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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS – PURCHASE OF CARTON BOXES

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 12 May 2017 in relation to the Master Supply Agreement.

On 10 November 2017, the Supplier and the Company entered into the Supplemental Agreement to revise the annual caps for the continuing connected transactions under the Master Supply Agreement.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Agreement on an annual basis are more than 0.1% but less than 5%, the revision to the annual caps is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 12 May 2017 (the “**Announcement**”) in relation to the Master Supply Agreement. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL AGREEMENT

On 10 November 2017, the Supplier and the Company entered into the supplemental agreement to the Master Supply Agreement (the “**Supplemental Agreement**”), pursuant to which the parties agreed to revise the annual caps for the Master Supply Agreement for the three financial years of 2017, 2018 and 2019.

Revised Annual Caps

Pursuant to the Supplemental Agreement, the annual caps for the purchases of carton boxes from the Supplier and its subsidiaries by the Group for the three years of 2017, 2018 and 2019 will be revised as follows:

	Annual Cap		
	2017	2018	2019
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Original	1,800,000	1,900,000	2,000,000
Revised	2,203,000	2,485,000	2,680,000

Basis of determining the revised annual caps

The revised annual caps were determined after arm's length negotiations between the Company and the Supplier based on the transaction amount for the nine months ended 30 September 2017, the expected demand for carton boxes by the Group and the expected increases in the price of carton paper during the term of the Master Supply Agreement.

The historical transaction amount for the purchases of carton boxes for the nine months ended 30 September 2017 was as follows:

	For the nine months ended 30 September 2017
	<i>RMB'000</i>
Original annual cap ^(Note)	1,800,000 ^(Note)
Actual transaction amount	1,599,182

Note: The annual cap for 2017 is for the whole financial year.

Save for the revision to the annual caps, the other terms of the Master Supply Agreement remain unchanged.

REASONS FOR THE REVISION TO THE ANNUAL CAPS

The Supplier, Marine Vision Investment Inc., is a limited liability company established in the British Virgin Islands. It is an investment holding company and has 17 wholly-owned subsidiaries engaged in the manufacture and sale of carton boxes in the PRC. The Supplier was acquired by Great System Holdings Limited, a company beneficially owned by Mr. Wei Ing-Chou, an executive Director, and his associates in May 2017 and became a connected person of the Company.

The Group purchases carton boxes as packaging for the Group's products. As the prices of carton boxes have increased significantly in the PRC, the Company expects that the original annual caps under the Master Supply Agreement would be exceeded for each of the three years ending 31 December 2017, 2018 and 2019. Accordingly, the Supplemental Agreement was entered into to enable the Group to continue to purchase carton boxes from the Supplier in compliance with the requirements of the Listing Rules.

Given that the Supplemental Agreement have been entered into after arm's length negotiations and under normal commercial terms, the Board (including the independent non-executive Directors but excluded Mr. Wei Ing-Chou and Mr. Wei Hong-Ming, who are interested in the transactions contemplated under the Supplemental Agreement and have abstained from voting from the Board resolution for the approval of the Supplemental Agreement) considers that (i) the transactions contemplated under the Supplemental Agreement are being provided on normal commercial terms and in the ordinary course of business of the Group; (ii) the terms of the Supplemental Agreement and

the proposed revised annual caps thereunder are fair and reasonable; and (iii) the Supplemental Agreement is in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Agreement on an annual basis are more than 0.1% but less than 5%, the revision to the annual caps is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Wei Ing-Chou and Mr. Wei Hong-Ming were considered to be interested in the transactions contemplated under the Supplemental Agreement and have abstained from voting in respect of the resolution proposed to approve the Supplemental Agreement.

By order of the Board
Tingyi (Cayman Islands) Holding Corp.
Mr. Junichiro Ida
Vice-Chairman and Executive Director

Shanghai, PRC, 10 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>