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**康師傅控股有限公司\***  
**TINGYI (CAYMAN ISLANDS) HOLDING CORP.**  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 0322)

**EXEMPTED CONNECTED TRANSACTION - DISPOSAL OF THE PROPERTIES**

On 10 February 2017, the Vendor and the Purchaser entered into the Agreement. Under the Agreement, the Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Properties for a total consideration of RMB216,197,659.

The Purchaser is an associate of a Director under Rule 14A.12(2)(b) of the Listing Rules and hence a connected person of the Company. The Disposal constitutes a connected transaction of the Company under the Listing Rules. Since the applicable percentage ratios in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**THE DISPOSAL**

On 10 February 2017 (after trading hours), the Vendor and the Purchaser entered into the Agreement. The principal terms of the Agreement are set out below.

**Subject matter**

The Purchaser agreed to acquire, and the Vendor agreed to dispose of, the Properties which consist of (1) the land use rights to the Land with a term of 50 years until the year of 2048 for industrial use; and (2) the Factory Building and ancilliary facilities.

**Consideration**

The consideration of RMB216,197,659 was determined with reference to:

- i. the valuation by DTZ Cushman & Wakefield Limited, an independent valuer, of the land use rights of the Land as at 10 January 2017 at RMB135.7 million;

- ii. the net book value of the Factory Building and ancilliary facilities (which have been designated for demolition ) of RMB69.7 million as at 31 January 2017; and
- iii. a premium of approximately RMB10.8 million.

The consideration will be subject to upward or downward adjustment on the basis of RMB1,840.77 per m<sup>2</sup> if the site area of the Land stated on the land use certificate differs by more than 5% from 115,091.4 m<sup>2</sup>. The consideration will be settled by three installments:

- (1) the first instalment, which represents 5% of the consideration (i.e. RMB10,809,882.95), will be paid to the Vendor within 15 Business Days (as defined in the Agreement) after, among other conditions, the Vendor has obtained new title certificates in respect of the Properties and the same have been made available to the Purchaser for inspection;
- (2) the second instalment, which represents 85% of the consideration (i.e. RMB183,768,010.15), will be paid to the Vendor within 15 Business Days (as defined in the Agreement) after, among other conditions, the Purchaser has obtained the new title certificates evidencing it as the owner of the Factory Building; and
- (3) the final instalment, which represents 10% of the consideration (i.e. RMB21,619,765.9), will be paid to the Vendor within 60 Business Days (as defined in the Agreement) after the Purchaser has obtained the title certificates in respect of the Factory Building and the land use right certificates in respect of the Land.

## **LISTING RULES IMPLICATIONS**

The Purchaser is a company majority-controlled by a brother of Mr. Wei Ing-Chou. Mr Wei Ing-Chou is a Director. The Purchaser is an associate of a Director under Rule 14A.12(2)(b) of the Listing Rules and hence a connected person of the Company.

Since the applicable percentage ratios in respect of the Disposal exceed 0.1% but are less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group is a leading producer and distributor in the food and beverage sector in the PRC. The main products of the Group include instant noodles, beverages and instant foods such as egg rolls, sandwich crackers and muffins. The Vendor is a wholly-owned subsidiary of the Company established in the PRC principally engaged in the business of production, marketing, sale and distribution of instant noodles.

It is estimated that the Disposal will generate net income of approximately RMB60 million. The proceeds of the Disposal will be used to further enhance the cash reserve of the Company.

The Properties have previously been designated by the Group for self-use. As the production has been relocated to a new plant of the Group and the Properties have been vacant since October 2014, the Disposal would enable the Group to optimise its resources as well as to increase the cash flow of the Group.

The Directors (including the independent non-executive Directors but excluding Mr. Wei Ing-Chou and Mr. Wei Hong-Ming) consider that the terms and conditions of the Agreement are fair and reasonable and are normal commercial terms and that the entering into of the Agreement is in the interest of the Company and the Shareholders as a whole.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Agreement”	the agreement entered into between the Purchaser and the Vendor on 10 February 2017 in respect of the Disposal
“Company”	Tingyi (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Disposal”	the disposal by the Vendor of the Properties
“Director(s)”	the director(s) of the Company
“Factory Building and ancilliary facilities”	the factory buildings and ancilliary facilities erected on the Land with a gross floor area of 48,473.45 m <sup>2</sup>
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a parcel of land located at Zone C2, Wei Three Road South, Economic Development Zone, Xian, Shanxi Province, PRC (西安經濟開發區C2區緯三路南) with a site area of 115,091.4 m <sup>2</sup>
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Properties”	the Land, the Factory Building and ancilliary facilities
“Purchaser”	Shanghai Long Yu Investment Advisory Co., Ltd* 上海龍昱投資諮詢有限公司, a company established in the PRC with limited liability
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Xian Tingyi Food Company Limited* (西安頂益食品有限公司), a company established in the PRC with limited liability

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

Shanghai, the PRC, 12 February 2017

*As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Junichiro Ida, Mr. Wu Chung-Yi, Mr. Teruo Nagano, Mr. Wei Hong-Ming and 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>