



1. 緒言

二零零六年的中國經濟仍保持高速增長，呈現出增長速度較快、經濟效益較好、價格漲幅較低、群眾受惠較多的良好發展態勢。經濟社會發展的協調性增強，且國內消費市場活躍，增速加快，隨著居民收入水準的不斷提高和國家各項消費政策的出台，城鄉居民消費結構快速升級。

本集團在此良好的經濟環境契機下，積極創新產品，拓展市場，使康師傅方便麵及茶飲料繼續居於領導地位，且營業額屢創新高，呈現驕人戰績，糕餅及冷藏飲料在新產品的驅動下，也取得滿意的表現。

雖然主要原材料如麵粉、棕櫚油、糖、PET粒子等價格仍然處於高水平，給企業造成相當大的成本壓力，壓縮了利潤空間，面對壓力，在保證消費者的安全，滿足消費者的需求下，本集團採取優化管理體系、精進生產管理及有效控制成本的策略下，業績表現創下本集團歷年來的新高。二零零六年度本集團之總營業額續創新高至2,331,733千美元，較去年同期上升26.34%；股東應佔溢利同比上升20.56%至148,925千美元，每股盈利為2.66美仙。

1. Introduction

In the year 2006 China's economy sustained its uninterrupted rapid growths over the past few years, echoing a burgeoning momentum that featured a faster growth rate, a more efficient economy, less inflationary pressure and therefore more appealing to the public. The synergy within the economic development was enhanced. The nation's consumption was robust and set to accelerate. And consumption of residents in the suburban area began to flourish, thanks to their escalating income levels and the nation's various consumption incentive policies.

Capitalizing on this opportunity of a thriving economy, the Group actively launched new products in the market, explored new markets, solidifying the leading positions of the Master Kong instant noodles and RTD teas. Hence, our sales achieved new highs and our business results accomplished outstanding performance. Bakery and refrigerated drinks also performed satisfactorily with new streams of products making their debuts.

Principal raw materials such as flour, palm oil, sugar and PET plastic resin all stayed at high prices, putting a lot of pressure on production costs and hence room for profit. To counter it without sacrificing consumer safety and consumer satisfaction, the Group took measures to improve its management system, develop its production management and effectively control its costs. As a result, the Group achieved yet another summit in its business results. Turnover for the year recorded a new high of US\$2,331.733 million representing an increase of 26.34% comparing with a year before. Profit attributable to the equity holders of the Company increased by 20.56% to US\$148.925 million, equivalent to an earnings per share of US 2.66 cents.



2. 股息

本集團二零零六年整體表現卓越，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，董事局將於二零零七年六月十一日舉行之股東大會上，建議派付末期股息每股1.38美仙予於二零零七年六月八日名列本公司股東名冊上之本公司股東，（即於二零零七年六月一日或以前買進本公司股票及於二零零七年六月五日下午四時之前辦理股票過戶登記手續之股東），末期派息總額為77,124千美元；連同已於二零零七年二月十四日派發每股1.07美仙的特別股息，二零零六年度每股將共獲派股息2.45美仙，總派息額將為136,923千美元。去年之末期股息及特別股息分別為每股1.25美仙及1.07美仙，總派息額為129,658千美元。

3. 產業佈局

穩健的管理、合理的產品結構、豐富的市場操作經驗，是我們成功的基石。

中國市場機會大，競爭也隨著市場機會的增大越來越激烈，消費結構的不斷調整，中國城鄉差別越來越小，農村市場是不容忽視的一塊陣地。

為了進一步拉近與消費者的距離，同時有效控制營運成本，我們一方面配合鄉鎮地區的深耕以及農村



2. Dividend

Owing to the Group's 2006 excellent results and after taking into consideration the overall operation, capital expenditures, working capital requirements and cash flow of the Group, I recommend to the Board to provide a return to our shareholders for their support by increasing the final dividend payout this year. The Board will recommend at the Annual General Meeting to be held on 11 June 2007 the payment of a final dividend of US 1.38 cents per share totaling US\$77.124 million to shareholders whose names appear on the register of members on 8 June 2007 (shareholders who bought the Company's shares on or before 1 June 2007 and should ensure that transfers are lodged with the Company's Registrar in Hong Kong for registration no later than 4:00 p.m. on 5 June 2007). Together with the US 1.07 cents special dividend per share which was paid on 14 February 2007, total dividend per share for the year 2006 will be US 2.45 cents, total amount of dividend will be US\$136.923 million. Final dividend and special dividend in last year was US 1.25 cents and US 1.07 cents respectively. The total amount of dividend in last year was US\$129.658 million.

3. Industry Layout

Prudence in management, optimizing product mix and richness in market experience is the cornerstone of our success.

Where there is opportunity there is competition. China makes no exception. It has a very big market appetite to be satiated; yet competitions are getting keener and keener. Consumer structures continue to change and merge – cities and villages are getting closer. The market in rural areas is an uncharted land that should worth our exploration.

In order to make our products more price-affordable to residents in towns and villages, effective control on operating costs is the key. We are making intensive penetration into towns and villages, as well as



消費者漸漸增加對本集團產品的需求，積極進行平價麵工廠的佈建；同時配合消費者對飲用水質量的日漸提升，我們率先於大城市外圍廣泛而快速地進行礦物質水廠的佈建；此外，本集團於吉林長白山興建天然礦泉水廠，為提供更優質之瓶裝水鋪路，藉此強化本集團市場的銷售，以最佳的競爭力積極搶佔市場份額。

4. 產品／品牌地位

在通路穩固的基礎下，持續進行品牌投資，擴大區域範圍及推廣區域美食，在全面提升產品價值感的策略下，創造康師傅為高價值的方便麵品牌。據ACNielsen二零零六年十二月的報告指出，以銷售額為基準，本集團於中國方便麵市場的佔有率已上升至43.3%，康師傅已經成為中國方便麵的代名詞。

本集團持續推廣茶系列產品，以口味延伸及差異化策略，建構茶專家形象，強勢提升業績，擴大銷售及市場佔有率，進一步鞏固康師傅茶飲品的龍頭地位。據ACNielsen二零零六年十二月的最新零研數字顯示，以銷售額為基準，康師傅即飲茶於中國即飲茶市場之佔有率已上

planning and constructing plants for low end instant noodles to cope with the increasing demand of our products from rural consumers. Simultaneously, we go an extra mile further to build mineralized water plants in suburban areas of metropolitan cities as consumers' craving for quality drinking water has gained momentum. Furthermore, the Group is building a natural mineral water factory in Jilin Changbaishan to prepare better quality water supply to the market, thus helping strengthen our sales in this market segment by wielding our competitive advantage to capture market shares.

4. Product/Brand Positions

With our steadfast distribution channels, we continued to increase our brand investment, expand our areas of coverage and extend the promotion of localized delicacies. By upgrading our products' value image, we forged Master Kong as a premier instant noodle brand. To this end, Master Kong has firmly secured its position as the leading instant noodle brand in terms of market share. According to the December 2006 report published by ACNielsen, the Group shared about 43.3% of the instant noodle market in terms of sales value. Thus, Master Kong has become an icon for Chinese instant noodles.

The Group continued to promote its series of tea products, employing a strategy that increases the variety of aroma and provides differentiation. A tea master image is therefore in the making. A strong thrust of sales and market shares and thus the business results will solidify Master Kong series of tea products into a market leader of its kind in China. ACNielsen's December 2006 research report suggested that Master Kong dominated 53.6% share



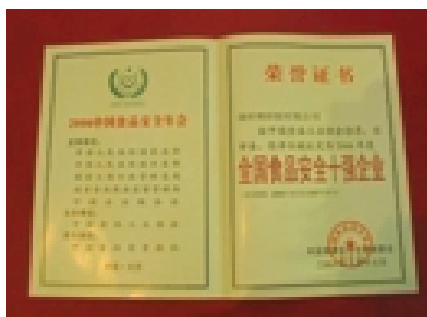


升至53.6%，穩居首位。於二零零五年初才開始擴大生產的礦物質飲用水，在二零零六年表現優異，取得11.0%的市場佔有率，成為市場的第二品牌。夾心餅乾之市場佔有率為22.2%，居市場第二位。

此外，於二零零六年，「康師傅」品牌連續四年取得由英國INTERBRAND負責調查的「台灣十大國際品牌」大獎，康師傅品牌價值也由二零零五年的3.17億美元增加至二零零六年的4.12億美元，比二零零五年成長30%，居十大品牌價值成長率之冠，奠定了我們未來更好發展的堅實基礎。

5. 優質保證認證

本集團一直視食品安全是企業的生命，並確保生產出優質的產品。轄下所有工廠均取得ISO9001認證、食品安全管理體系QS認證及「C」標誌計量免檢認證。為了對消費者負責，也為了彰顯企業的社會責任感，本集團簽署了「中國麵製品產業知名企業誠信宣言」。我們嚴格貫徹國家制定的各項標準，生產出令消費者放心的健康食品。



二零零六年，本集團積極參加了食品安全信用等級的評價工作，經評審天津頂益國際食品有限公司被評為A級，即食品安全信用優秀企業。

of China's RTD tea market, ranking it the first. Its mineralized drinking water launched in early 2005 also performed extraordinary well in 2006, sharing 11.0% of the market, and Sandwich crackers shared 22.2% of the market. Both ranked second in their respective leagues of contenders.

Consecutively for the past four years, Master Kong has won a position in "The Taiwan Top 10 Global Brands" as a result of the study carried out by INTERBRAND of Britain in 2006. The value of the brand "Master Kong" increased from US\$317 million in 2005 to US\$412 million in 2006, a surge of 30% - the highest among the top 10 brands in terms of value growth. Now, we are poised to continue to flourish with such a robust and solid foundation.

5. Quality assurance certification

The Group has all along considered food safety is the essence to a food manufacturing enterprise and, hence, we ensure that all our productions are of good quality. Plants within the Group have been awarded with ISO 9001 certification, Food Safety Management System QS certification and the "C" mark certification on measurement examination requirements. In order to demonstrate and exemplify our devotion to social responsibilities, the Group signed a declaration, namely "The Faith and Truth Declaration of the Famous Enterprises in Noodle Products Industry in China". We have strictly ensured our compliance with various standards required by the nation and produced healthy food products that consumers trust.

During 2006, the Group actively participated in the ranking assessment for the credibility of food safety. Tianjin Tingyi International Food Products Ltd. was assessed to have an "A" grade, i.e. an enterprise with excellent credibility in food safety.



在二零零六年的第四屆食品安全年會上，康師傅控股有限公司榮獲「二零零六年度全國食品安全十強企業」的稱號，這也是本公司連續第二年榮獲該榮譽。我們深信，食品安全關乎國計民生，更關乎一個企業的生存，這是我們對消費者的誠信體現，是構建和諧社會不可或缺的組成部分。

6. 社會貢獻

我們於提供安全、營養、健康的優質產品的同時，亦不忘回饋社會，樹立企業良好的形象。我們持續支持中國體育事業，二零零六年我們連續第五年冠名「康師傅」足球隊，贊助天津泰達足球俱樂部。天津康師傅足球隊在二零零六年中國足球協會超級聯賽中取得了第六名的好成績。此外，我們亦積極參加由全球消除貧困聯盟和聯合國千年運動聯合組辦的「站立起來」消除貧困活動，以便幫助貧困地區的孩子學習成長。



7. 管理團隊

由於二零零六年新廠陸續投產，本集團員工總人數增至32,631人。

面對中國市場的快速發展與日益嚴峻的競爭環境，為了更專業專精和使人才快速養成，本集團持續對人員進行培訓，

In 2006 Fourth Food Safety Annual Meeting, Tingyi (Cayman Islands) Holding Corp. was awarded the "2006 Nation-wide Top 10 Enterprises on Food Safety". And this was the second consecutive year that the Company had been honored with the title. This is the fruition that comes with our strong belief that food safety concerns the lives of our people and therefore the survival of an enterprise like us; this is the attainment that results from our moral integrity towards consumers; this is an indispensable ingredient for building a society of harmony.

6. Social contribution

We supply safe, nourishing and healthy products of good quality without forgetting to reciprocate the society and to set an example of good enterprise. We have been supporting China's athletic establishments and were named in 2006 the "Master Kong" soccer team, consecutively for 5 years and we also sponsored Tianjin's TEDA Football Club. Tianjin Master Kong soccer team won the 6th place in the China Premier League held by China's Football Association. We also actively participate in the activity against poverty "Stand Up" held by the "Global Call to Action Against Poverty" and the United Nations' "Millennium Campaign" to subsidize children in poverty-stricken areas to learn about growing up.

7. Management team

In 2006 we saw new plants streaming into production one after the other and the number of our staff swelled to 32,631.

Facing the very rapid development of the Chinese market and the severe competitive environment, and in order to be more professional and more devoted; in order to pursue excellence,



董事長報告 Chairman's Statement



並與其個人的職涯規劃相結合，以全面提升管理層及員工能力。年內，本集團更選派優秀人員保送至日本接受培訓，以期為企業在競爭日益激烈的市場繼續長遠地生存發展下去作出貢獻。



一份耕耘，一份收穫，二零零六年度取得亮麗之佳績，董事會謹向辛勤為本集團作出貢獻的管理層及員工致敬！於二零零七年本集團將「超越巔峰，成就夢想」，持續為消費者服務，並創造更高股東價值！

quickly building up a pool of talents is an important task. As a result, the Group has never stopped training and nurturing our staff. This includes training up management and staff on their capacities that match with their anticipated career developments. During the year, the Group sent its staff who demonstrated excellent performance to Japan for professional training with a belief they will, after their returns, contribute to building an enterprise that lasts and an enterprise that continue to thrive in the fierce competition in the future that one can now envisage.

The Chinese saying goes: one reaps no more than what one has sown. For the extraordinary business performance we achieved in 2006, the Board would like to extend their appreciation to the strenuous work the management and the staff made in the year. Looking ahead for 2007 the Group will endeavor to “create another summit and make our dreams come true” and to continue to serve consumers, with the ultimate objective of creating higher shareholders value.

董事長及行政總裁
魏應州

Wei Ing-Chou
Chairman and Chief Executive Officer

中國天津
二零零七年四月二十三日

Tianjin, the PRC
23 April 2007