

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**CONNECTED TRANSACTION IN RELATION TO
TRANSFER OF 8 % INTEREST IN
TINGYI-ASAHI BEVERAGES HOLDING CO., LTD.
BY AIB TO TING HSIN**

TAB is a company currently held by Master Kong Beverages as to 50.005%, AIB as to 39.996% and Ting Hsin as to 9.999%. On September 28, 2010, the Agreement was entered into between AIB as vendor and Ting Hsin as purchaser, for the sale of 80,008 Sale Shares, being shares representing an 8% interest in TAB, at a total consideration of US\$520,000,000 (approximately HK\$4,037,800,000). Such sale would increase the interest of Ting Hsin in TAB from 9.999% to 17.999% and reduce AIB's interest in TAB from 39.996% to 31.996%. Master Kong Beverage's interest would remain at 50.005%.

On September 28, 2010, Master Kong Beverages received written notice from AIB formally notifying it that it was entitled to exercise the Pre-emptive Right in relation to the proposed sale of the Sale Shares under the Agreement. If Master Kong Beverages exercised such Pre-emptive Right, Master Kong Beverages would be entitled to purchase 66,676 Sale Shares representing an approximately 6.667% interest in TAB. The proportionate consideration payable by Master Kong Beverages in respect of such 66,676 Sale Shares to be purchased by it would be US\$433,350,664.93 (approximately HK\$3,364,967,913.18). Its interest in TAB would be increased from 50.005% to approximately 56.672% upon completion of the Agreement and the Acquisition. Ting Hsin's interest in TAB would be increased from 9.999% to approximately 11.332% and AIB's interest in TAB would still be reduced from 39.996% to 31.996%.

The Board has determined that Master Kong Beverages should not exercise the Pre-emptive Right.

THE AGREEMENT

TAB is a company currently held by Master Kong Beverages as to 50.005%, AIB as to 39.996% and Ting Hsin as to 9.999%. On September 28, 2010, the Agreement was entered into between AIB as vendor and Ting Hsin as purchaser, for the sale of 80,008 Sale Shares, being shares representing an 8% interest in TAB, at a total consideration of US\$520,000,000 (approximately HK\$4,037,800,000). Such sale would increase the interest of Ting Hsin in TAB from 9.999% to 17.999% and reduce AIB's interest in TAB from 39.996% to 31.996%. Master Kong Beverage's interest would remain at 50.005%.

THE PRE-EMPTIVE RIGHT AND THE ACQUISITION

Under the terms of the Shareholders' Agreement, Master Kong Beverages was entitled to exercise the Pre-emptive Right in respect of such proposed sale so as to become a proportionate co-purchaser of the Sale Shares. On September 28, 2010, Master Kong Beverages received written notice from AIB formally notifying it that it was entitled to exercise the Pre-emptive Right in relation to the proposed sale of the Sale Shares under the Agreement.

If Master Kong Beverages exercised such Pre-emptive Right in relation to the proposed sale of the Sale Shares, then the Sale Shares would be allocated proportionately between Master Kong Beverages and Ting Hsin as co-purchasers. The proportionate number of the 80,008 Sale Shares which Master Kong Beverages would be entitled to purchase would be 66,676 Sale Shares representing an approximately 6.667% interest in TAB. This number of Sale Shares was derived according to the following formula which is set out in the Shareholders' Agreement and fractional entitlements were rounded up to the nearest integer:

$$\text{Number of the Sale Shares} \quad \times \quad \frac{A}{A + B}$$

Where:

A = the number of shares in TAB held by Master Kong Beverages

B = the number of shares in TAB held by Ting Hsin

The proportionate consideration payable by Master Kong Beverages in respect of such 66,676 Sale Shares to be purchased by it would be US\$433,350,664.93 (approximately HK\$3,364,967,913.18).

Ting Hsin would then purchase the remainder 13,332 Sale Shares and be responsible for paying the corresponding remainder consideration of US\$86,649,335.07 (approximately HK\$672,832,086.82).

Since AIB would still be selling the same number of shares in TAB (namely 80,008 Sale Shares), albeit to two purchasers, it will still receive ultimately the same total sale consideration of US\$520,000,000 (approximately HK\$4,037,800,000).

If Master Kong Beverages exercised the Pre-emptive Right, its interest in TAB would be increased from 50.005% to approximately 56.672% upon completion of the Agreement and the Acquisition. Ting Hsin's interest in TAB would be increased from 9.999% to approximately 11.332% and AIB's interest in TAB would still be reduced from 39.996% to 31.996%.

DETERMINATION NOT TO EXERCISE THE PRE-EMPTIVE RIGHT

The Board has considered whether or not Master Kong Beverages should exercise the Pre-emptive Right and determined that it should not do so because Master Kong Beverages currently already owns an approximately 50.005% interest in TAB, and TAB is already treated as a subsidiary of the Company and all of TAB's results are already consolidated into the financial results of the Company. The acquisition of a further approximately 6.667% interest in TAB for a consideration of US\$433,350,664.93 (approximately HK\$3,364,967,913.18) by way of the exercise of the Pre-emptive Right would not change its controlling position in TAB. Additionally, the Company considers that its cash reserves should for the time being be retained for future corporate purposes. In arriving at the determination as to whether Master Kong Beverages should exercise the Pre-emptive Right, Messrs Wei Ing-Chou, Wei Ying-Chiao and Wu Chung-Yi who have a material interest in the transaction have abstained from voting on the relevant board resolution.

The percentage ratios in respect of the exercise or non-exercise of the Pre-emptive Right fall below 5%, and TAB is a material subsidiary of the Company for the purposes of Listing Rule 14A.31(9), so that this transaction is not a notifiable transaction for the Company under Chapter 14 of the Listing Rules and a connected transaction for the Company under Chapter 14A of the Listing Rules which is exempted from the independent shareholders' approval (but not the reporting and announcement) requirements under Listing Rule 14A.32.

THE TAG-ALONG RIGHT

Under the Shareholders' Agreement, if Master Kong Beverages elected not to exercise the Pre-emptive Right, it would still be entitled to exercise the Tag-along Right in respect of such proposed sale so as to become a proportionate co-vendor of the Sale Shares if AIB and Ting Hsin decided to proceed with the proposed sale.

If Master Kong Beverages exercised such Tag-along Right in relation to the proposed sale of the Sale Shares, then the Sale Shares would be allocated proportionately between Master Kong Beverages and AIB as co-vendors. The proportionate number of the 80,008 Sale Shares which Master Kong would be entitled to sell would be 44,452.84 Sale Shares (without accounting for any arrangements to round off any fractional entitlement) representing an approximately 4.445% interest in TAB. This number of Sale Shares was derived according to the following formula which is set out in the Shareholders' Agreement:

$$\text{Number of the Sale Shares} \quad \times \quad \frac{A}{A + C}$$

Where:

A = the number of shares in TAB held by Master Kong Beverages

C = the number of shares in TAB held by AIB

The proportionate consideration receivable by Master Kong Beverages in respect of such 44,452.84 Sale Shares to be sold by it (before any arrangements to round off any fractional entitlement) would be US\$288,914,565.05 (approximately HK\$2,243,421,597.61).

AIB would then sell only the remainder 35,555.16 Sale Shares (before any arrangements to round off any fractional entitlement) and receive only the corresponding remainder consideration of US\$231,085,434.95 (approximately HK\$1,794,378,402.39). This would be substantially less than the original total sale consideration of US\$520,000,000 (approximately HK\$4,037,800,000) that it would have received.

In the notice to Master Kong Beverages from AIB regarding Master Kong Beverages' Pre-emptive Right, AIB informed Master Kong Beverages that should Master Kong Beverages exercise the Tag-along Right then AIB and Ting Hsin would not proceed with the proposed sale. Since the proposed sale would never take place if Master Kong Beverages tried to exercise the tag-along right, there was no need at all for Master Kong Beverages to consider whether or not it should exercise any Tag-along Right because no transaction involving the exercise of any Tag-along Right could ever result.

NEW SHAREHOLDERS' AGREEMENT

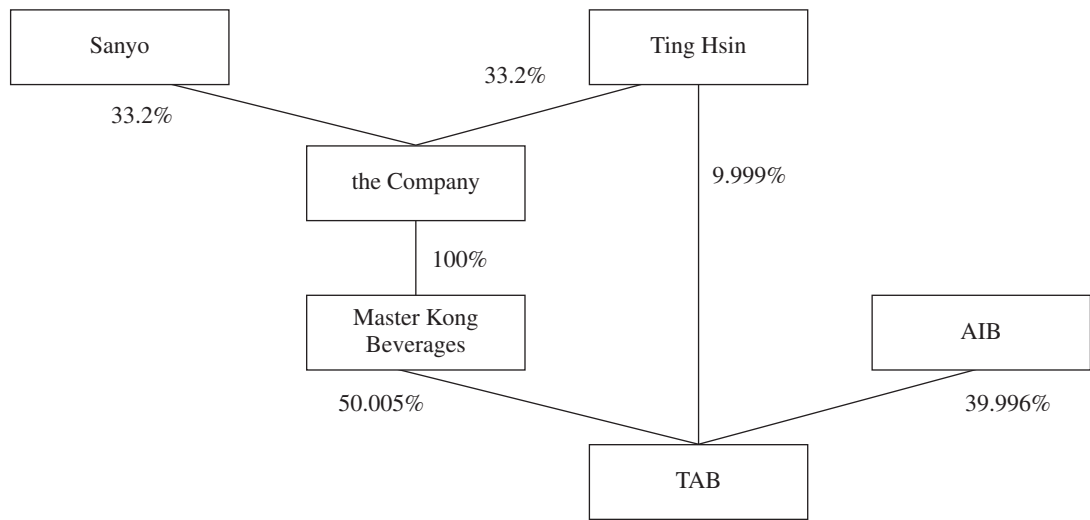
Master Kong Beverages, AIB and Ting Hsin as shareholders of TAB, and the Company and Asahi as the guarantors of Master Kong Beverages and AIB respectively, have agreed to enter into the New Shareholders' Agreement with respect to TAB simultaneously upon completion of the Agreement.

The New Shareholders' Agreement will be substantially in the same form as the existing Shareholders' Agreement. Specifically, the allocation of board seats on the board of directors of TAB will remain unchanged.

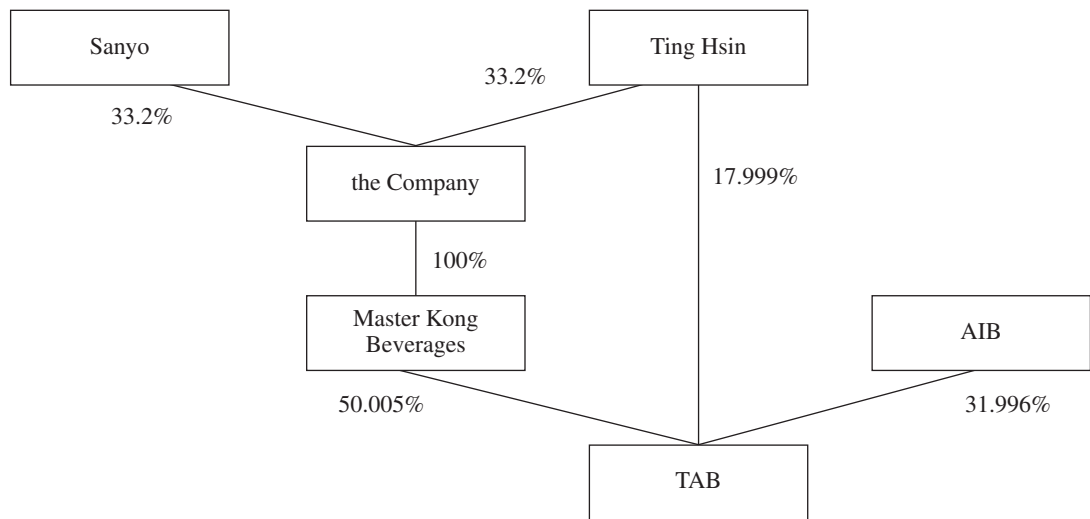
SHAREHOLDING STRUCTURE OF TAB

The following charts show the shareholding structure of TAB in the different scenarios:

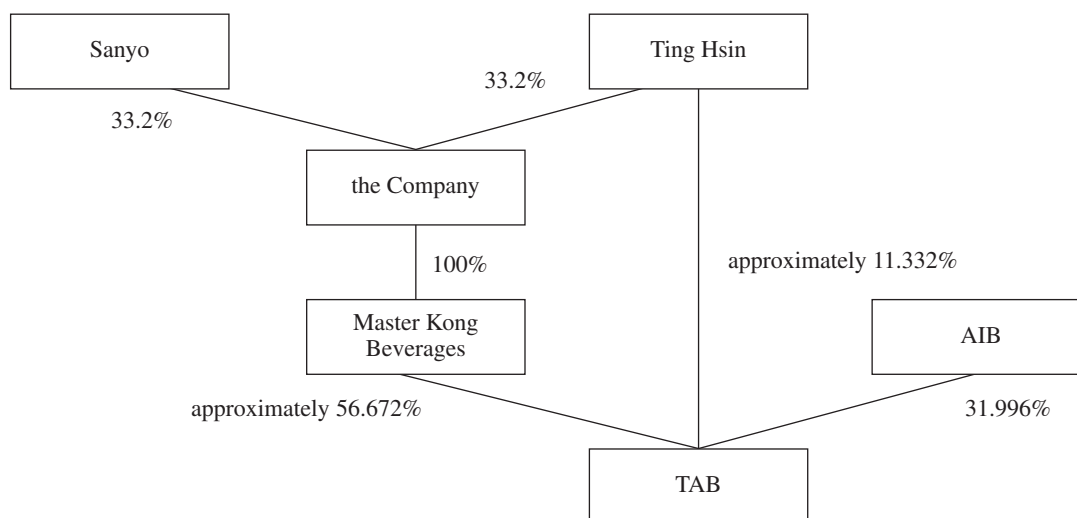
(a) Current shareholding structure of TAB



(b) Upon completion of the Agreement without the Acquisition



(c) Had Master Kong Beverages exercised the Pre-emptive Right, upon completion of the Acquisition and the Agreement



INFORMATION ON TAB

TAB is a company incorporated in the Cayman Islands. TAB and its subsidiaries are primarily engaged in developing, manufacturing and selling a diverse portfolio of non-alcoholic beverage products in the PRC including ready-to-drink tea, bottled water and diluted juice beverages.

Based on the audited consolidated financial statements of TAB for two years ended 31 December 2009 prepared in accordance with HKFRS, TAB's consolidated net profit before taxation, minority interest and extraordinary items amounted to approximately US\$232 million (approximately HK\$1.804 billion) for 2008 and approximately US\$276 million (approximately HK\$2.144 billion) for 2009, and its consolidated net profit after taxation, minority interest and extraordinary items amounted to approximately US\$198 million (approximately HK\$1.536 billion) for 2008 and approximately US\$229 (approximately HK\$1.776 billion) for 2009.

Based on the audited consolidated financial statements of TAB for the three years ended 31 December 2009 prepared in accordance with HKFRS, its consolidated net asset value for each of the three year ended 31 December 2009 amounted to approximately US\$484 million, US\$634 million and US\$863 million, respectively.

INFORMATION ON THE PARTIES

Master Kong Beverages was incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company.

AIB was incorporated in Japan with limited liability and, as at the date of this announcement, is held as to 100% by Asahi. Asahi is one of the leading Japanese manufacturers of alcoholic beverages and soft drinks. Its soft drinks product portfolio ranges from RTD tea, such as Asahi Juroku-Cha and canned coffee Wonda, to carbonated soft drinks, such as Mitsuya Cider. The shares of Asahi are listed on the Tokyo Stock Exchange and the Osaka Securities Exchange and its Euro convertible bonds are listed on the Singapore Exchange (SGX).

Ting Hsin is an investment holding company. It is a substantial shareholder of the Company and holds an approximately 33.2% interest in the Company as at the date of this announcement.

DEFINITIONS

In this announcement, the following expressions take the meanings set out below unless the context requires otherwise.

“Acquisition”	the acquisition of 66,676 shares in TAB by Master Kong Beverages from AIB upon the exercise of the Pre-emptive Right, the particulars of which are set out in the section headed “Pre-emptive Right and the Acquisition” in this announcement;
“Agreement”	the share and purchase agreement dated September 28, 2010 made between AIB as vendor and Ting Hsin as purchaser in respect of the sale and purchase of the Sale Shares;
“AIB”	AI Beverage Holding Co., Ltd., a company incorporated in Japan with limited liability and, as at the date of this announcement, held as to 100% by Asahi;
“Asahi”	Asahi Breweries, Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange and the Osaka Securities Exchange and the Euro convertible bonds of which are listed on the Singapore Exchange (SGX);
“Board”	the board of Directors;

“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;
“Director(s)”	the director(s) of the Company;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Kong Beverages”	Master Kong Beverages (BVI) Co., Ltd, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“New Shareholders’ Agreement”	the shareholders’ agreement to be entered into between Master Kong Beverages, AIB, Ting Hsin, Tingyi and Asahi simultaneously upon completion of the Agreement;
“PRC”	the People’s Republic of China;
“Pre-emptive Right”	the pre-emptive right granted to Master Kong Beverages under the Shareholders’ Agreement, pursuant to which Master Kong Beverages is entitled to acquire or procure its wholly-owned subsidiary to acquire shares in TAB in the event that AIB proposes to transfer such shares to a third party;
“Sanyo”	Sanyo Foods Co., Ltd, a company incorporated in Japan and is a substantial shareholder of the Company that is interested in an approximately 33.2% shareholding interest in the Company as of the date of this announcement;
“Sale Shares”	80,008 shares of US\$0.01 each in the issued share capital of TAB, representing an 8% interest in TAB as at the date of this announcement;

“Shareholders’ Agreement”	the shareholders’ agreement dated November 23, 2008 entered into between Master Kong Beverages, AIB, TAB, the Company, Ting Hsin and Asahi with respect to TAB;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“TAB”	Tingyi-Asahi Beverages Holding Co., Ltd., a company incorporated in the Cayman Islands with limited liability and an indirect 50.005% subsidiary of the Company;
“Tag-along Right”	the tag-along right granted to Master Kong Beverages under the Shareholders’ Agreement, pursuant to which in the event that AIB proposes to transfer shares in TAB held by it to a third-party purchaser, AIB is obliged to ensure that the purchaser offers to buy from Master Kong Beverages such number of shares in TAB in proportion to the shares in TAB to be transferred by AIB on the same terms that AIB offers to the third-party purchaser;
“Ting Hsin”	Ting Hsin (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands and is a substantial shareholder of the Company that is interested in an approximately 33.2% shareholding interest in the Company as at the date of this announcement;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong; and
“US\$”	United States dollar, the lawful currency of the United States of America.

In this announcement, the exchange rate of HK\$7.765 to US\$1.00 is used. Such exchange rate will not be construed as a representation that amount in US\$ was or may have been converted into HK\$ using such exchange rate or any other exchange rate or at all.

By Order of the Board
Tingyi (Cayman Islands) Holding Corp.
Wei Ing-Chou
Chairman

Date: September 28, 2010

** For identification 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. Junichiro Ida are Executive Directors of the Company. Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock and Mr. Michihiko Ota are Independent Non-executive Directors of the Company.

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