

Continue consolidation of operating results,
Strengthen strategic business alliances and
Accelerate innovative development of **Master Kong**

持續鞏固經營成果

強化事業夥伴綜效

加速 **康師傅** 創新發展



董事長 Chairman
魏應州 Wei Ing-Chou

董事長報告

Chairman's Statement

2013年中國經濟增速持續放緩，經濟環境充滿挑戰！在此趨緩的經濟態勢下，競爭依然激烈，加上消費者行為的改變，對於價格與價值的要求提高；因應市場的轉變，我們於過去一年加強於品牌的投資與產品的創新，憑藉龐大綿密的銷售網絡，優越的品牌以及對市場的深入了解，建立強大而堅實的經營平台，藉此提升營運效益，並不斷推出新產品，為消費者提供更多優質實惠的選擇。

2013年我們取得多方面的成果，集團營業額突破100億美元至109.41億美元，方便麵業務及飲料業務之銷售成長均優於市場的成長，銷售額分別同比上升9.38%及27.09%；期內我們亦成功令百事飲料的營運達到損益兩平的目標，集團整體股東應佔溢利達4.09億美元。同比下跌10.92%，如扣除2012年收購議價的特殊收益後，同比上升12.34%。每股盈利為7.30美仙。

董事會建議向股東派發末期股息每股3.65美仙，以感謝股東們對本集團的支持，末期派息總額約為2.04億美元。

據AC Nielsen最新報告指出，本集團核心產品的市場佔有率持續上升並穩守領導地位，於2013年1-12月以銷售量為基準，本集團的方便麵，即飲茶，包裝水及整體果汁的市場佔有率分別為44.1%、51.8%、23.6%及25.9%，齊居市場第一位；據Canadean 2013年12月數據顯示，百事飲料的可樂口味及果味美年達碳酸飲料於2013年分別以49.4%及30.3%的市佔率，居同類產品的第一位。

In 2013, the Chinese economy continued to see a slowdown in growth and the economic environment was full of challenges! Under such slowing economic situation, competition remained intense. Coupled with a change in the behavior of consumers, the demand was getting higher for both price and value. In response to the change in the market, we enhanced our investment in brands and product innovation over the past year. With an extensive and dense sales network, premium brands and a deep understanding of the market, we established a strong and solid operating platform to improve our operating efficiency and continuously launched new products to offer more quality and affordable choices for consumers.

In 2013, we made achievements in various aspects with the Group's turnover exceeding US\$10 billion to US\$10.941 billion. The sales growth of both instant noodle business and beverage business was higher than market growth, grew by 9.38% and 27.09% respectively. During the period, we also managed to achieve the target of breakeven for the operations of Pepsi beverages. In 2013, profit attributable to owners of the Company was US\$409 million, decreased 10.92% when compared to last year, earnings per share was US7.30 cents. When excluding the special gain on bargain purchase in 2012, profit attributable to owners of the Company increased 12.34%.

The board will recommend the payment of a final dividend of US\$3.65 cents per share. Total amount of final dividend for the year 2013 will be US\$204 million.

According to the latest report published by AC Nielsen, year-to-date December 2013, the Group's market share, in terms of sales volume for instant noodles, RTD tea, bottled water and overall juice ranked first in the PRC market, which accounted for 44.1%, 51.8%, 23.6% and 25.9% respectively. According to Canadean December 2013 data, in 2013 Pepsi's cola favor and Mirinda juice favor carbonated drinks also ranked No.1 in the favor sector, accounting for 49.4% and 30.3% of the market share respectively.



2013年康師傅連續六年獲得福布斯亞洲50強稱號，康師傅品牌亦榮獲英國Interbrand評審的「台灣國際品牌價值調查」第二名，品牌價值高達14.98億美元，這已是康師傅連續11年於此調查獲得前五名。2014年3月「最佳品牌」揭曉中國最具影響力品牌，康師傅獲德國品牌協會頒發「最佳產品品牌」及「最佳食品與飲料品牌」兩項獎項，該活動旨在推廣成功且具創新性的品牌管理。這些榮譽的獲得，除對康師傅品牌力及競爭力的肯定外，更激勵我們不斷努力致力於為消費者提供更豐富美味及安心的產品。

我們秉承「取之於民，用之於民，回饋社會，永續經營」之道，以不同的方式去幫助社會上有需要的人，如助學，抗洪，扶貧，環保，支持體育活動等，讓企業及社會同步健康發展。2013年我們持續投放資源以履行企業社會責任。我們積極響應「從農田到餐桌」全程質量控制的理念，恪守消費者食品安全原則；我們於精進生產效能的同時，亦不斷貫徹節能減排的工作；我們繼續啟動「世界名校獎學金計劃」，以支持兩岸優秀學生繼續深造；舉辦「康師傅創新挑戰賽」，讓更多具備創新特質的青年可取到大學進修的機會。

2013, Master Kong, for the sixth consecutive years was named one of the 50 best listed companies in Asia by Forbes, and for the eleventh consecutive years one of the top five of "Taiwan's top ten international brands" by InterBrand UK and ranked No.2 in the year. The brand value of Master Kong has reached US\$1,498 million. In March 2014, "best brands" uncovered the most powerful and successful brands in China, Master Kong received the "Best Product Brand Award" and the "Best Food & Beverage Brand Award" from The German Brands Association. The ranking is aiming to promote successful and innovative brand management. By obtaining these honors, the brand power and competitiveness of Master Kong were recognized, what's more, we are encouraged to constantly endeavor, trying to provide consumers with more varieties of delicious and safe products.

Master Kong adheres to the philosophy of "from the people, to the people, giving back to the society, sustainable operation". We use different ways to help the people in need, such as sponsoring education, fighting floods, relieving earthquakes, relieving poverty, environmental protection and supporting sports activities. In 2013, we continued to allocate resources to take our corporate social responsibility to enable the concurrent healthy development of the enterprise and the society. We actively supported the concept of total quality control "from farm to table" and strictly abided by the consumer food safety principles. While improving production efficiency, we also continuously implemented energy saving and emission reduction. We continued to initiate the world elite universities scholarship program to support outstanding students across the Strait to further their studies and held "Master Kong Creative Challenges" to allow more young people with an innovative quality have the opportunity to go to university to further their studies.



我們相信中國的長遠潛力，對前景維持樂觀。於中國政府推動內需補經濟增長及持續城鎮化的政策下，消費市場可望進一步擴大，將為本集團業務帶來持續的增長動力。2014年我們將持續鞏固集團的經營成果，強化事業夥伴的綜效，並加速本集團的創新發展。2014年2月康百聯盟與上海迪士尼度假區簽署戰略聯盟協議，正標誌著本集團透過策略聯盟積極擴大業務發展的開端。2014年飲品事業聚焦於創造，專業，綜效和共榮。食品事業著重創新及強化產品力；藉此以達致本集團於銷售與獲利持續成長的目標。

我們在2013年所取得的成績及目標的達成，有賴全體員工竭誠投入和努力不懈，還有消費者、合作夥伴和股東的長期支持。我謹藉此機會，代表董事會向全體員工致以衷心謝意，感激他們時刻傾盡全力，忠誠為康師傅服務。

魏應州
董事長及行政總裁

中國天津
2014年3月24日

We believe in China's long-term potential and take an optimistic view on its prospects. Under the policy of the Chinese government to support economic growth by driving domestic demand and proceed with urbanization, the consumer market is expected to expand further, which will create sustained growth momentum for the operations of the Group. In 2014, we will continue to consolidate our operating results, strengthen synergies through business alliances and accelerate the innovative development of the Group. In February 2014, Master Kong & PepsiCo alliance and the Shanghai Disney Resort signed a strategic alliance agreement, which marked the beginning of the active expansion of business development by the Group through a strategic alliance. In 2014, the beverage business focuses on creativity, professionalism, synergy and mutual benefits. The food business emphasizes innovation and enhancing market competitiveness through which the Group will achieve continued growth in sales and profitability.

The results and goals achieved by us in 2013 were attributed to the dedication and hard work of all staff as well as the long-term support from consumers, business partners and shareholders. I would like to take this opportunity to express our heartfelt appreciation to all staff on behalf of the Board for efforts made by them to always do their best and for their loyalty to Master Kong.

Wei Ing-Chou
Chairman and Chief Executive Officer

Tianjin, the PRC
24 March 2014