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康師傅控股有限公司*
TINGYI (CAYMAN ISLANDS) HOLDING CORP.
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 0322)

**INTERIM RESULTS FOR THE SIX MONTHS ENDED
30TH JUNE 2017**

SUMMARY

RMB'000	For the three months ended 30 June			For the six months ended 30 June		
	2017	2016 (Restated)	Change	2017	2016 (Restated)	Change
• Revenue	14,370,083	13,727,975	↑ 4.68%	28,567,722	27,415,339	↑ 4.2%
• Gross margin	30.15%	31.85%	↓ 1.7 ppt.	29.10%	31.63%	↓ 2.53 ppt.
• Gross profit of the Group	4,332,709	4,373,020	↓ 0.92%	8,313,493	8,672,353	↓ 4.14%
• EBITDA	1,610,783	1,351,242	↑ 19.21%	3,343,401	3,182,959	↑ 5.04%
• Profit for the period	405,283	118,137	↑ 243.06%	880,150	592,082	↑ 48.65%
• Profit attributable to owners of the Company	266,700	77,042	↑ 246.17%	700,204	452,952	↑ 54.59%
• Earnings per share (RMB cents)						
Basic	4.76	1.38	↑ 3.38 cents	12.49	8.08	↑ 4.41 cents
Diluted	4.76	1.38	↑ 3.38 cents	12.49	8.08	↑ 4.41 cents

As at 30 June 2017, cash and cash equivalents was RMB10,393.040 million, representing an increase of RMB161.228 million when compared to 31 December 2016. Gearing ratio was 0.15 times.

2017 INTERIM RESULTS

The Board (the "Board") of Directors (the "Directors") of Tingyi (Cayman Islands) Holding Corp. (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017 together with the comparative figures for the corresponding period in 2016. These unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Company (the "Audit Committee").

CONDENSED CONSOLIDATED INCOME STATEMENT

For the Three Months and Six Months Ended 30 June 2017

		April to June 2017	January to June 2017	April to June 2016 <i>(Unaudited and restated)</i>	January to June 2016 <i>(Unaudited and restated)</i>
	<i>Note</i>	<i>(Unaudited)</i> <i>RMB'000</i>	<i>(Unaudited)</i> <i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2	14,370,083	28,567,722	13,727,975	27,415,339
Cost of sales		(10,037,374)	(20,254,229)	(9,354,955)	(18,742,986)
Gross Profit		4,332,709	8,313,493	4,373,020	8,672,353
Other revenue		62,719	117,301	47,149	89,995
Other net income (expenses)		159,913	294,162	41,297	128,175
Distribution costs		(3,045,951)	(5,658,149)	(3,322,062)	(6,097,197)
Administrative expenses		(547,003)	(1,061,405)	(501,866)	(1,041,536)
Other operating expenses		(251,076)	(484,714)	(222,027)	(516,370)
Finance costs	5	(139,446)	(270,370)	(129,936)	(237,602)
Share of results of associates and joint ventures		45,867	94,702	36,202	73,635
Profit before taxation	5	617,732	1,345,020	321,777	1,071,453
Taxation	6	(212,449)	(464,870)	(203,640)	(479,371)
Profit for the period		<u>405,283</u>	<u>880,150</u>	<u>118,137</u>	<u>592,082</u>
Profit attributable to:					
Owners of the Company		266,700	700,204	77,042	452,952
Non-controlling interests		138,583	179,946	41,095	139,130
Profit for the period		<u>405,283</u>	<u>880,150</u>	<u>118,137</u>	<u>592,082</u>
Earnings per share	7				
Basic		<u>RMB 4.76 cents</u>	<u>RMB 12.49 cents</u>	<u>RMB 1.38 cents</u>	<u>RMB 8.08 cents</u>
Diluted		<u>RMB 4.76 cents</u>	<u>RMB 12.49 cents</u>	<u>RMB 1.38 cents</u>	<u>RMB 8.08 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Three Months and Six Months Ended 30 June 2017

	April to June 2017	January to June 2017	April to June 2016 <i>(Unaudited and restated)</i>	January to June 2016 <i>(Unaudited and restated)</i>
	<i>(Unaudited)</i> RMB'000	<i>(Unaudited)</i> RMB'000	<i>(Unaudited and restated)</i> RMB'000	<i>(Unaudited and restated)</i> RMB'000
Profit for the period	405,283	880,150	118,137	592,082
Other comprehensive income (loss)				
Items that are or may be reclassified subsequently to profit or loss:				
Exchange differences on consolidation	59,369	112,710	(242,736)	(255,751)
Fair value changes in available-for-sale financial assets	6,538	5,608	9,865	(2,443)
Reclassification adjustments relating to available-for-sale financial assets disposed of during the period	(28,733)	(36,078)	(23,416)	(27,474)
Other comprehensive income (loss) for the period	37,174	82,240	(256,287)	(285,668)
Total comprehensive income (loss) for the period	442,457	962,390	(138,150)	306,414
Total comprehensive income (loss) attributable to:				
Owners of the Company	300,460	784,382	(166,126)	200,170
Non-controlling interests	141,997	178,008	27,976	106,244
	442,457	962,390	(138,150)	306,414

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

		At 30 June 2017	At 31 December 2016
		(Unaudited)	(Audited and restated)
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS			
Non-current assets			
Investment properties		1,081,000	1,060,000
Property, plant and equipment		31,119,897	32,556,784
Prepaid lease payments		3,892,782	3,932,435
Intangible asset		172,102	179,179
Interest in associates		193,308	160,538
Interest in joint ventures		753,945	676,408
Available-for-sale financial assets		569,743	641,619
Other non-current assets		317,964	—
Deferred tax assets		320,630	276,291
		<hr/>	<hr/>
		38,421,371	39,483,254
		<hr/>	<hr/>
Current assets			
Inventories		2,895,630	2,482,202
Trade receivables	9	1,794,219	1,589,893
Tax recoverable		—	120,861
Prepayments and other receivables		2,337,350	2,613,009
Pledged bank deposits		122,488	42,352
Bank balances and cash		10,270,552	10,189,460
		<hr/>	<hr/>
		17,420,239	17,037,777
		<hr/>	<hr/>
Total assets		55,841,610	56,521,031
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2017

		At 30 June 2017	At 31 December 2016
		(Unaudited)	(Audited and restated)
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	10	234,778	234,767
Share premium		526,762	523,278
Reserves		13,618,142	17,365,495
		<hr/>	<hr/>
Total capital and reserves attributable to owners of the Company		14,379,682	18,123,540
Non-controlling interests		6,065,795	5,977,039
		<hr/>	<hr/>
Total equity		20,445,477	24,100,579
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Non-current liabilities			
Financial liabilities at fair value through profit or loss		63,249	152,650
Obligations arising from put options written to a non-controlling shareholder		3,989,293	—
Long-term interest-bearing borrowings	11	5,717,442	6,880,190
Employee benefit obligations		183,557	205,573
Deferred tax liabilities		1,161,191	1,473,995
		<hr/>	<hr/>
		11,114,732	8,712,408
		<hr/>	<hr/>
Current liabilities			
Trade payables	12	8,412,260	6,595,355
Other payables and deposits received		7,992,918	6,697,875
Current portion of interest-bearing borrowings	11	6,888,512	9,163,746
Advance payments from customers		799,268	1,015,548
Taxation		188,443	235,520
		<hr/>	<hr/>
		24,281,401	23,708,044
		<hr/>	<hr/>
Total liabilities		35,396,133	32,420,452
		<hr/>	<hr/>
Total equity and liabilities		55,841,610	56,521,031
		<hr/> <hr/>	<hr/> <hr/>
Net current assets (liabilities)		(6,861,162)	(6,670,267)
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The Directors are responsible for the preparation of the Group's unaudited condensed consolidated interim financial statements. These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These condensed consolidated interim financial statements should be read in conjunction with the 2016 annual financial statements. The accounting policies adopted in preparing these condensed consolidated interim financial statements for the six months ended 30 June 2017 are consistent with those in the preparation of the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of the new/revised standard of Hong Kong Financial Reporting Standards ("HKFRS") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 January 2017 and change of presentation currency as described below.

(a) Adoption of new/revised HKFRSs

Amendments to HKAS 7	Disclosure initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual improvements project to HKFRSs	2014-2016 Cycle

The adoption of these amendments to HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior periods.

(b) Change of presentation currency

The condensed consolidated interim financial statements for the six months ended 30 June 2017 are presented in Renminbi ("RMB"), which is different from the presentation currency of United States dollars ("US\$") used in the Company's condensed consolidated interim financial statements for the six months ended 30 June 2016 and the consolidated financial statements for the year ended 31 December 2016. Since most of the Group's transaction are denominated and settled in RMB, the directors of the Company considered that the change in presentation currency could reduce the impact of any fluctuations in the exchange rate of the US\$ against the RMB, which is not due to the operations and beyond the control of the Group, on the consolidated financial statements of the Group. It enables the Shareholders of the Company to have a more accurate picture of the Group's financial performance. Accordingly, the directors of the Company have determined the change of presentation currency from US\$ to RMB effective from 1 January 2017. The comparative figures have been restated accordingly to achieve comparability with the current period.

As aforementioned, the condensed consolidated interim financial statements are presented in RMB, which is different from the Company's functional currency of US\$. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. Revenue

The Group's revenue comprises revenue arising from the sale of goods at invoiced value to customers, net of returns, discounts and value added tax, and rental income from investment properties.

3. Segment information

Segment results

	For the Six Months ended 30 June 2017					
	Instant noodles (Unaudited) RMB'000	Beverages (Unaudited) RMB'000	Instant food (Unaudited) RMB'000	Others (Unaudited) RMB'000	Inter-segment elimination (Unaudited) RMB'000	Total (Unaudited) RMB'000
Revenue						
Revenue from external customers	10,271,451	17,535,882	397,851	362,538	—	28,567,722
Inter-segment revenue	327	723	157	566,177	(567,384)	—
Segment revenue	<u>10,271,778</u>	<u>17,536,605</u>	<u>398,008</u>	<u>928,715</u>	<u>(567,384)</u>	<u>28,567,722</u>
Segment results after finance cost						
Share of results of associates and joint ventures	—	98,383	(3,681)	—	—	94,702
Unallocated income, net	—	—	—	29,630	—	29,630
Profit (loss) before taxation	<u>735,741</u>	<u>582,156</u>	<u>(14,675)</u>	<u>35,991</u>	<u>5,807</u>	<u>1,345,020</u>
Taxation	(203,461)	(243,791)	—	(17,618)	—	(464,870)
Profit (loss) for the period	<u>532,280</u>	<u>338,365</u>	<u>(14,675)</u>	<u>18,373</u>	<u>5,807</u>	<u>880,150</u>

	For the Six Months ended 30 June 2016					
	Instant noodles (Unaudited and restated) RMB'000	Beverages (Unaudited and restated) RMB'000	Instant food (Unaudited and restated) RMB'000	Others (Unaudited and restated) RMB'000	Inter-segment elimination (Unaudited and restated) RMB'000	Total (Unaudited and restated) RMB'000
Revenue						
Revenue from external customers	10,094,862	16,570,517	410,997	338,963	—	27,415,339
Inter-segment revenue	271	4,871	285	522,443	(527,870)	—
Segment revenue	<u>10,095,133</u>	<u>16,575,388</u>	<u>411,282</u>	<u>861,406</u>	<u>(527,870)</u>	<u>27,415,339</u>
Segment results after finance cost						
Share of results of associates and joint ventures	—	81,044	(7,409)	—	—	73,635
Unallocated income, net	—	—	—	12,830	—	12,830
Profit (loss) before taxation	<u>586,245</u>	<u>516,046</u>	<u>(42,025)</u>	<u>6,352</u>	<u>4,835</u>	<u>1,071,453</u>
Taxation	(187,667)	(266,339)	—	(25,365)	—	(479,371)
Profit (loss) for the period	<u>398,578</u>	<u>249,707</u>	<u>(42,025)</u>	<u>(19,013)</u>	<u>4,835</u>	<u>592,082</u>

Segment information is prepared based on the regular internal financial information reported to the Company's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The Company's executive directors assess the performance of reportable segments based on the net profit for the period and the profit/(loss) before taxation, share of results of associates and joint ventures and unallocated income (expenses), net.

3. Segment information (continued)

Segment assets and liabilities

	At 30 June 2017					Total (Unaudited) RMB'000
	Instant noodles (Unaudited) RMB'000	Beverages (Unaudited) RMB'000	Instant food (Unaudited) RMB'000	Others (Unaudited) RMB'000	Inter-segment elimination (Unaudited) RMB'000	
Segment assets	18,915,123	29,817,081	846,254	6,002,521	(1,256,365)	54,324,614
Interest in associates	—	190,973	2,335	—	—	193,308
Interest in joint ventures	—	706,183	47,762	—	—	753,945
Unallocated assets						569,743
Total assets						<u>55,841,610</u>
Segment liabilities	7,251,440	18,228,212	332,432	10,912,028	(1,511,536)	35,212,576
Unallocated liabilities						183,557
Total liabilities						<u>35,396,133</u>

	At 31 December 2016					Total (Audited and restated) RMB'000
	Instant noodles (Audited and restated) RMB'000	Beverages (Audited and restated) RMB'000	Instant food (Audited and restated) RMB'000	Others (Audited and restated) RMB'000	Inter-segment elimination (Audited and restated) RMB'000	
Segment assets	22,440,591	30,809,377	1,023,107	6,975,755	(6,206,364)	55,042,466
Interest in associates	—	172,713	(12,175)	—	—	160,538
Interest in joint ventures	—	626,059	50,349	—	—	676,408
Unallocated assets						641,619
Total assets						<u>56,521,031</u>
Segment liabilities	7,125,673	19,271,095	485,088	11,403,247	(6,070,224)	32,214,879
Unallocated liabilities						205,573
Total liabilities						<u>32,420,452</u>

Segment assets include all assets with the exception of interest in associates and joint ventures and unallocated assets which include available-for-sale financial assets. Segment liabilities include all liabilities with the exception of employee benefit obligation.

4. Seasonality of operations

Due to the seasonal nature of the beverages segment, higher revenue is usually expected in the second and third quarters. Higher sales during the period from June to August are mainly attributed to the increased demand for packed beverages during the hot season.

5. Profit before taxation

This is stated after charging:

	April to June 2017	January to June 2017	April to June 2016 (Unaudited and restated)	January to June 2016 (Unaudited and restated)
	(Unaudited)	(Unaudited)	(Unaudited and restated)	(Unaudited and restated)
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Finance costs				
Interest on bank and other borrowings wholly repayable within five years	129,903	251,753	129,936	237,602
Interest on bank and other borrowings wholly repayable over five years	9,543	18,617	—	—
	<u>139,446</u>	<u>270,370</u>	<u>129,936</u>	<u>237,602</u>
Other items				
Depreciation	890,880	1,795,409	921,836	1,917,392
Amortisation	25,444	49,903	24,842	46,507
	<u>25,444</u>	<u>49,903</u>	<u>24,842</u>	<u>46,507</u>

6. Taxation

	April to June 2017	January to June 2017	April to June 2016 (Unaudited and restated)	January to June 2016 (Unaudited and restated)
	(Unaudited)	(Unaudited)	(Unaudited and restated)	(Unaudited and restated)
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Current tax – the PRC Enterprise income tax				
Current period	194,913	412,617	184,628	410,746
Deferred taxation				
Origination and reversal of temporary differences, net	(6,327)	1,179	7,040	27,276
Effect of withholding tax on the distributable earnings of the Group's PRC subsidiaries	23,863	51,074	11,972	41,349
	<u>23,863</u>	<u>51,074</u>	<u>11,972</u>	<u>41,349</u>
Total tax charge for the period	<u>212,449</u>	<u>464,870</u>	<u>203,640</u>	<u>479,371</u>

The Cayman Islands levies no tax on the income of the Company and the Group.

Hong Kong Profits Tax has not been provided as the Group's entities had no assessable profit subject to Hong Kong Profits Tax for the six months ended 30 June 2017 and 2016.

The applicable PRC enterprise income tax for the PRC subsidiaries is at the statutory rate of 25% (2016: 25%).

According to the Tax Relief Notice (Cai Shui [2011] no. 58) on the Grand Development of Western Region jointly issued by the Ministry of Finance, the State Administration of Taxation and China Customs, foreign investment enterprises located in the western region of PRC ("Western Region") with principal revenue of over 70% generated from the encouraged business activities are entitled to a preferential income tax rate of 15% for 10 years from 1 January 2011 to 31 December 2020. Accordingly, certain subsidiaries located in the Western Region are entitled to a preferential rate of 15% (2016: 15%).

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends distributed to foreign investors by the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings accumulated after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and jurisdiction of the foreign investors. For the Group's PRC subsidiaries, associates and joint ventures, the applicable rate is 10%. Deferred tax liability is provided on 50% of post-2007 net earnings of the Group's PRC subsidiaries that are expected to be distributed in the foreseeable future. The remaining 50% of post-2007 net earnings of the Group's PRC subsidiaries that are not expected to be distributed in the foreseeable future would be subject to additional taxation when they are distributed. Undistributed earnings of the Group's PRC associates and joint ventures are not subject to withholding tax as these companies are held by a PRC subsidiary.

7. Earnings per share

a) Basic earnings per share

	April to June 2017	January to June 2017	April to June 2016 (Unaudited and restated)	January to June 2016 (Unaudited and restated)
	(Unaudited)	(Unaudited)		
Profit attributable to ordinary shareholders (RMB' 000)	266,700	700,204	77,042	452,952
Weighted average number of ordinary shares ('000)	5,604,798	5,604,651	5,602,871	5,602,871
Basic earnings per share (RMB cents)	4.76	12.49	1.38	8.08

b) Diluted earnings per share

	April to June 2017	January to June 2017	April to June 2016 (Unaudited and restated)	January to June 2016 (Unaudited and restated)
	(Unaudited)	(Unaudited)		
Profit attributable to ordinary shareholders (RMB' 000)	266,700	700,204	77,042	452,952
<i>Weighted average number of ordinary shares (diluted) ('000)</i>				
Weighted average number of ordinary shares	5,604,798	5,604,651	5,602,871	5,602,871
Effect of the Company's share option scheme	2,956	1,943	—	—
Weighted average number of ordinary shares for the purpose of calculated diluted earnings per share	5,607,754	5,606,594	5,602,871	5,602,871
Diluted earnings per share (RMB cents)	4.76	12.49	1.38	8.08

8. Dividend

The Board of Directors does not recommend the payment of an interim dividend for the six months ended 30 June 2017 (2016: nil).

9. Trade receivables

The majority of the Group's sales is cash-on-delivery. The remaining balances of sales are mainly at credit terms ranging from 30 to 90 days. The aging analysis of the trade receivables (net of impairment losses for bad and doubtful debts) based on invoice date, at the end of the reporting period is as follows:

	At 30 June 2017	At 31 December 2016
	(Unaudited) RMB'000	(Audited and restated) RMB'000
0 - 90 days	1,696,645	1,460,298
Over 90 days	97,574	129,595
	<u>1,794,219</u>	<u>1,589,893</u>

10. Trade payables

The aging analysis of trade payables based on invoice date at the end of the reporting period is as follows:

	At 30 June 2017	At 31 December 2016
	(Unaudited)	(Audited and restated)
	<i>RMB'000</i>	<i>RMB'000</i>
0 - 90 days	7,762,327	5,938,123
Over 90 days	649,933	657,232
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	8,412,260	6,595,355
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11. Approval of interim financial statements

The interim financial statements of 2017 were approved by the Board of Directors on 21 August 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview Review

In the first half of 2017, China's GDP growth rate of 6.9%, the overall food and beverage industry showed a steady upward trend, mainly due to the increase of the middle class population and consumption habit continues escalating. Yet there is pressure in the increase of cost due to the fact that the raw materials prices are being affected by the economic rebound and environmental policies. Revenue of instant noodles market showed positive growth in the second quarter, while the overall beverage market, benefited by the favourable weather conditions recorded increase in both sales volume and revenue in the second quarter, a significant better performance than same period last year.

As a result of the effective implementation of the strategies in focusing on core products and cost control, the overall performance of the Group in the first half of the year was considerably good, positive growth in both revenue and profit were recorded on instant noodles and beverage business. In the first half of 2017, the Group's revenue increased by 4.20% to RMB28,567.7 million yoy, (year-on-year compared with the corresponding period in 2016). Revenue from instant noodles and beverages increased by 1.75% and 5.80%, respectively, yoy. Due to the rising prices from key raw material such as sugar and PET resin, the Group's gross profit margin dropped by 2.53 ppt. to 29.10% yoy. Distribution costs represented 19.81% of the revenue for the period and decreased by 2.43 ppt. yoy. EBITDA of the Group increased by 5.04% to RMB3,343.4 million yoy, and EBITDA margin grew by 0.09 ppt. to 11.70% yoy. Benefited by the yoy decline from distribution costs and yoy increase from other net income, profit attributable to owners of the Company during the period grew by 54.59% to RMB700.2 million. Profit margin attributable to owners was 2.45%, increased by 0.80 ppt. yoy, earnings per share increased by RMB4.41 cents to RMB12.49 cents.

INSTANT NOODLE BUSINESS

According to the data from Nielsen, overall sales volume of the instant noodle market decreased by 2.3% and sales amount increased by 0.3% in the first half of 2017. During the period, the market shares of Master Kong instant noodle in terms of sales volume was 44.2% and sales amount was 50.9%, respectively, ranking No. 1 in the market.

Master Kong instant noodles is on the ongoing promotion of the existing strategy, while the distribution rate and turnover of classic series gradually increasing. In response to consumer up grades, the Group launched the boiled broth series was also in upward trend. In addition, the strategies of timely reducing channel inventory during the second quarter of the off-season and the organising of the rapid adjustment in implementing the focus on the front line of the market strategy, the overall business performance in the first half recorded positive growth.

In the first half of 2017, the Group's revenue from the instant noodle business was RMB10,271.8 million, which grew by 1.75% yoy, accounting for 35.96% of the total revenue of the Group. During the period, prices of flour and palm oil increased, the Group has modified product mix and thanked for the growth of sales volume, gross profit margin of instant noodles was slightly decreased by 0.37 ppt. to 27.52%. Benefited from the sales growth and saving from distribution costs, profit attributable to owners of the Company in the overall instant noodle business increased by 33.54% to RMB532.3 million, profit margin attributable to owners increased by 1.23 ppt. to 5.18% yoy.

High-priced noodles

Hero product series such as Raised beef, Spicy beef and Pickled cabbage, through the efforts of Return to Classic strategy, and in line with sports marketing strategies such as cooperating with marathon, women's volleyball and the CUBA and series of activities continued to boost sales. And market shares continued to recover steadily. Besides regain consumer's satisfaction through product specifications, also strengthened the communications with different consumers in different venues, thus market shares continued to recover steadily. "Raised beef" besides through specifications to satisfy consumer's wants, also continued to strengthen and explore consumer's wants in different eating occasions in order to activate demand and stimulate the purchase, strengthen the brand leading position. "Spicy Beef/Fried Pepper Beef/Pickled Pepper Beef/Pungent Beef (香辣牛肉/爆椒牛肉/泡椒牛肉/麻辣牛肉)" collaborated with popular mobile phone game "King of Glory (王者榮耀)" to start cross-boundary cooperation in order to enlarge the youngsters market. "Pickled cabbage" was being promoted through the famous Kung Fu Panda entertainment media to the younger consumer groups to convey a message of "Master Kong dishes is a Kung Fu dishes" to enhance the brand vitality and favorability, which has led to the growth of revenue. At the same time, the larger-size packing series proved to be successful in the Northern provinces.

Premium noodles/Innovative products

The Group introduced the boiled broth series and other innovative products to aim and pose a high-end market image for the middle-class consumers. Hence high-end products price from Rmb5 upwards on a steady growth trend. “Black and white pepper” a brand for the built for the post 95 generation offering an image of cool, trend-style brand, has become known, even become talk-of-the-town in the internet. “Golden Stock Series (金湯系列)” has been successfully promoted as a highly nutritious sour soup. Especially after being introduced through parent-child platform “Super Mom+Bear Kid (超級媽媽+熊孩子)” group. It quickly become another popular product after the Pepper series. “Pork Rib Series (豚骨系列)” was being launched by authentic delicacy of pork rib soup prepared with premium soup, strong taste and fresh flavor, and its sales volume increased significantly in the markets so far covered. We anticipate to speed up to expand all over the country. In promoting innovative products, we will focus in introducing the newly designed noodle-body, “Cook noodle series (鍋煮拉麵)” targeting at the young families who likes to return to kitchen emphasizing healthy eating habits, after the new product was launched in the market, its sales volume constantly escalated especially well in the professional cook-noodle market. “DIY noodle (DIY麵)” positioned itself as convenient, healthy non-fried cook noodle, targeted at urban young busy professionals, has achieved solid sales performance after the new product were launched in the market. DIY noodle adopted the leading hot air drying process and soup extraction enrichment process, welcomed by young families, even athletes.

Mid-end Noodle

The Group’s mid-end noodles remains the position as a market leader, we hope that through the introduction of the “Jin Shuang” and “Super FuManDuo” large sized noodles that meets with the demand of the general public consumers and relevant promotion, we could continue to be the market leader.

BEVERAGE BUSINESS

According to the data from Nielsen, the beverage industry continued to grow in the first half of 2017. During the period, the sales volume and sales amount of the beverage industry in China grew by 8.0% and 8.9%, respectively. The ready-to-drink (RTD) tea (including milk tea) of the Group’s beverage business accounted for 50.2% market share in terms of sales volume and continued to secure top ranking position in the market. The fruit juice brands under Master Kong and Pepsi’s Tropicana accounted for a market share of 17.8%, ranking No. 2 in the market. Market share for bottled water was 13.7%, ranking No. 3 for the time being.

According to the database of GlobalData (formerly known as Canadean), in the first half of 2017, in terms of sales volume, the overall market share of Pepsi carbonated drinks was 30.5%, increased 0.1 ppt. yoy, ranking No. 2.

Master Kong beverage business performed particularly well in second quarter, partly due to the favorable weather condition, the effectively-executed policy also contributed to the success. The persistency in strengthening the core products; promoting specification changes to fulfill consumer satisfaction; developing multi-price strategy; and the establishing different sales channels including that of food and beverage venue. Plus the optimization of cost structure and spending control. All in all hoping to alleviate the pressure caused by the escalating cost of raw material. In the first half of 2017, the overall revenue of the beverage business was RMB17,536.6 million, grew by 5.80% yoy, accounting for 61.39% of the Group’s total revenue. During the period, gross profit margin of the beverage business dropped by 3.91 ppt. to 30.05% yoy, mainly due to the price increase from sugar, PET resin and other key raw materials. In the first half of the year, thanked for the saving from advertising and promotion expenses and increase in other net income yoy, profit attributable to owners in the beverage business for the period grew by 41.32% yoy to RMB165.8 million. Profit margin attributable to owners increased by 0.24 ppt. yoy to 0.95%.

RTD Tea

Through the strategic cooperation with NBA, Master Kong’s “Ice Tea (冰紅茶)” sponsored the playoffs and finals of NBA, even organized the “Guess who is the Champion (猜冠軍贏大獎)” competition and leveraging brand communication with Li Yuchun to promote diversified packaging as multi-purpose drinks for all occasions.; “Green Tea” stimulated young consumer group through the slogan of “Take Another Bottle for Health and Vitality (健康活力派再來一瓶)” featuring Li Yifeng and Wu Lei as spokesperson; The “Jasmine Series” created a romantic brand image and secured products leadership by using branded bottles and spokesperson gatherings with Zhao Liying/Yang Yang also gained market leadership. “Nong Nong Lemon Tea (濃濃檸檬茶),” created upgraded enjoyment of taste to meet with the demand of young white-collar workers. New product “Fruit Tea Story (果茶物語)” had good market feedback by selecting fresh fruit to blend with quality tea with, bring about perfect quenching experience for urban men and women who seek exquisite life. “Lipton Fruit Tea (立頓果茶),” with enhanced taste and upgraded packaging, promoted as “a bottle and a code, tastes unusual (一瓶一碼·茶覺不平凡)” UTC campaign together with gourmet plat form “dianping.com”. “Classical Milk Tea (經典奶茶)” dedicated to be fragrant, nutritional and high quality, and through strengthened brand marketing promotion, successfully reached a double digit increase in the sales for the first half year.

Bottled Water

As the key product of the group, we have responded to the market demand in introducing multi-price strategy, while endeavor in positioning ourselves in the low-priced bottled water markets and expanded the mid-priced purified water markets. Through our persistent efforts, we have achieved initial success, in gaining 14.5% market share in the second quarter, a growth of 2.0 ppt. In the expansion of family drinking water, “Master Kong drinking water” special “eight processes, the national patent” has been granted the patent certification, aiming in delivering reliable and high quality water for more families. “Youyue” purified water enhanced its brand awareness with its supreme quality has been endorsed by the NSF certification, a well-known international certification. The product continued to be the officially designated water for the popular hot drama “Ode to Joy II” and HOTELEX Star Chef Elite Game(HOTELEX星廚精英賽) as well as 2017 National Fencing Club League(2017全國擊劍俱樂部聯賽), undoubtedly has become a internationally known pure drinking water, it’s revenue recorded double digit growth in the second quarter. When compared to same period last year, Youyue also has good growth in mid-priced market.

Juice

Master Kong juice maintained the market leadership of Chinese traditional juice, and continued to expand the western juice market by developing and innovating tastes, expanding drinking time and sales channels. “Traditional Fruit Mix (傳世清飲)”, “Light Fruits (輕養果薈)”, “Master Kong Fruit Juice (康師傅果汁)”, “Tropicana (果繽紛)” series of fruit juice achieved substantial growth for this quarter. The praised words package and praised words bottle were launched for “Rock Candy Pear” and the image of “Qing brother, Run Gege (清阿哥，潤格格)” was widely loved by consumers. The new flavor “Litchi and green coconut” of “Tropicana” was launched by taking the advantage of the special position of mixed juice, and extended new specification actively.

Carbonated Drinks/Functional/Lactic Acid Bacteria/Coffee Drinks

With the introduction of an effective pricing strategy that were based on different characteristics of different regions, and focusing on different channels and consumer groups in designing the product portfolio, actively develop indoor drinking channels, At the same time market through branded- marketing to gain more market shares.

Due to the booming trend of the national fitness all over the country, functional drinks “Gatorade” revenue continued to grow substantially.

We actively expanded sales presence and the drinking opportunity for bottled Frappuccino which we produced through cooperation with Starbucks. “Green Tea Frappuccino (抹茶星冰樂)” and “Red Tea Frappuccino” were launched in May, and its target consumer group was further enlarged. The revenue growth of bottled Frappuccino was encouraging in the first half of 2017. Positioning the mainstream consumer group, “Benrachon (貝納頌)” classic coffee and latte were launched in key cities and continued to create new growth point.

“Wei Chuan Lactic acid bacteria drinks” have become No.1 brand of normal temperature lactic acid bacteria in Shanghai and Jiangsu. With unique natural taste of new upgrade formula, the upgrade and expansion area plan will continue to provide growth momentum.

INSTANT FOOD BUSINESS

According to the updated data from Nielsen, overall sales volume of the biscuit market for the first half of 2017 decreased by 0.9% yoy, sales amount increased by 0.6% yoy. In terms of sales amount, the market share of Master Kong egg rolls increased by 0.5% to 18.2% for the first half of 2017 and ranked No. 1 in the market. The market share of sandwich crackers decreased by 0.1% to 11.0% and ranked No. 2 in the market.

In the first half of 2017, revenue of the instant food business was RMB398.0 million, which dropped by 3.23% yoy and amounted to 1.39% of the Group’s revenue. Gross profit margin dropped 1.12 ppt. to 34.24%. Thanked for the savings from distribution costs and administrative expenses, the loss of instant food business was narrowed and improved by 65.08% yoy, in the first half of 2017 recorded a loss of RMB14.68 million.

Instant food business will focus on the core categories of cakes and snack, speed up original product innovation, specification satisfaction, new product development and optimize product portfolio. Master Kong 3+2 have developed and launched Chinese style soda sandwich crackers with germ of black sesame or green bean, in line with the consumer demands for paying attention to health. Master Kong’s muffin enhanced the product benefit point for different products including breakfast and European style to meet different demand in respect of different scenarios for the consumption of food. Master Kong egg rolls have launched new cigar rolls products which were firstly launched in Beijing, Shanghai and other first-tier cities.

FINANCING

The Group continued to maintain a stable and healthy financial structure through effective control of trade receivables, trade payables, bank balances and cash and inventories. As at 30 June 2017, the Group's bank balances and cash totalled RMB10,393.0 million, an increase of RMB161.2 million from 31 December 2016. A sufficient amount of cash holding was still maintained. As at 30 June 2017, the Group's total assets and total liabilities amounted to approximately RMB55,841.6 million and RMB35,396.1 million respectively. This showed a decrease in RMB679.4 million and an increase in RMB2,975.7 million respectively compared to 31 December 2016. The increase of liabilities was mainly due to the RMB3,989.3 million obligations arising from put options written to a non-controlling shareholder. The debt ratio increased by 6.03 ppt. to 63.39% compared to 31 December 2016. Gearing ratio was 0.15 times, 0.17 ppt. lower than the ratio as at 31 December 2016.

As at 30 June 2017, the Group's total interest bearing borrowings decreased by RMB3,438.0 million to RMB12,606.0 million. At the end of the period, the Group's proportion of the total borrowings denominated in foreign currencies and Renminbi were 61% and 39% respectively, as compared to 72% and 28% respectively as at 31 December 2016. The proportion between the Group's long-term borrowings and short-term borrowings was 45% and 55% respectively, as compared to 43% and 57% respectively as at 31 December 2016. Considering the diverged trends of the interest rates between Renminbi and the US dollars and the Group itself, the Group has adjusted its financing strategy since September 2015 to increase its proportion of onshore financing and to reduce its foreign currencies financing. The Group expects to increase its Renminbi borrowing, and the proportion of Renminbi borrowing of the Group's total borrowings will be increased gradually.

During the period, Renminbi appreciated against US dollar by 2.57%, due to the fluctuation of exchange rate, realized/unrealized exchange gains of RMB0.06 million has been recognized in the Group's income statement from January to June 2017.

Financial Ratio

	As at 30 June 2017	As at 31 December 2016
Finished goods turnover	13.17 Days	11.58 Days
Trade receivables turnover	10.72 Days	10.23 Days
Current ratio	0.72 Times	0.72 Times
Debt ratio (Total liabilities to total assets)	63.39%	57.36%
Gearing ratio (Net debt to equity attributable to owners of the Company)	0.15 Times	0.32 Times

HUMAN RESOURCES

As at 30 June 2017, the Group had 60,449 employees. Among them, 11 employees were holders of doctoral degrees, 352 employees were holders of master's degrees, 27,393 were graduates of bachelor's degrees and post-secondary education, accounting for 46% of the Group's total number of employees; 32,693 employees had education qualifications below post-secondary level, accounting for 54% of the Group's total number of employees.

In respect of talent development, Master Kong will continue in promoting optimization of the strategic talent development mechanism to focus on the cultivation of high-level talents. Through the cooperation with China Europe International Business School (CEIBS) and Shanghai Jiao Tong University (SJTU), we have conducted courses of special leadership development. 16 excellent graduates that recruited and reserved from the second batch of Master Kong's 2017 Dream Scholarship Plan have joined the Company successfully. Meanwhile, Master Kong Dream Scholarship Plan was being organized jointly by Master Kong and Waseda University. Moreover, social practice projects are being carried out with Schwarzman College of Tsinghua University (清華大學蘇世民學院) and Stanford University aiming at further strengthening our brand status internationally.

CORPORATE CULTURE

Standing in the generation alternate nodes, we should ignite the fire of "To Act Energetically", and turn thoughts into action, contribute into the acting road of deepening corporate culture. Therefore, on 10 June 2017, Tingyi Holding held corporate culture vision day and 118 mid and high-level executives attended the meeting, and corporate culture became more in-depth in daily work.

SOCIAL CONTRIBUTION

Food Safety Theme and Food Safety Education Activities: on 29 June to 3 July 2017, Master Kong participated in the “2017 China International Food Safety and Innovation Technology Exhibition and the Exhibition of National Double Safety and Double Innovation Achievements (2017中國國際食品安全與創新技術展覽會暨全國雙安雙創成果展)” and showed Master Kong’s achievement of 25 years development in the term of the three rural, food safety, innovation, public welfare, to strengthen brand trust of all parties. It was the third year that Master Kong had exclusively sponsored “Food Safety Science Innovation and Public Welfare Contest (食品安全科普創新公益大賽)” activities to promote community science activities among college students.

Emergency Relief: Since the onset of summer, Maoxian County of Sichuan, Ningxiang County of Hunan, Kashi of Xinjiang and other places have experienced storm, floods, landslides, debris flow, earthquakes and other major natural disasters. At the first time, Master Kong carried instant noodles, drinking water and other relief supplies that the victims urgently needed to the disaster- stricken area. Meanwhile, Master Kong quickly docked its “Love Station (愛心加油站)” equipped with water, electricity and other relief supplies in the most needed places to help the victims as soon as possible to overcome the difficulties and rebuild the beautiful home.

AWARDS AND HONOR

In April 2017, Master Kong’s bottled drinking water won the “China Women and Children Charity Award (2015-2016) (中國婦女兒童慈善獎(2015-2016))” sponsored by All-China Women’s Federation by virtue of its outstanding contributions for the “Mother Water Cellar” project.

In May 2017, Master Kong won the first “Excellent Supplier” Award of the catering industry at the 2017 Beijing catering brand conference by virtue of its excellent beverage products and channel support.

In May 2017, as a national brand in the food industry, Master Kong was selected as one of the Top 100 of 2017 Chinese brands in the “Thumb up for Chinese Brands -2017 Chinese Brand Summit Forum (為中國品牌點贊—2017中國品牌高峰論壇)”,

In June 2017, Guangzhou Tingjin Food Co., Ltd under Master Kong won the “100% Hong Kong Brands in Greater China Award (大中華百分百香港名牌大獎)”, “100% Guangdong and Hong Kong Co-operation Award(100%粵港協同合作獎)” and “Top Ten Brand Award (十大品牌大獎)” in China (Guangzhou) International Food Ingredients Exhibition (中國(廣州)國際食品食材展覽會). In the same month, Guangzhou Tingjin Beverage Co., Ltd. (廣州頂津飲品有限公司) also won “The Social Security Demonstration of Food Safety in Guangzhou City (廣州市食品安全社會共治示範點)” by Guangzhou Municipal Food and Drug Administration (廣州市食品藥品監督管理局).

PROSPECT

Looking ahead, although we are facing a long-term slowdown in economy, the reform in supply-sides plus the fact that raw material costs continue to rise, industrial upgrading and organizational transformation and other issues. Master Kong remains optimistic with regards to the prospects of the China market, continues to plan and deep plowing into the food and beverage market of China. During this period, we have arranged equity buyback of the beverage business, in order to expand our interests.

For the sustainable and healthy development of the industry in the future, as an industry leader, besides putting more efforts to consolidate the core and strengthen the dominant position of the product, and continue to strengthen the construction of food safety system. We would introduce multi-price strategy to meet with the rise of middle class consumption trends, and to further optimize our product in order to maintaining an effective revenue management. At the same time, in order to meet with the upgrading consumer demands the Group will continue to introduce different innovative products in leading the industry to upgrade and meet with the diverse needs of consumers.

In view of the rising raw material costs, the Group will remain under pressure for a short period of time, we will continue to optimise the product mix and carry out three rational planning and promotion:

1. In the supply chain configuration rationalisation, to meet with consumer upgrades and product diversification needs, adjust the capacity allocation, effectively promote the light assets and asset activation work;
2. In the organisational design and cost rationalisation, the use of technology optimisation process to simplify management, improve productivity, and in response to the differences in various regions., focusing in the frontline market, with a view to response rapidly in the areas of customer service and customer satisfaction;
3. In the dealer channel layout rationalisation, in order to comply with the rapid development of channel fragmentation, through leveraging the force of the way to effectively achieve a win-win situation, so that Master Kong could develop and respond to the changes in the market in order to continue at the leading position

2017 is an important milestone in the 25th anniversary of the establishment of Master Kong, we will continue to focus in this market, continue to deep-plow the market, continue to expand the existing market opportunities and further enhance the operation of new retail channels, continue introducing innovative and high-end products, optimise product mix, in order to further consolidate and strengthen our position of market leader.

CORPORATE GOVERNANCE

The Company has, throughout the period ended 30 June 2017, complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for the deviation from code A.4.1 of the CG Code. The reason for the deviation is explained below.

Code provision A.4.1

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, subject to re-election. The Company deviates from this provision because the non-executive Directors and independent non-executive Directors of the Company do not currently have specific terms of appointment. However, the articles of association of the Company provide that all the Directors are subject to retirement by rotation at least once every three years and at each annual general meeting, one-third of the Directors for the time being or, if the number is not a multiple of three, then, the number nearest to but not less than one-third, shall retire from office by rotation and offer themselves for re-election. As such, the Board considers that sufficient measures have been put in place to ensure the Company’s corporate governance practice in this aspect provides sufficient protection for the interests of shareholders to a standard commensurate with that of the code.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

Directors’ responsibility for the financial statements

The Directors acknowledge their responsibility for preparing the financial statements of the Group. With the assistance of the Finance and Accounting Department which is under the supervision of the Chief Financial Officer of the Company, the Directors ensure that the preparation of the financial statements of the Group is in accordance with statutory requirements and applicable accounting standards. The Directors also ensure that the publication of the financial statements of the Group is in a timely manner.

Audit Committee

The Audit Committee currently has three Independent Non-executive Directors, Mr. Lee Tiong-Hock, Mr. Hsu Shin-Chun and Mr. Hiromu Fukada. Mr. Lee Tiong-Hock is the chairman of the Committee. The latest meeting of the Audit Committee was held to review the results of the Group for the period under review.

Internal Control and Risk Management

The principal spirit of internal control procedure established by the Company is compliance with five elements in COSO structure, i.e. environment monitor, risk assessment, control, information and communication, and monitor and assessment. It is expected that the objective is to define the management structure and authorization so as to enhance the achievement of operating performance and operational efficiency as well as asset safety protection, which ensures the reliability of financial report while complies with the requirements of national regulations.

The audit committee will assist the Board to review the design and operational effectiveness of the risk management and internal control system of the Group. Under the supervision of the Board, the Company has established a clear structural organization and responsibility and authorization. As of 30 June 2017, we completed the improvement and compliance control of internal control diagnosis and approval authorization including finance and operation. According to the review of internal control and audit department, we have not identified any material deficiency in internal control and risk management.

Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard as set out in the Model Code throughout the review period.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the reporting period.

SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 20 March 2008, the shareholders approved the adoption of the share option scheme (the "Share Option Scheme"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. Detail arrangement for the Share Option Scheme shown as below:
(Table A)

Date of grant	Number of share options granted	Exercisable period	Exercise price (HK\$)
20 March 2008	11,760,000	21 March 2013 to 20 March 2018 (1)	\$9.28
22 April 2009	26,688,000	23 April 2014 to 22 April 2019 (2)	\$9.38
1 April 2010	15,044,000	1 April 2015 to 31 March 2020 (3)	\$18.57
12 April 2011	17,702,000	12 April 2016 to 11 April 2021 (4)	\$19.96
26 April 2012	9,700,000	26 April 2017 to 25 April 2022 (5)	\$20.54
27 May 2013	11,492,000	27 May 2018 to 26 May 2023 (6)	\$20.16
17 April 2014	12,718,500	17 April 2019 to 16 April 2024 (7)	\$22.38
5 June 2015	17,054,000	5 June 2020 to 4 June 2025 (8)	\$16.22
4 July 2016	10,148,000	4 July 2021 to 3 July 2026 (9)	\$7.54
21 April 2017	11,420,000	21 April 2022 to 20 April 2027 (10)	\$10.20

The summary below sets out the details of movement of the share options during the six months ended 30 June 2017 pursuant to the Share Option Scheme: (Table B)

Name	Date of grant	Exercise price HK\$	Closing price of the shares on the date of grant HK\$	Balance as at 1 January 2017	Number of share option			Balance as at 30 June 2017	Weighted average closing price immediately before exercise HK\$	Note
					Granted during the period	Exercised during the period	Cancelled/lapsed during the period			
Executive Director										
Wei Ing-Chou	20 March 2008	9.28	8.55	2,000,000	—	—	—	2,000,000	—	Table A (1)
	22 April 2009	9.38	9.37	2,816,000	—	—	—	2,816,000	—	Table A (2)
	1 April 2010	18.57	18.42	2,200,000	—	—	—	2,200,000	—	Table A (3)
	12 April 2011	19.96	19.96	2,264,000	—	—	—	2,264,000	—	Table A (4)
	26 April 2012	20.54	20.54	1,368,000	—	—	—	1,368,000	—	Table A (5)
	27 May 2013	20.16	20.05	1,390,000	—	—	—	1,390,000	—	Table A (6)
	17 April 2014	22.38	22.35	1,486,000	—	—	—	1,486,000	—	Table A (7)
	5 June 2015	16.22	15.92	1,726,000	—	—	—	1,726,000	—	Table A (8)
Wei Hong-Ming	21 April 2017	10.20	10.20	—	1,000,000	—	—	1,000,000	—	Table A (10)
Director of a subsidiary										
Wei Hong-Chen	21 April 2017	10.20	10.20	—	1,000,000	—	—	1,000,000	—	Table A (10)
Chief Executive Officer										
James Chun-Hsien Wei	27 May 2013	20.16	20.05	904,000	—	—	—	904,000	—	Table A (6)
	17 April 2014	22.38	22.35	1,148,000	—	—	—	1,148,000	—	Table A (7)
	5 June 2015	16.22	15.92	2,006,000	—	—	—	2,006,000	—	Table A (8)
	4 July 2016	7.54	7.54	4,300,000	—	—	—	4,300,000	—	Table A (9)
	21 April 2017	10.20	10.20	—	4,000,000	—	—	4,000,000	—	Table A (10)
Other employees in aggregate	20 March 2008	9.28	8.55	2,564,000	—	120,000	—	2,444,000	10.70	Table A (1)
	22 April 2009	9.38	9.37	9,884,000	—	200,000	—	9,684,000	10.50	Table A (2)
	1 April 2010	18.57	18.42	9,651,000	—	—	—	9,651,000	—	Table A (3)
	12 April 2011	19.96	19.96	12,694,000	—	—	—	12,694,000	—	Table A (4)
	26 April 2012	20.54	20.54	7,530,000	—	—	—	7,530,000	—	Table A (5)
	27 May 2013	20.16	20.05	7,962,000	—	—	56,000	7,906,000	—	Table A (6)
	17 April 2014	22.38	22.35	9,110,000	—	—	60,000	9,050,000	—	Table A (7)
	5 June 2015	16.22	15.92	12,702,000	—	—	100,000	12,602,000	—	Table A (8)
	4 July 2016	7.54	7.54	5,848,000	—	—	—	5,848,000	—	Table A (9)
	21 April 2017	10.20	10.20	—	5,420,000	—	—	5,420,000	—	Table A (10)
Total				101,553,000	11,420,000	320,000	216,000	112,437,000		

For the period of six months ended 30 June 2017, 320,000 options had been exercised under the Share Option Scheme. Weighted average exercise price was HK\$9.34 and the weighted average market closing price before the date of exercise was HK\$10.58.

BOARD OF DIRECTORS

As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Junichiro Ida, Mr. Lin Chin-Tang, Mr. Teruo Nagano, Mr. Wei Hong-Ming and Mr. Koji Shinohara are Executive Directors of the Company. Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock and Mr. Hiromu Fukada are Independent Non-executive Directors of the Company.

By Order of the Board
Wei Ing-Chou
Chairman

Shanghai, the PRC, 21 August 2017

Website: <http://www.masterkong.com.cn>
<http://www.irasia.com/listco/hk/tingyi>

* *For identification purpose only*