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康師傅控股

TINGYI (CAYMAN ISLANDS) HOLDING CORP.

康師傅控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0322)

**DISCLOSEABLE AND EXEMPTED CONNECTED TRANSACTION
SUPPLEMENTAL AGREEMENT TO THE PUT OPTION
IN RELATION TO SHARES IN
TINGYI-ASAHI BEVERAGES HOLDING CO., LTD.**

THE SUPPLEMENTAL AGREEMENT

Reference is made to the announcement of the Company dated 30 June 2017 in relation to the Call Option and the Put Option.

On 29 November 2017, the Company and AIB entered into the Supplemental Agreement to grant additional options to each other to expedite the exercise of the Call Option and the Put Option.

LISTING RULES IMPLICATIONS

As the Expedited Put Option is not exercisable at the discretion of the Company, in accordance with Rule 14.74 of the Listing Rules, the Expedited Put Option will be treated as if it has been exercised at the time of its grant. Given that the applicable ratios in relation to the acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option, when aggregated with the 52,637 TAB Shares previously acquired from AIB, are more than 5% but less than 25%, the acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements of the Listing Rules.

AIB is a substantial shareholder of TAB and hence is a connected person of the Company at the subsidiary level. The acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option will constitute a connected transaction for the Company. As the terms of the acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option are normal commercial terms, and (a) the Board has approved the grant of the Expedited Put Option, and (b) the independent non-executive Directors have confirmed that the terms of the Expedited Put Option are fair and reasonable and on normal commercial terms and are in the interest of the Company and the Shareholders as a whole, the grant of the Expedited Put Option is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Reference is made to the announcement of the Company dated 30 June 2017 in relation to the Call Option and the Put Option. On 29 November 2017, the Company and AIB entered into the Supplemental Agreement to grant additional options to each other to expedite the exercise of the Call Option and the Put Option.

THE CALL OPTION

The Call Option and exercise period

Under the terms of the Agreement, AIB has granted to the Company the right to require AIB to sell to the Company the AIB-Held Shares. The Call Option is exercisable at the discretion of the Company in two tranches:

- (a) the first tranche in relation to 107,359 TAB Shares (the “**First Option**”), representing approximately 10.2% of the issued share capital of TAB, is exercisable by the Company during the period commencing from 1 January 2018 (the “**Option Start Date**”) until the last Business Day of the calendar month immediately preceding 17 December 2018 or such other Business Day as the parties may agree (the “**First Period**”); and
- (b) the second tranche in relation to 107,359 TAB Shares (the “**Second Option**”), representing approximately 10.2% of the issued share capital of TAB, is exercisable by the Company during the period commencing from the first anniversary of the Option Start Date until the last Business Day of the calendar month immediately preceding 16 December 2019 or such other Business Day as the parties may agree (the “**Second Period**”).

Exercise price

The per share exercise price shall be US\$2,849.71, which was determined by the parties after arm’s length negotiations and with reference to the consolidated financial statements of TAB, the business prospects of TAB and the fact that the relevant stake in TAB is non-controlling and non-marketable.

THE PUT OPTION

The Put Option and exercise period

Under the terms of the Agreement, the Company has granted to AIB the right to require the Company to purchase from AIB the AIB-Held Shares. The Put Option is exercisable by AIB in two tranches:

- (a) if the Company has not exercised the First Option in full, AIB may exercise its right with respect to the remaining AIB-Held Shares that are the subject to the First Option at any time after the expiration of the First Period such that completion will take place on 17 December 2018 or such other Business Day as the parties may agree; and
- (b) if the Second Option has not been exercised in full, AIB may exercise its right with respect to the remaining AIB-Held Shares that are the subject to the Second Option at any time after the expiration of the Second Period such that completion will take place on 16 December 2019 or such other Business Day as the parties may agree.

Exercise price

The per share exercise price shall be US\$2,849.71, which is the same as the per share exercise price as the Call Option.

THE SUPPLEMENTAL AGREEMENT

In order to accelerate the Company’s plan of increasing its interests in TAB, on 29 November 2017, the Company and AIB entered into the Supplemental Agreement under which the parties grant additional options to each other to expedite the exercise of the Call Option and the Put Option.

The Expedited Call Option

AIB has, in addition to the Call Option, granted to the Company the Expedited Call Option to require AIB to sell to the Company the AIB-Held Shares. The consideration payable by the Company for the Expedited Call Option is US\$1.00. The 214,718 AIB-Held Shares represent approximately 20.4% of the issued share capital of TAB.

Exercise period

The Expedited Call Option is exercisable at the discretion of the Company once at any time during the period commencing from 30 November 2017 and ending on 5 December 2017 for all but not some of the AIB-Held Shares.

Exercise price

The exercise price for the AIB-Held Shares under the Expedited Call Option is US\$2,849.71 per share, which is the same as the Call Option.

If the Expedited Call Option is exercised, the aggregate consideration payable by the Company for the AIB-Held Shares will be US\$611,884,031.78.

The Expedited Put Option

The Company has, in addition to the Put Option, granted to AIB the Expedited Put Option to require the Company to purchase from AIB the AIB-Held Shares.

Exercise period

The Expedited Put Option is exercisable by AIB once at any time during the period commencing from 6 December 2017 and ending on 11 December 2017 for all but not some of the AIB-Held Shares.

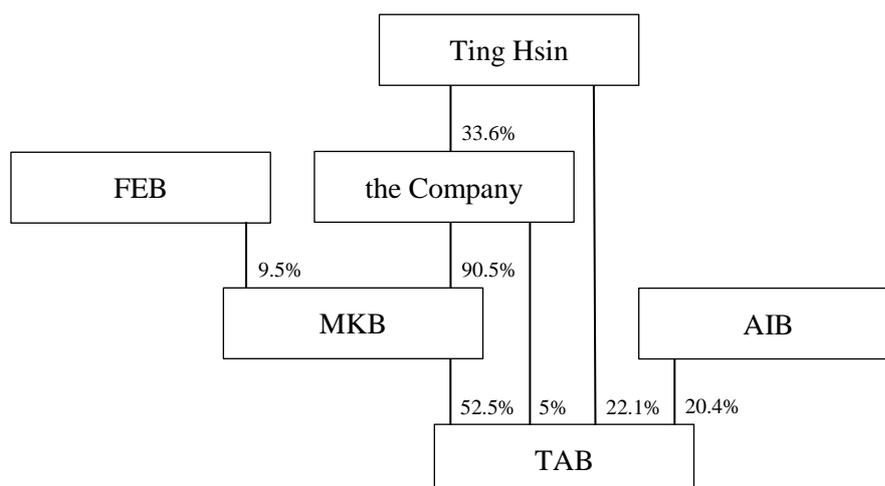
Exercise price

The exercise price for the AIB-Held Shares under the Expedited Put Option is US\$2,849.71 per share, which is the same as the Expedited Call Option.

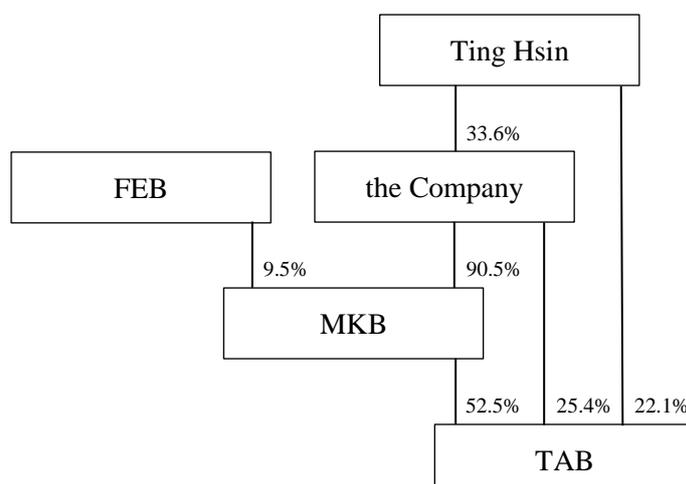
Upon the exercise of the Expedited Call Option or the Expedited Put Option and the transfer of, and payment for the AIB-Held Shares has been completed, the Call Option and the Put Option under the Agreement will lapse and cease to be of effect.

SHAREHOLDING STRUCTURE OF TAB

- (a) The following chart shows the shareholding structure of TAB as at the date of this announcement:



(b) The following chart shows the shareholding structure of TAB upon the completion of the Expedited Call Option or the Expedited Put Option, as the case may be:



Upon completion of the acquisition of the AIB-Held Shares under either the Expedited Call Option or the Expedited Put Option, the interest in TAB that the Company will be able to control will increase from approximately 57.5% to 77.9%. TAB is currently accounted for as a subsidiary of the Company and its results will continue to be consolidated with the financial results of the Company.

INFORMATION ON TAB

TAB is a company incorporated in the Cayman Islands and is an indirect non-wholly owned subsidiary of the Company as at the date of this announcement. TAB and its subsidiaries are principally engaged in the research and development, production, marketing and sale and distribution of beverages products.

Based on the audited consolidated financial statements of TAB, the profit before and after tax of TAB for the two years ended 31 December 2015 and 2016 are as follows:

For the year ended 31 December	
2015	2016
approximately	approximately

Profit before taxation	US\$112 million	US\$136 million
Profit after taxation	US\$41 million	US\$63 million

The unaudited consolidated net asset value of TAB as at 30 September 2017 was approximately US\$2,080 million.

REASONS AND BENEFITS

Following completion of the acquisition of the AIB-Held Shares under either the Expedited Call Option or the Expedited Put Option, the interest in TAB that the Company will be able to control will increase from approximately 57.5% to 77.9%. The Board is of the view that the Expedited Call Option and the Expedited Put Option represent a good opportunity for the Company to accelerate its plan to increase its interest in TAB and further develop its business in beverage products. The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Supplemental Agreement are concluded after arm's length negotiations, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is principally engaged in the manufacture, distribution and sale of instant noodles, beverages and bakery products.

AIB was incorporated in Japan and is a wholly-owned subsidiary of Asahi. Asahi is a leading Japanese manufacturer of alcoholic beverages and soft drinks.

LISTING RULES IMPLICATIONS

As the Expedited Put Option is not exercisable at the discretion of the Company, in accordance with Rule 14.74 of the Listing Rules, the Expedited Put Option will be treated as if it has been exercised at the time of its grant. Given that the applicable ratios in relation to the acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option, when aggregated with the 52,637 TAB Shares previously acquired from AIB, are more than 5% but less than 25%, the acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option constitutes a discloseable transaction for the Company subject to the reporting and announcement requirements of the Listing Rules.

AIB is a substantial shareholder of TAB and hence is a connected person of the Company at the subsidiary level. The acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option will constitute a connected transaction for the Company. As the terms of the acquisition of the AIB-Held Shares upon the exercise of the Expedited Put Option are normal commercial terms, and (a) the Board has approved the grant of the Expedited Put Option, and (b) the independent non-executive Directors have confirmed that the terms of the Expedited Put Option are fair and reasonable and on normal commercial terms and are in the interest of the Company and the Shareholders as a whole, the grant of the Expedited Put Option is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As no Director is considered to be interested in the Supplemental Agreement, no Director is required to abstain from voting for the Board resolution to approve the Supplemental Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“AIB”	AI Beverage Holding Co., Ltd., a company incorporated in Japan with limited liability and held as to 100% by Asahi as
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	at the date of this announcement;
“AIB-Held Shares”	214,718 TAB Shares held by AIB as at the date of this announcement;
“Agreement”	the call and put option agreement dated 30 June 2017 entered into between the Company and AIB;
“Asahi”	Asahi Group Holdings, Ltd., a company incorporated in Japan with limited liability, the shares of which are listed on the First Section of the Tokyo Stock Exchange;
“Board”	the board of Directors of the Company;
“Business Day”	has the meaning ascribed to it in the Agreement;
“Call Option”	the option granted by AIB to the Company under the Agreement pursuant to which the Company has the right to require AIB to sell to the Company the AIB-Held Shares;
“Company”	Tingyi (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Expedited Call Option”	the additional option granted by AIB to the Company under the Supplemental Agreement under which the Company has the right to require AIB to sell to the Company the AIB-Held Shares;
“Expedited Put Option”	the additional option granted by the Company to AIB under the Supplemental Agreement under which AIB has the right to require the Company to purchase the AIB-Held Shares;
“FEB”	Far East Bottlers (Hong Kong) Limited, a company incorporated in Hong Kong;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MKB”	Master Kong Beverages (BVI) Co., Ltd., a company incorporated in the British Virgin Islands and a non-wholly-owned subsidiary of the Company, holding approximately 52.5% of the issued share capital of TAB as at the date of this announcement;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and

	Taiwan for the purpose of this announcement;
“Put Option”	the option granted by the Company to AIB under the Agreement pursuant to which AIB has the right to require the Company to purchase the AIB-Held Shares which have not been the subject of the Call Option;
“Shares”	ordinary shares of US\$0.005 each in the capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement to the Agreement dated 29 November 2017 between the Company and AIB;
“TAB”	Tingyi-Asahi Beverages Holding Co., Ltd., a company incorporated in the Cayman Islands with limited liability and an indirect non-wholly owned subsidiary of the Company;
“TAB Shares”	shares in TAB;
“Ting Hsin”	Ting Hsin (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands and a substantial shareholder holding approximately 33.6% interest in the Company as at the date of this announcement;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

By order of the Board
Tingyi (Cayman Islands) Holding Corp.
Mr. Wei Ing-Chou
Chairman and Executive Director

Shanghai, PRC, 29 November 2017

As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Junichiro Ida, Mr. Lin Chin-Tang, Mr. Teruo Nagano, Mr. Wei Hong-Ming and Mr. Koji Shinohara are executive Directors of the Company. Mr. Hsu Shin-Chun, Mr. Lee Tiong-Hock and Mr. Hiromu Fukada are independent non-executive Directors of the Company.

** For identification purposes only*

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