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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 2017 THIRD QUARTERLY RESULTS

A presentation in relation to the results of Tingyi (Cayman Islands) Holding Corp. and its subsidiaries for the Third Quarterly Results for the Nine Months Ended 30th September 2017 is appended to this announcement.

By order of the Board  
**Tingyi (Cayman Islands) Holding Corp.**  
**Ip Pui Sum**  
Company Secretary

Hong Kong, 13 November 2017

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>

康師傅控股

2017 巩固/革新/发展

Life + Delicacy

# Tingyi Holding Corp.

2017 Third Quarterly Results



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# Contents

- **3Q2017 review**
- **Financial highlights**
- **Market shares**
- **Distribution network**
- **Production summary**

## 3Q2017 – Sales & Profit

<b>RMBmn</b>	<b>3Q2017</b>	<b>3Q2016 (Restated)</b>	<b>Change%</b>
<b>Revenue</b>	<b>19,687</b>	<b>18,147</b>	<b>8.49</b>
<b>Gross Profit</b>	<b>6,397</b>	<b>6,069</b>	<b>5.42</b>
<b>Gross Margin</b>	<b>32.50%</b>	<b>33.44%</b>	<b>-0.94ppt.</b>
<b>EBITDA</b>	<b>3,419</b>	<b>2,998</b>	<b>14.03</b>
<b>Profit</b>	<b>1,883</b>	<b>1,472</b>	<b>27.93</b>
<b>Profit attributable to owners of the Company</b>	<b>1,238</b>	<b>953</b>	<b>29.98</b>
<b>EPS (RMB cents)</b>	<b>22.09</b>	<b>17.00</b>	<b>5.09 cents</b>

# 1-9/2017 – Sales & Profit

<b>RMBmn</b>	<b>1-9/2017</b>	<b>1-9/2016 (Restated)</b>	<b>Change%</b>
<b>Revenue</b>	<b>48,254</b>	<b>45,562</b>	<b>5.91</b>
<b>Gross Profit</b>	<b>14,711</b>	<b>14,741</b>	<b>-0.20</b>
<b>Gross Margin</b>	<b>30.49%</b>	<b>32.35%</b>	<b>-1.86ppt.</b>
<b>EBITDA</b>	<b>6,762</b>	<b>6,181</b>	<b>9.40</b>
<b>Profit</b>	<b>2,763</b>	<b>2,064</b>	<b>33.87</b>
<b>Profit attributable to owners of the Company</b>	<b>1,938</b>	<b>1,406</b>	<b>37.91</b>
<b>EPS (RMB cents)</b>	<b>34.58</b>	<b>25.09</b>	<b>9.49 cents</b>

# Revenue by Products

RMBmn	3Q2017	3Q2016 (Restated)	Change%
Instant Noodles	6,707	6,462	3.79
Beverages	12,569	11,310	11.13
Instant Food	231	232	-0.56
Others	180	143	26.21
<b>Total</b>	<b>19,687</b>	<b>18,147</b>	<b>8.49</b>



# Revenue by Products

RMBmn	1-9/2017	1-9/2016 (Restated)	Change%
Instant Noodles	16,979	16,557	2.55
Beverages	30,105	27,885	7.96
Instant Food	629	643	-2.27
Others	541	477	13.69
<b>Total</b>	<b>48,254</b>	<b>45,562</b>	<b>5.91</b>

1-9/2016



1-9/2017

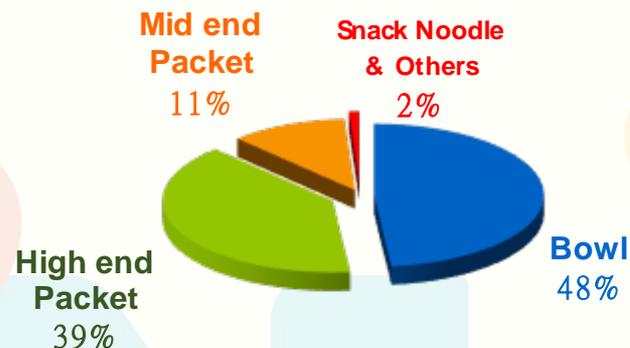
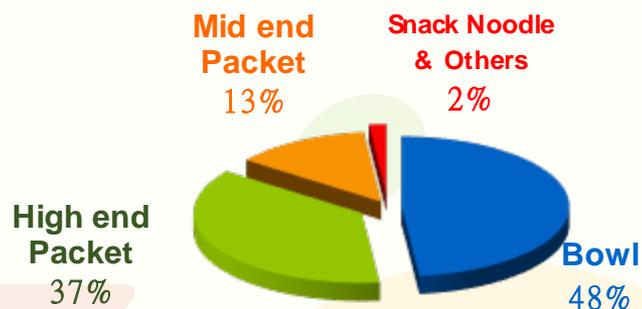


# Instant Noodle Sales by Products

RMBmn	3Q2017	3Q2016 (Restated)	Change%
Bowl	3,244	3,120	3.98
High end Packet	2,648	2,382	11.15
Mid end Packet	748	853	-12.27
Snack Noodle & Others	67	107	-37.29
<b>Total</b>	<b>6,707</b>	<b>6,462</b>	<b>3.79</b>

3Q2016

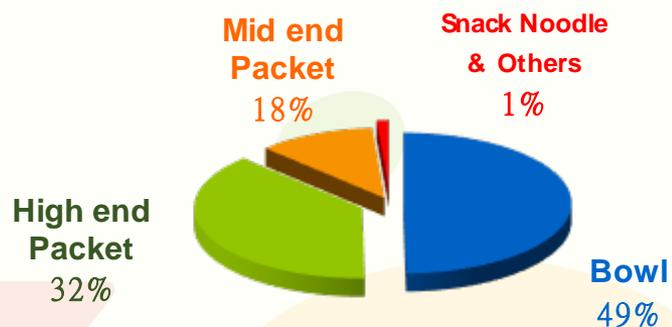
3Q2017



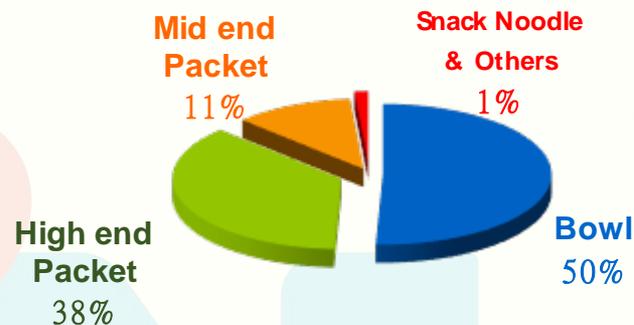
# Instant Noodle Sales by Products

RMBmn	1-9/2017	1-9/2016 (Restated)	Change%
Bowl	8,449	8,051	4.94
High end Packet	6,404	5,293	21.00
Mid end Packet	1,924	2,902	-33.72
Snack Noodle & Others	202	311	-35.01
<b>Total</b>	<b>16,979</b>	<b>16,557</b>	<b>2.55</b>

1-9/2016



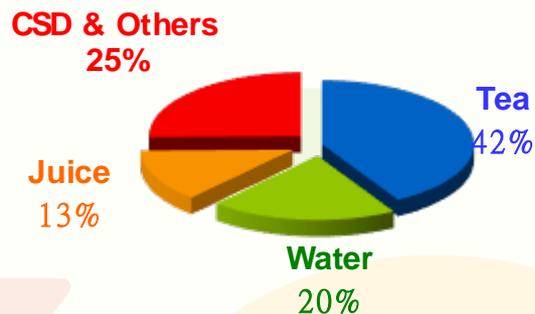
1-9/2017



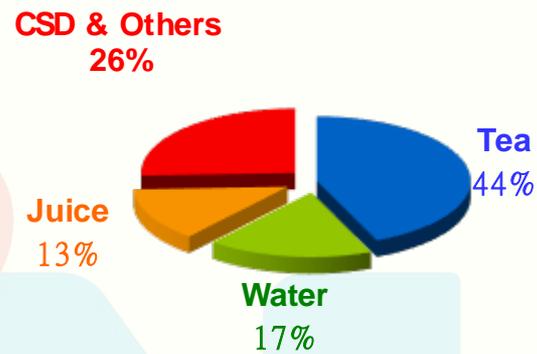
# Beverage Sales by Products

RMBmn	3Q2017	3Q2016 (Restated)	Change%
Tea	5,487	4,713	16.42
Water	2,179	2,251	-3.17
Juice	1,676	1,494	12.16
Carbonated drinks and Others	3,227	2,852	13.13
<b>Total</b>	<b>12,569</b>	<b>11,310</b>	<b>11.13</b>

3Q2016

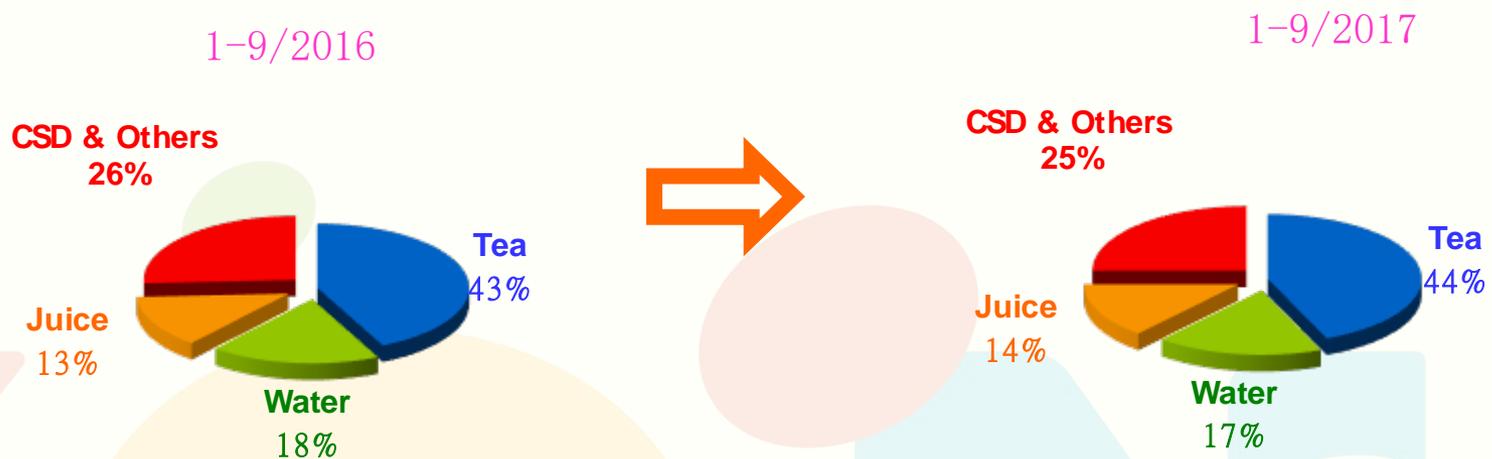


3Q2017

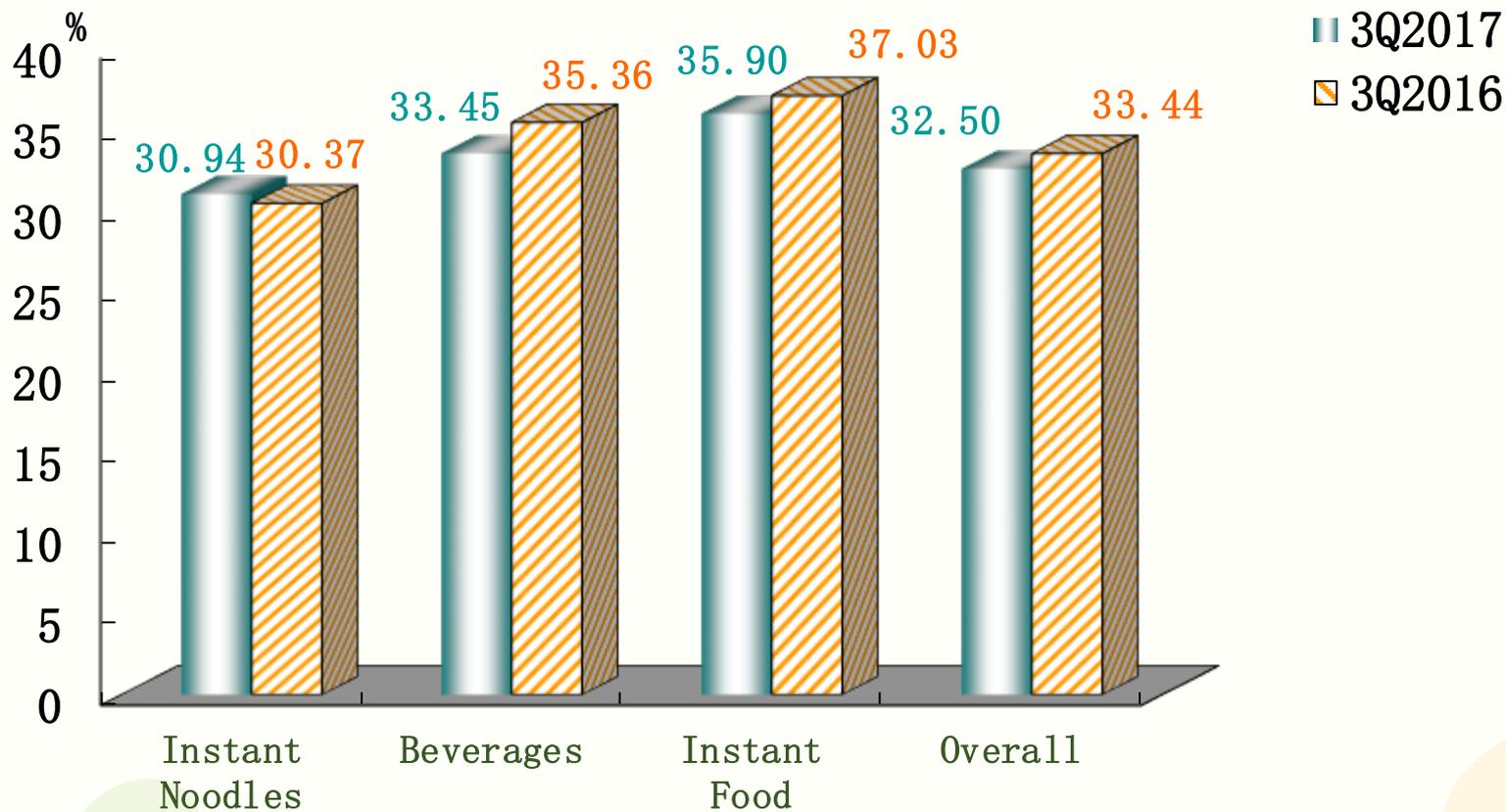


# Beverage Sales by Products

RMBmn	1-9/2017	1-9/2016 (Restated)	Change%
Tea	13,173	11,965	10.10
Water	5,250	5,038	4.21
Juice	4,148	3,674	12.91
Carbonated drinks and Others	7,534	7,208	4.51
Total	30,105	27,885	7.96



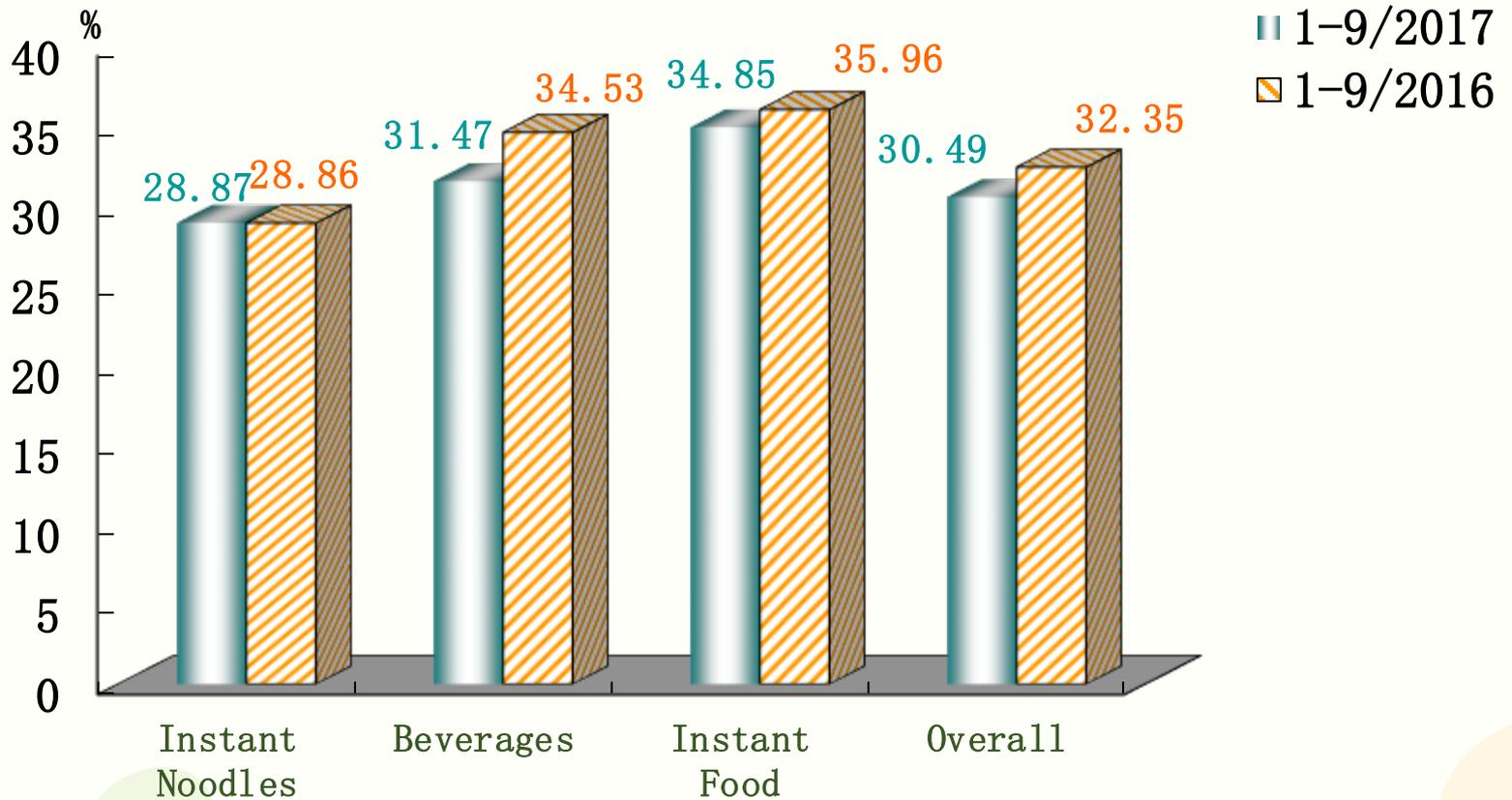
# Gross Margin by Products



Change (ppt.)

0.57	-1.91	-1.13	-0.94
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# Gross Margin by Products



Change (ppt.)

0.01	-3.06	-1.11	-1.86
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## EBIT by Products

<b>RMB '000</b>	<b>3Q2017</b>	<b>3Q2016 (Restated)</b>	<b>Change%</b>
<b>Instant Noodles</b>	<b>841,644</b>	<b>741,454</b>	<b>13.51</b>
<b>Beverages</b>	<b>1,692,157</b>	<b>1,288,016</b>	<b>31.38</b>
<b>Instant Food</b>	<b>5,403</b>	<b>-6,018</b>	<b>189.78</b>
<b>Others</b>	<b>-22,574</b>	<b>26,095</b>	<b>-186.51</b>
<b>Group EBIT</b>	<b>2,516,630</b>	<b>2,049,547</b>	<b>22.79</b>

# EBIT by Products

<b>RMB '000</b>	<b>1-9/2017</b>	<b>1-9/2016 (Restated)</b>	<b>Change%</b>
<b>Instant Noodles</b>	<b>1,484,628</b>	<b>1,200,022</b>	<b>23.72</b>
<b>Beverages</b>	<b>2,379,021</b>	<b>1,952,264</b>	<b>21.86</b>
<b>Instant Food</b>	<b>-10,445</b>	<b>-48,583</b>	<b>78.50</b>
<b>Others</b>	<b>161,515</b>	<b>164,904</b>	<b>-2.06</b>
<b>Group EBIT</b>	<b>4,014,719</b>	<b>3,268,607</b>	<b>22.83</b>

# Profit

<b>RMB '000</b>	<b>3Q2017</b>	<b>3Q2016 (Restated)</b>	<b>Change%</b>
<b>Instant Noodles</b>	<b>626,193</b>	<b>562,220</b>	<b>11.38</b>
<b>Beverages</b>	<b>1,331,166</b>	<b>971,569</b>	<b>37.01</b>
<b>Instant Food</b>	<b>3,763</b>	<b>-7,812</b>	<b>148.17</b>
<b>Others</b>	<b>-77,796</b>	<b>-53,787</b>	<b>-44.64</b>
<b>Group Profit</b>	<b>1,883,326</b>	<b>1,472,190</b>	<b>27.93</b>

# Profit

<b>RMB '000</b>	<b>1-9/2017</b>	<b>1-9/2016 (Restated)</b>	<b>Change%</b>
<b>Instant Noodles</b>	<b>1,158,473</b>	<b>960,798</b>	<b>20.57</b>
<b>Beverages</b>	<b>1,669,531</b>	<b>1,221,276</b>	<b>36.70</b>
<b>Instant Food</b>	<b>-10,912</b>	<b>-49,837</b>	<b>78.10</b>
<b>Others</b>	<b>-53,616</b>	<b>-67,965</b>	<b>21.11</b>
<b>Group Profit</b>	<b>2,763,476</b>	<b>2,064,272</b>	<b>33.87</b>

# Financial Position

As at 30/09/2017

As at 31/12/2016  
(Restated)

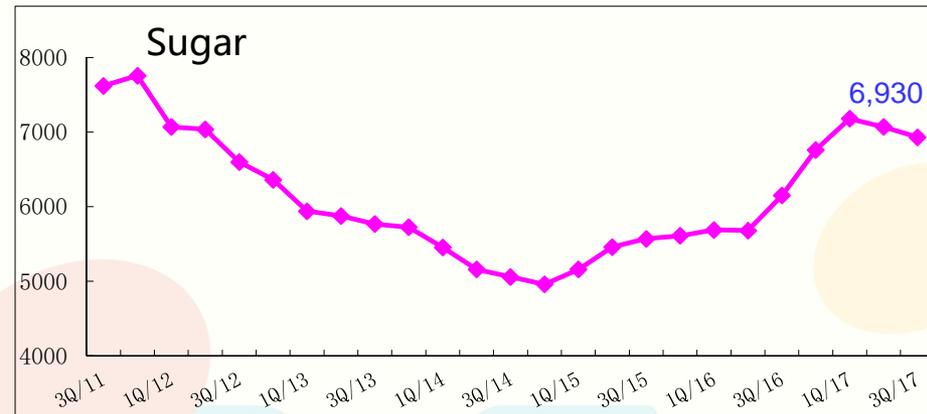
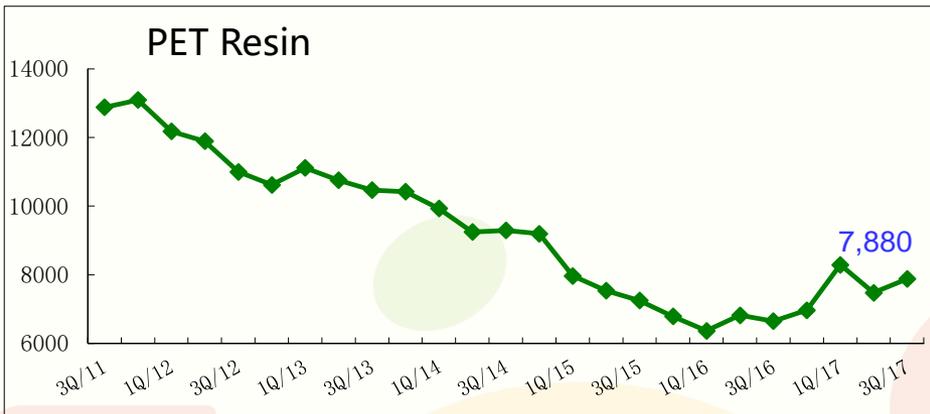
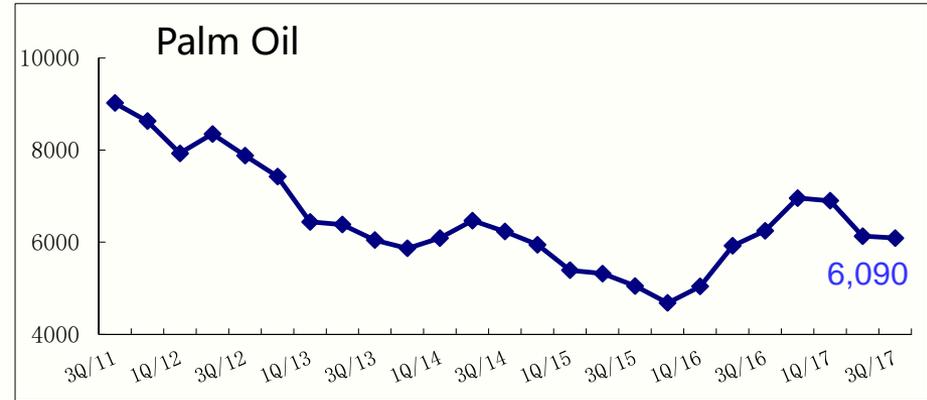
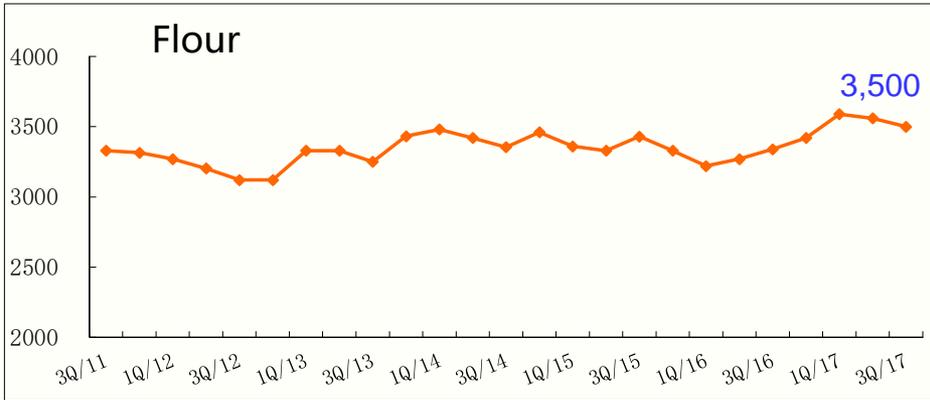
<b>*ROA (Annualized)</b>	<b>9.28%</b>	<b>4.86%</b>
<b>*ROE (Annualized)</b>	<b>15.33%</b>	<b>6.31%</b>
<b>Current Ratio</b>	<b>0.89</b>	<b>0.72</b>
<b>Gearing Ratio</b>	<b>-0.18</b>	<b>0.32</b>
<b>A/R Revenue /Days</b>	<b>11.02</b>	<b>10.23</b>
<b>Finished Goods Revenue/Days</b>	<b>10.65</b>	<b>11.58</b>
<b>Cash and cash equivalents</b>	<b>RMB 13.752 billion</b>	<b>RMB 10.232 billion</b>

\*ROA : EBIT to average total assets

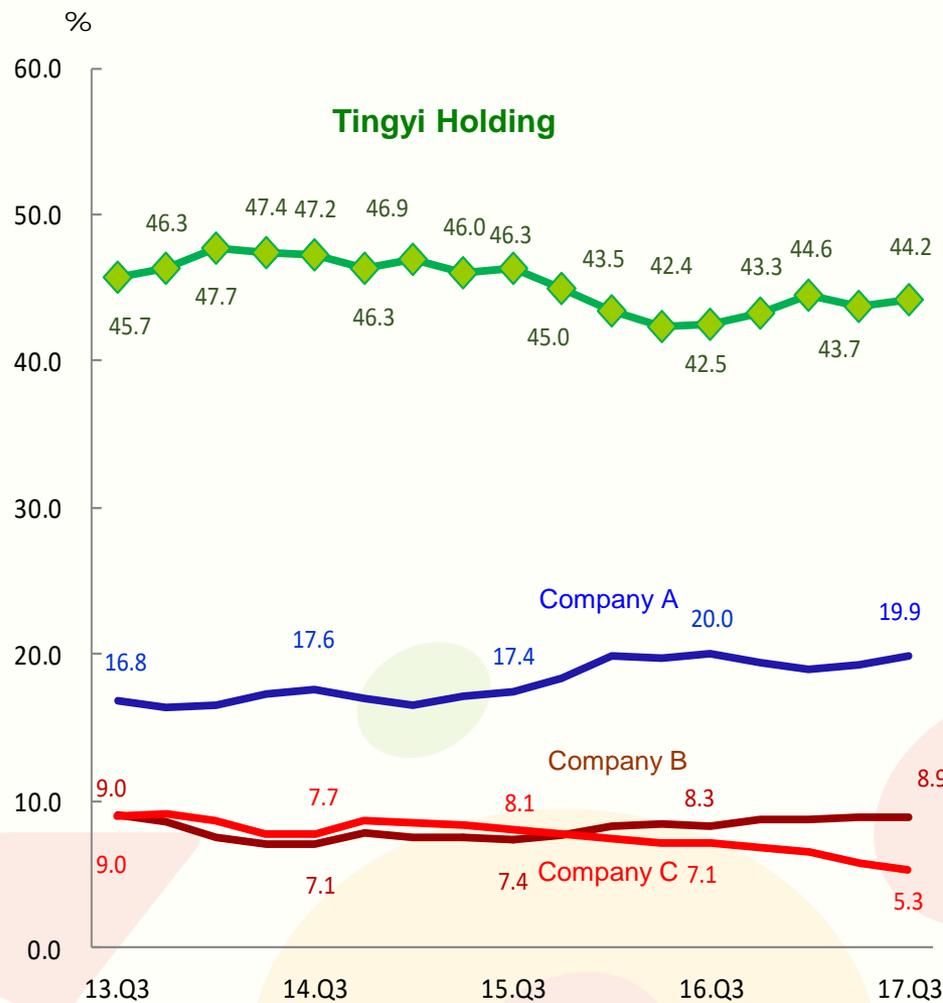
\*ROE : Profit attributable to equity holders of the Company to average net assets

# Material Price

RMB/Ton

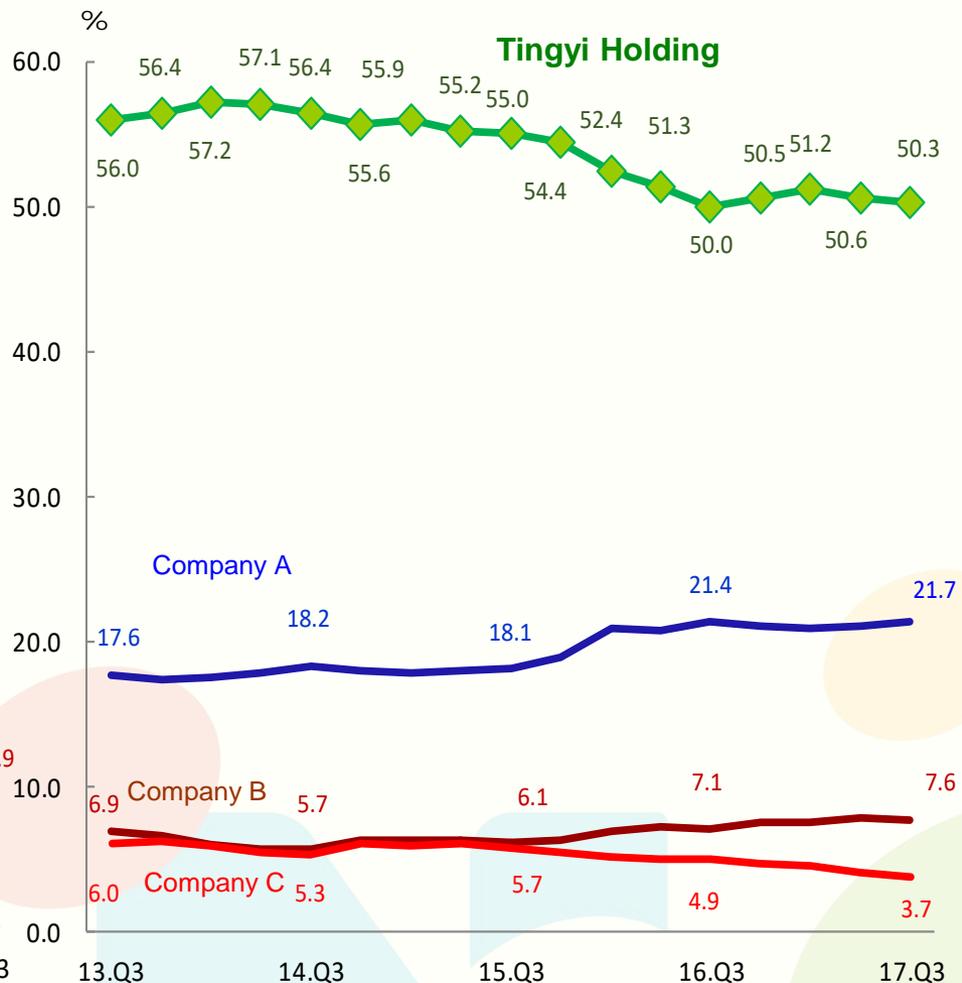


## Instant Noodle Market Share-by Volume



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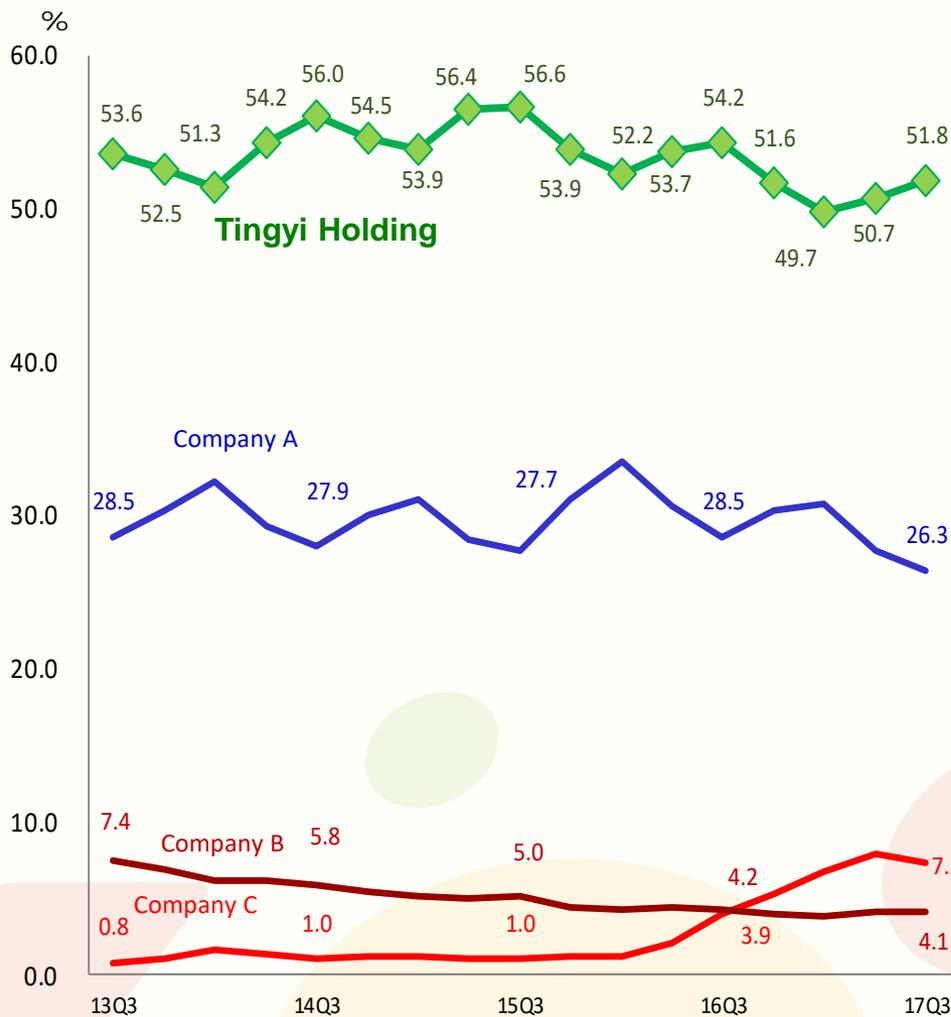
## Instant Noodle Market Share-by Value



Source: Nielsen

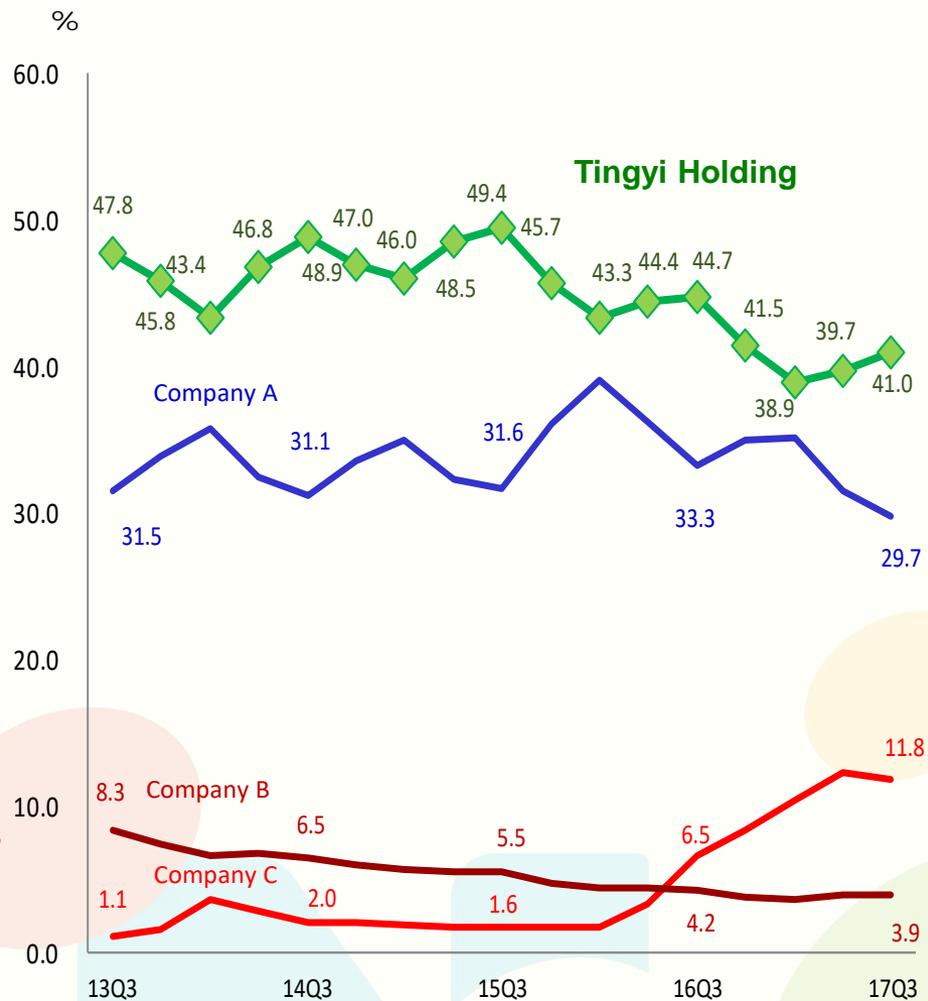
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### RTD Tea Market Share-by Volume



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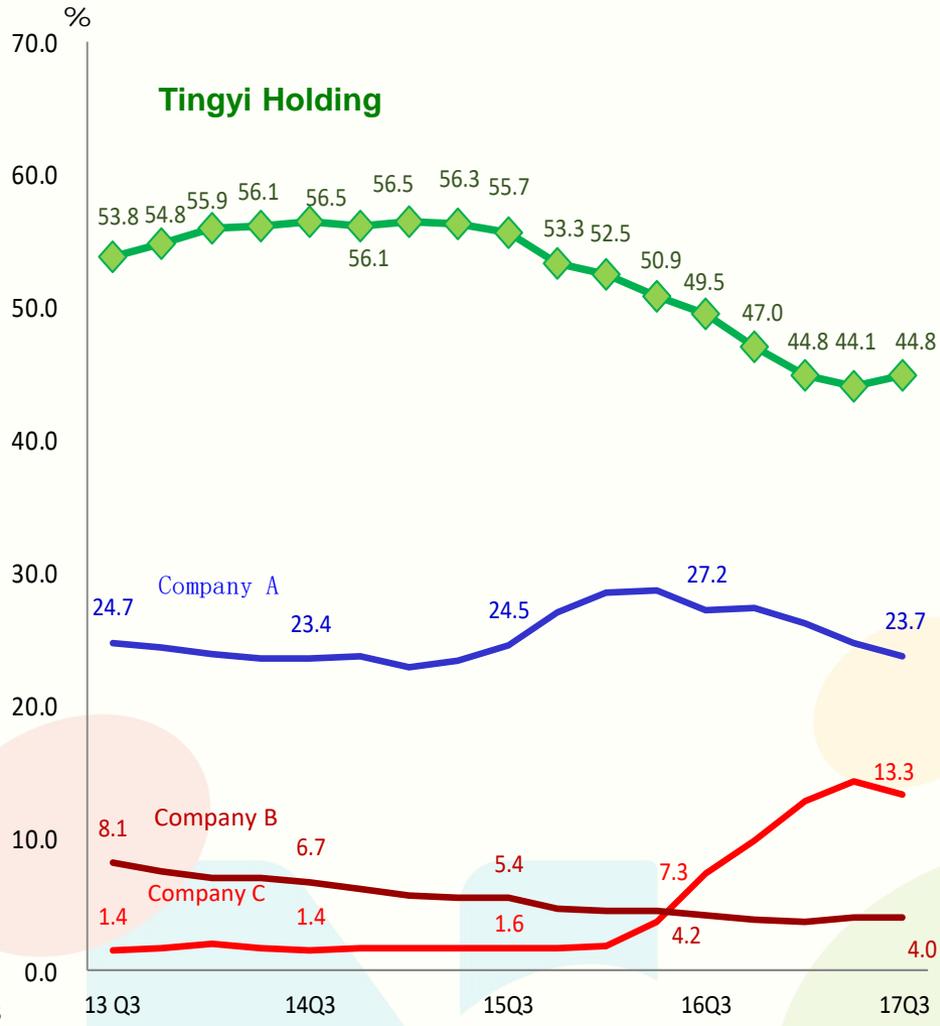
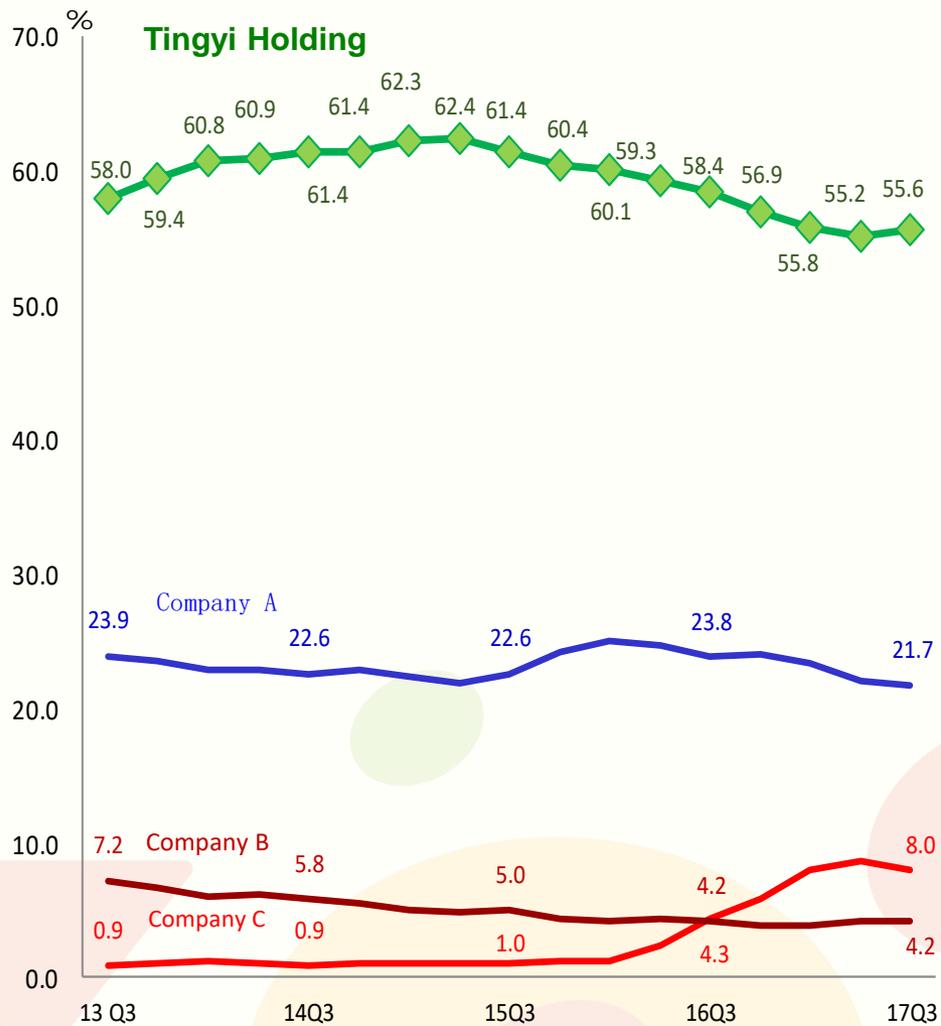
### RTD Tea Market Share-by Value



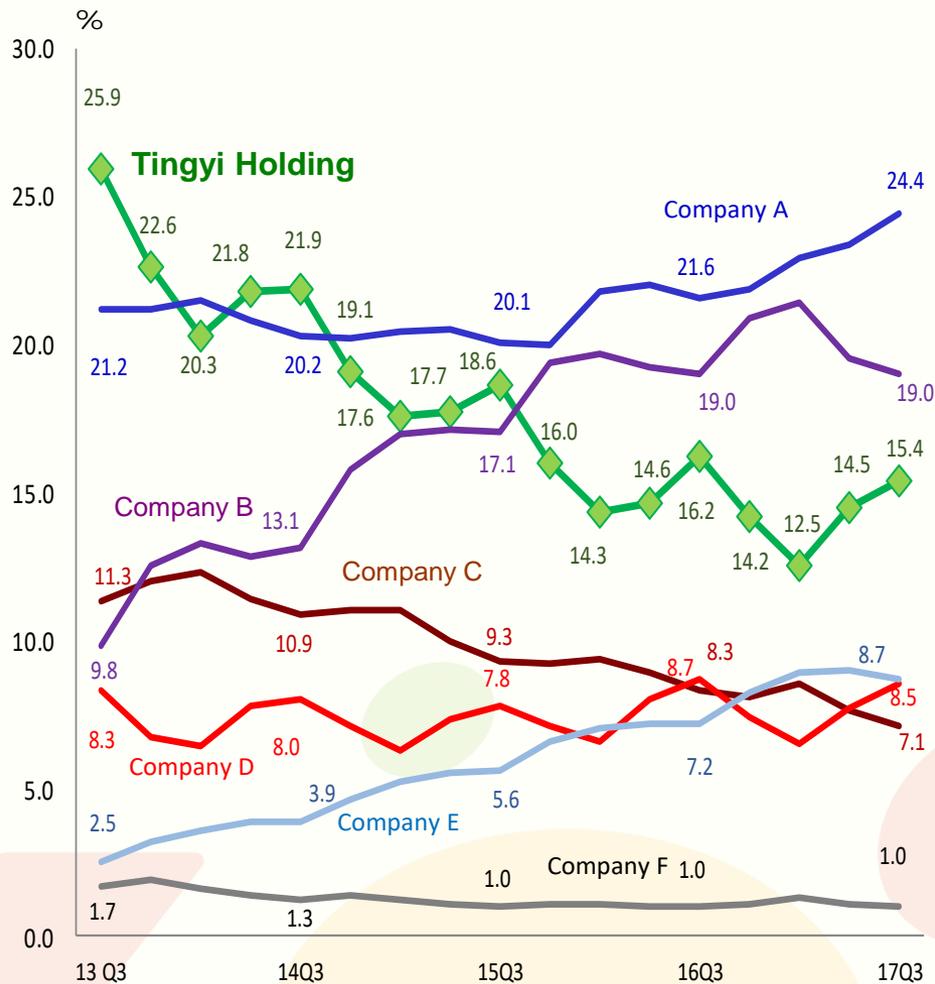
Source: Nielsen

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

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

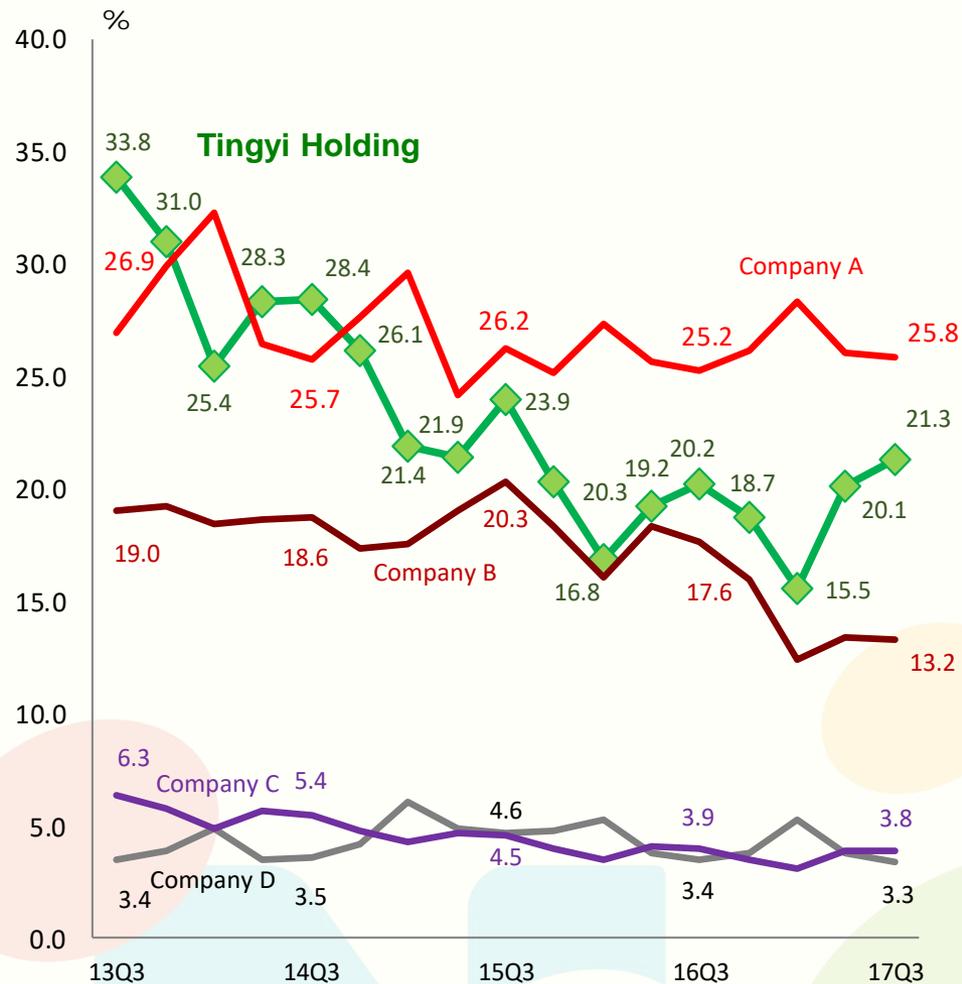


Bottle Water Market Share-by Volume



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Diluted Juice Drinks (below 39% juice content) Market Share-by Volume



Source: Nielsen

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# A ) Nation-Wide Distribution Network

As at 30/09/2017

As at 30/06/2017

As at 31/12/2016

Sales Office	1,376	1,439	598
Warehouse	76	76	69
Wholesaler	35,012	35,291	33,653
Direct Retailer	127,398	124,988	116,222

# B ) Production Lines

Noodles	216
Beverage	455
Instant Food	16

