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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: 322)

CONTINUING CONNECTED TRANSACTIONS

In accordance with the Purchasing Agreement entered into between Master Kong (Taiwan), a wholly owned subsidiary of the Company, and Ting Hsin Oil on 14th January 2005 to replace the former purchasing agreement between the same parties which has expired on 31st December 2004 details of which were announced by the Company on 6th January 2004, Master Kong (Taiwan) will continue to purchase processed oil from Ting Hsin Oil for the manufacturing of instant noodles in Taiwan during the period from 1st January 2005 to 31st December 2005.

Ting Hsin Oil is a company incorporated in Taiwan. 60.4 per cent. interest of the company is owned by Messrs Wei Ing-Chou and Mr Wei Ying-Chiao, the two executive directors of the Company, and their brothers, namely Messrs Wei Yin-Chun and Wei Yin-Heng; and the remaining 39.6 per cent. interest is owned by other relatives of Mr Wei. Accordingly, Ting Hsin Oil is deemed to be a connected party of the Company under the Listing Rules.

The Purchasing Agreement involves transactions which occur on a recurring basis over a period of time. Hence, the transactions will constitute continuing connected transactions of the Company.

It is estimated that the total amount of the purchases under the Purchasing Agreement during the period from 1st January 2005 to 31st December 2005 will not exceed NTD80,000,000 (approximately HK\$19,417,476 at the exchange rate of HK\$1:NTD4.12).

Since the applicable percentage ratios (other than the profits ratio) for the annual amount of the Purchasing Agreement are estimated to be less than 2.5% during the period from 1st January 2005 to 31st December 2005, the transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. Details of these transactions under the Purchasing Agreement will be included in the Company's next published annual report and accounts in accordance with the Listing Rules.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH TING HSIN OIL

Date

Purchase agreement (the “Purchase Agreement”) was made on 14th January 2005.

Parties

Master Kong (Taiwan) Foods Company Limited (“Master Kong (Taiwan)”) is a wholly owned subsidiary of Tingyi (Cayman Islands) Holding Corp. (the “Company”).

Ting Hsin Oil & Fat Industrial Company Limited (“Ting Hsin Oil”) is a company incorporated in Taiwan. It is engaged in the manufacture and sales of processed oil in Taiwan.

Terms

1. Ting Hsin Oil will provide processed oil to Master Kong (Taiwan) for the manufacturing of instant noodles between the period from 1st January 2005 to 31st December 2005.
2. During the period from 1st January 2005 to 31st December 2005, it is estimated that Master Kong (Taiwan) will purchase processed oil maximum up to approximately 5,000 tonnes from Ting Hsin Oil at a maximum transaction amount of NTD80,000,000 (approximately HK\$19,417,475 at the exchange rate of HK\$1: NTD4.12). The amount to be settled will be calculated on the volume actually purchased. The maximum amount is determined based upon information provided by Master Kong (Taiwan) primarily taking into account (i) the historical amounts of purchases paid by Master Kong (Taiwan) to Ting Hsin Oil for the year ended 31st December 2004 of approximately NTD42,937,520, and (ii) expected increase in sales and market share of Master Kong (Taiwan) and expected increase in demand of Taiwan market. This maximum amount also considers the effect from any adjustments by Master Kong (Taiwan) in sales price and product mix. The Board is of the view that the maximum amount is fair and reasonable.
3. Any party shall not transfer its obligations and interests entitled under the Purchasing Agreement to third parties without the consent of both parties.
4. During the term of the Purchasing Agreement, the parties are obliged to keep confidential information contained in the corresponding documents and shall not reveal to any third parties not related to the Purchasing Agreement.
5. The Purchasing Agreement will come into effect on 1st January 2005 and expire on 31st December 2005, for a term of one year. A month prior to the expiry of the Purchasing Agreement, the parties may negotiate and agree on the renewal of the Purchasing Agreement, provided that if the performance of the Purchasing Agreement is not

practicable as a result of the occurrence of unforeseen circumstances, such as natural disasters and wars, both parties may terminate the Purchase Agreement prior to its expiry upon negotiation. The parties shall perform the Purchasing Agreement in a bona fide manner. If any party breaches the Purchasing Agreement, the other party shall terminate the Purchasing Agreement and claim for damages.

The purchase fees were negotiated on an arm's length basis and on normal commercial terms after considering quotations of other independent manufacturers from time to time. The fees shall not be less favourable than the price offered by independent third parties. The fees will be paid in cash on a monthly basis within 60 days after the end of the relevant months.

Rationale for the transaction

The Company and its subsidiaries ("the Group") are principally engaged in the manufacturing, distribution and sales of instant noodles, bakery and beverages in the People's Republic of China (the "PRC").

The terms of the Purchasing Agreement are the same as the former purchasing agreement entered into on 5th January 2004 between Master Kong (Taiwan) and Ting Hsin Oil announced on 6th January 2004. The former purchasing agreement expired on 31st December 2004. The Company and Master Kong (Taiwan) have decided to continue to purchase processed oil from Ting Hsin Oil mainly because Ting Hsin Oil is the leader in the processed oil industry in Taiwan. Ting Hsin Oil has extensive experience as to the observation of the trend of oil price and management of quality. It is equipped with good capability in inventory adjustment and scale of refined processing. It also does well in cost control. As a result, its processing fee is lower whilst the supply of goods is more stable and the level of safety is higher when compared with other competitors. This transaction will enable Master Kong (Taiwan) to further lower the manufacturing cost of instant noodles in Taiwan.

The directors of the Company (including the independent non-executive directors) consider that the terms of purchase are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

Connected transaction of the Company

Ting Hsin Oil is a company incorporated in Taiwan. 60.4 per cent. interest of the company is owned by Messrs Wei Ing-Chou and Mr Wei Ying-Chiao, the two executive directors of the Company, and their brothers, namely Messrs Wei Yin-Chun and Wei Yin-Heng; and the remaining 39.6 per cent. interest is owned by other relatives of Mr Wei. Accordingly, Ting Hsin Oil is deemed to be a connected party of the Company under the Listing Rules.

The Purchasing Agreement involves transactions which occur on a recurring basis over a period of time. Hence, the transactions will constitute continuing connected transactions of the Company.

It is estimated that the total amount of the purchase under the Purchasing Agreement during the period from 1st January 2005 to 31st December 2005 will not exceed NTD80,000,000 (approximately HK\$19,417,476 at the exchange rate of HK\$1:NTD4.12).

Since the applicable percentage ratios (other than the profits ratio) for the annual amount of the Purchasing Agreement are estimated to be less than 2.5% during the period from 1st January 2005 to 31st December 2005, the transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules. Details of these transactions under the Purchasing Agreement will be included in the Company's next published annual report and accounts in accordance with the Listing Rules.

General

As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Takeshi Ida, Mr. Ryo Yoshizawa, Mr. Wei Ying-Chiao, Mr. Wu Chung-Yi and Mr. Jun-Ichiro Ida are executive directors of the Company. Mr. Katsuo Ko, Mr. Hsu Shin-Chun and Mr. Lee Tiong-Hock are independent non-executive directors of the Company.

By Order of the Board
Ip Pui Sum
Company Secretary

Tianjin, PRC, 14th January 2005

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

* *For identification purposes only*