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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 18 November 2013 in respect of the Existing Supply Agreements. The Existing Supply Agreements will expire on 31 December 2016, on 15 November 2016, the Company entered into the Supply Agreements to renew the terms of the Existing Supply Agreements for a period of three years commencing 1 January 2017 to 31 December 2019.

As both TZCI and TFS are majority owned by Mr. Wei Ing-Chou, being the Chairman and an Executive Director, and his associates, each of TZCI and TFS are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the TZCI Supply Agreement and the TFS Supply Agreement will constitute continuing connected transactions for the Company under the Listing Rules.

As the aggregate annual transaction amount in respect of the TZCI Supply Agreement and the TFS Supply Agreement is expected to exceed 5% of the applicable ratios, the TZCI Supply Agreement and the TFS Supply Agreement will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee will be established to advise the Independent Shareholders in relation to the terms of the TZCI Supply Agreement and the TFS Supply Agreement. Centurion has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the TZCI Supply Agreement and the TFS Supply Agreement.

A circular containing, among other things, (i) further details about the TZCI Supply Agreement and the TFS Supply Agreement, (ii) a letter of advice from Centurion to the Independent Board Committee and the Independent Shareholders, (iii) the recommendation from the Independent Board Committee to the Independent Shareholders, together with (iv) the notice of the EGM will be dispatched to the Shareholders on or before 6 December 2016.

Reference is made to the announcement of the Company dated 18 November 2013 in respect of the Existing Supply Agreements. The Existing Supply Agreements will expire on 31 December 2016, on 15 November 2016, the Company entered into the Supply Agreements to renew the terms of the Existing Supply Agreements for a period of three years commencing 1 January 2017 to 31 December 2019.

The TZCI Supply Agreement

Date: 15 November 2016

Parties: (1) TZCI

(2) the Company

Subject: Pursuant to the terms of the TZCI Supply Agreement, TZCI Group will supply the TZCI Materials to the Group.

Term: The TZCI Supply Agreement has a term of three financial years ending on 31 December 2019.

Price: The price of the TZCI Materials shall be TZCI's quoted price, which shall be determined based on negotiations between the parties on an arm's length basis and on normal commercial terms with reference to:

- i. the prevailing market price of the same or substantially similar products, taking into account of the price of the same or substantially similar products with comparable order quantities and quality offered by other suppliers;
- ii. if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those received from independent third parties in respect of the same or substantially similar products with comparable quantities; and
- iii. if both (i) and (ii) above are not applicable, by reference to the average price of similar products previously purchased by the Company, and on normal commercial terms which are no less favourable to the Company than that are available to independent third parties.

Payment for the materials supplied will be made within 90 days of delivery.

Cap amount: Pursuant to the TZCI Supply Agreement, the Company has agreed to purchase the TZCI Materials from TZCI Group based on the pricing policy stated above during the term of the TZCI Supply Agreement subject to the following annual caps:

	Year ended 31 December 2017 RMB	Year ended 31 December 2018 RMB	Year ended 31 December 2019 RMB
Transaction amount	2,700,000,000	3,100,000,000	3,500,000,000

The annual caps for the TZCI Supply Agreement were determined based on the historical transaction amount under the Existing TZCI Supply Agreement and taking into account the growth of the Company.

The table below summarises the actual purchases of the TZCI Materials by the Group from TZCI Group for the two years ended 31 December 2015 and the nine months ended 30 September 2016:

	Year ended 31 December 2014 US\$	Year ended 31 December 2015 US\$	Nine months ended 30 September 2016 US\$
Annual Cap	583,000,000	670,000,000	771,000,000 (Note 1)
Actual transaction amount	391,594,120 (approximately RMB 2,408,303,838)	343,131,245 (approximately RMB 2,159,084,734)	268,888,464 (approximately RMB 1,771,278,857) (Note 2)

Note 1: For the entire year of 2016

Note2: Amounts denominated in US\$ have been translated, for illustration purposes only, into RMB using the exchange rate of US\$1.00 = RMB6.15 (for the year ended 31 December 2014); US\$1.00 = RMB6.29 (for the year ended 31 December 2015) and US\$1.00 = RMB6.59 (for the nine months ended 30 September 2016).

The TFS Supply Agreement

Date: 15 November 2016

Parties: (1) TFS
(2) the Company

Subject: Pursuant to the terms of the TFS Supply Agreement, TFS will supply the TFS Products to the Group.

Term: The TFS Supply Agreement has a term of three financial years ending on 31 December 2019.

Price: The price of the TFS Products shall be TFS's quoted price, which shall be determined based on negotiations between the parties on an arm's length basis and on normal commercial terms with reference to:

- i. the prevailing market price of the same or substantially similar products, taking into account of the price of the same or substantially similar products with comparable order quantities and quality offered by other suppliers;
- ii. if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those received from independent third

parties in respect of the same or substantially similar products with comparable quantities; and

- iii. if both (i) and (ii) above are not applicable, by reference to the average price of similar products previously purchased by the Company, and on normal commercial terms which are no less favourable to the Company than that are available to independent third parties.

Payment for the products supplied will be made within 90 days of delivery.

Cap amount: Pursuant to the TFS Supply Agreement, the Company has agreed to purchase the TFS Products from TFS based on the pricing policy stated above during the term of the TFS Supply Agreement subject to the following annual caps:

	Year ended 31 December 2017	Year ended 31 December 2018	Year ended 31 December 2019
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
Transaction amount	330,000,000	380,000,000	440,000,000

The annual caps for the TFS Supply Agreement were determined based on the historical transaction amount under the Existing TFS Supply Agreement and taking into account the growth of the Company.

The table below summarises the actual purchases of the TFS Products made by the Group from TFS for the two years ended 31 December 2015 and the nine months ended 30 September 2016:

	Year ended 31 December 2014	Year ended 31 December 2015	Nine months ended 30 September 2016
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Annual Cap	18,166,000	20,891,000	24,025,000 (Note 1)
Actual transaction amount	12,608,212 (approximately <i>RMB</i> 77,540,504)	10,454,191 (approximately <i>RMB</i> 65,780,906)	17,236,675 (approximately <i>RMB</i> 113,545,065) (Note 2)

Note 1: For the entire year of 2016

Note 2: Amounts denominated in US\$ have been translated, for illustration purposes only, into RMB using the exchange rate of US\$1.00 = RMB6.15 (for the year ended 31 December 2014); US\$1.00 = RMB6.29 (for the year ended 31 December 2015) and US\$1.00 = RMB6.59 (for the nine months ended 30 September 2016).

REASONS FOR THE CONTINUING CONNECTED TRANSACTIONS

TZCI and TFS have been suppliers to the Group for a long period of time.

TFS is a modified starch manufacturer, specialized in producing modified starch, especially from potato and cassava. The core products, P-170 and VT0200, are based on unique formulas specifically tailored for manufacturing the Group's high-end instant noodle products.

The Directors believe that it is in the benefit of the Company and the Shareholders as a whole to continue to acquire the TZCI Materials and the TFS Products from TZCI and TFS, respectively, on the basis of the high quality of the TZCI Materials and the TFS Products and their competitive prices.

As the Existing Supply Agreements are due to expire soon, the Directors consider that the entering into of the Supply Agreements are in the ordinary and usual course of business of the Group. Given that the Supply Agreements were entered into under normal commercial terms, and the terms have been reached after arm's length negotiations, the Directors consider that the Supply Agreements and their respective annual caps are fair and reasonable and in the interest of the Shareholders and the Company as a whole. The view of the independent non-executive Directors, after considering the advice from the Independent Financial Adviser, will be set out in the circular of the Company to be despatched to the Shareholders.

INFORMATION ON TZCI GROUP AND TFS

TZCI is incorporated in the Cayman Islands with limited liability and is an investment holding company. TZCI's principal assets are its interests in its subsidiaries which are principally engaged in the business of manufacture and sale of flexible plastic packaging materials and plastic products used in instant noodles and beverage products.

TFS is incorporated in the PRC. It is principally engaged in the business of manufacture and sale of modified potato starch, modified cassava starch and seasoning flavours.

IMPLICATION UNDER THE LISTING RULES

As both TZCI and TFS are majority owned by Mr. Wei Ing-Chou, who is the Chairman and an Executive Director of the Company, and his associates, each of TZCI and TFS are connected persons of the Company for the purpose of the Listing Rules. Accordingly, the TZCI Supply Agreement and the TFS Supply Agreement will constitute continuing connected transactions of the Company under the Listing Rules, respectively. Mr. Wei Ing-Chou and Mr. Wei Hong-Ming are considered to be interested in the transactions contemplated under the Supply Agreements and have abstained from voting on the Board resolutions approving the TZCI Supply Agreement and the TFS Supply Agreements.

As the aggregate annual transaction amount in respect of the TZCI Supply Agreement and the TFS Supply Agreement is expected to exceed 5% of the applicable ratios, the TZCI Supply Agreement and the TFS Supply Agreement will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee will be established to advise the Independent Shareholders in relation to the terms of the TZCI Supply Agreement and the TFS Supply Agreement. Centurion has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the TZCI Supply Agreement and the TFS Supply Agreement. Mr. Wei Ing-Chou and Mr. Wei Hong-Ming and their respective associates shall abstain from voting on the proposed resolutions approving the TZCI Supply Agreement and the TFS Supply Agreement at the EGM.

A circular containing, among other things, (i) further details about the TZCI Supply Agreement and the TFS Supply Agreement, (ii) a letter of advice from Centurion to the Independent Board Committee and the Independent Shareholders, (iii) the recommendation from the Independent Board Committee to the Independent Shareholders, together with (iv) the notice of the EGM will be dispatched to the Shareholders on or before 6 December 2016.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for business in Hong Kong and the PRC;
“Centurion” or the “Independent Financial Adviser”	Centurion Corporate Finance Limited, a licensed corporation to carry out type 1 (dealing in securities), 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“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;
“associate”	has the meaning ascribed to it under the Listing Rules;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting to be convened to approve the TZCI Supply Agreement and the TFS Supply Agreement;
“Existing Supply Agreements”	the Existing TFS Supply Agreement and the Existing TZCI Supply Agreement;
“Existing TFS Supply Agreement”	the agreement entered into between TFS and the Company dated 15 November 2013 in relation to the purchase of TFS Products for the three years ended 31 December 2016;
“Existing TZCI Supply	the agreement entered into between TZCI and the Company

Agreement”	dated 15 November 2013 in relation to the purchase of TZCI Materials for the three years ended 31 December 2016;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors to be appointed by the Board to advise the Independent Shareholders in relation to the TZCI Supply Agreement and the TFS Supply Agreement;
“Independent Shareholders”	independent shareholders of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the PRC and the Republic of China for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“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;
“Supply Agreements”	the TFS Supply Agreement and the TZCI Supply Agreement;
“TFS”	Tianjin Ting Fung Starch Development Co., Ltd., a wholly owned foreign enterprise established in the PRC and as the date of this announcement is owned as to 51% by Great System Holding Limited (“Great System”), a company owned by Mr. Wei Ing-Chou, an Executive Director of the Company, and his associates, and as to 49% by East One Holding Limited, an independent third party not connected with the Company and its connected person;
“TFS Products”	modified potato starch, modified cassava starch and seasoning flavour products supplied by TFS;
“TFS Supply Agreement”	the agreement entered into between TFS and the Company dated 15 November 2016;

“TZCI”	Tingzheng (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands with limited liability and as the date of this announcement owned as to 60.8% by Mr. Wei Ing-Chou, an Executive Director of the Company, and his associates, and 39.2% by Joint Force Technology Limited, an independent third party not connected with the Company and its connected person;
“TZCI Group”	TZCI and its subsidiaries, namely, Tianjin Tingzheng Print&Packing Material Co., Ltd. (天津頂正印刷包材有限公司), Hangzhou Tingzheng Packing Material Co., Ltd. (杭州頂正包材有限公司), Chongqing Tingzheng Packing Material Co., Ltd. (重慶頂正包材有限公司) Nanjing Tingzheng Packing Material Co., Ltd. (南京頂正包材有限公司) and Tianjin Dingcai Packaging Co., Ltd. (天津頂彩包裝有限公司), each of them is established in the PRC and ultimately wholly owned by TZCI;
“TZCI Materials”	plastics and flexible packaging materials supplied by TZCI;
“TZCI Supply Agreement”	an agreement entered into between TZCI and the Company dated 15 November 2016;
“US\$”	United States dollar, the lawful currency of the United States;
“%”	per cent.

By order of the Board
Tingyi (Cayman Islands) Holding Corp.
Mr. Wei Ing-Chou

Chairman and Executive Director

Shanghai, PRC, 15 November 2016

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>