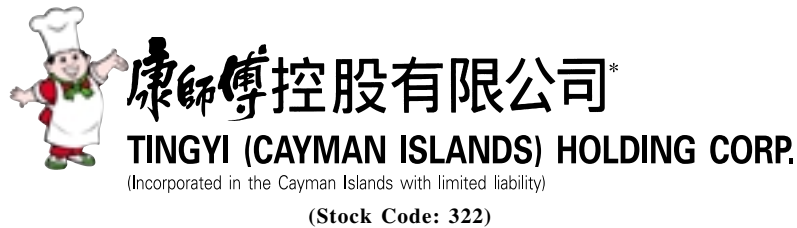


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## FORMATION OF JV ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that the Subsidiary, Kagome and Itochu entered into an Agreement to form the JV in Hangzhou, Zhejiang Province in the PRC on 11 July 2005.

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 “**Listing Rules**”).

The Board wishes to announce that on 11 July 2005, Master Kong Beverages (BVI) Co., Ltd. (康師傅飲品(BVI)有限公司) (the “**Subsidiary**”), a wholly-owned subsidiary of Tingyi (Cayman Islands) Holding Corp. (the “**Company**”, together with its subsidiaries known as the “**Group**”), entered into an agreement (the “**Agreement**”) with Kagome Co., Ltd. (可果美株式會社) (“**Kagome**”) and Itochu Corporation (伊藤忠商事株式會社) (“**Itochu**”, together with the Subsidiary and Kagome known as the “**Shareholders**”) for the formation of a joint venture, Kagome (Hangzhou) Foods Co., Ltd. (可果美(杭州)食品有限公司) (the “**JV**”), in Hangzhou, Zhejiang Province in the People’s Republic of China (the “**PRC**”). The JV will be engaged in the production and sale of beverages (including but not limited to vegetable juice, mixed vegetable and fruit juice and vegetable and lactic beverage, etc.).

Pursuant to the terms of the Agreement, the total investment and the registered capital of the JV will be US\$22.5 million (approximately HK\$175.5 million) and US\$9 million (approximately HK\$70.2 million) respectively. The registered capital of US\$9 million (approximately HK\$70.2 million) is determined based on the estimated cost for setting up the production facility of the JV and the funds for operation and product development of the JV. The registered capital of the JV will be paid up by the Shareholders in cash in three tranches within one month, four months and six months respectively from the date of the issuance of the business license of the JV in the amount of US\$3.6 million (approximately HK\$28.08 million), US\$2.4 million (approximately HK\$18.72 million) and US\$3 million (approximately HK\$23.4 million) respectively and each of the Shareholders will pay the relevant amount of each tranche in proportion to its respective interests in the JV. The capital contribution to be made by the Subsidiary, being US\$2.61 million (approximately HK\$20.358 million), will be funded by the Group’s internal resources. Upon the establishment of the JV, each of the Subsidiary, Kagome and Itochu will be interested in 29%,

61% and 10% interest in the JV. The board of directors of the JV (the “Board”) will compose of seven members, each of the Subsidiary, Kagome and Itochu has the right to appoint two, four and one members to the Board respectively. Kagome also has the right to appoint the chairman of the Board. The Agreement will become effective subject to the board approval of each of the Subsidiary, Kagome and Itochu.

Both Kagome and Itochu are companies incorporated in Japan and the securities of Kagome and Itochu are both listed on the Tokyo Stock Exchange. Kagome is principally engaged in the manufacture and sale of food and beverage products based on tomatoes and other various vegetables. 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. Kagome together with its ultimate beneficial owners and their respective associates (as defined in the Listing Rules) are parties independent of and not connected persons (as defined in the Listing Rules) of the Company. Itochu is a substantial shareholder holding 49.99% interest in of Tingtong (Cayman Islands) Holding Corp., being a subsidiary of the Company engaging in the provision of logistics business in the PRC, thus a connected person of the Company.

It is expected that the highest of the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits ratio) in respect of the Agreement will be less than 2.5%. The Agreement is therefore subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules, but does not require the approval of the Company’s independent shareholders pursuant to Rule 14A.32 of the Listing Rules.

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 JV is to further strengthen the beverage business of the Group in particular in the area of vegetable juice, mixed vegetable and fruit juice and vegetable and lactic beverage, etc. in the PRC. With the technologies and know-how support provided by Kagome under the Agreement, Kagome’s expertise in the sale and manufacture of beverage products based on tomatoes and other various vegetables and Itochu’s experience in trading, the Group is expected to further diversify its business into the production and distribution of beverages (including but not limited to vegetable juice, mixed vegetable and fruit juice and vegetable and lactic beverage, etc.) in the PRC. Therefore, the Board considers that the co-operation with Kagome and Itochu 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, 11 July 2005

*\*For identification purposes only*

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