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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)**

**(1) EXEMPTED CONNECTED TRANSACTION -  
ACQUISITION OF APPROXIMATELY 5% INTEREST IN  
TINGYI-ASAHI BEVERAGES HOLDING CO. LTD.**

**(2) EXEMPTED CONNECTED TRANSACTION -  
WAIVER OF RIGHT OVER INTEREST IN  
TINGYI-ASAHI BEVERAGES HOLDING CO. LTD.**

**THE AGREEMENT**

On 30 September 2016, the Company, AIB, Ting Hsin entered into the Agreement under which:

- (a) the Company has agreed to purchase from AIB 52,637 shares in TAB representing approximately 5% in the share capital of TAB; and
- (b) Ting Hsin has agreed to purchase from AIB 52,637 shares in TAB representing approximately 5% in the share capital of TAB.

**THE WAIVER**

To facilitate the purchases under the Agreement, MKB has granted the Waiver in favour of Ting Hsin.

**LISTING RULES IMPLICATIONS**

**The Acquisition**

AIB is a substantial shareholder of TAB and hence a connected person of the Company at the subsidiary level. The Acquisition will constitute an exempted connected transaction for the Company under Rule 14A.101 of the Listing Rules.

As at the date of this announcement, TAB is held as to 17.1% by Ting Hsin and Ting Hsin is a connected person at the Company level. The Acquisition will be a connected transaction under Rule 14A.28 of the Listing Rules. As the applicable percentage ratios as defined in the Listing Rules are less than 5%, the Acquisition is exempted from the circular and shareholders' approval requirements under the Listing Rules.

## **The Waiver**

Ting Hsin is a connected person of the Company. The grant of the Waiver by MKB in favour of Ting Hsin constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios as defined in the Listing Rules are less than 5%, the grant of the Waiver is exempted from the circular and shareholders' approval requirements under the Listing Rules.

## **THE AGREEMENT**

On 30 September 2016, the Company, AIB, Ting Hsin entered into the Agreement under which:

- (a) the Company has agreed to purchase from AIB 52,637 shares in TAB representing approximately 5% in the share capital of TAB; and
- (b) Ting Hsin has agreed to purchase from AIB 52,637 shares in TAB representing approximately 5% in the share capital of TAB.

## **Completion**

Completion of the Agreement shall take place on 15 December 2016.

Upon completion of the Agreement, TAB will be held as to approximately 52.5% by MKB, as to approximately 5% by the Company, as to approximately 22.1% by Ting Hsin and as to approximately 20.4% by AIB.

## **Consideration**

The consideration for the purchase of shares in TAB payable by the Company is US\$165,000,677.53 in cash. It has been determined based on arms' length discussion between the parties with reference to the consolidated financial statements of TAB, the business prospects of TAB and the fact that the relevant stake is non-controlling and non-marketable.

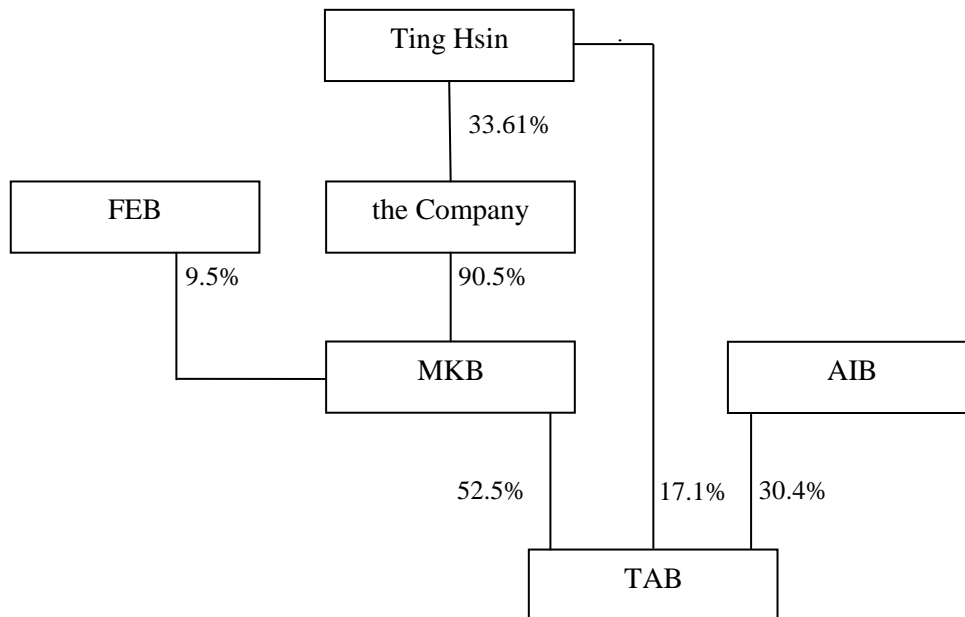
The consideration for the Acquisition payable by the Company will be financed by the Group's internal resources.

## **THE WAIVER**

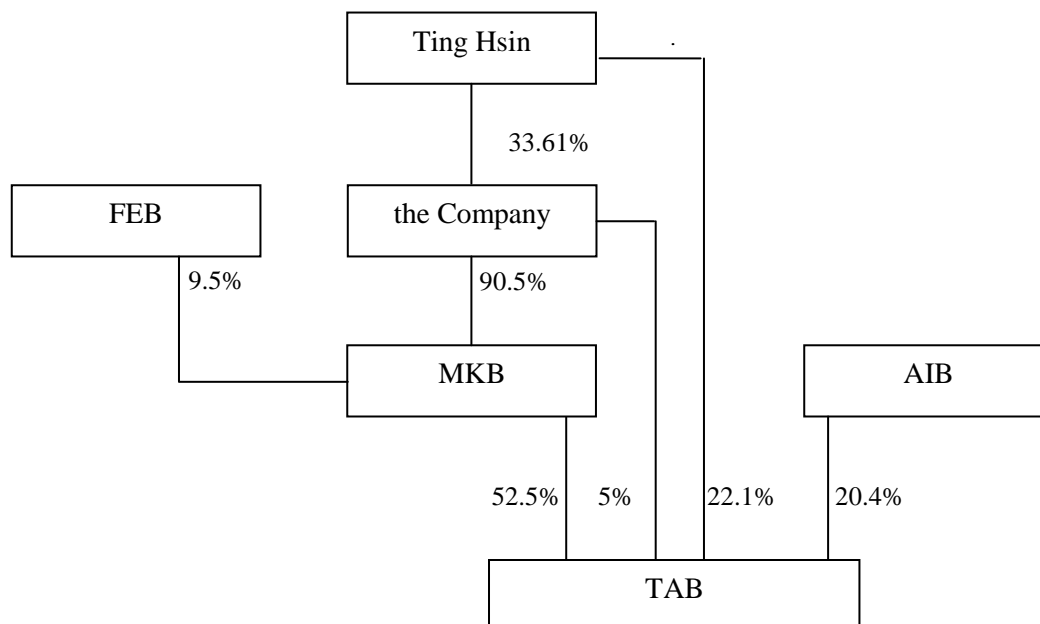
Under the IRA, each of MKB and Ting Hsin is granted the right of first refusal in proportion to its interest in TAB if AIB proposes to sell shares in TAB. Given the right, MKB should be entitled to acquire shares in TAB in proportion to its interest in TAB if AIB intends to transfer shares in TAB. As such, before Ting Hsin could acquire shares in TAB from AIB in excess of its proportionate interest in TAB, Ting Hsin has to obtain the waiver of the right of first refusal from MKB with respect to the excess. MKB has granted the waiver so that Ting Hsin will purchase shares in TAB from AIB under the Agreement in excess of its proportionate interest in TAB (the "**Waiver**").

## THE SHAREHOLDING STRUCTURE OF TAB

- (a) The following chart shows the shareholding structure of TAB as at the date of this announcement.



- (b) The following chart shows the shareholding structure of TAB upon completion of the transactions under the Agreement.



## **INFORMATION ON TAB**

TAB is a company incorporated in the Cayman Islands and is a subsidiary of the Company as at the date of this announcement. TAB and its subsidiaries are principally engaged in the research and development, production, marketing and sale and distribution of beverages products.

Based on the unaudited consolidated financial statements of TAB for the six months ended 30 June 2016, the consolidated net asset value of TAB amounted to approximately US\$1,833 million as at 30 June 2016. Based on the audited consolidated financial statements of TAB for the two years ended 31 December 2015, profit before and after tax of TAB for the two years ended 31 December 2015 are as follows:

	<b>For the year ended 31 December 2014</b>	<b>For the year ended 31 December 2015</b>
<b>Profit before taxation</b>	approximately US\$238 million	approximately US\$112 million
<b>Profit after taxation</b>	approximately US\$154 million	approximately US\$41 million

## **INFORMATION ON THE PARTIES**

Based on the information provided by AIB, AIB was incorporated in Japan with limited liability and as at the date of this announcement, is held as to 100% by Asahi. Asahi is a leading Japanese manufacturer of alcoholic beverages and soft drinks. Its product portfolio ranges from tea-based beverages, such as Asahi Juroku-Cha and canned coffee Wonda, to soft drinks, such as Mitsuya Cider and Bireley's. The securities of Asahi are listed on the Tokyo Stock Exchange. AIB invested in TAB on 21 April 2004 at the original acquisition cost of approximately 38 billion Japanese Yen.

MKB was incorporated in the British Virgin Islands with limited liability and is a non wholly-owned subsidiary of the Company.

Ting Hsin was incorporated in the Cayman Islands. It holds approximately 33.61% shareholding interest in the Company as at the date of this announcement.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **The Acquisition**

AIB is a substantial shareholder of TAB and hence a connected person of the Company at the subsidiary level. The Acquisition will constitute an exempted connected transaction for the Company under Rule 14A.101 of the Listing Rules.

As at the date of this announcement, TAB is held as to 17.1% by Ting Hsin and Ting Hsin is a connected person at the Company level. The Acquisition will be a connected transaction under Rule 14A.28 of the Listing Rules. As the applicable percentage ratios as defined in the

Listing Rules are less than 5%, the Acquisition is exempted from the circular and shareholders' approval requirements under the Listing Rules.

### **The Waiver**

Ting Hsin is a connected person of the Company. The grant of the Waiver by MKB in favour of Ting Hsin constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios as defined in the Listing Rules are less than 5%, the grant of the Waiver is exempted from the circular and shareholders' approval requirements under the Listing Rules.

### **REASONS AND BENEFITS**

The Group is principally engaged in the manufacture, distribution and sale of instant noodles, beverages and bakery products.

The Board is of the view that the Acquisition represents a good opportunity to increase the Company's interest in TAB and to further develop its business in beverages products. The Company holds a 90.5% interest in MKB and MKB owns approximately 52.5% in TAB. TAB has been treated as a subsidiary of the Company and its results are consolidated with the financial results of the Company. The grant of the Waiver does not have any effect on its control over TAB or on the earnings, assets and liabilities of the Group while the Company is able to reserve its cash flow.

The Directors (excluding Mr. Wei Ing-Chou, Mr. Wei Hong-Ming, Mr. Wu Chung-Yi but including the independent non-executive Directors) believe that each of the Acquisition and the grant of the Waiver is on an arm's length basis and normal commercial terms, which are fair and reasonable and in the interest of the Shareholders as a whole.

At the Board meeting held to approve the Agreement and the transactions contemplated thereunder, Mr. Wei Ing-Chou and Mr. Wei Hong-Ming who have interest in Ting Hsin and Mr. Wu Chung-Yi who is a Director nominated by Ting Hsin were considered to have material interest therein and had abstained from the Board resolutions approving the Agreement and the transactions contemplated thereunder. The independent non-executive Directors agreed that the terms of the Acquisition and the grant of the Waiver were fair and reasonable, and were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

### **DEFINITIONS**

In this announcement, unless the context requires otherwise, the expressions as stated below have the following meanings:

- |               |  |
|---------------|--|
| “Acquisition” | the acquisition by the Company from AIB of 52,637 shares in TAB, representing approximately 5% in the share capital of TAB, under the Agreement; |
| “Agreement”   | the agreement dated 30 September 2016 between AIB, the Company and Ting Hsin in relation to the sale of shares in                                |

TAB by AIB;

“AIB”	AI Beverage Holding Co., Ltd., a company incorporated in Japan with limited liability and as at the date of this announcement, held as to 100% by Asahi;
“Asahi”	Asahi Group Holdings, Ltd., a company incorporated in Japan with limited liability, the securities of which are listed on the Tokyo Stock Exchange;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Tingyi (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands, the shares of which are currently listed on the Main Board of the Stock Exchange;
“connected person”	has the same meaning ascribed to it in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“FEB”	Far East Bottlers (Hong Kong) Limited, a company incorporated in Hong Kong;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“IRA”	the investor rights agreement dated 4 November 2011 entered into by, among other parties, the Company, FEB, MKB, Asahi, AIB, Ting Hsin and TAB in relation to TAB;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MKB”	Master Kong Beverages (BVI) Co., Ltd, a company incorporated in the British Virgin Islands with limited liability and a non-wholly-owned subsidiary the Company, holding approximately 52.5% of the issued share capital of TAB as at the date of this announcement;
“Shareholders”	holders of the Shares;
“Shares”	shares of US\$0.005 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TAB”	Tingyi-Asahi Beverages Holding Co. Ltd., a company

incorporated in the Cayman Islands with limited liability and an indirect non-wholly-owned subsidiary of the Company;

“Ting Hsin”	Ting Hsin (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands and a Shareholder holding approximately 33.61% shareholding interest in the Company as at the date of this announcement;
“US\$”	United States dollar, the lawful currency of the United States of America;
“Waiver”	has the meaning ascribed to it under the paragraph headed “The Waiver”; and
%	per cent.

By order of the Board  
**Tingyi (Cayman Islands) Holding Corp.**  
**Mr. Wei Ing-Chou**  
*Chairman and Executive Director*

Shanghai, PRC, 30 September 2016

*As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Junichiro Ida, Mr. Wu Chung-Yi, Mr. Teruo Nagano, Mr. Wei Hong-Ming and Mr. Koji Shinohara are executive Directors. Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock and Mr. Hiromu Fukada are independent non-executive Directors.*

*\* For identification purposes only*

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