」的夾心餅乾，其銷售量和銷售額分別取得中國夾心餅市場24.2%及28.6%的佔有率；米餅則受限於價格競爭，國內銷量雖有下降，但在外銷市場的拓展上則有穩定的發展，直接改善機械設備之使用率。

由於中國糕餅市場朝向多元化發展，本集團亦將以多品項少數量的策略經營，暫停糕餅事業相關的資本投資，於現有產品系列增加口味，以善用現有機械設備；同時本集團透過與國際知名食品商之策略聯盟，以善用「康師傅」的品牌與通路，年內成功與台灣馳名巧克力餅乾製造商台灣宏亞食品有限公司聯盟，由宏亞負責生產巧克力夾心威化餅乾，加上「康師傅」品牌，利用本集團的銷售網絡進行銷售，產品已於二零零三年一月中旬上市，初步反應良好。此外，本集團將與西班牙公司Chupa Chups設立合資公司，由Chupa Chups提供產品，採用聯合品牌方式，由本集團負責銷售，產品「珍寶珠」已於二零零三年三月初上市，市場反應良好。透過以上的安排本集團相信將有效改善糕餅事業的經營情況。

年內，糕餅業務之毛利率為32.79%，相較去年同期下跌1.09百分點[△]，毛利率降低主要在於整體設備使用率偏低及米餅零售價下跌所致。年內，股東應佔虧損為5,074千美元。

first quarter 2003 which, as a result, will affect the gross margin for PET drinks industry directly. Thanks for the Group's arrangement for upgrading production ability during last fourth quarter together with the Group's vertical integration production system, the Group can face less pressure caused by the price increase of raw materials as compared to the other players in the same industry.

Bakery Division

In 2002, bakery segment turnover amounted to US\$86.339 million, dropped by 7.30% from the previous year and representing 7.85% of the Group's total turnover. The decline was mainly due to the under performance of sandwich crackers. However, Muffin and Egg Rolls maintained significant growth. According to ACNielsen, for the period of December 2002/January 2003, Master Kong's sandwich crackers gained 24.2% and 28.6% market share by sales volume and sales value in the PRC's sandwich cracker market. Owing to the price war in the PRC rice cracker market, the sales of the Group's rice cracker decreased. However, the export market for rice cracker obtained a stable increase, which directly led to the improvement in the utilization rate for the machinery.

Since the development of the PRC's bakery market towards diversity, the Group adjusted its strategy to "Adding more Categories with Limit Quantity", suspended capital investment in bakery segment and added more favours by using the existing production lines. To make use of Master Kong's brand and sales channel, the Group sought for some international famous food companies as strategic partners. During the year, the Group linked with Taiwan's famous chocolate cracker manufacturer Taiwan Hunya Foods Co., Ltd. by using Master Kong's brand to sell Hunya's chocolate wafer. This wafer has been launched in mid of January 2003 and received good response from the market. The Group will also form a joint venture company with Spain's Chupa Chups. By using joint brand, the Group handles marketing operation and sells Chupa Chups products. The joint brand lotteryballs have been launched in early March 2003 and have good performance. By way of the above arrangements, the Group believes that it can highly improve the performance of the bakery business.

During the fiscal year, the gross margin of bakery segment was 32.79%, fell by 1.09 pp[△] when compared to the same period in 2002 mainly due to the low utilization rate for production line and the decline in rice cracker's retail price. Loss attributable to shareholders was US\$5.074 million.



配套業務－附屬公司之股權變動

如去年之年報所述，本集團致力集中經營方便麵、飲品及糕餅業務，而對非主力業務之配套事業則尋求策略聯盟夥伴主導，轉型為投資管理。年內，本集團減持以製造包裝物料及印刷業務為主的附屬公司頂正（開曼島）控股有限公司（「頂正」）的股權，該公司原來由本集團及台灣積層股份有限公司（「台灣積層」）分別持有51%及49%股權，改組後本集團及台灣積層分持40.8%及39.2%股權；而頂正向本集團提供的服務不變，透過新股東的加入，頂正將可提供更多專業的包材品項及服務，長遠看對頂正的業務發展將有一定的幫助。

財務分析

本集團的財務結構保持穩健，得益於經營利潤大幅成長及對應收帳款和存貨的有效控制，使得本集團的現金流量穩定成長，於二零零二年底持有之手頭現金及銀行存款為99,913千美元，較二零零一年同期減少69,448千美元。主要的資本性開支是用於增加膠瓶裝飲品的生產設備；本集團以營業取得的現金和透過增加長期借貸提供所需資金，本集團於二零零二年六月發行總金額為9,000萬美元的三年期可換股債券。於二零零二年十二月三十一日，本集團借款總額為363,188千美元，相較去年下跌6.55%，減少25,472千美元。其中長短期貸款比例調整為70%：30%，去年同期為46%：54%；本集團主要為現金銷售所形成強大之現金流量，代表本集團無長短期還款壓力。同時，透過本集團主營產品方便麵、飲品及糕餅銷售之季節性差異可互相彌補營運資金之季節性需求，從而使整個集團全年均可保持充足之現金水平。此外，本年度總借貸中人民幣貸款的比例為50.34%，去年同期為57%。

Supporting Business - Equity Changes in Subsidiaries

As described in last annual report, the Group strived to seek for strategic partners to handle the Group's supporting business, concentrate on instant noodle, beverage and bakery business and change the Group's position to investment management. During the year, the Group reduced the shareholdings in Tingzheng (Cayman Islands) Holding Corp. ("Tingzheng") which was subsidiary company of the Group and its core businesses are the printing and the manufacture and sale of packaging materials. Before the changes, the Group and Taiwan Lamination Industries Incorporation ("Taiwan Lamination") held 51% and 49% of Tingzheng shares respectively. After the changes, the Group and Taiwan Lamination holds 40.8% and 39.2% of Tingzheng shares respectively and the service provided from Tingzheng to the Group will be the same. Owing to the participation of the new shareholders, Tingzheng can provide more professional package items and services to the market. This equity changes will benefit Tingzheng's development in the future.

Financing

The Group's healthy finance structure was mainly benefited from the stable cash flow of the Group as a result of the significant growth in the operating profit and well-controlled accounts receivable and inventory. At the end of 2002, the Group's cash and bank deposits of US\$99.913 million, decreased by US\$69.448 million from previous year. The main capital outlays were related to expenditure for PET drinks production facilities. These expenditures were financed by operating cash flows and increase in long-term borrowings. In June 2002, the Group issued a US\$90 million three years convertible bond. At the end of 2002, the Group's total borrowing was US\$363.188 million, decreased by US\$25.472 million and represented a drop of 6.55% from previous year. The Group adjusted the ratio between long-term loans and short-term loans from the previous year's 46%: 54% to 2002's 70%: 30%. As a result of the Group's cash on delivery policy, the Group will not face the repayment problem for long-term and short-term loans. The seasonal difference from the sales between the Group's instant noodle, beverage and bakery business can also maintain the Group's strong cash position. In 2002, the Group's Renminbi debts represented 50.34% of total debt and at the end of 2001 it was 57%.



本集團於二零零二年十二月三十一日之借貸中以固定利率計息之人民幣借款及可換股債券佔75%。年內本集團主要採用購買遠滙合同以減少因進口原材料而產生的滙率波動風險。本集團於一九九七年發行的可換股債券，已於二零零二年七月到期，本集團已運用來自經營業務之現金，銀行存款及現金償還債券本金95,721千美元及贖回溢價31,264千美元，總還款額為126,985千美元。

生產規模

年內飲品事業新增的14條PET膠瓶裝飲品生產線已正式投產，另外2條PET低溫無菌充填線於二零零三年四月投產，本集團本年雖然透過「原廠設備製造方式」及外購空瓶之方式試圖滿足市場之強勁需求，但仍於首八個月深受供不應求之苦，因此，考量中國之經濟發展與市場需求走向，於二零零二年下半年決定於二零零三年增加24條PET膠瓶裝飲品生產線及各項配套設施，並同時進行「去製程瓶頸工程」，以解決供不應求等問題，預期於二零零三年九月前可逐步投產。

此外，為配合飲品及方便麵市場需求的增加，年內本集團於新疆石河子增建之方便麵已於十月投產，雲南昆明增建之方便麵廠及哈爾濱、石河子及昆明三個飲品綜合廠亦將於二零零三年陸續投產；另於二零零二年十二月開始，本集團於台灣產銷方便麵。此外，為配合方便麵市場的發展需要，本集團在二零零三年將共投資3,800萬美元於杭州、廣州、武漢及台灣，增加方便麵生產線及相關設備；透過擴大上述的產能，相信可加強本集團於市場的競爭力，對本集團銷售的成長有一定的裨益。

As of 31 December 2002, Renminbi loan and the convertible bonds with fixed interest rate accounted for 75% of the Group's total borrowing. During the year, the Group mainly used forward exchange contracts to minimize the exchange risks arising from import of raw materials. The remaining principal amount of the Group's 1997 Convertible Bonds was due in July 2002. The Group repaid the remaining principal amount of US\$95.721 million plus a redemption premium of US\$31.264 million from operating cash flows. The total amount repaid was US\$126.985 million.

Production Scale

During the year, 14 new PET production lines have been put in operation and the 2 aseptic filling lines for PET drinks will commence production in April 2003. During the first eight months, the Group produced PET drinks by using OEM and outsourcing PET bottles to solve the pressure of excess demand. In view of the economic development in the PRC and with the aim of meeting the market needs, in the fourth quarter of 2002, the Group therefore decided to add 24 product lines and related facilities for PET drinks in 2003 and carry out works on solving the bottleneck problem at the same time to solve the problem of excess demand over supply of PET drinks. Those lines are expected to commence production gradually before September 2003.

To cope with the growth from beverage and instant noodle market, the Group's noodle factories in Shiheji, Xinjiang have been put in operation in October 2002. Noodle factory in Kuming, Yunnan and three beverage synthetic factories in Harbin, Shiheji and Kuming will commence production in 2003. The Group began to produce and sell instant noodle in Taiwan market in December 2002. The Group will invest US\$38 million to add instant noodle lines and related facilities in Hangzhou, Guangzhou, Wuhan and Taiwan in 2003 to expand the production capacity. The Group believes that those expansion will strengthen the market competitiveness of the Group and benefit the growth of the Group's sales in the future.



銷售網絡

截至二零零二年底，本集團於中國共設有353個營業所及82倉庫，配合44,616個直營零售商的團隊運作，令本集團更快速的將產品分銷及配送，同時可將新產品準確而迅速地滲透至適當的市場。本集團的銷售網絡是鞏固本集團業務的命脈，本集團亦將持續優化「通路精耕」的佈局。

此外，本集團產品透過自有品牌及「原廠設備製造方式」，產品已成功外銷至香港、新加坡、泰國、澳洲、美加及歐洲等地；於二零零二年，外銷業務之營業額約佔本集團總營業額的1.09%。

人力資源

於二零零二年十二月三十一日，本集團共聘用26,542名僱員（二零零一年：24,643名）。本集團向僱員提供具競爭力的薪酬配合，保險及醫療福利以及專業的培訓計劃，透過完善的人力資源管理以期提高僱員對本集團的貢獻。

△ 方便麵、飲品及糕餅群之毛利率變動數字乃根據經修訂後的數字作比較。倘若以未經修訂的數字作比較，方便麵、飲品及糕餅毛利率變動之百分點分別為-1.78、4.83及-1.02。

Sales Network

At the end of 2002. The Group established a team operation with 353 sales offices, 82 warehouses and 44,616 direct retailers in the PRC. With the network, the Group can speed up the distribution and delivery of the Group's products and the products can be launched directly to the appropriate market. The Group will continue to enhance "Better Access, Broader Reach" distribution strategy since the comprehensive sales network is the Group's valuable source.

Through the own brands of the Group and OEM, the Group's products have been successfully exported to Hong Kong, Singapore, Thailand, Australia, USA., Canada and Europe. During 2002, turnover for the export business was 1.09% of Group's total turnover.

Human Resources

As of 31 December 2002, the Group employed 26,542 staffs (2001 : 24,643). The Group provides a competitive salary system, insurance and medical benefit and professional training courses to employees. The perfect management system for human resources will enhance employee's contribution to the Group.

△ The change in gross margin of instant noodles, beverage and bakery divisions were calculated with reference to the revised figures. Before the revision, the change in gross margin for instant noodles, beverages and bakery were -1.78pp, 4.83pp and -1.02pp respectively.

