



# TINGYI (CAYMAN ISLANDS) HOLDING CORP.

頂益（開曼島）控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

## Announcement

The Board believes that to better capitalise the Company's distribution network, brand name and production facilities in the PRC market and broaden its product range and cross-selling opportunities, it would be of strategic importance for the Company to co-operate with other quality food companies with established brands and similar cultural appeal and the Company has identified Wei Chuan for such co-operation.

Wei Chuan, which is the second-largest food and beverage producer in Taiwan in terms of turnover and listed on the Taiwan stock exchange, is principally engaged in the manufacture and sale of dairy products, juices, MSG and seasoning products under "Wei Chuan" and its related brands. To benefit from the potential of Wei Chuan, the Company acquired an approximately 19.98 per cent. interest in Wei Chuan during the fourth quarter of 2000 on the market. Wei Chuan has not been a connected person of the Company at all times.

The Board currently envisages that the co-operation with Wei Chuan will take the form of a transfer of knowhow by Wei Chuan and licensing of "Wei Chuan" and its related brands for the products of the Group.

The Group is now under preliminary negotiation with Wei Chuan on terms of the proposed co-operation. However, detail terms of the proposed co-operation have not been agreed by the parties. The proposed co-operation may or may not materialise.

**The Directors consider that the proposed co-operation may constitute a price sensitive event affecting the price of the shares of the Company. In the meantime, shareholders and investors are urged to exercise caution in dealing in the shares of the Company.**

The board (the "Board") of Tingyi (Cayman Islands) Holding Corp. (the "Company") believes that to better capitalise the Company's distribution network, brand name and production facilities in the Peoples' Republic of China (the "PRC") market and broaden its product range and cross-selling opportunities, it would be of strategic importance for the Company to co-operate with other quality food companies with established brands and similar cultural appeal. In line with this strategy, the Board has identified Wei Chuan Foods Corporation ("Wei Chuan") for such co-operation.

Wei Chuan, which is the second-largest food and beverage producer in Taiwan in terms of turnover and listed on the Taiwan stock exchange, is principally engaged in the manufacture and sale of dairy products, juices, monosodium glutamate ("MSG") and seasoning products under "Wei Chuan" and its related brands. To benefit from the potential of Wei Chuan, the Company acquired an approximately 19.98 per cent. interest in Wei Chuan during the fourth quarter of 2000 on the market. Wei Chuan has not been a connected person of the Company at all times.

The Board currently envisages that the co-operation with "Wei Chuan" will take the form of a transfer of knowhow by Wei Chuan and the licensing of "Wei Chuan" and its related brands for the products of the Company and its subsidiaries (collectively, the "Group").

The Board believes that co-operation of this nature enables the Group to tap the technical knowhow and research and development capabilities of Wei Chuan in a most cost-effective way and maximise the use of the Group's distribution network, brand name and production facilities in the PRC market.

The Group is now under preliminary negotiation with Wei Chuan on terms for such co-operation. However, detail terms of the proposed co-operation have not been agreed by the parties. The proposed co-operation may or may not materialise.

If the Company should enter into any agreement which constitutes a price-sensitive information or is discloseable under the applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, an announcement will be made.

**The Directors consider that the proposed co-operation may constitute a price sensitive event affecting the price of the shares of the Company. In the meantime, shareholders and investors are urged to exercise caution in dealing in the shares of the Company.**

By order of the Board  
**Wei, Ing Chou**  
Chairman