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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  
PUT OPTION IN RELATION TO SHARES  
IN TINGYI-ASAHI BEVERAGES HOLDING CO., LTD.**

## **THE AGREEMENT**

On 30 June 2017, the Company and AIB entered into the Agreement under which:

- (a) AIB granted to the Company the Call Option; and
- (b) the Company granted to AIB the Put Option.

The options contemplated under the Agreement are related to 214,718 TAB Shares, representing approximately 20.4% of the issued share capital of TAB. Upon the exercise of either the Call Option or the Put Option, the interest in TAB that the Company will be able to control will increase from approximately 57.5% to 77.9%.

## **LISTING RULES IMPLICATIONS**

As the Put Option is not exercisable at the discretion of the Company, in accordance with Rule 14.74 of the Listing Rules, the 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 Put Option, when aggregated with the 52,637 TAB Shares acquired from AIB in September 2016, are more than 5% but less than 25%, the acquisition of the AIB-Held Shares upon the exercise of the 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 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 Put Option are normal commercial terms, and (a) the Board has approved the grant of the Put Option, and (b) the independent non-executive Directors have confirmed that the terms of the 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 Put Option is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

## **THE AGREEMENT**

On 30 June 2017, the Company and AIB entered into the Agreement under which:

- (a) AIB granted to the Company the Call Option; and
- (b) the Company granted to AIB the Put Option.

## **THE CALL OPTION**

### *The Call Option*

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 consideration payable by the Company for the 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 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.

On the assumption that the Call Option is exercised in full, the aggregate consideration payable by the Company for the AIB-Held Shares will be US\$611,884,031.78.

## **THE PUT OPTION**

### *The Put Option*

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.

### *Exercise period*

The Put Option is exercisable by AIB in two tranches:

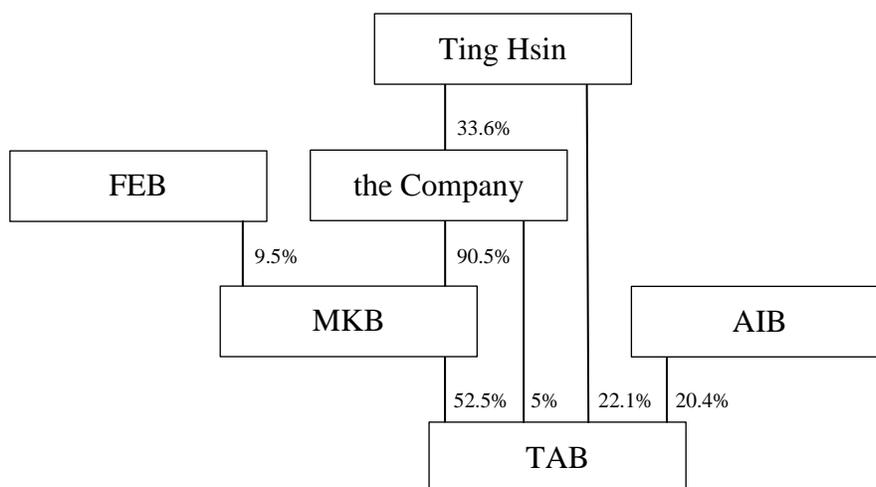
- (a) if the Company has not exercised the First Option in full, AIB may exercise its right with respect to the remaining AIB-Held Shares that are the subject to the First Option at any time after the expiration of the First Period such that completion will take place on 17 December 2018 or such other 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*

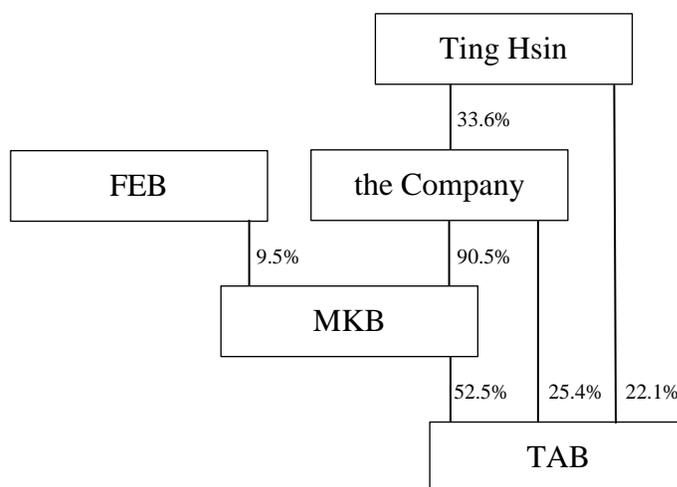
The per share exercise price shall be US\$2,849.71, which is the same as the per share exercise price as the Call Option.

## **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 exercise in full of the Call Option or the Put Option, as the case may be:



Upon completion of the acquisition of the AIB-Held Shares under either the Call Option or the 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:

	<b>For the year ended 31 December</b>	
	<b>2015</b>	<b>2016</b>
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 31 March 2017 was approximately US\$1,798 million.

## **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.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the Put Option is not exercisable at the discretion of the Company, in accordance with Rule 14.74 of the Listing Rules, the 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 Put Option, when aggregated with the 52,637 TAB Shares acquired from AIB in September 2016, are more than 5% but less than 25%, the acquisition of the AIB-Held Shares upon the exercise of the 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 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 Put Option are normal commercial terms, and (a) the Board has approved the transactions, and (b) the independent non-executive Directors have confirmed that the terms of the Put Option are fair and reasonable on normal commercial terms and are in the interest of the Company and the Shareholders as a whole, the grant of the 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 Agreement, no Director is required to abstain from voting for the Board resolution to approve the Agreement.

## REASONS AND BENEFITS

Following completion of the acquisition of the AIB-Held Shares, the interest in TAB that the Company will be able to control will increase from 57.5% to 77.9%. The Board is of the view that the exercise of the Call Option represents a good opportunity for the Company to increase its interest in TAB. The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the 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.

## 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;
“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;
“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;
“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 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;
“%”	per cent.

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

Shanghai, PRC, 30 June 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 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>*