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Business Review



本集團於2011年總營業額較去年同期上升17.74%至7,866,580千美元。方便面、飲品及方便食品的營業額分別較去年同期上升22.54%、13.22%及24.82%，來自方便面及方便食品銷售的升幅帶動第四季度的營業額較去年同期上升10.96%至1,522,459千美元。年內本集團持續調整產品結構，優化組織效能和擴大經濟規模及善控各項費用，舒緩部分生產成本上漲的負面影響。然而由於主要原材料如麵粉、棕櫚油、糖及PET粒子等價格持續高企，對行業造成極大的成本壓力，使得業界毛利率普遍大幅降低。2011年本集團整體毛利率較去年降低1.89個百分點至26.54%，毛利額則同比上升9.93%。

年內，為鞏固康師傅在中國市場的強勢品牌領導地位及強化銷售通路的同時，亦善控廣告宣傳費用及運輸費用，於燃油及廣宣媒體等價格上升的情況下，分銷成本佔總營業額的比例與2010年的16.78%微幅上升0.04個百分點至16.82%，同時，由於自2010年12月新增的城市維護建設稅及教育附加費、人工成本的提高，令行政費用於集團營業額的佔比同比上升50.23%；年內本集團財務持續穩健的操作策略，維持充裕現金流量。2011年扣除利息、稅項、折舊及攤銷前盈利(EBITDA)為955,025千美元，本公司股東應佔溢利為419,545千美元，與去年同期相比，本年度EBITDA及本公司股東應佔溢利分別同比下降5.57%及12.01%。每股盈利為7.51美仙，較去年下降1.02美仙。

In 2011, the Group's turnover was US\$7,866.580 million, an increase of 17.74% compared to that of 2010. The growth rates for turnover of instant noodles, beverages and instant foods were 22.54%, 13.22% and 24.82% respectively. In the fourth quarter, the Group's turnover was US\$1,522.459 million, 10.96% higher than the same period last year. The increase was mainly from sales growth in instant noodles and instant food. During the year, the Group was able to alleviate the negative impact arising from the rise in production costs by continuously adjusting its product structure, optimizing organizational efficiency, enlarging economies of scale, and effectively controlling various expenses. However, the continuous price increase of raw materials such as flour, palm oil, sugar and PET resin, placed heavy cost pressures on the industry and thus, causing gross profit of the industry to decline generally. In 2011, the Group's overall gross margin decreased by 1.89 ppt. to 26.54% and gross profit increased by 9.93% year-on-year.

In 2011, the Group effectively controlled its marketing and logistics expenses by means of strategic advertisement that enhanced its brand as the leader of the PRC market. During the period, prices for fuel oil and media promotion expenses have increased. The Group's distribution costs as a percentage of total sales was at 16.82%, increased slightly by 0.04 ppt, when compared to 2010's 16.78%. The administrative costs of the Group increased by 50.23% when compared to the previous year mainly caused by the imposition of urban construction tax and education tax since December 2010, as well as the increase in labour cost. During the year, the Group maintained a stable and healthy finance structure with strong cash flows. In 2011, earnings before interest, tax, depreciation and amortization (EBITDA) was US\$955.025 million and the profit attributable to owners of the Company was US\$419.545 million, which led the decrease by 5.57% and 12.01% respectively when compared to the previous year. Earnings per share was US 7.51 cents, a drop of US 1.02 cents.



方便麵事業

2011年第四季國內GDP增速8.9%，相對前三季度9%以上略微下修，10~12月CPI增速在4.1%至5.5%之間，漲勢減緩。

2011年方便面事業的銷售額為3,592,270千美元，較去年同期上升22.54%，佔本集團總營業額的45.66%；期內本集團高毛利的容器面及高價袋面的銷售額分別達到24.33%及24.55%的成長，毛利率同比下降1.59個百分點至27.24%，本公司股東應佔溢利較去年同期下降0.30%至303,633千美元。

在業績上不斷取得突破的同時，康師傅產品亦持續穩居市場領先地位。根據AC Nielsen 2011年12月最新零研數據顯示，康師傅方便面銷售量與銷售額的市場佔有率分別為40.9%及55.7%，其中容器面及高價袋面銷售額的市場佔有率分別為67.3%及70.3%。

期內，方便面事業以提升終端需求為主軸，通過增加陳列、提升策略重點產品促銷與試吃推廣場次等，持續精進產品、鞏固方便面事業成長，全面貫徹「擴人均、增活力、創新高」的方針。

Instant Noodle Business

In the fourth quarter of 2011, the domestic GDP growth rate was at 8.9%, a slight decrease when compared with the rate in the first three quarters of 2011(over 9%). From October to December 2011, the CPI growth rates ranged between 4.1% and 5.5%.

In 2011, turnover for instant noodle business amounted to US\$3,592.270 million, an increase of 22.54% from the previous year, and represented 45.66% of the Group's total turnover. Turnover for bowl noodles and high-end packet noodles increased by 24.33% and 24.55% respectively. Gross margin dropped by 1.59ppt. to 27.24%. Profit attributable to owners of the Company from the instant noodle business decreased slightly by 0.30% from last year to US\$303.633 million.

Whilst achieving breakthrough performances, the products of Master Kong also continued to dominate the market. According to AC Nielsen's latest report in December 2011, Master Kong's sales volume and value of instant noodles reached 40.9% and 55.7% respectively of their market share. Market shares for the Group's bowl noodle and high-end packet noodle, in terms of sales value, were 67.3% and 70.3% respectively.

During the year, the instant noodle business focused on the increasing demand, by enhancing the displays, improving the promotion of strategic key products, and increasing the tasting promotion campaigns, to strengthen the growth of instant noodles business, so as to fully implement the approach of "expanding per capita sales", increasing vitality and reaching peak high".



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進入產業旺季之際，康師傅繼續穩固紅燒牛肉、香辣牛肉等天王產品市場地位的同時，重點主打陳壇酸菜牛肉和陳壇酸菜仔雞2個酸口味，並以酸辣牛肉開發酸辣型口味消費者。而隨著鹵香系列雙口味品牌化全新上市，康師傅亦開始搶灘鹵肉面市場。

為應對競品的挑戰、增強品牌活力，康師傅不斷強化地方特色口味經營。於西北區域推展麻辣牛肉口味品牌化，而在華東區域則推出豐富包雪筍肉絲口味，目前銷售走勢均逐月升高。

珍品、勁爽拉麵、好滋味、超級福滿多四隻中價面品牌，通過全力滿足城市中下階層市場需求的理念，有效阻擊競品並承接高價面銷量。乾脆面新品「香爆脆」亦豐富了康師傅的品類佈局，分食市場份額。

生產管理方面，為配合整體擴人均的策略，康師傅加速進行綜合箱和量販裝生產標準化、自動化，以及「香爆脆」的設備改造。未來以不斷提升毛利為目標，推動精兵簡政及精進固定費用，強化生產能力與競爭力，減少效率損失，降低成本。

Whilst entering into the business peak season, Master Kong has continued to maintain its market leading position of its products such as “Noodles with Braised Beef” and “Noodles with Spicy Beef”. At the same time, Master Kong introduced two sour flavors, namely “Pickled Mustard Beef” and “Pickled Mustard Chicken”, and attracted customers who preferred sour and spicy “Noodles with Sour and Spicy Beef”. Along with the introduction of the brand of Lu Xiang double flavors series, Master Kong has also gained a foothold in the market for braised pork noodles.

In response to the challenge of competing products, and enhanced the brand vitality, Master Kong continued to strengthen the businesses with local tastes. In Northwest China, the brand of noodles with mala beef was promoted, while noodles with bamboo shoots and sliced pork was introduced in the Eastern China which has seen sales increasing month by month.

Four medium-priced brands, namely “Treasures”, “Jin Shuang La Mian”, “Hao Zi Wei” and “Super Fumanduo” have fully satisfied the market demand of middle and lower classes, and thus effectively competed with similar products and achieved satisfactory sales as high-end brands. A new brand of fried crispy noodles, “Xiang Bao Cui” also enriched the brands of Master Kong and its market shares.

As for production management, in order to align with the overall strategy of “expanding per capita” sales, Master Kong accelerated production standardization and automation of integrated box and sales volume packing, as well as equipment reform of “Xiang Bao Cui”. Going forward, Master Kong will continue to target on improving gross margin, promoting streamlining, improving fixed costs, strengthening the production capacity and competitiveness, and improving the efficiency and lowering the production costs.

產銷協作上，配合行銷周均衡出貨，強化產銷協調的準確度，建立不同配送半徑的標準配送模式，有效運用生產資源、發揮最佳效益。針對冬季及春節春運期間不確定的氣候條件、及旺季物流配合狀況等，提前完成產能規劃、前進倉、運力人力、春節前後出貨安排等預應措施。物料上持續大力開發酸菜包，滿足企劃及市場月均上億包需求。

康師傅始終堅持「產品有味、品牌有聲、服務有質」的策略，並通過自動化生產過程不斷提升產品品質、優化產品組合、強化管理機能，以更加有效地掌握先機、面對環境挑戰，穩定成本與品質的同時，讓消費者對品質安心、貼心，繼續鞏固康師傅在方便面市場的核心領導地位。新年度康師傅將持續發展新口味、新規格產品，不斷激活消費者消費力，並通過推進世界方便面峰會的圓滿舉辦，帶動行業健康發展。

In respect of production and sales coordination, orderly replenishment of goods coped with the marketing and promotion week; strengthen the accuracy of production and sales coordination; establishing the standardized distribution model with different distribution radiuses; effectively utilizing the production resources and generating the highest efficiency. Against the unstable weather conditions during winter and the Chinese New Year, and the logistics co-ordination during the peak season, Master Kong advanced the planning of production capacity, transportation capacity and manpower, replenishment of goods before and after the Chinese New Year, etc. As for materials, Master Kong continued to develop pickled pack, in order to satisfy the planned and market average monthly demand of around a billion packs.

Master Kong had been adhering to the strategy of “tasty products, well-known branding and quality services”, and through its production process automation aimed at the improvement of production quality, optimization of product mix and enhancement of management function, and effectively took good opportunities, responded to the challenges in its surrounding environment, and stabilized its costs and quality, in the meantime, allowed consumers to enjoy our high quality products with peace-of-mind, and continued to ensure the leading position of Master Kong in the instant noodles market. In 2012, Master Kong will continue to develop new flavors, new product specifications, and stimulate consumer consumption by assisting in the successful organization of the World Instant Noodles Summit.



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飲品事業

2011年對於中國食品飲料行業而言是極具挑戰的一年，在複雜的經濟環境，異常的天氣以及激烈的市場競爭下，原材料與勞動力成本不斷上漲，擠壓著企業利潤空間。而面對增速放緩、物價上揚壓力同時並存的經濟環境、以及多起食品安全問題的出現，消費者的心理底線亦受到極大的考驗，企業也面臨著重重的挑戰。

2011年本集團仍以即飲茶、包裝水和果汁為主要競品。在紛繁多變的經營環境下，集團雖透過精準資源投入、完善生產安全體系、重點商圈的經營，以及多口味、多規格、多包裝並重推廣旗下產品，然而，飲料市場變化快速，2011年下半年在天氣異常、塑化劑等安全問題以及高CPI的衝擊之下，飲料消費不振，直接影響了主要飲料廠家的銷售。康師傅2011年度的飲品事業營業額同比成長13.22%，達3,998,702千美元，佔集團總營業額約為50.83%。年內由於飲料主要原材料PET粒子及糖價維持於高位，使得毛利率同比下降2.81個百分點至25.67%，毛利額同比上升2.02%。本公司股東應佔溢利亦受此影響，同比下降39.98%至77,172千美元。

Beverage Business

2011 was a challenging year for the PRC food and beverage industry. Under the complex economic environment, abnormal weather conditions, and fierce market competition, both raw material and labor costs increased. In the face of economic environment coexisted with the slowdown of growth, the pressure of increasing price index, and the many food safety issues consumer confidence were seriously tested, and therefore, beverage production enterprises also faced numerous challenges.

Ready-to-drink (RTD) tea, bottled water and fruit juice remained as the major products of the Group in 2011. Under the complicated and dynamic business environment, despite the Group's investment in resources, improvement of the production safety system, operated in the major commercial areas, as well as promoted its products with multi flavors, multi-specifications and multipackaging, however, sales of major beverage manufacturers were affected by the rapid change of beverage market, abnormal weather in the second-half of 2011, safety issues such as plasticizer incident, as well as high CPI. In 2011, turnover for beverage business increased by 13.22% to US\$3,998.702 million as compared to last year, representing 50.83% of the Group's total turnover. During the year, the prices for key raw material such as PET resin and sugar maintained at high level, gross margin of beverage business decreased by 2.81ppt. to 25.67% and gross profit increased by 2.02%. Profit attributable to owners of the Company from the beverage business was US\$77.172 million, dropped of 39.98% from last year.

雖然淨利潤受外部環境影響出現下滑，但康師傅憑藉不斷完善的營銷網絡以及精準的市場定位，使得主要品項仍穩居市場領導地位。據AC Nielsen 2011年12月最新零研數據顯示，康師傅即飲茶銷售量市場佔有率為50.0%，穩列市場首位。使用世界先進生產線推出環保瓶、保證產品質量的康師傅包裝水，以22.0%的銷售量市場份額續居市場第一位。果汁在每日C與「康師傅」雙品牌策略下，加上傳世新飲酸梅湯、酸棗汁、冰糖雪梨不斷獲得市場好評，以20.2%的銷售量市佔率居稀釋果汁市場第二位。

即飲茶，2011年康師傅繼續以「茶專家」的定位，引領中國即飲茶市場的發展。其中冰紅茶個性鮮明的瓶型融入了更多的時尚與活力元素，更有效的刺激消費動機，綠茶、茉莉系列、烏龍茗茶、鐵觀音茶等亦通過強化深度經營以及和消費者的有效溝通，繼續引導品類發展，以上茶飲料同時於各品項的市佔率上，皆居市場第一位。

Although net profit had decreased due to the external environment, the major beverage items of Master Kong still dominated the market leading position, by virtue of the continuous improvement of its sales network as well as accurate market positioning. According to the latest study by AC Nielsen in December 2011, in terms of sales volume, Master Kong's RTD tea products had a market share of 50.0%, which again is the leader in the market. Launching the green bottle produced by the world's advanced production lines, the quantity and quality of the Master Kong's bottled water was ensured, and continued to ranked No. 1 in the market, with 22.0% market share. In respect of fruit juice, the duo brands – "Fresh Daily C" and "Master Kong" with their diversified product offerings have built a broad market for Master Kong. The "New Taste for Traditional Drink" series, Sour Plum Juice, Wild Jujube Juice and Pear Juice were well-received by consumers. Master Kong's juice commanded a market share of 20.2%, ranking it No. 2 in the diluted fruit juice market.

For RTD tea, in 2011, Master Kong continued to be the "tea expert" to lead the development of China's RTD tea market. Among the RTD teas, the consumption atmosphere of iced red tea was effectively stimulated as its sophisticated bottle designed with fashionable and dynamic elements. Green tea, jasmine tea series, oolong tea and Tie Guan Yin continued to lead the beverage development by strengthened depth of business and effective communication with customers, in terms of market share. The above teas all ranked No. 1 in their segments respectively.



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包裝水，規模化的生產經營、完備的銷售通路、快速的市場反應、靈活的價格體系、健康安全實惠的產品，再結合品牌力度，一直是康師傅包裝水致勝的法寶。產品貼近消費者，綿密鋪貨至全國各地，幾乎隨處可見，舉手可得，高效的滲透率，讓康師傅包裝水持續處於市場第一位。

果汁，隨著消費者的消費能力不斷增強與消費價值取向的改變，天然、營養、健康、時尚是果汁消費的必然方向。2011年度推出金桔檸檬和芒果汁等多口味、多包裝、多規格的產品，不僅對產味口味進行延伸，更換更加時尚的包裝，且進行多規格銷售，並配合在線及線下活動、試飲買贈、試飲特價等促銷活動，以滿足消費者對不同容量產品的需求，讓更多的消費者領略到天然健康的康師傅飲品。康師傅飲料的副品牌傳世新飲，以健康理念為基礎，通過新時代的製作工藝，讓許多具有特色的傳統飲食文化得以延續，並重新煥發出蓬勃生機，讓消費者能夠品嚐到更多傳統味道。年內推出新品冰糖雪梨，市場反應良好。

For bottled water, scale of production and operation, complete sales channels, rapid response to the market, flexible pricing system, healthy, safety and affordable products, combined with the branding strategy, all have been the key to success of Master Kong's bottled water products. With the products meeting consumers' needs, and an extensive sales network ensuring that they could be bought easily almost everywhere, Master Kong's bottle water maintained its No. 1 ranking in the market.

For fruit juice, in the wake of continually improving consumption power of customers and changing of consumption value-orientation, natural, nutrient, healthy and fashionable must be the future direction of fruit juice. In 2011, Master Kong introduced Sour Plum Juice and Mango Juice, which are products with multi-flavors, multi-packing and multi-specifications. We have broadened the product flavors and also replaced the packing with more fashionable packing and in addition, Master Kong promoted and marketed through various channels; and aligned with online and tradition sales activities such as complimentary offerings on purchases for or discount for tasting, in order to satisfy the consumer needs of products with different volumes, as well as allow more consumers to experience the natural and healthy Master Kong beverages. "World favourite new drinks", the sub-brand of Master Kong, with the idea of concept of health, through the modern production technology, to continue the tradition drink and food culture with various characteristics, and vigorously reborn, thus the consumers can taste more traditional flavors. The new product launched in the year, namely "Crystal Sugar Pear Juice" was well received by the market.

於乳酸清涼飲料，2011年推出的新品項，乳酸清涼飲料「優健美」含Oligoses優活雙歧因子，促進腸道內的有益菌健康成長，讓活力與美好為生活增添更多光彩。「優健美」同時推出了清爽味，檸檬味和紅棗味三支口味，讓消費者有更多的選擇。

康師傅一直秉持引領行業健康有序發展的原則，並在節能低碳方面善盡企業責任，率先將瓶裝水塑料瓶重量從18克降至12克。康師傅環保輕量瓶減少了塑料粒子的使用量，降低因使用塑料造成的碳排放量；更重要的是，減少了生產瓶子所需要的電量和物流運輸環節的碳排放，此外，最新的免沖瓶技術，避免了二次沖瓶生產過程中不必要的水資源浪費，生產用水量也大大降低。同時，作為一家食品企業，為消費者提供安全美味的產品是康師傅一直以來的不懈追求。根據「從農田到餐桌」的全程質量控制理念，康師傅從源頭控制食品安全衛生，以構建質量安全管理的良性循環為目標。基於在可持續發展、節能環保、食品質量等方面的努力，康師傅2011年獲得由國內主流門戶網站搜狐網和國際知名諮詢公司科爾尼聯合主辦的第二屆「中國綠金獎」的肯定。

Lactic acid drink was a new segment introduced in 2011. "U-Joymore", a lactic acid drink, containing Oligoses premier and Bifidobacterium factor, activates the growth of healthy bacteria in the gut, and thus lightens up the body with energy and happiness. In addition, Master Kong promoted three flavors for "U-Joymore", including fresh flavor, lemon flavor and jujube flavor, to provide more choices for consumers.

Master Kong has been upholding the principle of leading the industry development in a healthy and orderly manner and fulfilled the social responsibility of energy-saving and emission reduction by taking the lead in decreasing the weight of plastic bottle of bottled water from 18 grams to 12 grams. The environmentally-friendly light weight bottle from Master Kong reduces the usage of plastic particles and hence reduces the carbon emission arising from plastic usage, while it is more important as it reduces the electricity usage in the production of bottles and the carbon emission in its logistics and transportation. In addition, the advanced rinse-free technology avoids unnecessary waste of water resources in the second bottle rinsing production process, as a result, water consumption of production is also decreased to a large extent. At the same time, as a food enterprise, Master Kong has relentlessly pursued the provision to customers safety and tasty products. According to the entire quality and quantity control concept of "from farm to table", Master Kong monitors the food safety and hygiene started from the source, targeting to build a virtuous cycle of quantity and quality and safety management. In view of the efforts such as sustainability, energy-save environmental protection and quantity and quality of food, in 2011, Master Kong was awarded as the 2th "China Greengold", which jointed organized by Sohu, the major PRC portal website, and A.T. Kearney, a global well-known consulting firm.



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方便食品事業

面對2011年GDP的穩定成長及消費能力的增加，方便食品事業通過對品牌及銷售做專業分工，以投資擴大大方便食品事業之產品種類並強化銷售網絡布建，同時不斷加強網絡佈局，使得銷售量高速成長，並通過推動生產設備的持續改善提升毛利彌補了原物料、人工成本上漲造成的負面影響。2011年全年銷售額達到 201,432千美元，較去年成長 24.82%，佔本集團總營業額約2.56%。同期方便食品事業的毛利率較去年下降 0.66個百分點，降至36.20%，毛利額同比增加22.58%至72,919千美元；公司股東應佔溢利達到6,457千美元，同比增加 228.43%。

根據AC Nielsen 2011年12月的調查結果，康師傅蛋酥卷類的市場銷售額的佔有率為26.4%，居市場第一位；夾心餅乾的市場銷售額之佔有率為22.0%，居市場第二位。

2012年方便食品事業將持續發展核心品類夾心餅乾、蛋糕及蛋酥卷的成長，提升設備、產制、營運綜合效率，採取精準式行銷策略，合理管控行銷費用，並通過繼續進行品牌投資於地面推廣活動，提升品牌形象並加強產品滲透。同時，有效利用各種策略合作模式，擴大經營品類及核心技術投資。

Instant food business

With stable growth of GDP and increasing consumption power, professional divisions of labor was implemented by the instant food business in product branding and sales with the aim of expanding the product categories of instant foods business and strengthening its sales network. At the same time, sales increased rapidly as the network strengthened. Furthermore, the negative effects as a result of increasing of raw materials and labor costs was eliminated by improving gross margin as Master Kong continued to progress the improvement of production equipments. Turnover of the instant food business in 2011 amounted to US\$201.432 million, representing an increase of 24.82% compared to last year, and 2.56% of the Group's total turnover. Gross margin for instant food business decreased by 0.66 ppt. to 36.20% and gross profit increased 22.58% to US\$72.919 million. Profit attributable to owners of the Company was US\$6.457 million, sharply increased 228.43%.

According to AC Nielsen's survey in December 2011, in terms of sales value, Master Kong ranked No. 2 in the sandwich cracker market with market share of 22%. Master Kong's egg rolls gained a market share of 26.4% and ranked No. 1 in the market.

In 2012, the instant food business will continue to develop with growth of core products such as sandwich crackers, muffins and egg rolls, enhance the bakery equipment, operational consolidation efficiency, and actively control marketing expenses by adopting accurate sales strategy. Moreover, Master Kong will continue to invest in its brand by promoting activities, its brand image and strengthening the product penetration. In the meantime, different modes of strategic cooperation will be effectively manipulated in order to enrich the number of product types and enlarge the investment in core production technologies.

財務分析

本集團在2011年通過對應收、應付帳款、現金與存貨的有效控制，繼續保持穩健的財務結構。於2011年12月31日，本集團的庫存現金及銀行存款為600,052千美元，較2010年同期相比，減少了293,288千美元，仍保持著充足的現金持有量。本集團截止2011年12月31日的總資產及總負債分別為5,808,774千美元及3,122,508千美元，分別較2010年同期增加917,362千美元及600,283千美元；負債比例為53.76%，較2010年同期上升了2.2個百分點。

截止2011年12月31日，本集團銀行貸款規模為1,250,077千美元，相較於2010年同期，增加了615,942千美元，貸款的主要用途為生產設備的資本性開支與營運資金的需求。本集團進一步調整貸款結構，令外幣與人民幣貸款的佔比由去年同期的98%:2%變為94%:6%。

長短期的比例為44%:56%，去年同期為28%:72%。由於本集團的交易大部分以人民幣為主，而期內人民幣對美元的匯率升值了4.70%，對本集團造成2011年度匯兌收益共147,557千美元，分別包括收益表內的15,811千美元及外幣換算儲備內的131,746千美元。

財務比率

淨溢利率(本公司股東應佔溢利)
製成品周轉期
應收賬款周轉期
淨負債與資本比率(淨借貸相對於本公司股東權益比率)
負債比率(總負債相對於總資產)

Net Profit margin (Profit attributable to owners of the Company)
Finished goods turnover
Trade receivables turnover
Gearing ratio (Net debt to equity attributable to owners of the Company)
Debt ratio (Total liabilities to total assets)

FINANCING

The Group continued to maintain a stable and healthy finance structure through the effective control of trade receivables, trade payables, cash and inventories. In the volatile financial market, the Group believe it to be appropriate to maintain sufficient cash balances. At 31 December 2011, the Group's cash and bank deposits totalled US\$600.052 million, a decrease of US\$293.288 million from the previous year. The Group's total assets and total liabilities amounted to approximately US\$5,808.774 million and US\$3,122.508 million respectively, representing increases of US\$917.362 million and US\$600.283 million respectively when compared to 31 December 2010. The debt ratio increased by 2.2 ppt. to 53.76% as compared with the same period in 2010.

At the end of 2011, the Group's total borrowings increased by US\$615.942 million to US\$1,250.077 million. The borrowings were mainly used for production facilities and working capital. The Group's proportion of the total borrowings denominated in foreign currencies and Renminbi was 94% and 6% respectively, as compared with 98% and 2% respectively last year.

The proportion between long-term loans and short-term loans was 44%: 56%, as compared with 28%: 72% for 2010. The Group's transactions were mainly denominated in Renminbi. During the year the appreciation in Renminbi against the US Dollar of 4.70% brought an exchange gain of US\$147.557 million, US\$15.811 million and US\$131.746 million of exchange gain have been included in the income statement and reserve from exchange translation respectively.

Financial Ratio

		截至12月31日止	
		For the year ended	
		31 December	
		2011	2010
淨溢利率(本公司股東應佔溢利)	Net Profit margin (Profit attributable to owners of the Company)	5.33%	7.14%
製成品周轉期	Finished goods turnover	8.87日 / Days	8.62日 / Days
應收賬款周轉期	Trade receivables turnover	6.56日 / Days	6.65日 / Days
淨負債與資本比率(淨借貸相對於本公司股東權益比率)	Gearing ratio (Net debt to equity attributable to owners of the Company)	0.31倍 / Times	-0.14倍 / Times
負債比率(總負債相對於總資產)	Debt ratio (Total liabilities to total assets)	53.76%	51.56%



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質量管理

作為一家食品企業，為消費者提供安全美味的產品是康師傅一直以來的不懈追求。期內，本集團繼續強調「食品安全是設計出來的」這一理念，從最上游的產品設計到終端銷售，在食品質量安全管控上投入鉅資，以優化集團品質監控體系、加強食品生產安全預警。

康師傅通過持續強化對原料供應、生產設備的管控，和對供應商進行評鑒、溯源管理，以保證食品安全監督從源頭開始；同時，各生產工廠借助推行5S、TPM等制度以及ISO9001:2000、ISO22000:2005質量管理體系，國家食品市場准入(QS認證)符合率達100%，在生產環節中保證了產品的安全與高衛生標準；並且，通過對經銷商的品質輔導、規範通路產品品質調查、打擊假冒品與產品追溯演練，使得食品安全在產品末端得以實現。

為貫徹全程安全質量監控理念，本集團中央研究所下設食品安全部和基礎研究部，支持集團的食品安全保障工作和產品技術基礎研究工作。食品安全部對外參與行業及國家食品相關法規標準的制定，收集食品安全管控最新研究進展及食品安全預警信息；對內協調促進相關法規標準的落實貫徹，評估新技術在集團內的應用性及評估食品安全風險。食品安全部下設之檢驗分析組於2011年2月取得中國合格評定國家認可委員會頒發的CNAS證書，針對100多項食品安全相關檢測項目出具的報告具備較高權威性，對於集團產品使用之原料以及最終販賣產品，進行食品安全把關，確保合乎國家食品安全規範。所出具的檢測報告不僅在國內各實驗室間相互承認，還在世界上46個國家的61個機構得到認可。

QUALITY ASSURANCE

As a food enterprise, Master Kong has been dedicated to provide safety and tasty products to consumers. During the period, the Group continued to emphasize the basic principles of "food safety is designated". From the product design, the most upstream, to the end-sales, Master Kong invested substantially in order to optimize the group quality control system and strengthen food production safety alerts.

Master Kong guaranteed the food safety supervision started from the source, through continuously strengthened control over the supply of raw materials and production equipment, conducted appraisals on suppliers and implemented source management. Meanwhile, 5S and TPM systems and ISO9001:2000, ISO22000:2005 Certificate of Quality Management System, were implemented in all production plants to ensure product safety and high standards of health in all stages of production, and the PRC QS Certificate (QS certificate) reached 100% proficiency. In addition, through the provision of quality guidance, specifying research of network and products quality, taking actions against counterfeit goods and rehearsing product tracing through exercise with distributors, product safety will be realized for end user products.

In order to implement the philosophy of total safety quantity and quality control, the Group's Research and Development Centre has departments for food safety and fundamental research to support the food safety assurance and product technology fundamental research work of the Group. Externally, the food safety division has participated in the formulation of the relevant legal and regulatory criteria on food safety both at the industry and national levels, participated in the collection of information of the latest research progress on food safety controls and food safety alerts. Internally, it has coordinated the consistent implementation of the relevant legal and regulatory criteria, conducted assessment on the application and food safety risks of new technology on the Group. The testing and analysis division of the food safety department has obtained the CNAS certificate issued by the China National Accreditation Service for Conformity Assessment in February 2011. Over 100 food safety related test reports were highly recognized, and to ensure that the raw materials used for the products and the end-products are in line with the norms of PRC food safety. The issued reports are not only among domestic laboratories but also recognized by 61 institutions in 46 countries around the world.

生產規模

為實現生產的高速化、自動化和省人化，康師傅不斷擴大生產規模、優化生產設備以提升效益，從生產效能上支持集團在國內食品行業的翹楚地位，截止至2011年12月，康師傅共有88家生產工廠以及510條生產線投入生產。

方便面事業自2009年起在天津建設的世界上最大的方便面工廠，前三期廠房設備已投入生產，第四期也在建設中，預計於2012年3月投產，同時於期內，為提升倉庫容量、優化產銷，天津廠、杭州廠、江北廠等陸續設計、導入立體倉庫；飲品事業方面，揚州廠二期工程生產線全部完成投產，長春廠、深圳吳川廠也於期內正式投產，而在伊川、綏化等地則相繼開展新廠規劃選址，繼續擴大生產基地；方便食品事業則持續進行生產設備優化，並規劃新增生產線以滿足產銷需求。

PRODUCTION SCALE

In order to realize fast, automatic and labour saving production, Master Kong has been expanding production scale and optimizing production equipment continuously in order to improving efficiency and support the leadership position of the Group in the domestic food industry in terms of production efficiency. As of December 2011, the Group had 88 production plants and 510 production lines in operation.

In respect of the instant noodles business, we established the biggest instant noodle factory in Tianjin since 2009, the first three phases have commenced with production, and the fourth phase is under construction, which expected to be completed in March 2012. At the same time, in order to increase the capacity of the warehouse and optimize the production and sales, the Tianjin factory, Hangzhou factory and Jiangbei factory were designed successively and imported into the three-dimensional warehouse successively during the period; in respect of the beverage business, Yangzhou Plant Phase II production lines were completed and put into production, Changchun factory and Shenzhen Wuchuan plant were also put into production during the period, while in Ikawa and Suihua, new factories planning and location selection have been carried out successively, in order to continue to expand the production base; in respect of the instant food business, the production equipment was continued to optimize, and planning for new production lines to meet the production and sales needs.





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人力資源

於2011年12月31日，本集團員工人數為64,309人（2010年64,436人）。

康師傅本著前瞻、科學、績效的管理理念，在人力資源管理方面注重人力資本的長期累積與培養，不斷完善選、育、用、留各項人才發展政策，為本集團的持續發展儲備優秀人才。

我們不斷完善儲備人力的招募與培育機制，在基層、中階、高階各階層關鍵崗位建立儲備幹部培育制度，規劃關鍵崗位幹部職涯發展路徑，為集團中長期的發展儲備中堅力量；完善教育訓練體系，以務實的態度設計課程，使理論與集團工作實踐相結合；引進人才評量工具，使關鍵崗位人才培養計劃科學有效；精進績效管理評估制度，經營績效與管理績效並重，提升管理效能。

我們相信，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 RESOURCES

As at 31 December, 2011, the Group employed 64,309 (2010: 64,436) employees.

The Group in forward-looking performance management, science, philosophy, focusing on long-term accumulation of human capital in human resources management and training. Constantly improve the talent development strategies in the selection, training, deployment and retention of talents in order to create a reserve of talents for the sustainable development of the Group.

Meanwhile, we have been improving our recruitment and training mechanism for reserve talents and coordinating all functions to be well-prepared for the selection and training of reserve talents who will become the central force for driving the future development. Perfect education training system, to pragmatic of attitude design courses, makes theory and group work practice phase combination. Introduced talent comments on volume tools, makes key posts talent training plans science effective; diligent performance management assessment system, business performance and management performance both, upgrade management effectiveness.

By placing sufficient emphasis on training, developing and retaining talent who are taken to be the corner stone of corporate development will be one of the core competitiveness for the rapid growth of the Group.