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康師傅控股

TINGYI (CAYMAN ISLANDS) HOLDING CORP.

康師傅控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0322)

PRESENTATION ON 2018 INTERIM RESULTS

A presentation in relation to the results of Tingyi (Cayman Islands) Holding Corp. and its subsidiaries for the Interim Results for the Six Months Ended 30th June 2018 is appended to this announcement.

By order of the Board

Tingyi (Cayman Islands) Holding Corp.

Ip Pui Sum

Company Secretary

Hong Kong, 27 August 2018

As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Junichiro Ida, Mr. Lin Chin-Tang, Mr. Nagano Teruo, 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.

* For identification purposes only

website: <http://www.masterkong.com.cn>

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

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Tingyi Holding Corp.

2018 Interim Results

27 August 2018

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- **Financial highlights**
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- **Production summary**

2Q2018 – Sales & Profit

| RMBmn | 2Q2018 | 2Q2017 | Change% |
|---|---------------|---------------|-------------------|
| Revenue | 15,959 | 14,370 | 11.06 |
| Gross Profit | 5,221 | 4,333 | 20.49 |
| Gross Margin | 32.71% | 30.15% | 2.56ppt. |
| EBITDA | 1,925 | 1,611 | 19.51 |
| Profit | 773 | 405 | 90.79 |
| Profit attributable to owners of the Company | 594 | 267 | 122.88 |
| EPS (RMB cents) | 10.58 | 4.76 | 5.82 cents |

1H2018 – Sales & Profit

| RMBmn | 1H2018 | 1H2017 | Change% |
|---|---------------|---------------|--------------------|
| Revenue | 30,996 | 28,568 | 8.50 |
| Gross Profit | 9,680 | 8,313 | 16.44 |
| Gross Margin | 31.23% | 29.10% | 2.13ppt. |
| EBITDA | 3,741 | 3,343 | 11.88 |
| *EBITDA | 3,901 | 3,343 | 16.67 |
| Profit | 1,488 | 880 | 69.10 |
| Profit attributable to owners of the Company | 1,306 | 700 | 86.59 |
| EPS (RMB cents) | 23.26 | 12.49 | 10.77 cents |

*EBITDA: Excluding the effects of the income of activation on assets and the provision of impairment losses on machinery and equipment.

Revenue by Products

| RMBmn | 2Q2018 | 2Q2017 | Change% |
|-----------------|--------|--------|---------|
| Instant Noodles | 4,827 | 4,461 | 8.20 |
| Beverages | 10,797 | 9,555 | 13.00 |
| Instant Food | 174 | 179 | -2.88 |
| Others | 161 | 175 | -7.88 |
| Total | 15,959 | 14,370 | 11.06 |

2Q2017



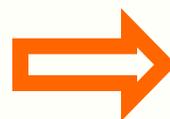
2Q2018



Revenue by Products

| RMBmn | 1H2018 | 1H2017 | Change% |
|-----------------|--------|--------|---------|
| Instant Noodles | 11,134 | 10,272 | 8.40 |
| Beverages | 19,148 | 17,537 | 9.19 |
| Instant Food | 385 | 398 | -3.20 |
| Others | 329 | 361 | -9.03 |
| Total | 30,996 | 28,568 | 8.50 |

1H2017



1H2018

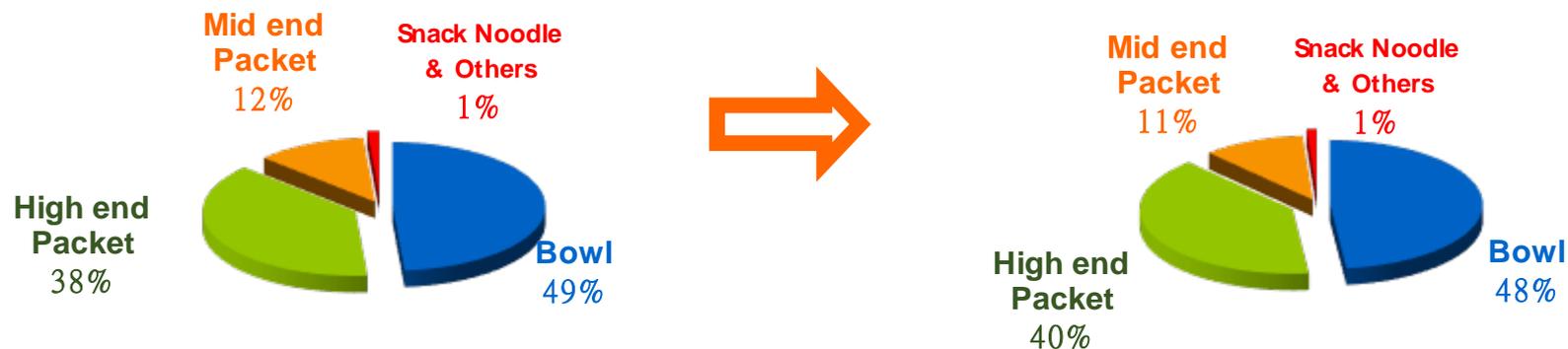


Instant Noodle Sales by Products

| RMBmn | 2Q2018 | 2Q2017 | Change% |
|-----------------------|--------|--------|---------|
| Bowl | 2,331 | 2,175 | 7.15 |
| High end Packet | 1,921 | 1,707 | 12.50 |
| Mid end Packet | 523 | 523 | 0.07 |
| Snack Noodle & Others | 52 | 56 | -6.61 |
| Total | 4,827 | 4,461 | 8.20 |

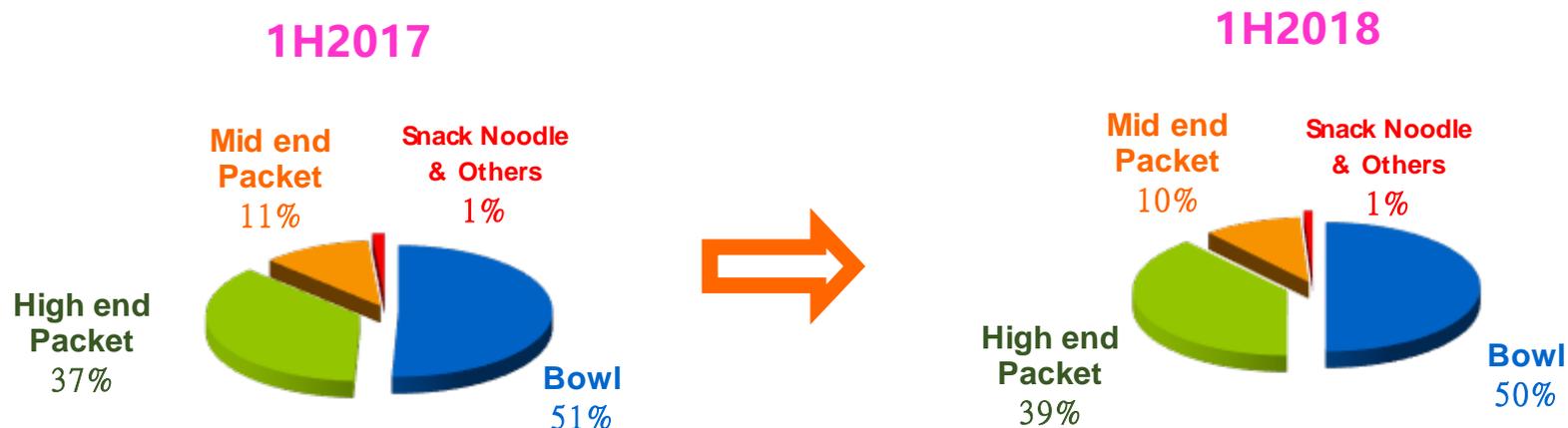
2Q2017

2Q2018



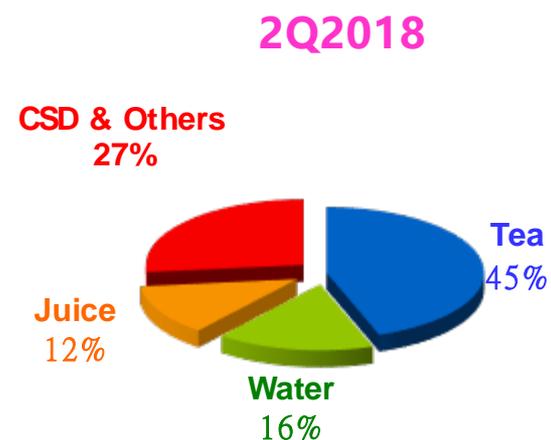
Instant Noodle Sales by Products

| RMBmn | 1H2018 | 1H2017 | Change% |
|-----------------------|--------|--------|---------|
| Bowl | 5,570 | 5,205 | 7.01 |
| High end Packet | 4,313 | 3,756 | 14.83 |
| Mid end Packet | 1,148 | 1,176 | -2.32 |
| Snack Noodle & Others | 103 | 135 | -23.95 |
| Total | 11,134 | 10,272 | 8.40 |



Beverage Sales by Products

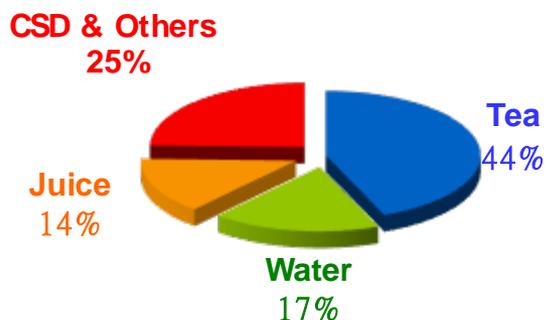
| RMBmn | 2Q2018 | 2Q2017 | Change% |
|------------------------------|--------|--------|---------|
| Tea | 4,813 | 3,990 | 20.63 |
| Water | 1,746 | 1,997 | -12.56 |
| Juice | 1,348 | 1,316 | 2.44 |
| Carbonated drinks and Others | 2,890 | 2,252 | 28.34 |
| Total | 10,797 | 9,555 | 13.00 |



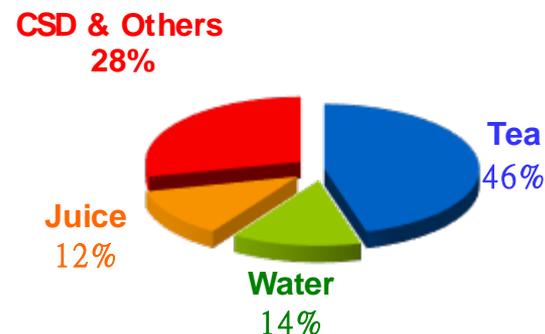
Beverage Sales by Products

| RMBmn | 1H2018 | 1H2017 | Change% |
|------------------------------|---------------|---------------|-------------|
| Tea | 8,732 | 7,686 | 13.62 |
| Water | 2,590 | 3,070 | -15.65 |
| Juice | 2,333 | 2,472 | -5.65 |
| Carbonated drinks and Others | 5,493 | 4,309 | 27.51 |
| Total | 19,148 | 17,537 | 9.19 |

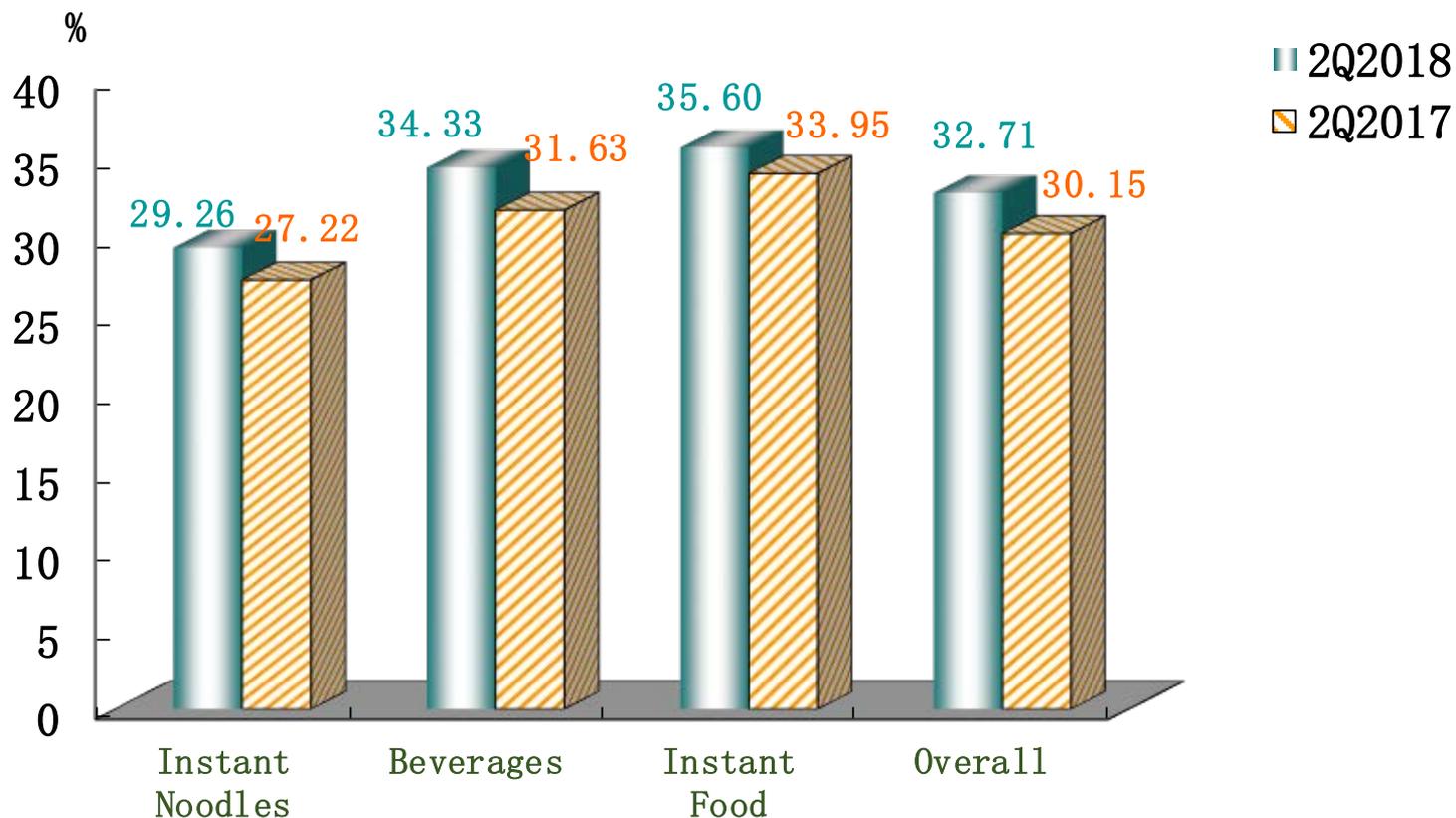
1H2017



1H2018



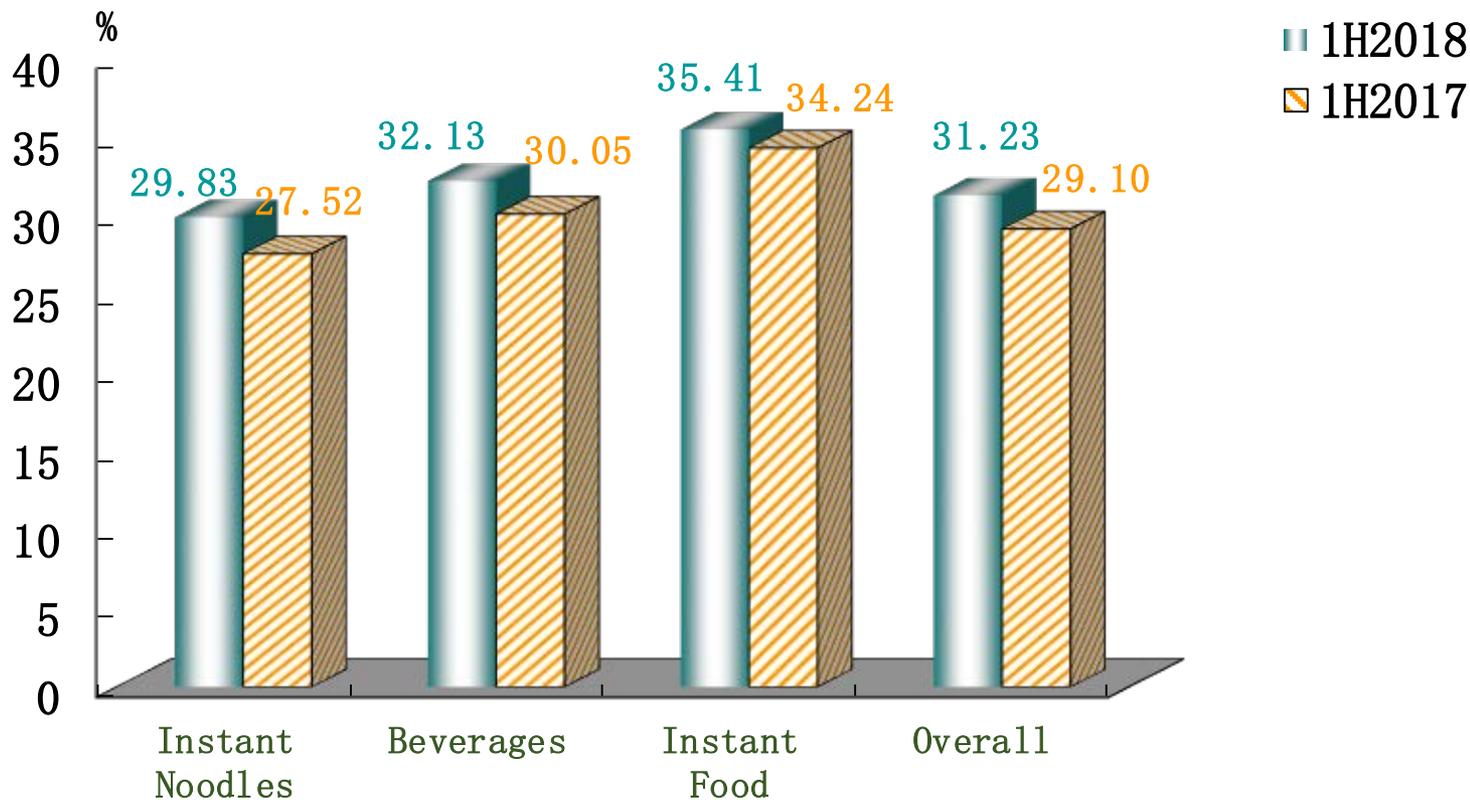
Gross Margin by Products



Change (ppt.)

| | | | |
|------|------|------|------|
| 2.04 | 2.70 | 1.65 | 2.56 |
|------|------|------|------|

Gross Margin by Products



Change (ppt.)

| | | | |
|------|------|------|------|
| 2.31 | 2.08 | 1.17 | 2.13 |
|------|------|------|------|

EBIT by Products

| RMB '000 | 2Q2018 | 2Q2017 | Change% |
|------------------------|------------------|----------------|----------------|
| Instant Noodles | 317,627 | 160,366 | 98.06 |
| Beverages | 753,985 | 448,576 | 68.08 |
| Instant Food | -6,658 | -10,942 | 39.15 |
| Others | 31,800 | 96,459 | -67.03 |
| Group EBIT | 1,096,754 | 694,459 | 57.93 |

EBIT by Products

| RMB '000 | 1H2018 | 1H2017 | Change% | *1H2018 | Change % |
|------------------------|------------------|------------------|----------------|------------------|-----------------|
| Instant Noodles | 879,395 | 642,984 | 36.77 | 1,127,435 | 75.34 |
| Beverages | 752,813 | 686,864 | 9.60 | 1,054,695 | 53.55 |
| Instant Food | -7,713 | -15,848 | 51.33 | -7,713 | 51.33 |
| Others | 430,645 | 184,089 | 133.93 | 40,896 | -77.78 |
| Group EBIT | 2,055,140 | 1,498,089 | 37.18 | 2,215,313 | 47.88 |

*1H2018 : Excluding effects of activation on assets and provision of impairment on machinery and equipment.

Profit

| RMB '000 | 2Q2018 | 2Q2017 | Change% |
|------------------------|----------------|----------------|----------------|
| Instant Noodles | 227,268 | 139,246 | 63.21 |
| Beverages | 592,420 | 262,570 | 125.62 |
| Instant Food | -5,836 | -10,470 | 44.26 |
| Others | -40,617 | 13,937 | -391.43 |
| Group Profit | 773,235 | 405,283 | 90.79 |

Profit

| RMB '000 | 1H2018 | 1H2017 | Change% | *1H2018 | Change % |
|------------------------|------------------|----------------|-----------------|------------------|-----------------|
| Instant Noodles | 666,953 | 532,280 | 25.30 | 840,581 | 57.92 |
| Beverages | 538,395 | 338,365 | 59.12 | 749,713 | 121.57 |
| Instant Food | -7,805 | -14,675 | 46.81 | -7,805 | 46.81 |
| Others | 290,751 | 24,180 | 1,102.44 | -100,468 | -515.51 |
| Group Profit | 1,488,294 | 880,150 | 69.10 | 1,482,021 | 68.38 |

*1H2018 : Excluding effects of activation on assets and provision of impairment on machinery and equipment, net of tax.

Financial Position

As at 30/06/2018

As at 31/12/2017

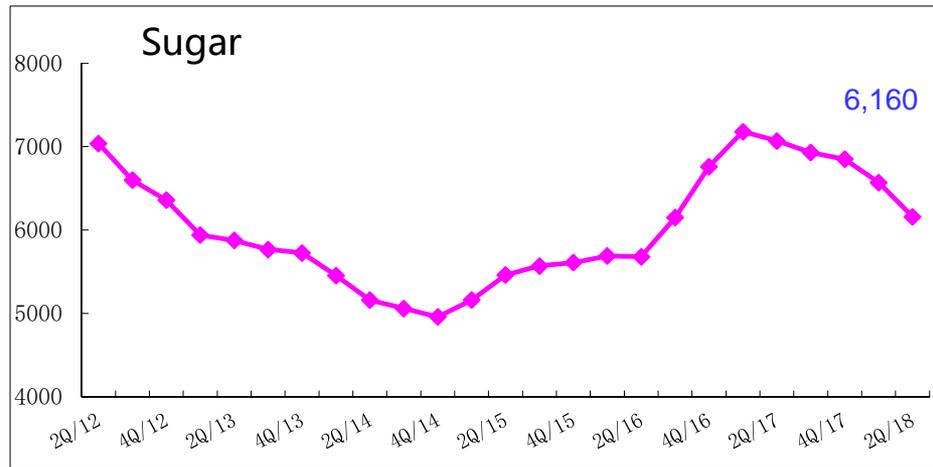
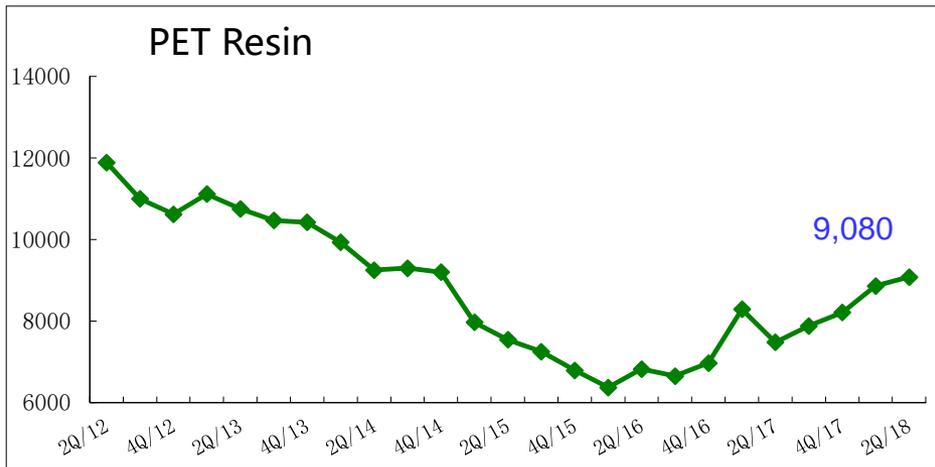
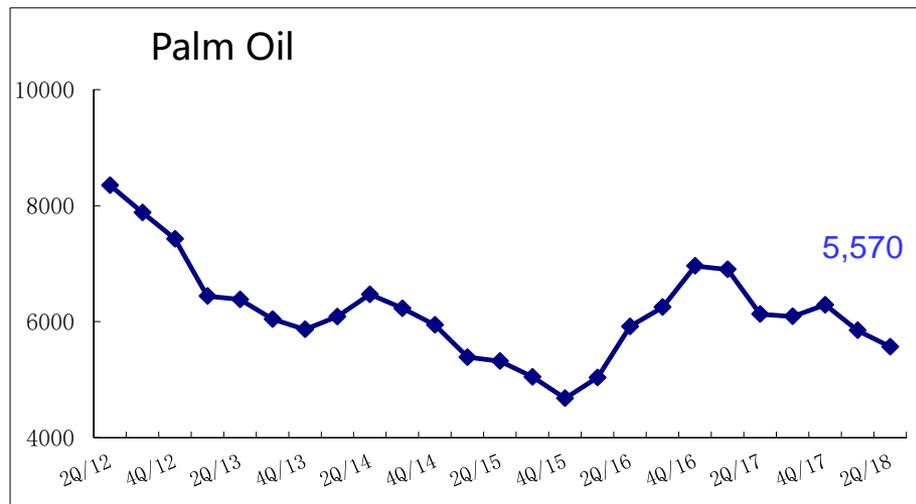
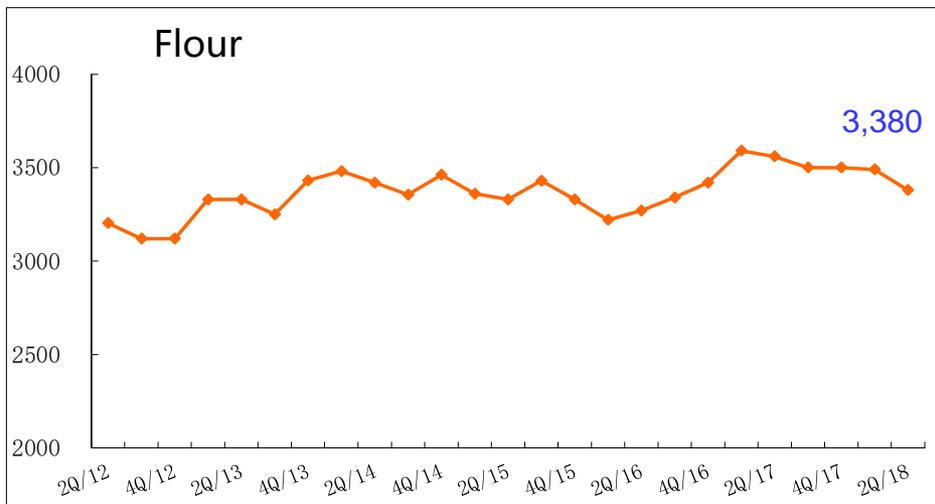
| | | |
|------------------------------------|-----------------------|-----------------------|
| *ROA (Annualized) | 7.57% | 6.47% |
| *ROE (Annualized) | 14.07% | 9.96% |
| Current Ratio | 0.83 | 0.79 |
| Gearing Ratio | -7.08% | 22.26% |
| A/R Revenue /Days | 10.37 | 9.99 |
| Finished Goods Revenue/Days | 13.77 | 11.31 |
| Cash and cash equivalents | 12.319 billion | 10.285 billion |

*ROA: EBIT to average total assets

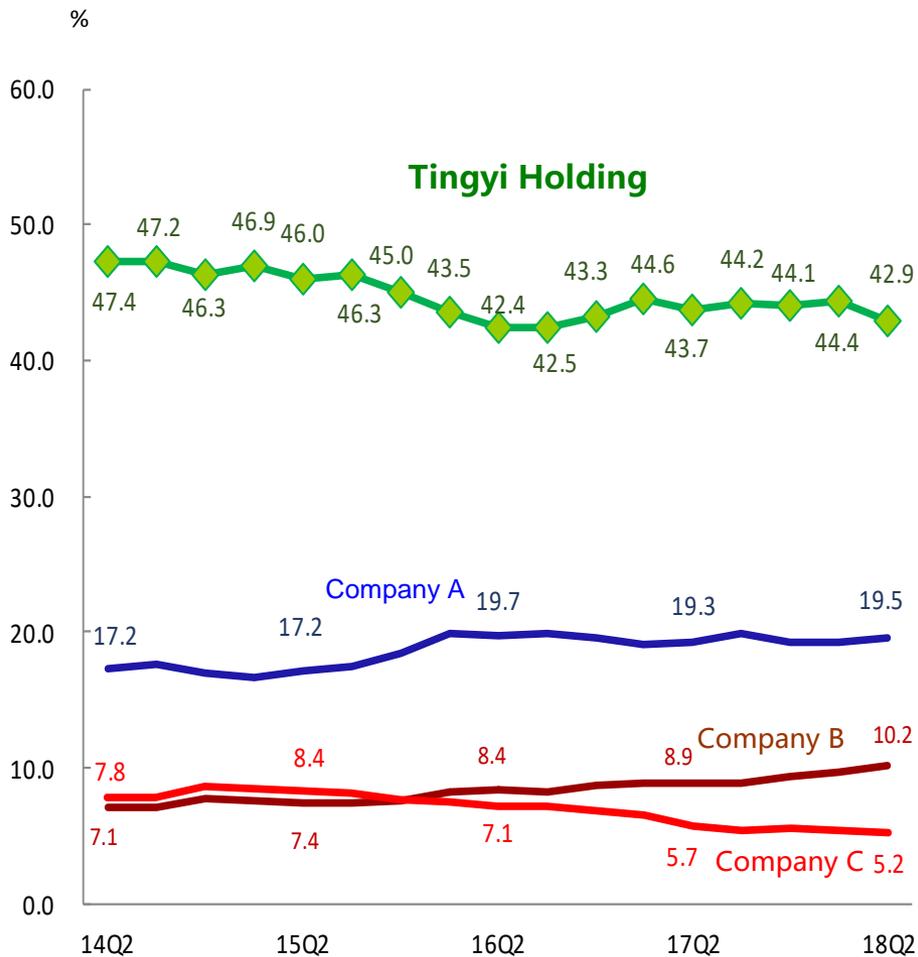
*ROE: Profit attributable to equity holders of the Company to average net assets

Material Price

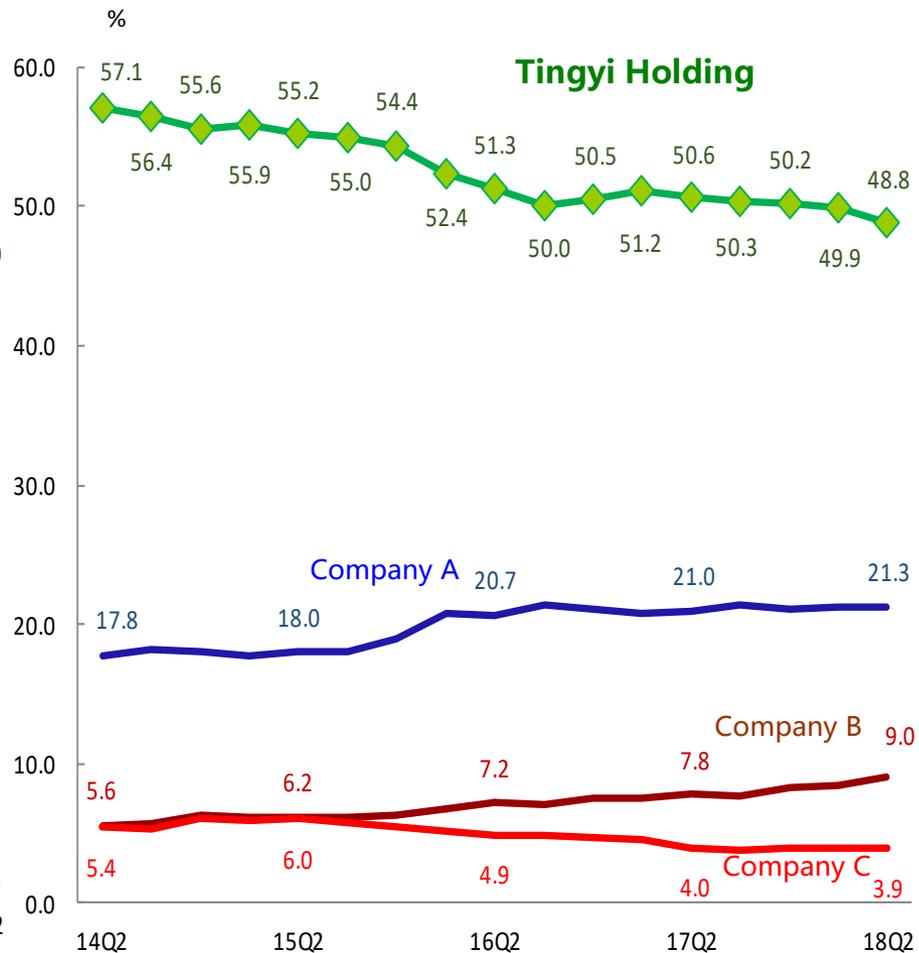
RMB/Ton



Instant Noodle Market Share-by Volume

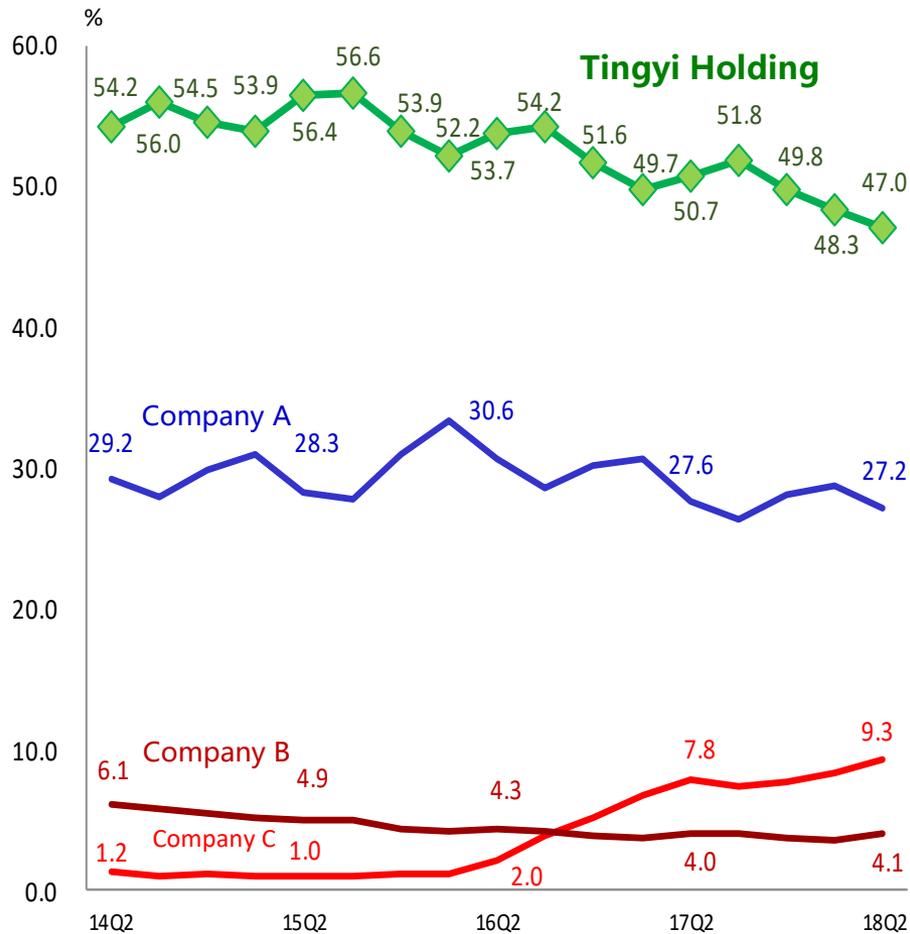


Instant Noodle Market Share-by Value

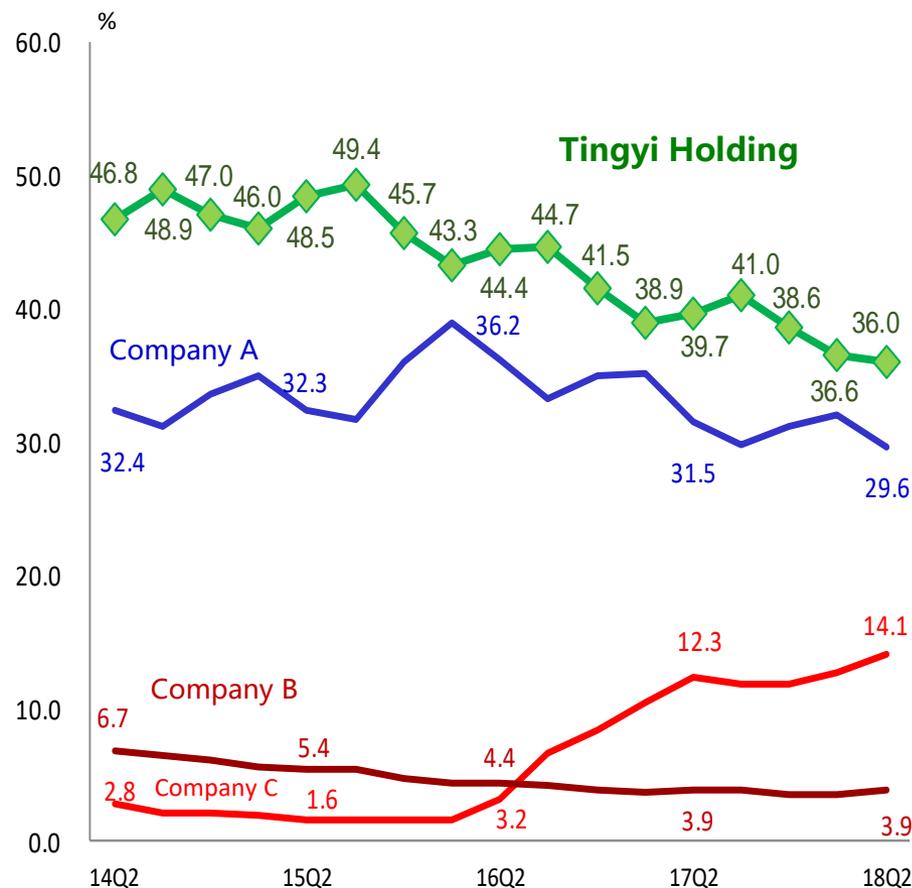




RTD Tea Market Share-by Volume



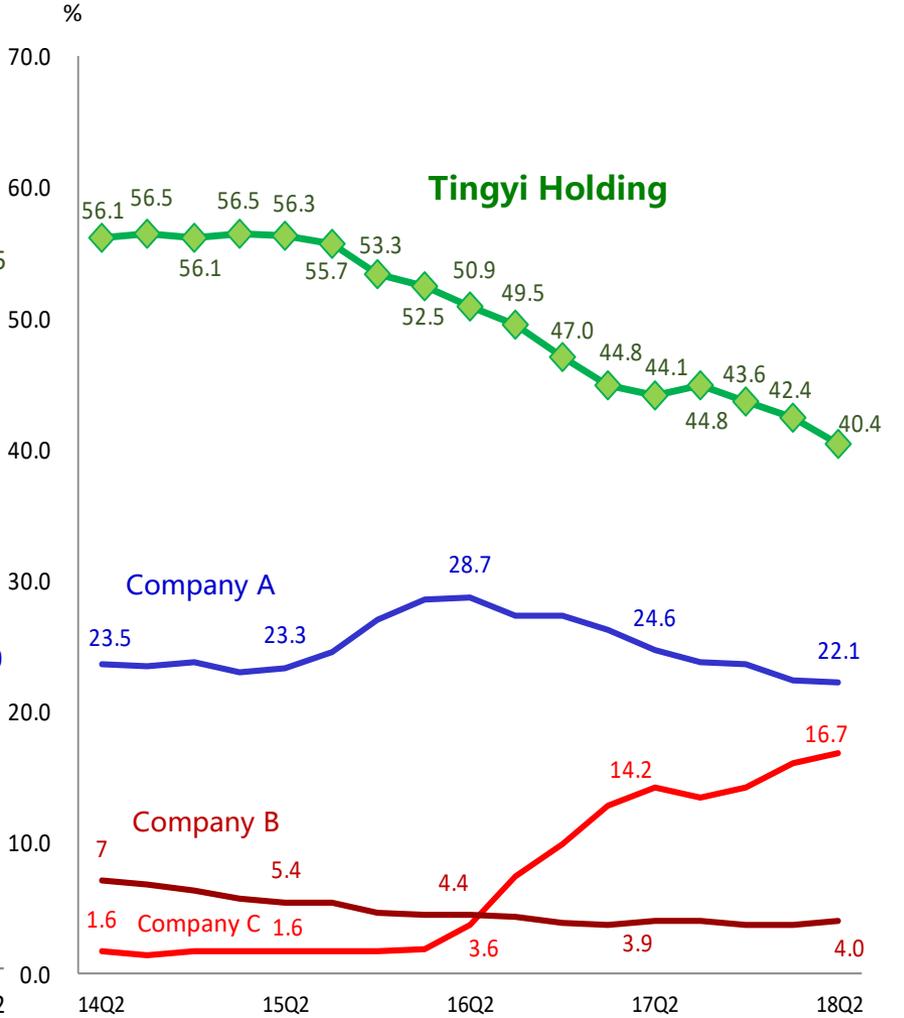
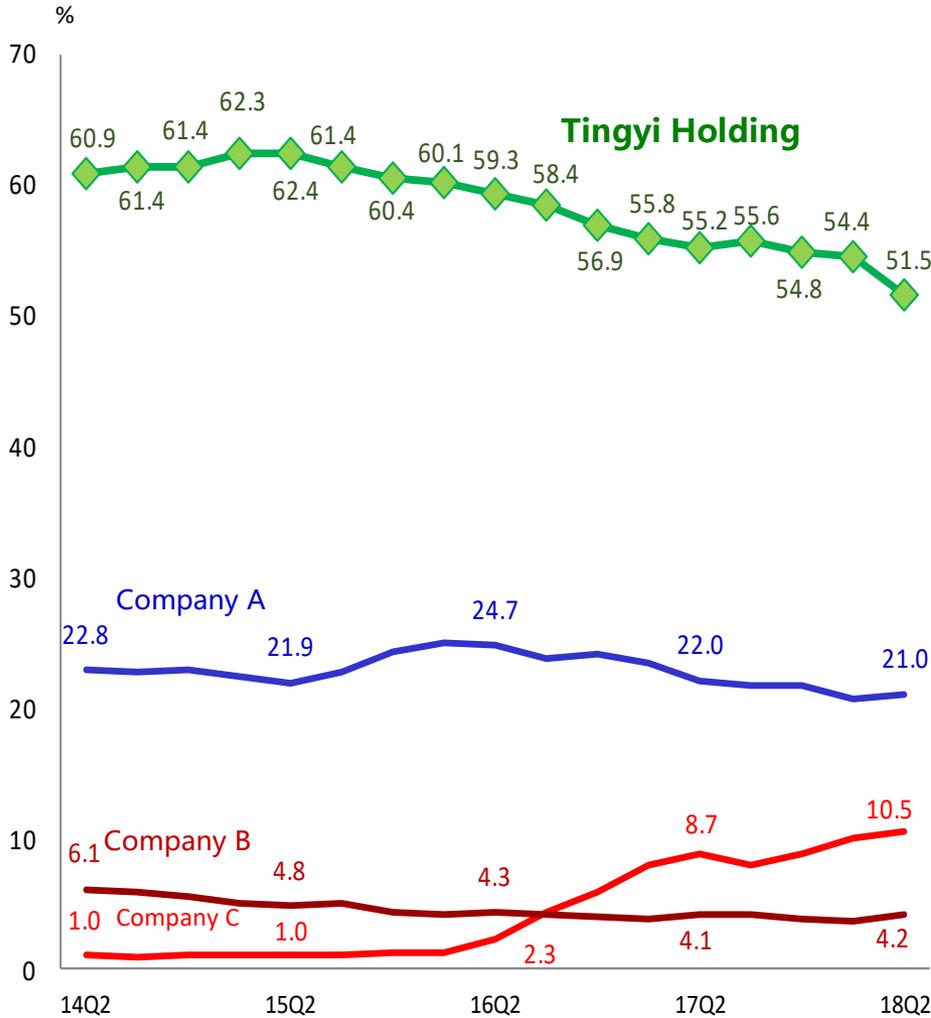
RTD Tea Market Share-by Value



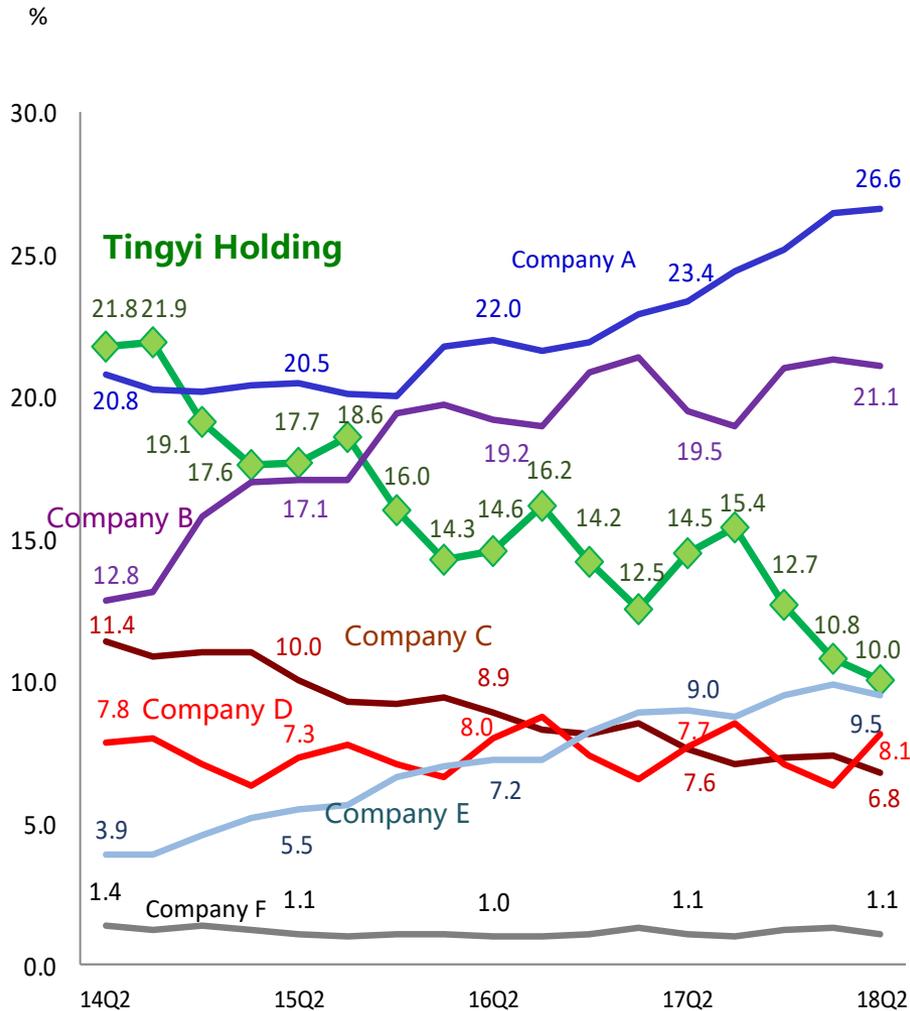


RTD Tea (no milk tea) Market Share-by Volume

RTD Tea (no milk tea) Market Share-by Value

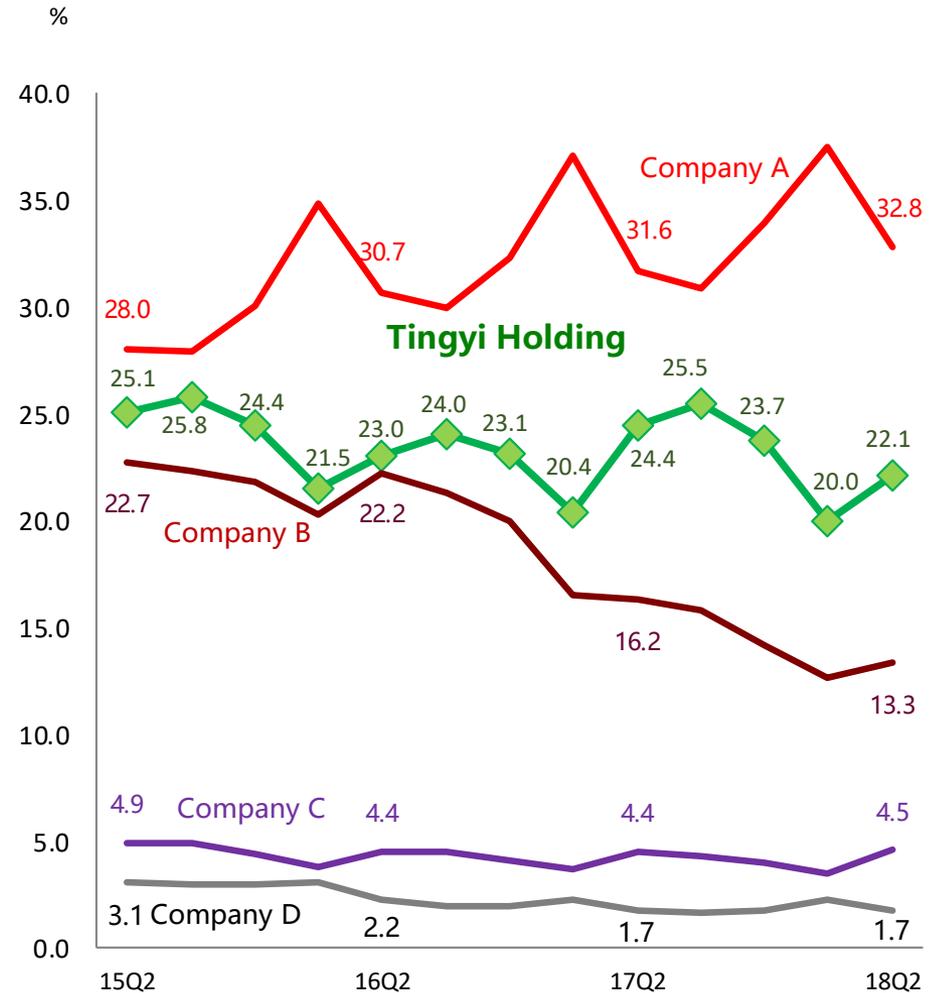


Bottle Water Market Share-by Volume



Source: Nielsen

Diluted Juice Drinks (*below 26% juice content) Market Share-by Volume



*Beginning from 2018, we adopted new classification of juice content and backdated to 2015Q1, reclassifying the definition of diluted juice drinks from "below 39% juice content" to "below 26% juice content", 康師傅控股 to be in line with the measure of Nielsen.

A) Nation-Wide Distribution Network

| | As at 30/06/2018 | As at 31/03/2018 | As at 31/12/2017 |
|-----------------|------------------|------------------|------------------|
| *Sales Office | 369 | 369 | 369 |
| Warehouse | 98 | 97 | 92 |
| Wholesaler | 32,758 | 33,347 | 35,163 |
| Direct Retailer | 135,389 | 130,527 | 129,449 |

*Sales Office: The statistics are based on the middle size sales units located in the prefecture-level city

B) Production Lines

| | | | |
|--------------|-----|-----|-----|
| Noodles | 184 | 184 | 205 |
| Beverage | 439 | 435 | 455 |
| Instant Food | 16 | 16 | 16 |

