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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 ANNUAL RESULTS

A presentation in relation to the results of Tingyi (Cayman Islands) Holding Corp. and its subsidiaries for the year ended 31 December 2018 is appended to this announcement.

By order of the Board

Tingyi (Cayman Islands) Holding Corp.

Ip Pui Sum

Company Secretary

Hong Kong, 25 March 2019

As at the date of this announcement, Mr. Wei Hong-Ming, Mr. Junichiro Ida, Mr. Lin Chin-Tang, Mr. Nagano Teruo, Mr. Wei Hong-Chen 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.

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

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

* For identification purposes only

Tingyi Holding Corp.

2018 Annual Results

25 March 2019



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Contents

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- **Financial highlights**
- **Market shares**
- **Distribution network**
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4Q2018 – Sales & Profit



RMBmn	4Q2018	4Q2017	Change%
Revenue	10,827	10,700	1.19
Gross Profit	2,752	2,627	4.76
Gross Margin	25.42%	24.56%	0.86ppt.
EBITDA	195	440	-55.79
Profit	-665	-508	-30.92
Profit attributable to owners of the Company	-397	-119	-233.13
EPS (RMB cents)	-7.07	-2.13	-4.94 cents

2018 – Sales & Profit

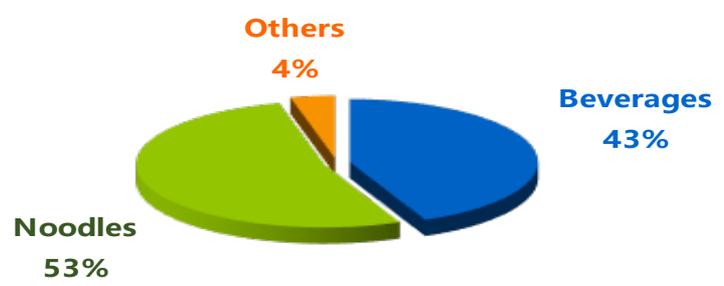
RMBmn	2018	2017	Change%
Revenue	60,686	58,954	2.94
Gross Profit	18,727	17,338	8.01
Gross Margin	30.86%	29.41%	1.45ppt.
EBITDA	7,376	7,202	2.42
*EBITDA	7,587	7,202	5.34
Profit	2,729	2,255	20.99
Profit attributable to owners of the Company	2,463	1,819	35.42
EPS (RMB cents)	43.85	32.45	11.40 cents

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

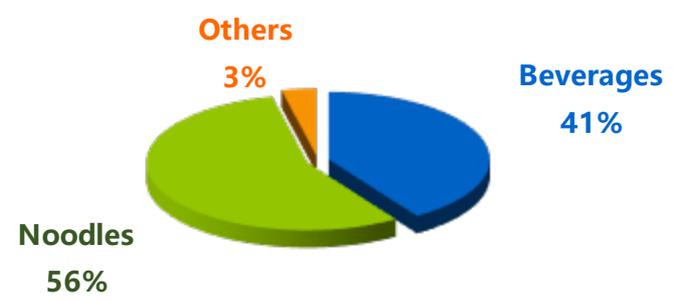
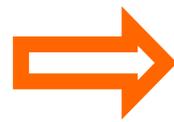
Revenue by Products

RMBmn	4Q2018	4Q2017	Change%
Instant Noodles	6,031	5,641	6.91
Beverages	4,416	4,649	-5.01
Others	380	410	-7.13
Total	10,827	10,700	1.19

4Q2017

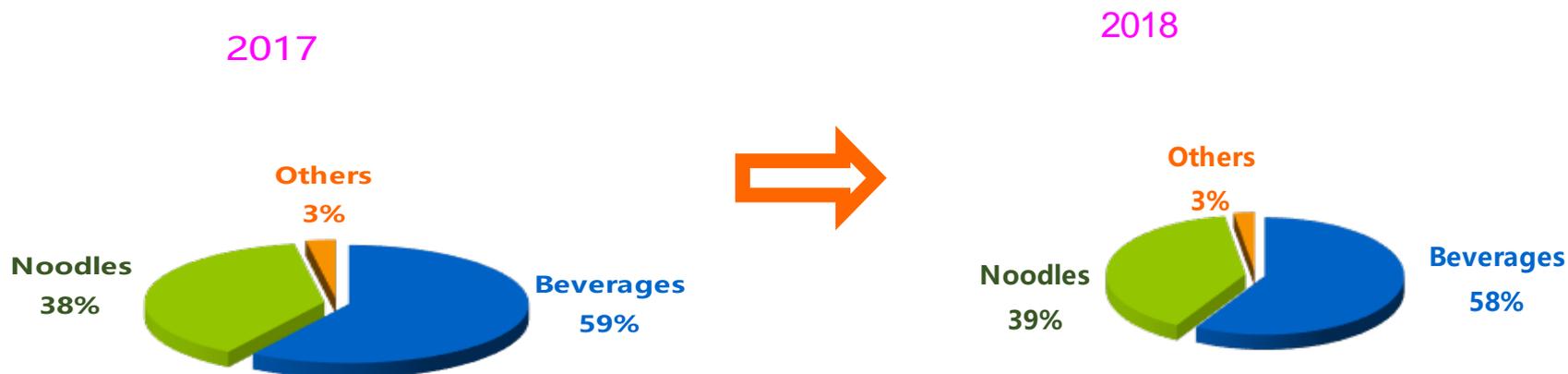


4Q2018



Revenue by Products

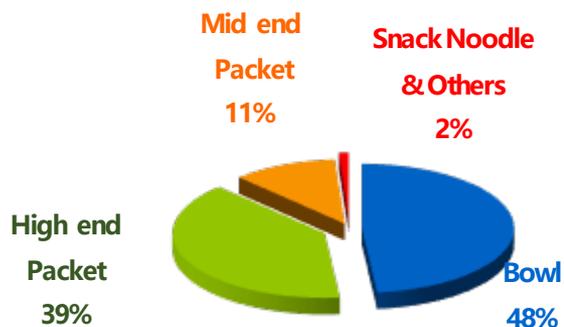
RMBmn	2018	2017	Change%
Instant Noodles	23,917	22,620	5.73
Beverages	35,313	34,754	1.61
Others	1,456	1,580	-7.81
Total	60,686	58,954	2.94



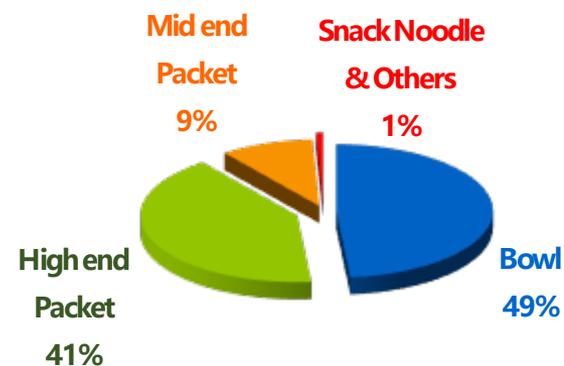
Instant Noodle Sales by Products

RMBmn	4Q2018	4Q2017	Change%
Bowl	2,928	2,731	7.21
High end Packet	2,479	2,221	11.61
Mid end Packet	581	630	-7.90
Snack Noodle & Others	43	59	-26.46
Total	6,031	5,641	6.91

4Q2017



4Q2018

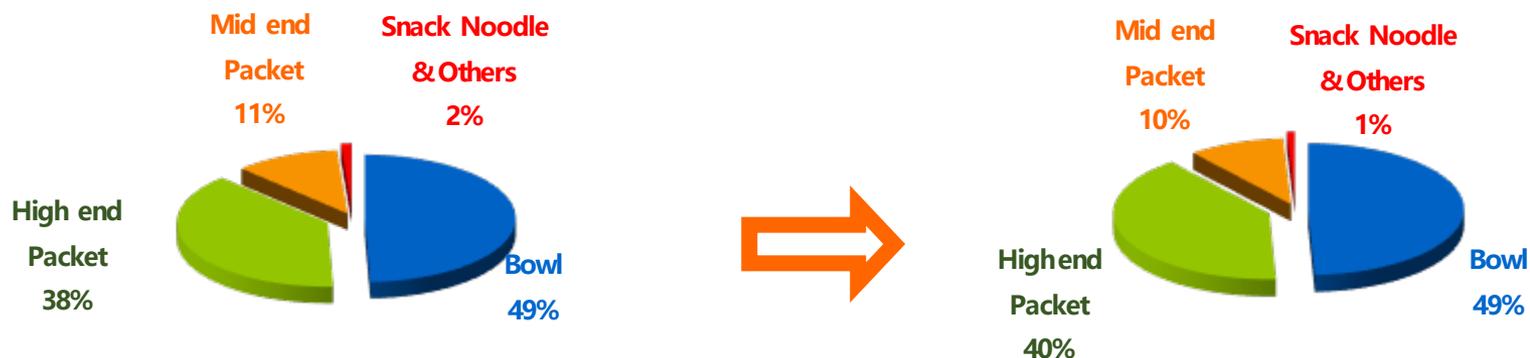


Instant Noodle Sales by Products

RMBmn	2018	2017	Change%
Bowl	11,794	11,180	5.50
High end Packet	9,540	8,625	10.61
Mid end Packet	2,384	2,554	-6.68
Snack Noodle & Others	199	261	-23.92
Total	23,917	22,620	5.73

2017

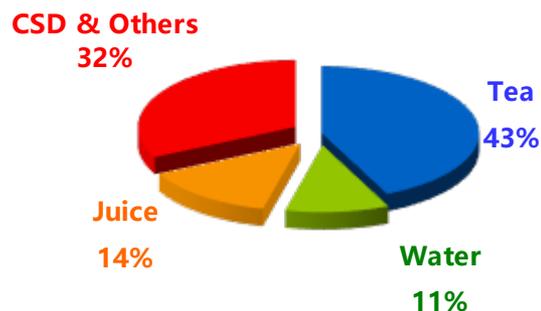
2018



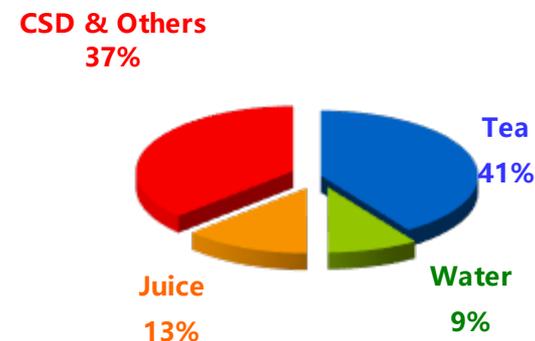
Beverage Sales by Products

RMBmn	4Q2018	4Q2017	Change%
Tea	1,794	2,007	-10.59
Water	412	494	-16.52
Juice	575	639	-9.96
Carbonated drinks and Others	1,635	1,509	8.26
Total	4,416	4,649	-5.01

4Q2017



4Q2018

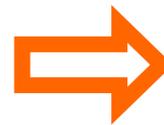
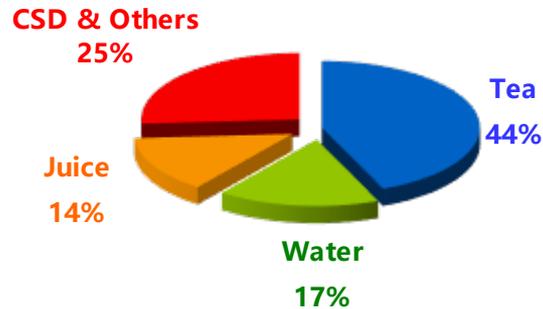


Beverage Sales by Products

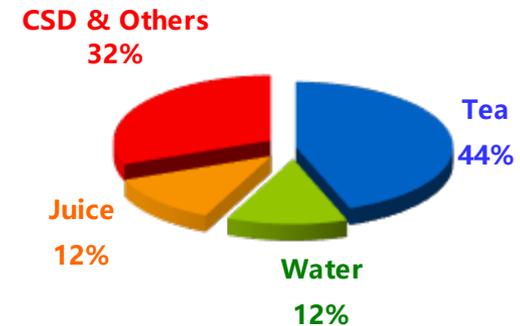


RMBmn	2018	2017	Change%
Tea	15,689	15,180	3.35
Water	4,385	5,744	-23.65
Juice	4,304	4,787	-10.08
Carbonated drinks and Others	10,935	9,043	20.91
Total	35,313	34,754	1.61

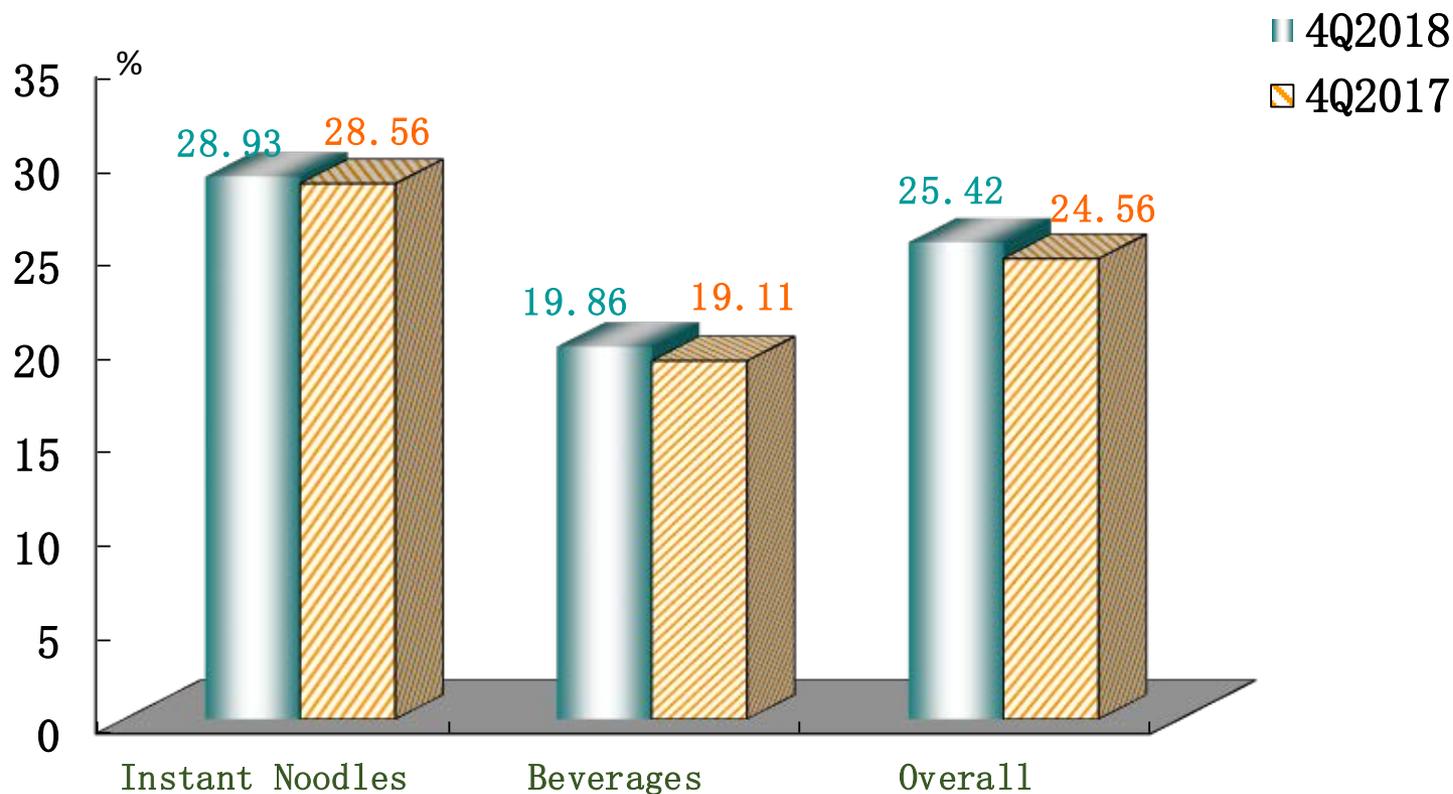
2017



2018



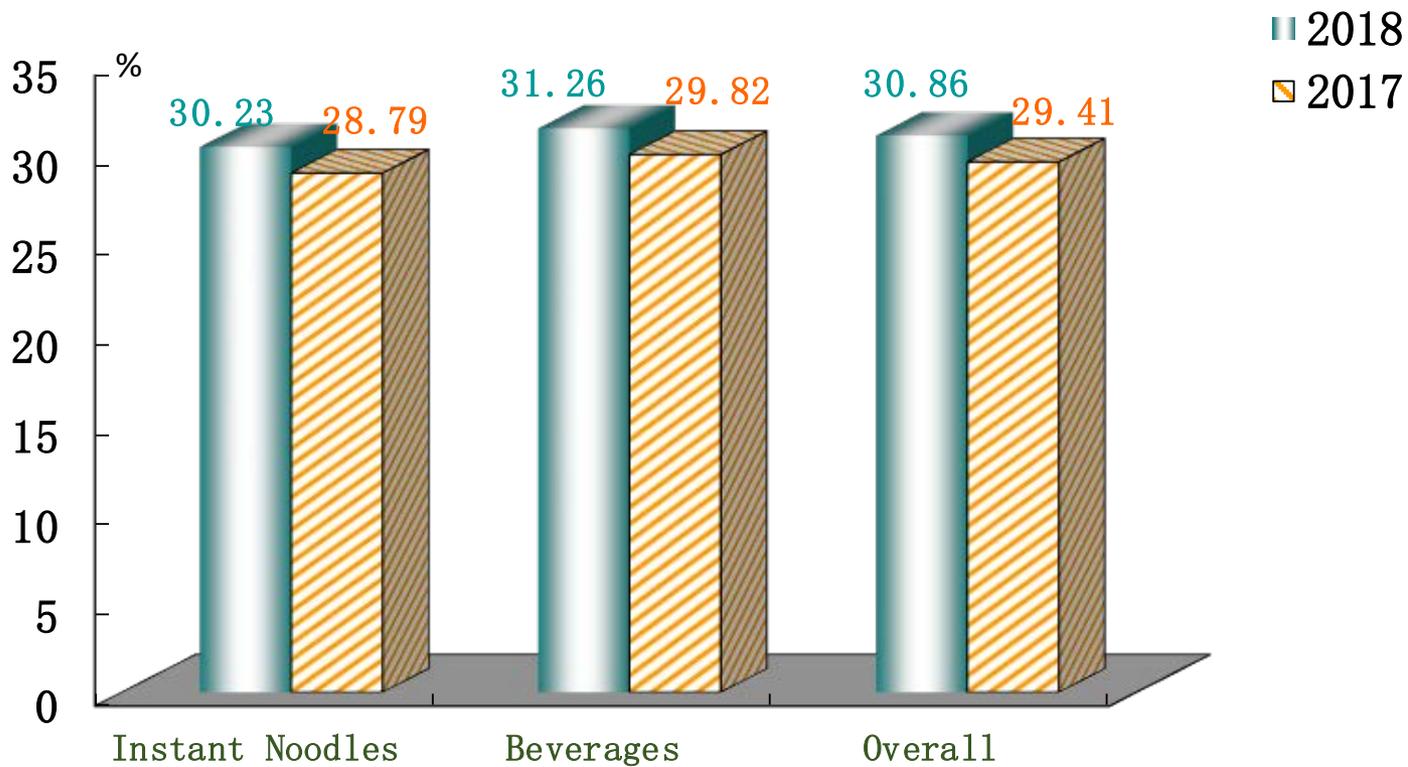
Gross Margin by Products



Change (ppt.)

0.37	0.75	0.86
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Gross Margin by Products



Change (ppt.)

1.44	1.44	1.45
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EBIT by Products

RMB '000	4Q2018	4Q2017	Change%
Instant Noodles	425,159	450,104	-5.54
Beverages	-1,115,133	-964,136	-15.66
Others	63,987	76,131	-15.95
Group EBIT	-625,987	-437,901	-42.95

EBIT by Products

RMB '000	2018	2017	Change%	*2018	Change%
Instant Noodles	2,304,342	1,934,732	19.10	2,564,190	32.53
Beverages	1,218,053	1,414,886	-13.91	1,558,725	10.17
Others	530,233	227,200	133.38	140,484	-38.17
Group EBIT	4,052,628	3,576,818	13.30	4,263,399	19.20

*2018 : Excluding the effects of the income of activation on assets and the provision of impairment losses on machinery and equipment.

Profit

RMB '000	4Q2018	4Q2017	Change%
Instant Noodles	323,372	332,071	-2.62
Beverages	-976,795	-825,159	-18.38
Others	-11,783	-15,020	21.55
Group Profit	-665,206	-508,108	-30.92

Profit

RMB '000	2018	2017	Change%	*2018	Change%
Instant Noodles	1,705,127	1,490,544	14.40	1,887,020	26.60
Beverages	797,875	844,372	-5.51	1,036,345	22.74
Others	225,767	-79,548	383.81	-165,451	-107.99
Group Profit	2,728,769	2,255,368	20.99	2,757,914	22.28

*2018 : Excluding the effects of the income of activation on assets and the provision of impairment losses on machinery and equipment, net of tax.

Financial Position

As at 31/12/2018

As at 31/12/2017

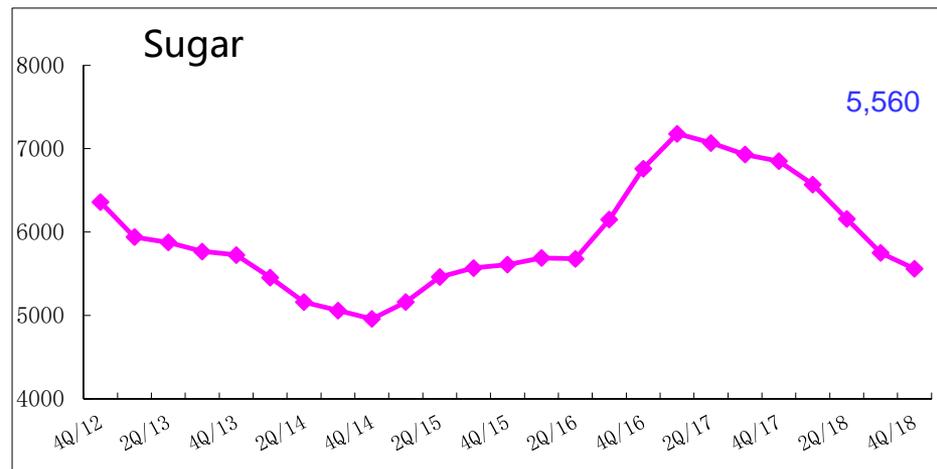
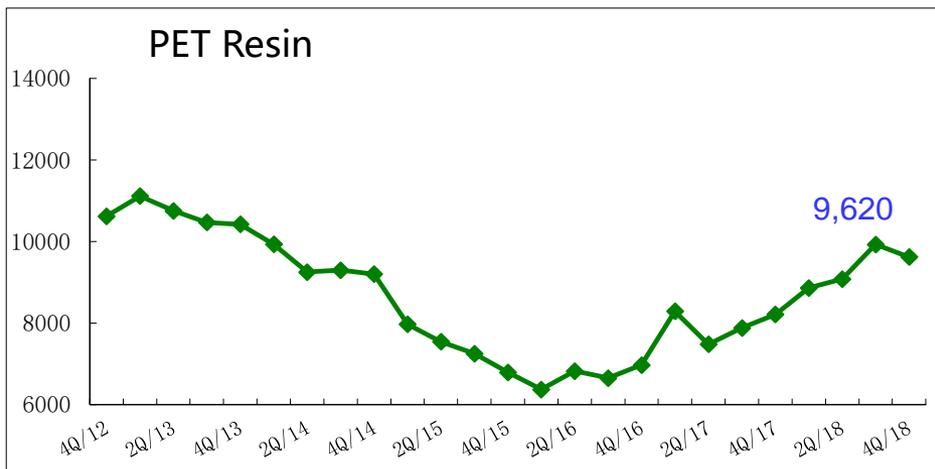
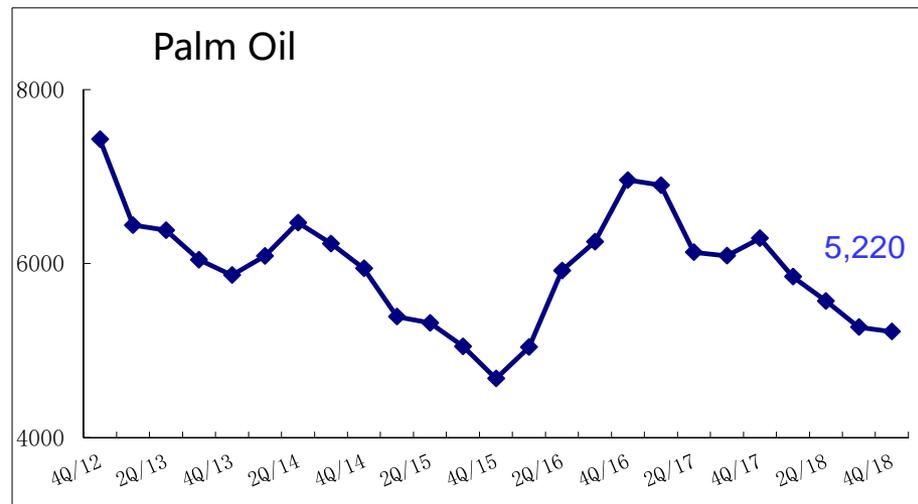
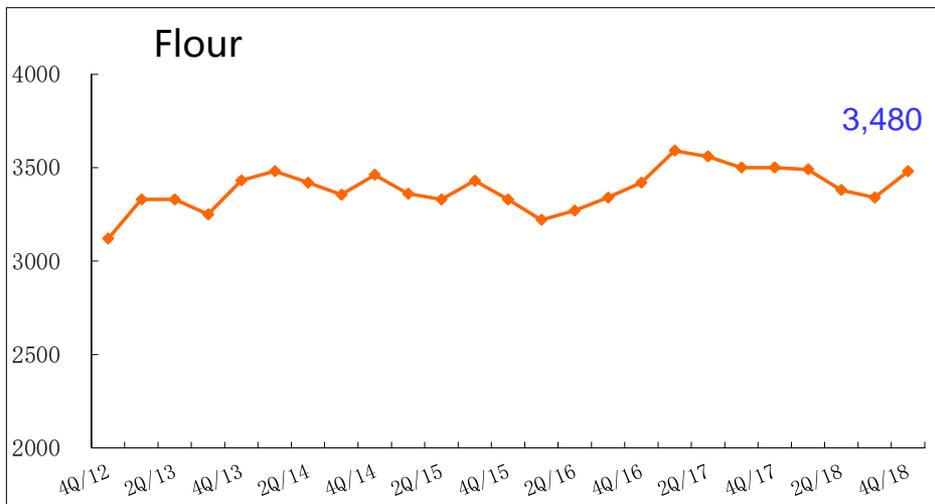
*ROA (Annualized)	7.57%	6.47%
*ROE (Annualized)	12.94%	9.96%
Current Ratio	0.88	0.79
Gearing Ratio	-15.29%	22.26%
A/R Revenue /Days	10.08	9.99
Finished Goods Revenue/Days	12.42	11.31
Cash and cash equivalents	RMB 13.840 billion	RMB 10.285 billion

*ROA: EBIT to average total assets

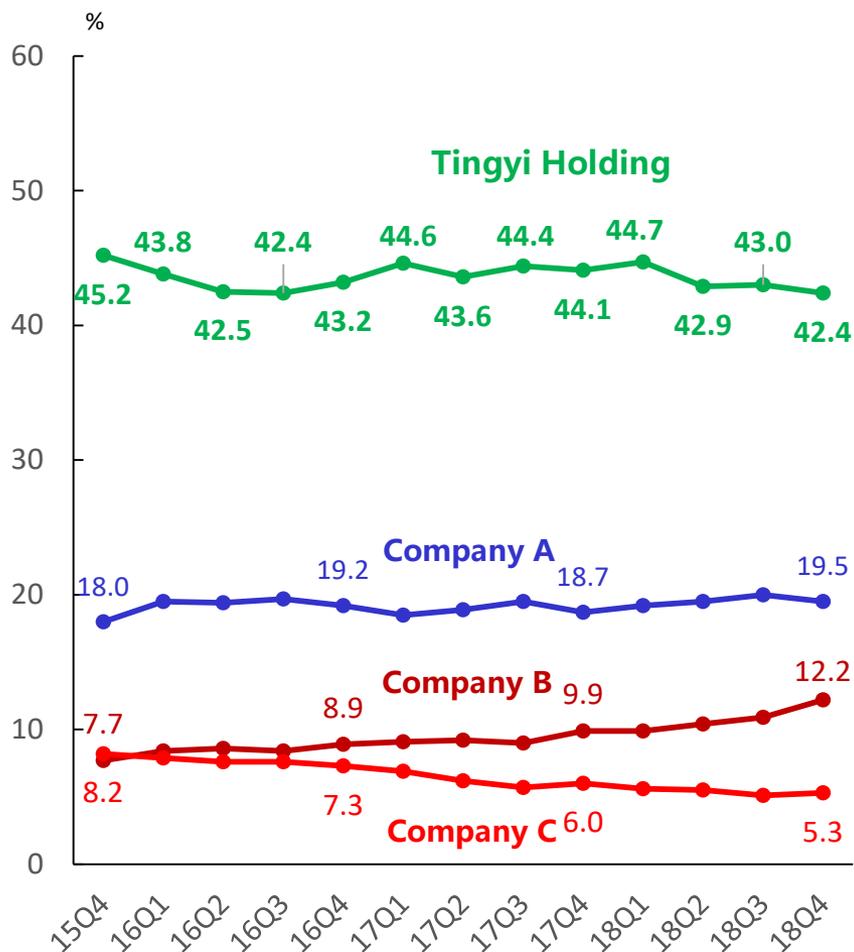
*ROE: Profit attributable to equity holders of the Company to average net assets

Material Price

RMB/Ton

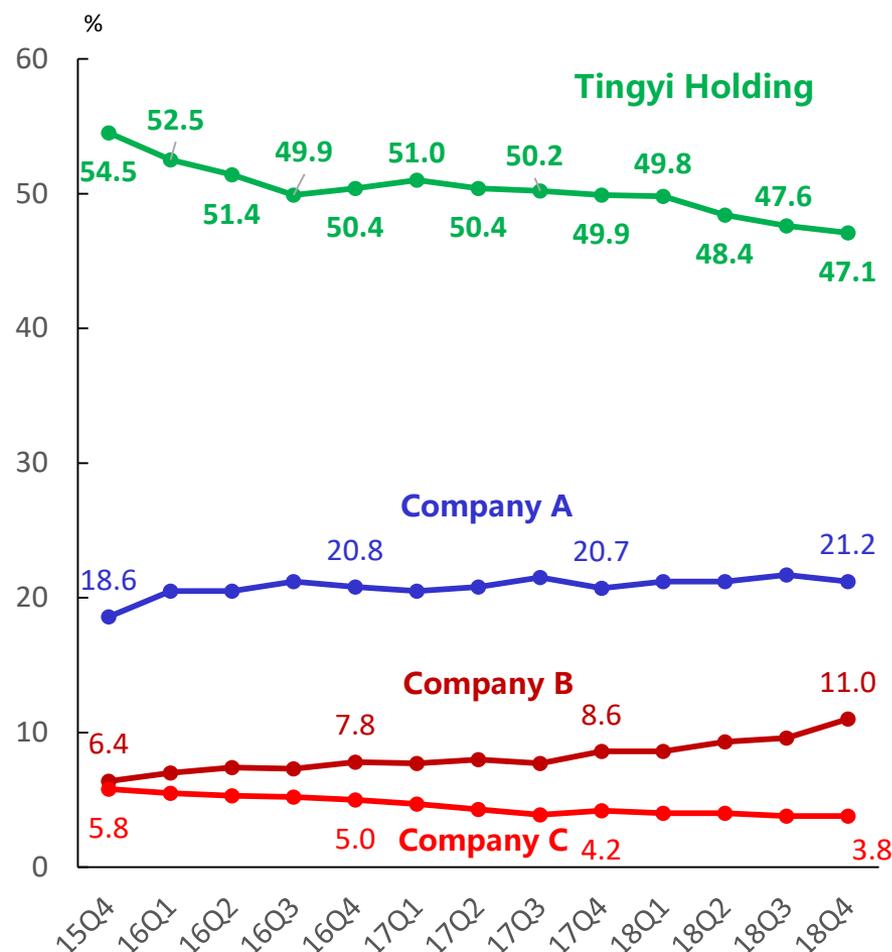


Instant Noodle Market Share-by Volume



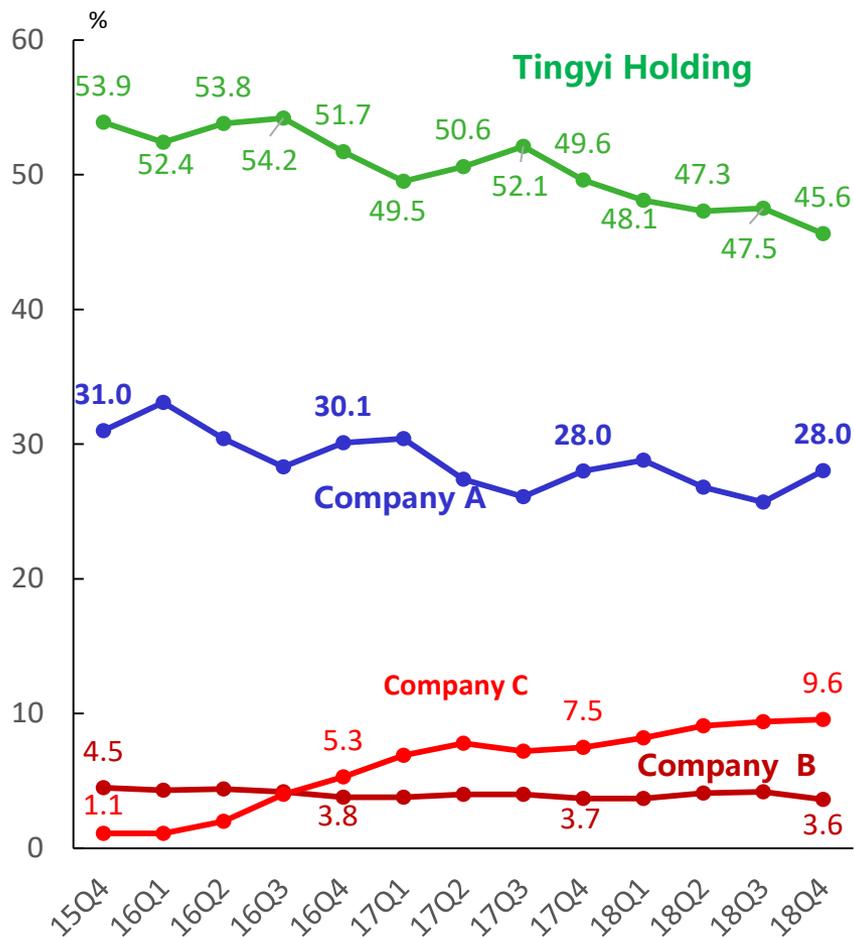
Source: Nielsen

Instant Noodle Market Share-by Value



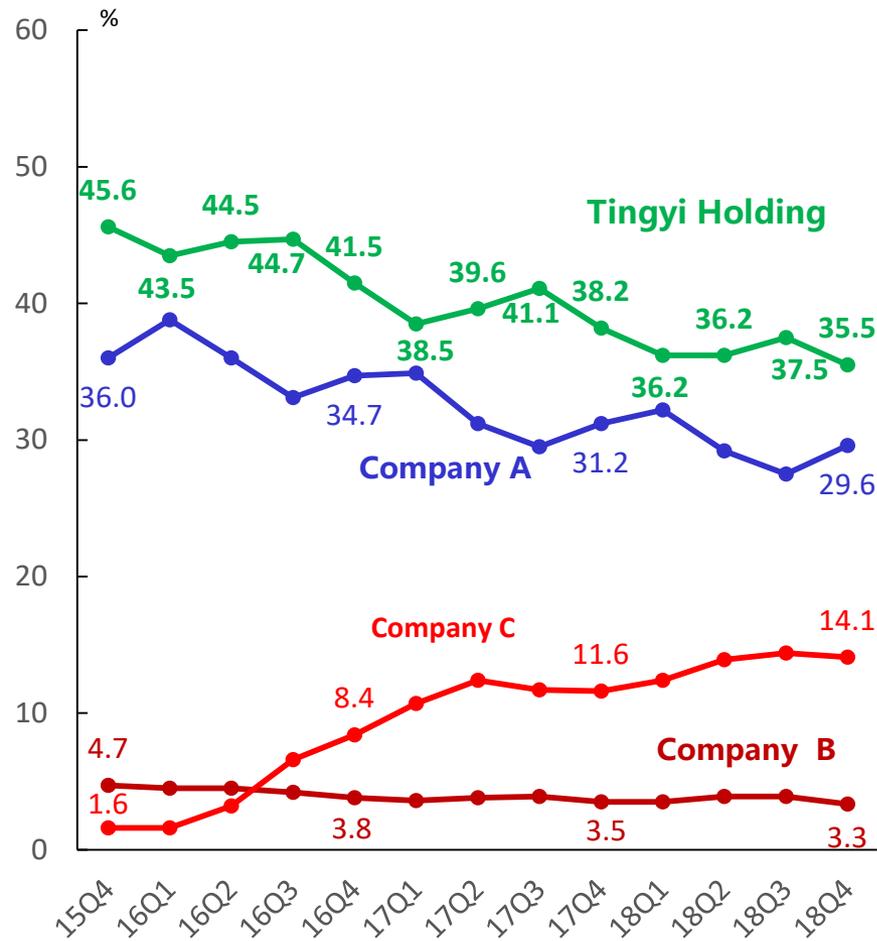
*Data difference comes from the upgrade of Nielsen Retail Research Service Panel in June 2018. Effective data is backtracked from January 2017, and is based on the same statistical logic simulation pushed back to July 2015 data.

RTD Tea Market Share-by Volume



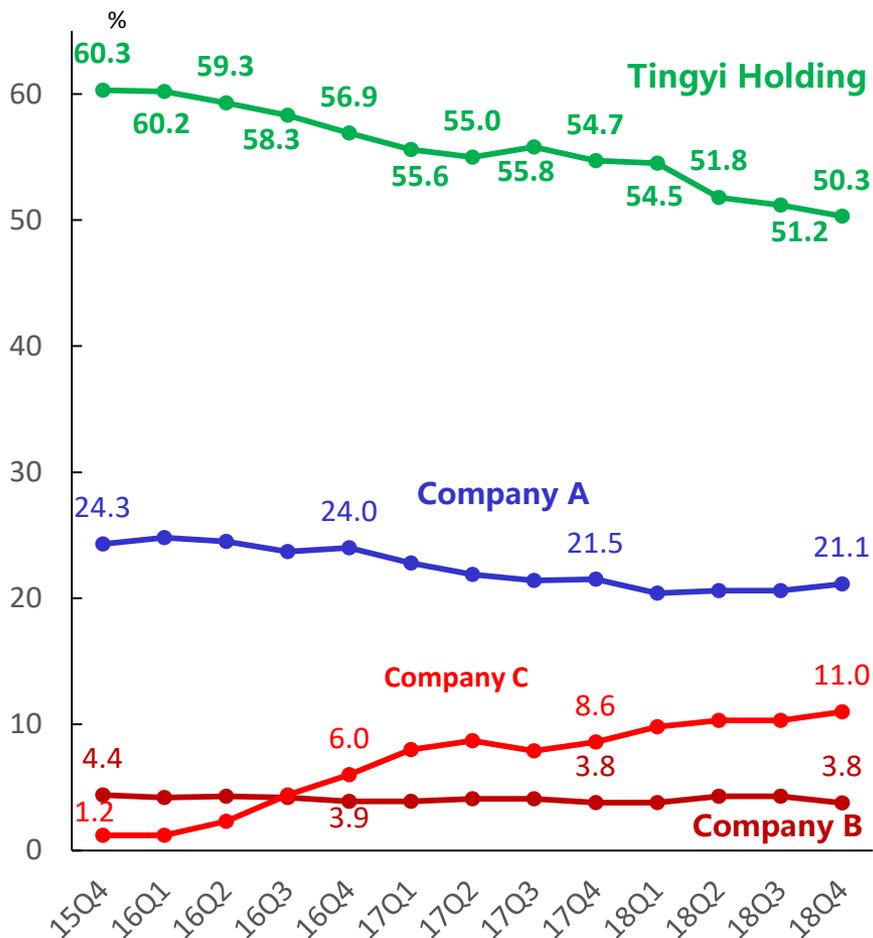
Source: Nielsen

RTD Tea Market Share-by Value



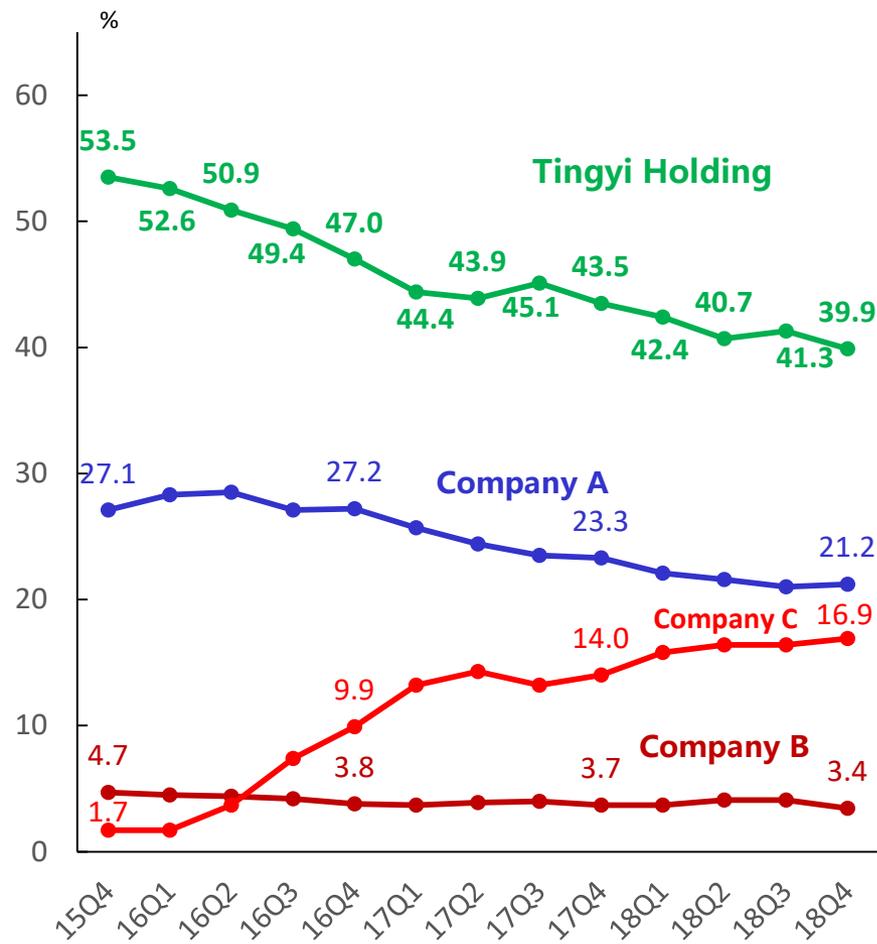
*Data difference comes from the upgrade of Nielsen Retail Research Service Panel in June 2018. Effective data is backtracked from January 2017, and is based on the same statistical logic simulation pushed back to July 2015 data.

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



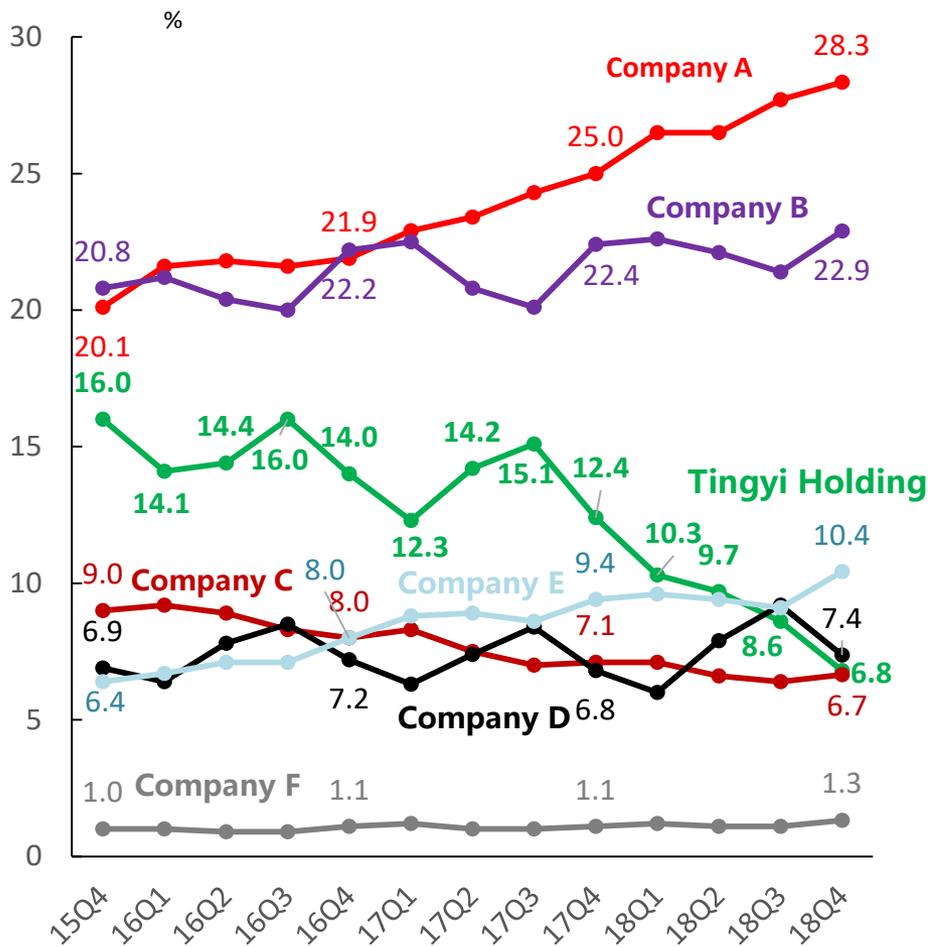
Source: Nielsen

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



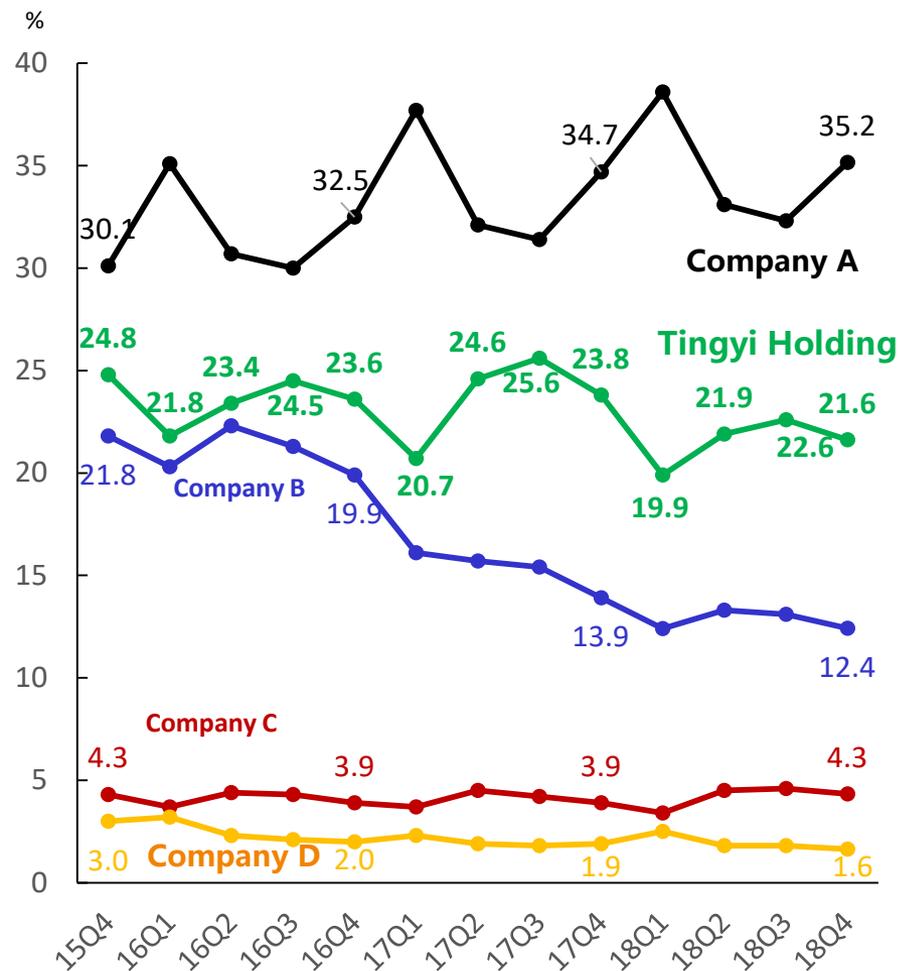
*Data difference comes from the upgrade of Nielsen Retail Research Service Panel in June 2018. Effective data is backtracked from January 2017, and is based on the same statistical logic simulation pushed back to July 2015 data.

Bottle Water Market Share-by Volume



Source: Nielsen

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



*Data difference comes from the upgrade of Nielsen Retail Research Service Panel in June 2018. Effective data is backtracked from January 2017, and is based on the same statistical logic simulation pushed back to July 2015 data.

A) Nation-Wide Distribution Network

	As at 31/12/2018	As at 30/09/2018	As at 31/12/2017
*Sales Office	369	369	369
Warehouse	108	100	92
Wholesaler	28,415	31,215	35,163
Direct Retailer	140,779	136,265	129,449

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

B) Production Lines

Noodles	167	184	205
Beverage	430	432	455
Others	16	16	16