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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 FIRST QUARTERLY RESULTS

A presentation in relation to the results of Tingyi (Cayman Islands) Holding Corp. and its subsidiaries for the First Quarterly Results for the Three Months Ended 31st March 2018 is appended to this announcement.

By order of the Board

**Tingyi (Cayman Islands) Holding Corp.**

**Ip Pui Sum**

Company Secretary

Hong Kong, 28 May 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 First Quarterly Results

28 May 2018

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- **Financial highlights**
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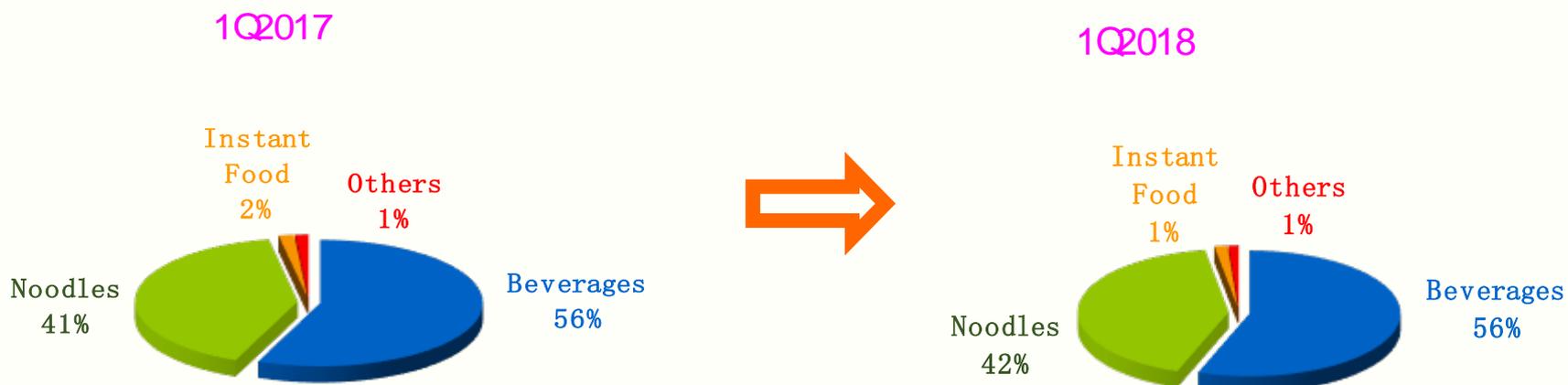
# 1Q2018 – Sales & Profit

<b>RMBmn</b>	<b>1Q2018</b>	<b>1Q2017</b>	<b>Change%</b>
<b>Revenue</b>	<b>15,037</b>	<b>14,198</b>	<b>5.91</b>
<b>Gross Profit</b>	<b>4,460</b>	<b>3,981</b>	<b>12.03</b>
<b>Gross Margin</b>	<b>29.66%</b>	<b>28.04%</b>	<b>1.62ppt.</b>
<b>EBITDA</b>	<b>1,815</b>	<b>1,733</b>	<b>4.78</b>
<b>*EBITDA</b>	<b>1,941</b>	<b>1,733</b>	<b>12.01</b>
<b>Profit</b>	<b>715</b>	<b>475</b>	<b>50.58</b>
<b>Profit attributable to owners of the Company</b>	<b>712</b>	<b>434</b>	<b>64.26</b>
<b>EPS (RMB cents)</b>	<b>12.68</b>	<b>7.73</b>	<b>4.95 cents</b>

\*EBITDA: Excluding the effects of the income of activation on assets and the provision of impairment losses on machinery and equipment , EBITDA of the Group increased by 12.01% to RMB1,941 million yoy, and EBITDA margin increased by 0.71 ppt. to 12.91% yoy

# Revenue by Products

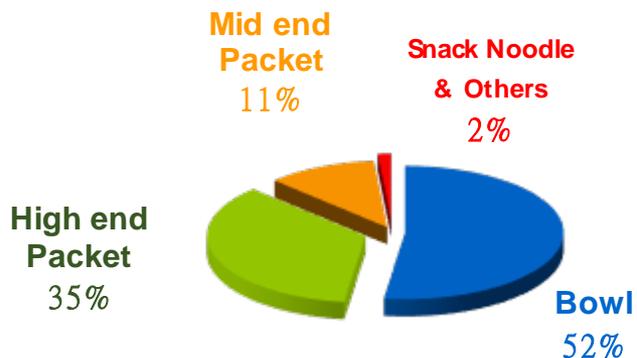
RMBmn	1Q2018	1Q2017	Change%
Instant Noodles	6,308	5,811	8.55
Beverages	8,351	7,982	4.62
Instant Food	211	219	-3.46
Others	167	186	-10.12
Total	15,037	14,198	5.91



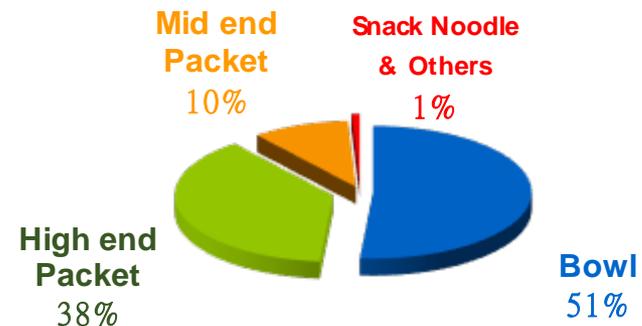
# Instant Noodle Sales by Products

RMBmn	1Q2018	1Q2017	Change%
Bowl	3,239	3,030	6.91
High end Packet	2,392	2,049	16.77
Mid end Packet	625	653	-4.23
Snack Noodle & Others	52	79	-36.16
<b>Total</b>	<b>6,308</b>	<b>5,811</b>	<b>8.55</b>

1Q2017

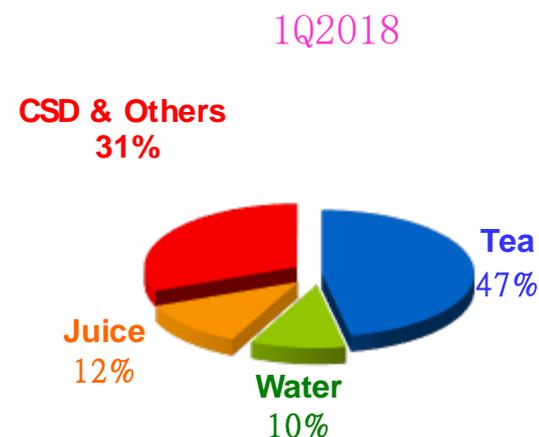
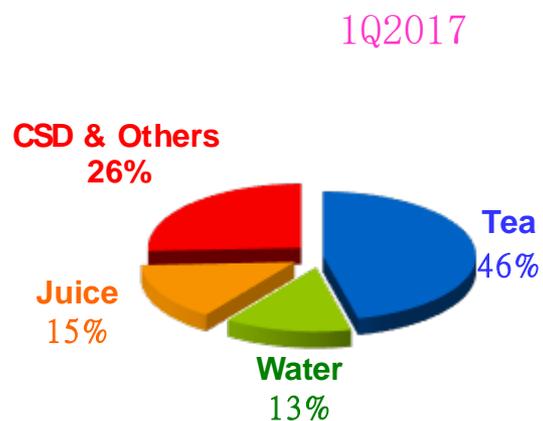


1Q2018

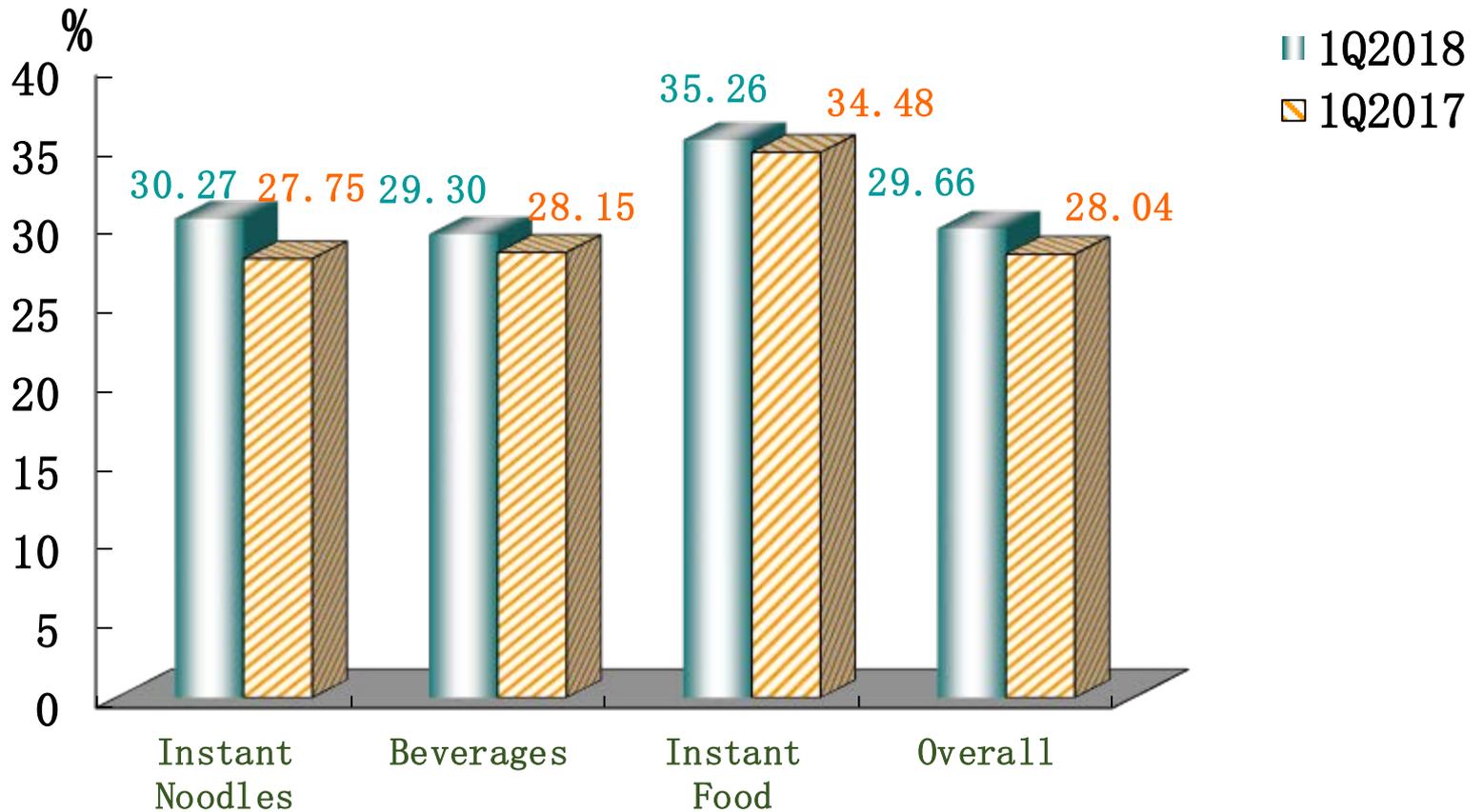


# Beverage Sales by Products

RMBmn	1Q2018	1Q2017	Change%
Tea	3,919	3,696	6.04
Water	844	1,073	-21.40
Juice	985	1,156	-14.81
Carbonated drinks and Others	2,603	2,057	26.55
Total	8,351	7,982	4.62



# Gross Margin by Products



Change (ppt.)

2.52	1.15	0.78	1.62
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# EBIT by Products

2018 巩固·革新·发展 

RMB '000	1Q2018	1Q2017	Change%
Instant Noodles	561,768	482,618	16.40
Beverages	-1,172	238,288	-100.49
Instant Food	-1,055	-4,906	78.50
Others	398,845	87,630	355.15
Group EBIT	958,386	803,630	19.26

1Q2018 Excluded effects of activation on assets and provision of impairment on machinery and equipment	Change % Excluded effects of activation on assets and provision of impairment on machinery and equipment
789,310	63.55
286,210	20.11
-1,055	78.50
9,096	-89.62
1,083,561	34.83

# Profit

<b>RMB '000</b>	<b>1Q2018</b>	<b>1Q2017</b>	<b>Change%</b>	<b>1Q2018 Excluded effects of activation on assets and provision of impairment on machinery and equipment, net of tax</b>	<b>Change % Excluded effects of activation on assets and provision of impairment on machinery and equipment, net of tax</b>
<b>Instant Noodles</b>	<b>439,685</b>	<b>393,034</b>	<b>11.87</b>	<b>598,965</b>	<b>52.40</b>
<b>Beverages</b>	<b>-54,025</b>	<b>75,795</b>	<b>-171.28</b>	<b>147,142</b>	<b>94.13</b>
<b>Instant Food</b>	<b>-1,969</b>	<b>-4,205</b>	<b>53.17</b>	<b>-1,969</b>	<b>53.17</b>
<b>Others</b>	<b>331,368</b>	<b>10,243</b>	<b>3,135.07</b>	<b>-59,851</b>	<b>-684.31</b>
<b>Group Profit</b>	<b>715,059</b>	<b>474,867</b>	<b>50.58</b>	<b>684,287</b>	<b>44.10</b>

# Financial Position

As at 31/03/2018

As at 31/12/2017

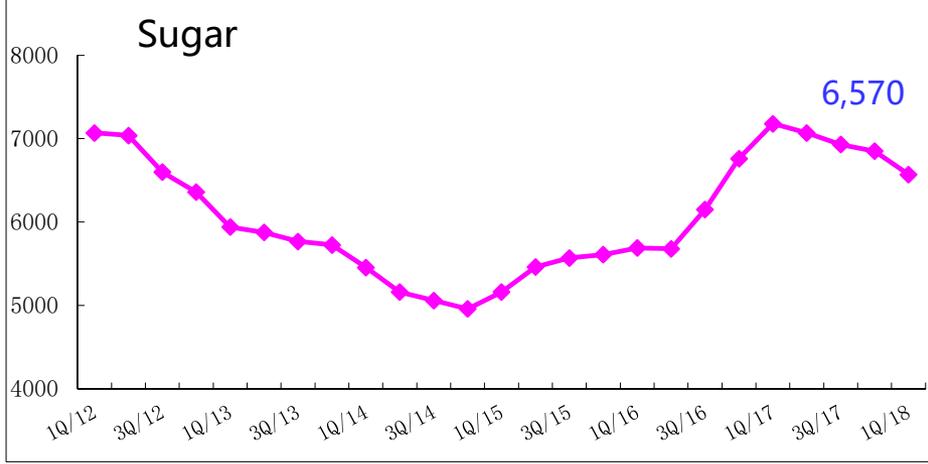
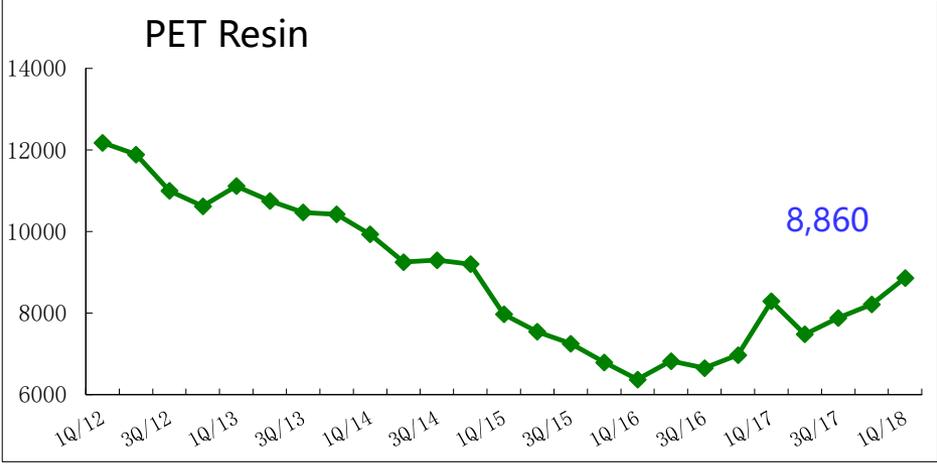
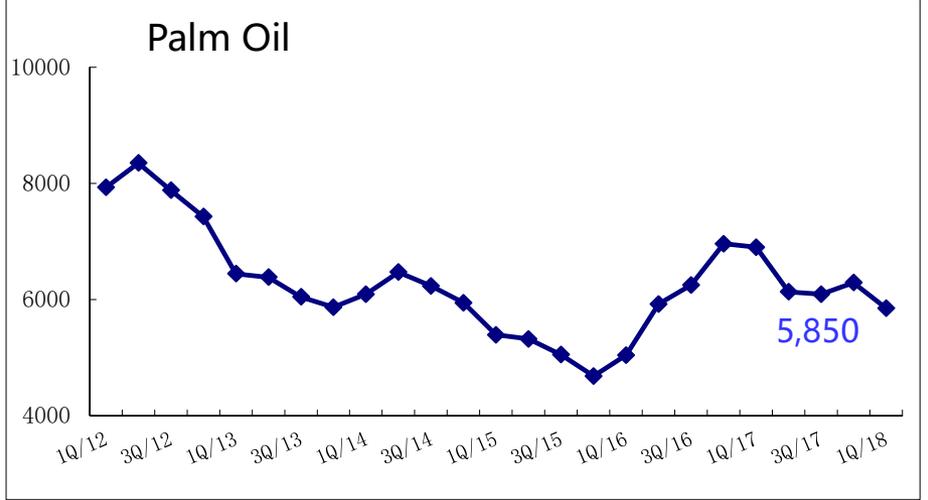
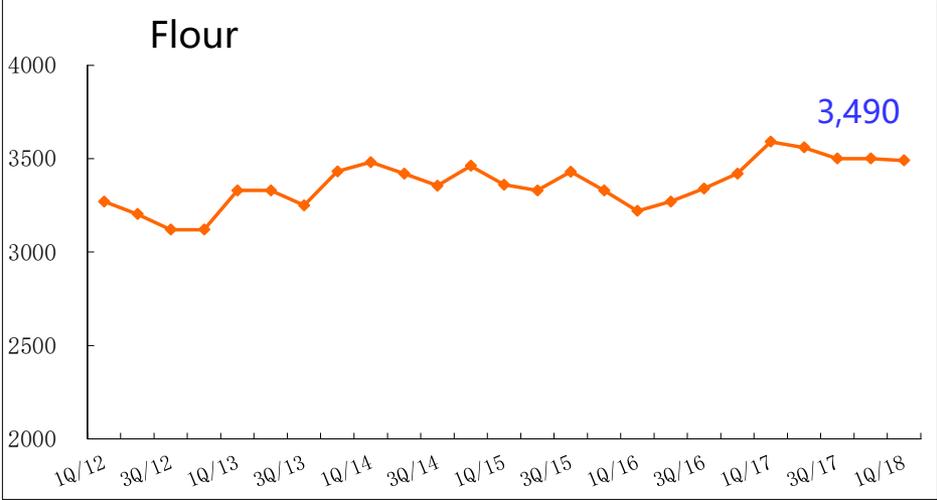
<b>*ROA (Annualized)</b>	<b>6.90%</b>	<b>6.47%</b>
<b>*ROE (Annualized)</b>	<b>15.06%</b>	<b>9.96%</b>
<b>Current Ratio</b>	<b>0.87</b>	<b>0.79</b>
<b>Gearing Ratio</b>	<b>-9.75%</b>	<b>22.26%</b>
<b>A/R Revenue /Days</b>	<b>10.15</b>	<b>9.99</b>
<b>Finished Goods Revenue/Days</b>	<b>11.95</b>	<b>11.31</b>
<b>Cash and cash equivalents</b>	<b>14.349 billion</b>	<b>10.285 billion</b>

\*ROA: EBIT to average total assets

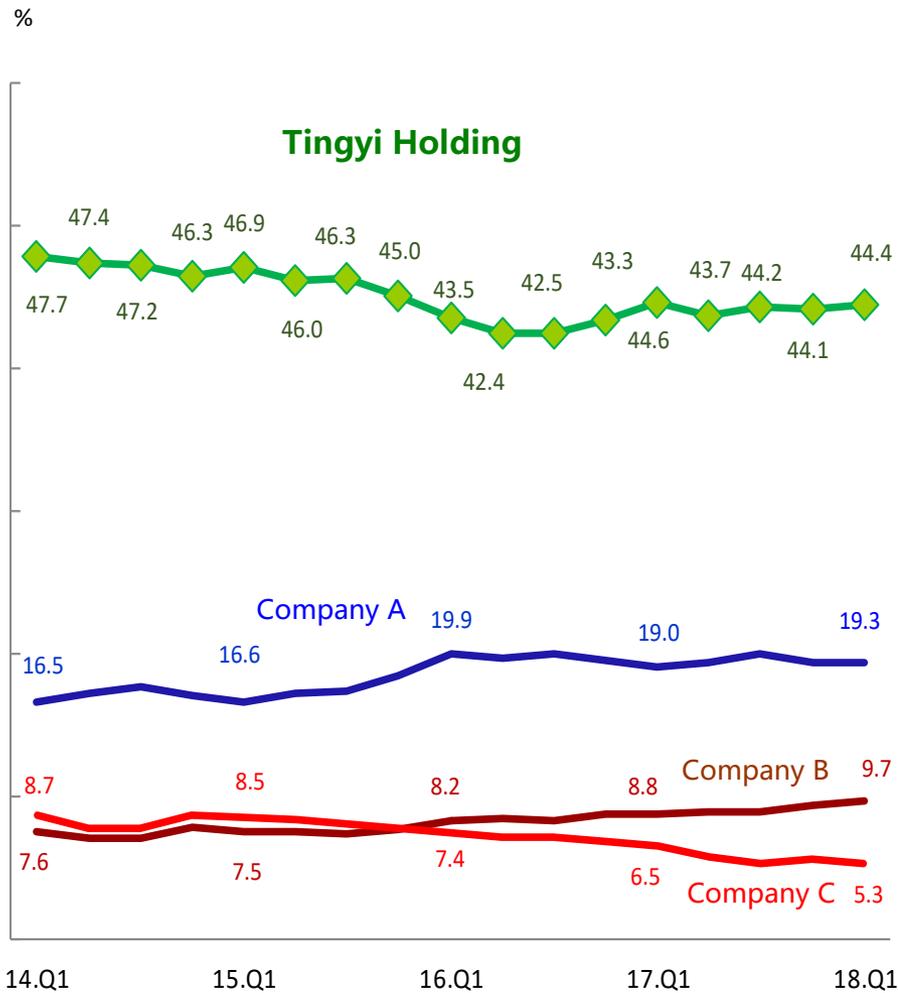
\*ROE: Profit attributable to equity holders of the Company to average net assets

# Material Price

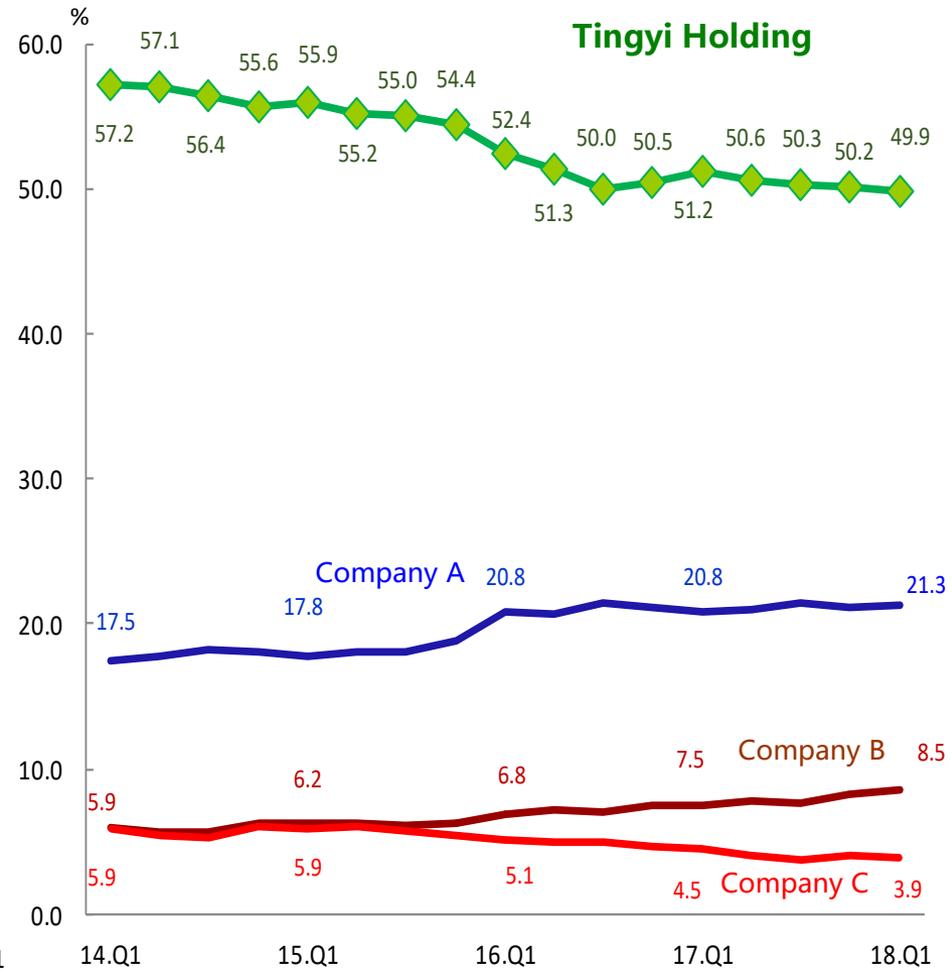
RMB/Ton



## Instant Noodle Market Share-by Volume



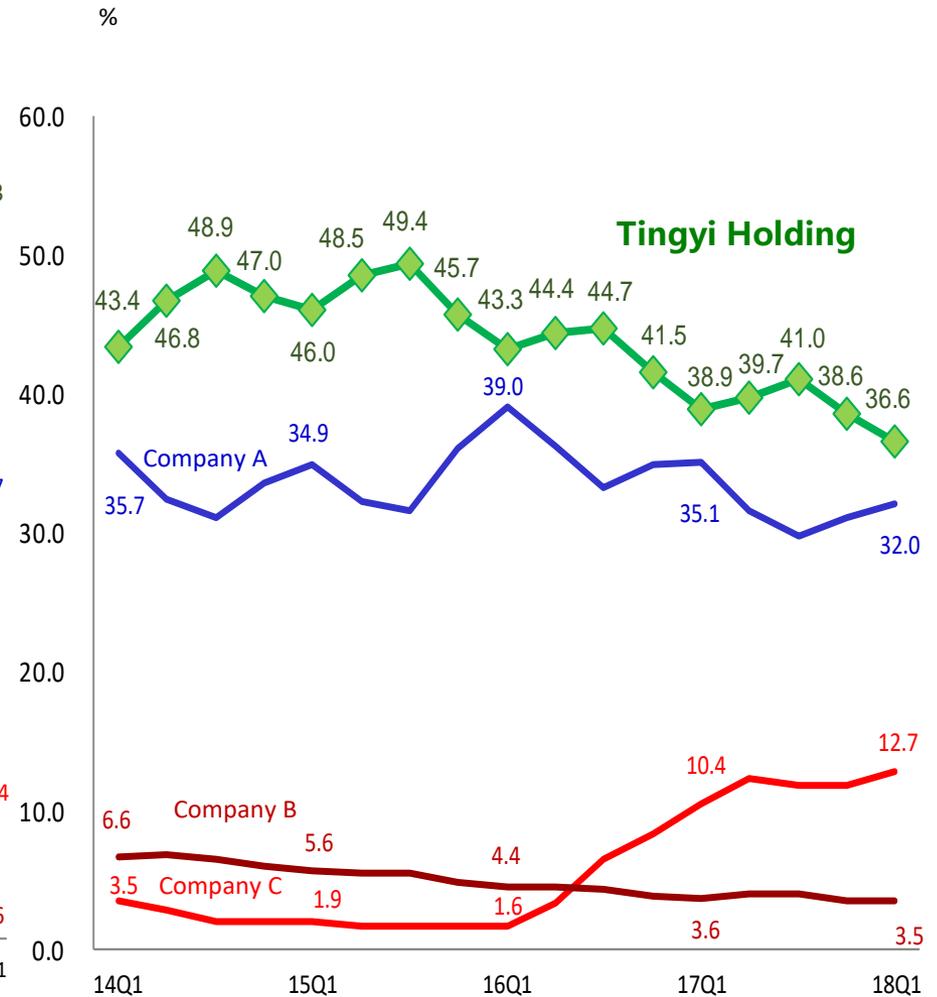
## Instant Noodle Market Share-by Value



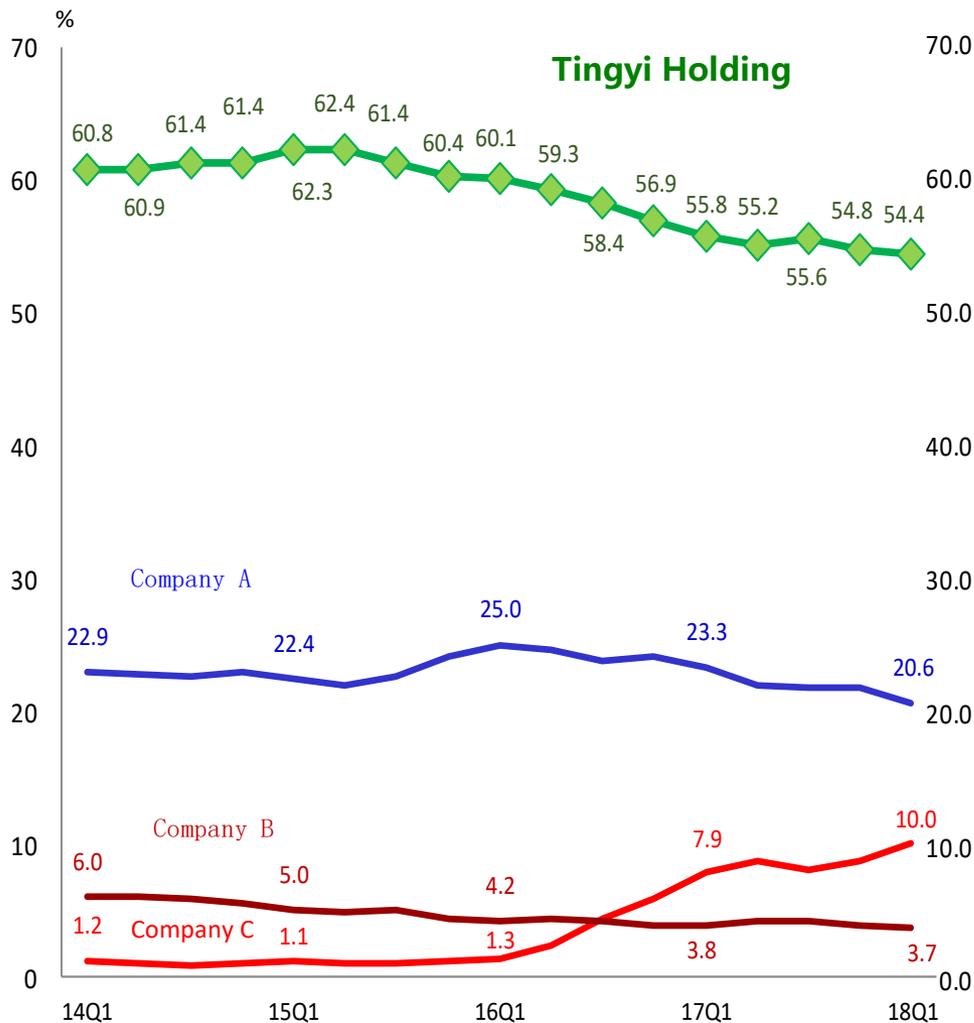
RTD Tea Market Share-by Volume



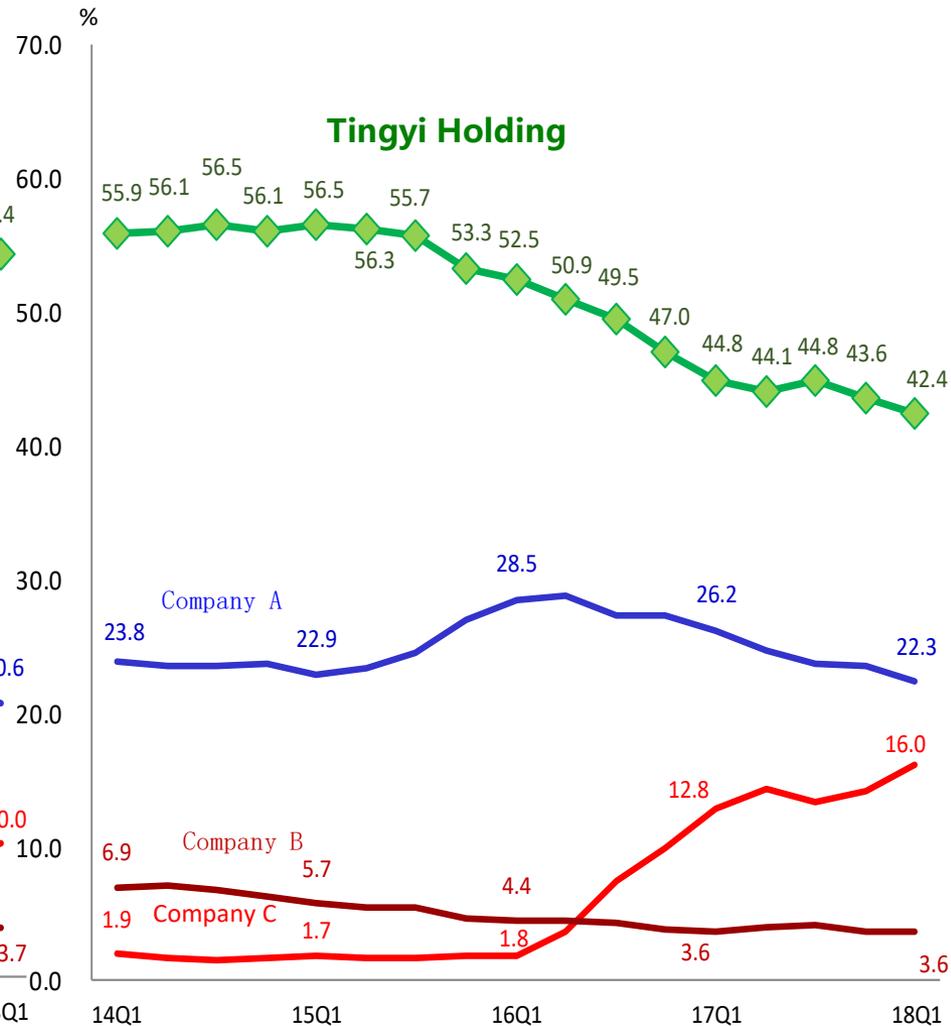
RTD Tea Market Share-by Value



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

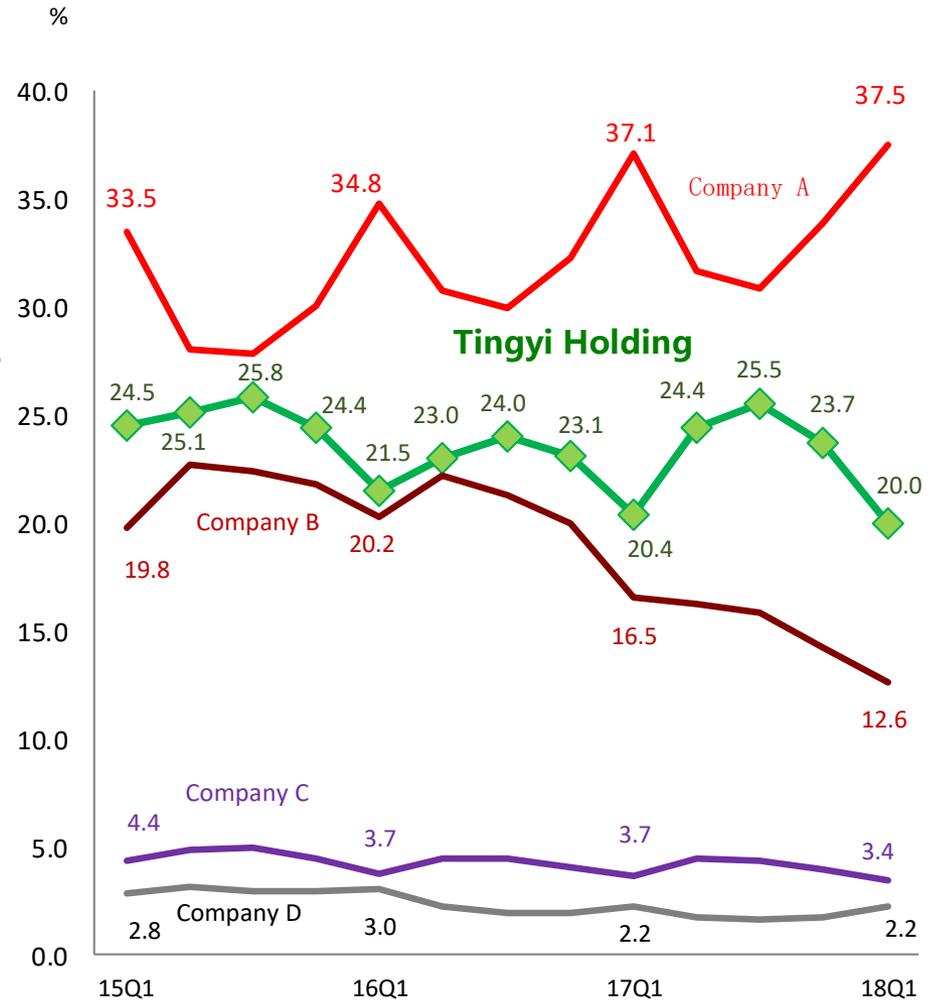
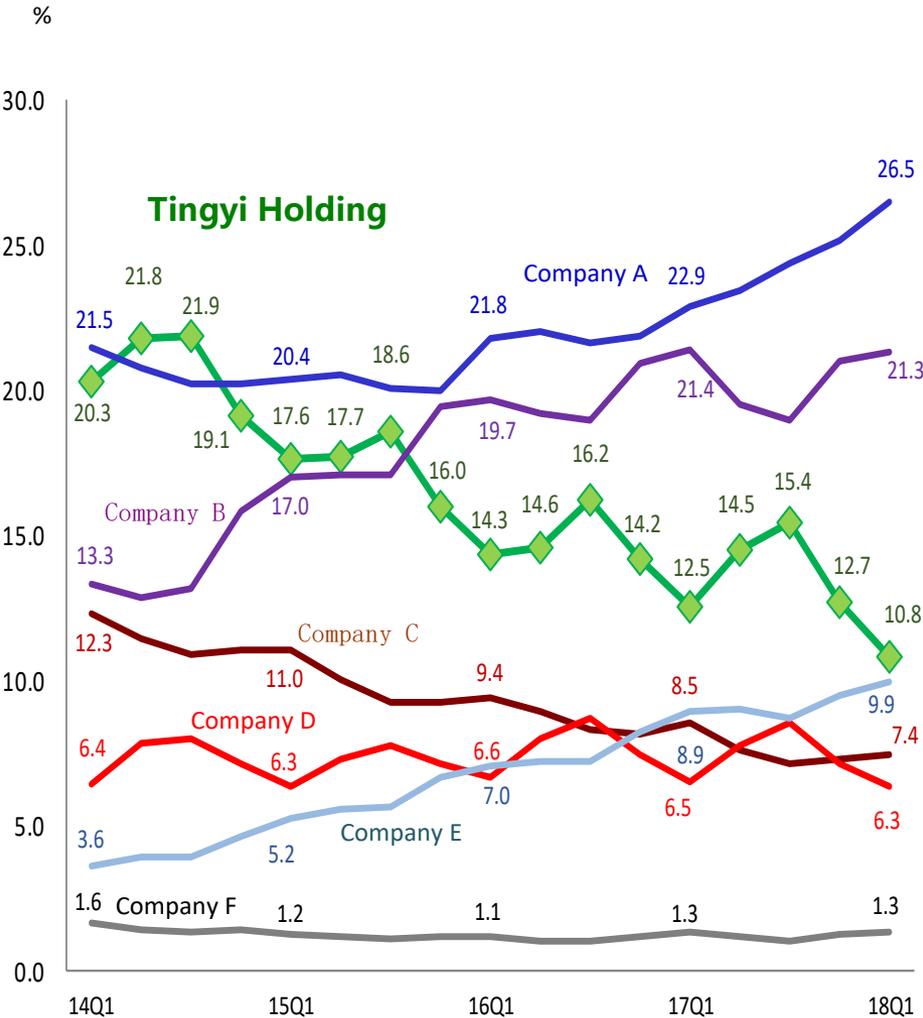


RTD Tea (no milk tea) Market Share-by Value



### Bottle Water Market Share-by Volume

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



Source: Nielsen

\*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", to be in line with the measure of Nielsen.

## A) Nation-Wide Distribution Network

	As at 31/03/2018	As at 31/12/2017
*Sales Office	369	369
Warehouse	97	92
Wholesaler	33,347	35,163
Direct Retailer	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	205
Beverage	435	455
Instant Food	16	16