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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 –
EXERCISE OF EXPEDITED CALL OPTION
IN RELATION TO SHARES IN
TINGYI-ASAHI BEVERAGES HOLDING CO., LTD.**

EXERCISE OF THE EXPEDITED CALL OPTION

Reference is made to the announcement of the Company dated 29 November 2017 in relation to the Expedited Call Option and the Expedited Put Option.

On 1 December 2017, the Company exercised the Expedited Call Option for the acquisition of the AIB-Held Shares at the aggregate consideration of US\$611,884,031.78.

Upon completion of the acquisition of the AIB-Held Shares under the Expedited Call Option, the interest that the Company will be able to control in TAB 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.

LISTING RULES IMPLICATIONS

The applicable ratios in relation to the acquisition of the AIB-Held Shares under the Expedited Call 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 Call 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 Call Option also constitutes a connected transaction for the Company. As the terms of the acquisition of the AIB-Held Shares upon the exercise of the Expedited Call Option are normal commercial terms, and the independent non-executive Directors have confirmed the terms of the Expedited Call 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 exercise of the Expedited Call Option and the acquisition of the AIB-Held Shares 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 29 November 2017 in relation to the Supplemental Agreement to the Agreement where the Company and AIB have granted each other the

Expedited Put Option and the Expedited Call Option in order to expedite the exercise of the Call Option and the Put Option.

On 1 December 2017, the Company exercised the Expedited Call Option for the acquisition of the AIB-Held Shares.

Expedited Call Option

On 29 November 2017, AIB has granted to the Company the Expedited Call Option to require AIB to sell to the Company the AIB-Held Shares. 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.

On 1 December 2017, the Company exercised the Expedited Call Option for the acquisition of the AIB-Held Shares. The 214,718 AIB-Held Shares represent approximately 20.4% of the issued share capital of TAB.

Exercise price

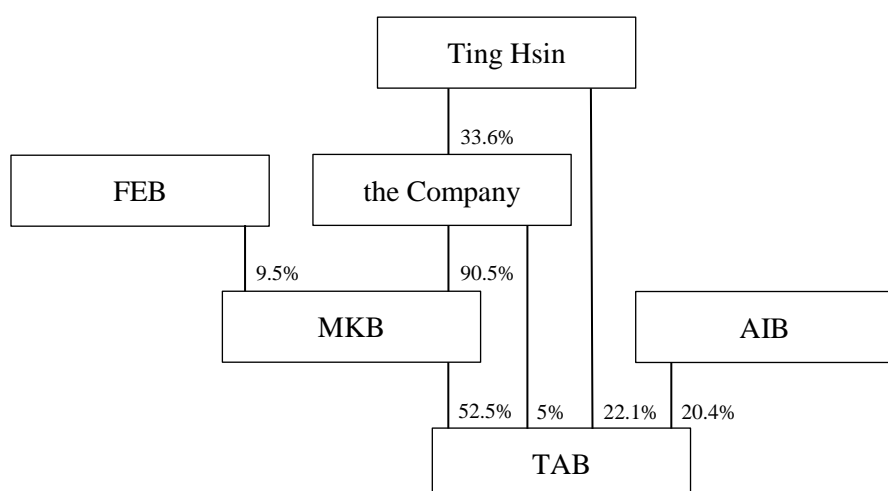
The per share exercise price is US\$2,849.71, which was determined by the parties after arm's length negotiations with reference to the consolidated financial statements of TAB, the business prospects of TAB and the fact that the relevant stake in TAB is non-controlling and non-marketable.

The aggregate consideration payable by the Company for the AIB-Held Shares is US\$611,884,031.78 and will be satisfied by the internal resources of the Group.

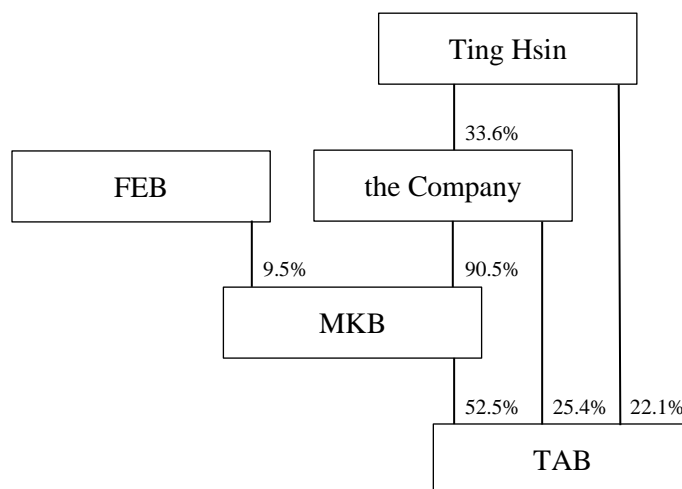
SHAREHOLDING STRUCTURE OF TAB

The following chart shows the shareholding structure of TAB before and after the acquisition of the AIB-Held Shares:

Before the acquisition



Upon completion of the acquisition



Upon completion of the acquisition of the AIB-Held Shares under the Expedited Call Option, the interest that the Company will be able to control in TAB 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
Profit before taxation	approximately US\$112 million	approximately 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 the Expedited Call Option, the interest that the Company will be able to control in TAB will increase from approximately 57.5% to 77.9%. The Board is of the view that the exercising of the Expedited Call Option represents 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 exercise of the Expedited Call Option is on normal commercial terms and is 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

The applicable ratios in relation to the acquisition of the AIB-Held Shares under the Expedited Call 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 Call 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 Call Option also constitutes a connected transaction for the Company. As the terms of the acquisition of the AIB-Held Shares upon the exercise of the Expedited Call Option are normal commercial terms, and the independent non-executive Directors have confirmed the terms of the Expedited Call 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 exercise of the Expedited Call Option and the acquisition of the AIB-Held Shares 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 Expedited Call Option, no Director is required to abstain from voting for the Board resolution to approve the exercise of the Expedited Call Option.

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 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;
“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, 1 December 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>