

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.

