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康師傅控股有限公司*

TINGYI (CAYMAN ISLANDS) HOLDING CORP.

(Stock Code: 322)

(Incorporated in the Cayman Islands with limited liability)

**ANNOUNCEMENT PURSUANT TO PARAGRAPH 2
OF THE LISTING AGREEMENT**

CO-OPERATION IN THE LOGISTICS GROUP

This announcement is issued pursuant to paragraph 2 of the Listing Agreement between the Company and the Stock Exchange. The Company entered into the Agreement in relation to the Co-operation with Itochu to form a strategic partnership in logistics business in the PRC on 26 March 2004.

The Co-operation represents an excellent opportunity for the Company to partner with Itochu, a premier Asian industry leader.

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on Monday, 29 March 2004 pending release of this announcement. Trading in the Shares will resume at 9:30 a.m. on Tuesday, 30 March 2004.

I. AGREEMENT DATED 26 MARCH 2004

1. Parties

Vendor	The Company
Purchaser	Itochu Corporation is a company listed on the Tokyo Stock Exchange. Itochu and its major stockholders are independent third parties not connected with the Company, the directors, the chief executive, and the substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules)

2. Interest to be transferred

Approximately 49.99% of the issued share capital of Tingtong will be transferred to Itochu. Tingtong will be owned as to approximately 50.01% by the Company and 49.99% by Itochu after completion of the Agreement.

3. Consideration

The consideration for the Co-operation is US\$9,999,988 (equivalent to approximately HK\$77,999,906), which is arrived at after arm's length negotiation between the parties with reference to the unaudited asset value of Tingtong of approximately US\$5.5 million (i.e. approximately US\$2.75 million for the 49.99% interest) and taking into account the growing potential of the logistics industry in the PRC. The consideration will be payable by the Purchaser to the Company in full at completion of the Agreement in cash.

The proceeds from the Co-operation will be used for the continued investment in the Group's core business to further enhance its already leading market position in the PRC.

4. Completion

The Agreement is not subject to any conditions precedent and it is expected that the Agreement will be completed on 23 April 2004 or such other date as the parties may agree.

II. REASON FOR THE CO-OPERATION

The Co-operation represents an excellent opportunity for the Company to partner with Itochu, a premier Asian industry leader. The Company can leverage on Itochu's expertise and strengths to enhance its competitiveness in logistic business in the PRC. The Company and Itochu will continue to develop the business of Tingtong by utilizing Tingtong's business resources including the distribution centre spread in the PRC. The directors of the Company consider that the terms of the Agreement are fair and reasonable and the Co-operation is in the interests of the Group as a whole.

Itochu is one of the leading trading companies in Japan with offices in over 80 countries and operations that cover a broad spectrum of industries. The securities of Itochu is listed on the Tokyo Stock Exchange.

With the Co-operation, Tingtong will continue to be a subsidiary of the Company and its accounts will be consolidated into the Group's accounts.

**III. INFORMATION OF TINGTONG AND ITS
SUBSIDIARIES**

Tingtong and its subsidiaries are principally engaged in the provision of logistics services in the PRC including the services of distribution between cities, storage and package processing.

IV. OTHER

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on Monday, 29 March 2004 pending release of this announcement. Trading in the Shares will resume at 9:30 a.m. on Tuesday, 30 March 2004.

DEFINITIONS

The following terms have the following meanings in this announcement:

"Agreement"	the sale and purchase agreement dated 26 March 2004 entered into between the Company and Itochu, in relation to the Co-operation
"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
"Co-operation"	the co-operation with Itochu by the transfer of approximately 49.99% interest in Tingtong to Itochu
"Group"	the Company and its subsidiaries
"Itochu"	Itochu Corporation, a company incorporated in Japan with limited liability. Itochu Corporation and its major stockholders are independent third parties not connected with the Company, the directors, the chief executive and substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Shares"	shares of US\$0.005 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tingtong"	Tingtong (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands with limited liability, a wholly-owned subsidiary of the Company before completion of the Agreement
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong
"US\$"	United States dollar, the lawful currency of the United States of America

In this announcement, the exchange rate of HK\$7.8 to US\$1.00 is used.

By Order of the Board
Wei, Ing-Chou
Chairman

Hong Kong, 29 March 2004

* For identification purposes only