



## ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to announce that the Subsidiary and Kameda entered into an Agreement to form the JVC in Tianjin Economic Development Zone in the PRC on 4 July 2005.

The Board wishes to announce that on 4 July 2005, Master Kong Bakery (BVI) Co., Ltd. (the **“Subsidiary”**), a wholly-owned subsidiary of Tingyi (Cayman Islands) Holding Corp. (the **“Company”**), together with its subsidiaries the **“Group”**), entered into an agreement (the **“Agreement”**) with Kameda Seika Co., Ltd. ( 亀田製果株式会社 ) (**“Kameda”**) for the formation of a joint venture, 天津龟田食品有限公司, (the **“JVC”**), in Tianjin Economic Development Zone in the People’s Republic of China (the **“PRC”**). The JVC will be engaged in the production and sale of rice crackers.

Pursuant to the terms of the Agreement, the total investment and the registered capital of the JVC will be US\$12 million (approximately HK\$93.6 million) and US\$6 million (approximately HK\$46.8 million) respectively. The registered capital of US\$6 million represents the estimated cost for setting up the production facility of the JVC and the funds for operation and product development of the JVC. Each of the Subsidiary and Kameda will contribute US\$3 million (approximately HK\$23.4 million) in cash within 30 days from the date of the issuance of the business license of the JVC. The capital contribution to be made by the Subsidiary will be funded by the Group’s internal resources. Upon the establishment of the JVC, each of the Subsidiary and Kameda will be interested in 50% interest in the JVC. The board of directors of the JVC (the **“Board”**) will consist of four members and each of the Subsidiary and Kameda will be entitled to appoint two members to the Board and the Subsidiary has the right to appoint the chairman of the Board who has a second vote on certain important issue and the JVC will be treated as a subsidiary of the Company for accounting purposes.

Kameda is a company incorporated in Japan, the shares of which are listed on the Tokyo Stock Exchange. The principal activities of Kameda are the manufacture and sale of rice crackers. Kameda together with its ultimate beneficial owners and their respective associates (as defined in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) are independent of and not related to the Company.

The principal activities of the Group are the manufacture and sale of instant noodles, baked goods and beverages in the PRC. The establishment of the JVC is to further strengthen the food business of the Group in the PRC. With the technologies and know-how support provided by Kameda under the Agreement, the Group is expected to further diversify its business into the production and distribution of processed rice products in the PRC. Therefore, the Board considers that the co-operation between the Subsidiary and Kameda will be beneficial to the Company and its shareholders as a whole.

For the purpose of this announcement, exchange rate of US\$1 = HK\$7.80 has been adopted for illustrative purpose only.

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. Tomoyuki Nakayama, Mr. Hsu Shin-Chun and Mr. Lee Tiong-Hock are independent non-executive directors of the Company.

By Order of the Board  
**TINGYI (CAYMAN ISLANDS) HOLDING CORP.**  
**Ip Pui Sum**  
*Company Secretary*

Hong Kong, 4 July 2005

\* *For identification purposes only*

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