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CONNECTED TRANSACTION

The Board announces that on 17 May 2012, the Subsidiary and Prima have entered into the Joint Venture Agreement for the establishment of the Joint Venture to engage in the processing of poultry and meat products.

One of the substantial shareholders of Prima is Itochu, which is a substantial shareholder in Tingtong, a non wholly-owned subsidiary of the Company. Prima is therefore an associate of Itochu and is a connected person of the Company. Accordingly, the establishment of the Joint Venture constitutes a connected transaction for the Company for the purpose of the Listing Rules.

As the applicable ratios in respect of the capital committed to the establishment of the Joint Venture are more than 0.1% but less than 5%, the establishment of the Joint Venture is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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THE JOINT VENTURE AGREEMENT

Date: 17 May 2012

Parties to the Joint Venture Agreement:

- (1) Master Kong Instant Foods Investment (China) Co., Ltd., a wholly-owned subsidiary of the Group, which is principally engaged in the investment in instant food.
- (2) Prima Meat Packers Ltd., which is a company incorporated in Japan and is principally engaged in the manufacturing and sale of ham and sausages. It is owned as to 40% by Itochu and Itochu is a substantial shareholder of Tingtong, a non wholly-owned subsidiary of the Company. Prima is therefore an associate of Itochu and is a connected person of the Company.

Establishment of the Joint Venture

The Subsidiary and Prima have entered into the Joint Venture Agreement to establish the Joint Venture in Wujian, Jiangsu Province, the PRC, to engage in the processing of poultry and meat products.

Registered capital of the Joint Venture

Pursuant to the terms of the Joint Venture Agreement, the registered capital of the Joint Venture is US\$24 million (equivalent to approximately HK\$186.3 million), and will be held as to 60% by the Subsidiary and as to 40% by Prima.

The registered capital of US\$24 million (equivalent to approximately HK\$186.3 million) will be used for the procurement of manufacturing equipment and the construction of the factory, and will be contributed by the parties in proportion to their respective equity interest in the Joint Venture in two installments in cash within three months and twelve months from the issue of the business license of the Joint Venture. The total contribution for each installment will be US\$3.6 million (equivalent to approximately HK\$27.94 million) and US\$20.4 million (equivalent to approximately HK\$158.36 million). The share capital of the Joint Venture was determined after arm's length negotiations between the parties and is based on the funding requirements to make the Joint Venture operational. The capital contribution of the Subsidiary in the amount of US\$14.4 million to the registered capital of the Joint Venture will be satisfied by the internal resources of the Group.

Board of directors of the Joint Venture

The board of directors of the Joint Venture will comprise of 5 directors. The Subsidiary will have the right to appoint 3 directors and Prima will have the right to appoint 2 directors. The Subsidiary will appoint the general manager of the Joint Venture and Prima will appoint the deputy general manager for finance of the Joint Venture. The Subsidiary will also have the right to appoint the chairman of the board. The Joint Venture will be accounted for as a subsidiary of the Company and its accounts will be consolidated into the financial statements of the Company.

REASONS FOR THE TRANSACTION

Prima is a company established in Japan and its shares are listed on the Tokyo Stock Exchange. Prima is principally engaged in the processing and sale of ham and sausage. It has two research and development centres, four factories, eight logistics centres, and is the third largest ham processing enterprise in Japan. The Prima Group is also interested in forty one enterprises engaging in farming, research and development, production, logistics, education and software.

The Company is principally engaged in the production and sale of instant noodles, baked goods and beverages in the PRC. The establishment of the Joint Venture will further strengthen the instant food business of the Group in the PRC. Pursuant to the agreement with Prima, it is expected that the Group will be able to produce and distribute an even more diversified range of food products (including but not limited to ham, sausage and beacon) in the PRC. The Directors (including the independent non-executive Directors) consider that the establishment of the Joint Venture by the Subsidiary with Prima is being carried out in the ordinary and normal course of business of the Company, under normal commercial terms, and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

Prima is owned as to 40% by Itochu and Itochu is a substantial shareholder of Tingtong, a non wholly-owned subsidiary of the Company. Prima is therefore an associate of Itochu and is a connected person of the Company. Accordingly, the establishment of the Joint Venture constitutes a connected transaction of the Company for the purpose of the Listing Rules.

As the applicable ratios in respect of the capital committed to the establishment of the Joint Venture Acquisition are more than 0.1% but less than 5%, the establishment of the Joint Venture is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As none of the Directors is interested in the transaction described herein, no Director is required to abstain from voting for the Board resolution to approve the establishment of the Joint Venture.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	Tingyi (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Itochu”	Itochu Corporation, a substantial shareholder of Tingtong, a non wholly-owned subsidiary of the Company;
“Joint Venture Agreement”	the agreement dated 17 May 2012;
“Joint Venture”	the joint venture enterprise to be established pursuant to the Joint Venture Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Prima”	Prima Meat Packers Ltd., a company incorporated in Japan, the shares of which are listed on the Tokyo Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	Master Kong Instant Foods Investment (China) Co., Ltd., an indirect wholly-owned subsidiary of the Company;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Tingtong”	Tingtong (Cayman Islands) Holding Corp., a 50.01% indirectly owned subsidiary of the Group which is principally engaged in the provision of logistics services; and
“US\$”	United States dollar, the lawful currency of the United States of America.

By order of the Board of
Tingyi (Cayman Islands) Holding Corp.
WEI, Ing Chou
Chairman

Tianjin, the PRC, 18 May 2012

In this announcement, an exchange rate of US\$1.00 to HK\$7.7627 is used for illustration purpose only.

As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Takeshi Ida, Mr. Ryo Yoshizawa, Mr. Wu Chung-Yi, Mr. Wei Ying-Chiao and Mr. Junichiro Ida 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.

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

** For identification purposes only.*