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EXEMPT CONTINUING CONNECTED TRANSACTIONS

On 7 September 2012, Master Kong Instant Noodle, a wholly-owned subsidiary of the Company, entered into the Supply Agreement with Shandong Weizhen in relation to the Group's purchase of frozen and dried food materials and other meat products from Shandong Weizhen for a term commencing from the date of the Supply Agreement until 31 December 2014.

Shandong Weizhen is owned as to 50% by Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao. Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao are executive directors of the Company and hence connected persons of the Company, Shandong Weizhen is an associate of Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao and hence a connected person of the Company for the purpose of the Listing Rules.

As the annual transaction amount payable under the Supply Agreement is expected to be more than 0.1% but less than 5% of the applicable percentage ratios, the transactions contemplated under the Supply Agreement are subject to the reporting and announcement requirements set out in Rule 14A.34 of the Listing Rules and exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

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SUPPLY AGREEMENT

Date of the agreement: 7 September 2012

Parties:

- (1) Master Kong Instant Noodle, a wholly-owned subsidiary of the Company; and
- (2) Shandong Weizhen, a company established in the PRC which is principally engaged in the production of frozen and dried food products.

Supply of goods

Pursuant to the Supply Agreement, Shandong Weizhen will supply the Group with frozen and dried food materials (冷凍乾燥食材) and other meat products for use by the Group in the manufacturing of instant noodles.

The prices of the products supplied by Shandong Weizhen will be based on the prevailing market prices of the products of similar quality purchased by the Group, or as reasonably agreed by the parties, if no such prices could be taken as a reference. Payments for the products will be on normal commercial terms in accordance with the credit terms that the Group would typically obtain from its suppliers.

The Supply Agreement has a term commencing from the date of its execution until 31 December 2014, subject to the following annual caps:

Period	Annual Cap <i>US\$ '000</i>
For the financial year ending 31 December 2012	31,193
For the financial year ending 31 December 2013	96,416
For the financial year ending 31 December 2014	185,821

The annual caps are determined with reference to the anticipated future demand of frozen and dried food materials and other meat products that the Group would require for its production of instant noodles.

The Group began purchasing products from Shandong Weizhen in July 2012. Between July 2012 and the date of this announcement, the Group has purchased frozen and dried food products with an aggregated value of approximately US\$7.58 million from Shandong Weizhen. Given that the amount involved was below 0.1% of each of the applicable percentage ratios, such transactions constituted exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Reason for the Supply Agreement

The Company specialises in the production and distribution of instant noodles, beverages and baked goods in the PRC.

The Group's noodle products dominate the PRC market. According to AC Nielsen's report in June 2012, the sales volume and value of the Group's instant noodles reached market share of 43.9% and 57.0%, respectively, in the PRC. Whilst maintaining a leading position in the market, the Group continues to strengthen its product offerings and enhance brand vitality. In response to the challenge of competing products, the Group has introduced local tastes to many of its products and is striving to improve the gross margin of the products by improving production efficiency and the lowering of production costs.

Frozen and dried food materials and meat products are being used by the Group as ingredients for the manufacture of instant noodles. The Supply Agreement was entered into after arm's length negotiations with the products to be benchmarked with the prevailing market prices. As such, the Directors (including the independent non-executive Directors) are of the view that the Supply Agreement was entered into under normal commercial terms and in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) are also of the view that the terms and conditions of the Supply Agreement, including the annual caps, are fair and reasonable, and that the entering into of the Supply Agreement with Shandong Weizhen are in the interests of the Company and the Shareholders as a whole.

GENERAL

Shandong Weizhen is owned as to 50% by Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao. Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao are executive directors of the Company and hence connected persons of the Company. Shandong Weizhen is an associate of Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao and hence a connected person of the Company for the purpose of the Listing Rules. The transactions under the Supply Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the annual transaction amount payable under the Supply Agreement is expected to be more than 0.1% but less than 5% of the applicable percentage ratios, the transactions contemplated under the Supply Agreement are subject to the reporting and announcement requirements set out in Rule 14A.34 of the Listing Rules and exempt from the independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

At the Board meeting held to approve the Supply Agreement, Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao, who hold beneficial interests in Shandong Weizhen, were considered to be interested in the transactions contemplated under the Supply Agreement and have abstained from voting in respect of the resolution proposed to approve the Supply Agreement.

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 in the Listing Rules;
“Board”	the board of directors of the Company;
“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;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Kong Instant Noodle”	康師傅方便麵投資(中國)有限公司 (Master Kong Instant Noodle Investment (China) Co., Ltd.), a company incorporated in the PRC and a wholly- owned subsidiary of the Company;
“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;
“Shandong Weizhen”	山東味珍食品有限公司(Shandong Weizhen Food Co., Ltd.), a company incorporated in the PRC and is owned as to 50% by Mr. Wei Ing-Chou and Mr. Wei Ying-Chiao, both being executive directors of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supply Agreement”	the agreement dated 7 September 2012 between Master Kong Instant Noodle and Shandong Weizhen;
“US\$”	United States dollar, the lawful currency of United States of America.

By order of the Board of
Tingyi (Cayman Islands) Holding Corp.
Ip Pui-Sum
Company Secretary

Tianjin, the PRC, 10 September 2012

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>

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