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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)

CONNECTED TRANSACTION ACQUISITION OF FURTHER SHARES IN KSF BEVERAGE HOLDING CO., LTD.

The Acquisition

On 20 December 2019, the Company and Ting Hsin entered into the Agreement under which the Company agreed to acquire 52,637 shares in KSF Beverage (the “Sale Shares”) from Ting Hsin for a consideration of US\$203,000,000.

The Sale Shares represent approximately 5% of the issued share capital of KSF Beverage. KSF Beverage is a non-wholly owned subsidiary of the Company. Upon Completion, the interest in KSF Beverage that the Company will be able to control will increase from approximately 77.9% to approximately 82.9%.

Listing Rules Implications

Ting Hsin is a substantial shareholder of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements and exempt from the requirement of Independent Shareholders’ approval under Chapter 14A of the Listing Rules.

THE ACQUISITION

On 20 December 2019, the Company and Ting Hsin entered into the Agreement in relation to the Acquisition. The salient terms of the Agreement are summarized below:

Subject matter

The Company agreed to acquire the Sale Shares from Ting Hsin. The Sale Shares represent approximately 5% of the issued share capital of KSF Beverage as at the date of the Agreement.

Consideration

The consideration for the Sale Shares is US\$203,000,000, which was determined by the parties after arm's length negotiations, on normal commercial terms, with reference to the valuation report prepared by an independent professional valuer using the market approach as the primary factor, and the fact that the Sale Shares is non-controlling and non-marketable.

The consideration will be payable in cash by the Company at Completion, and will be satisfied by the internal resources of the Company.

Conditions precedent

Completion is conditional upon the satisfaction or waiver of the following conditions:

- (a) the representations and warranties of each of the parties contained in the Agreement being reasonably expected to be true in all material respects as of the date of Completion;
- (b) all of the covenants and obligations that each party is required to perform or to comply with pursuant to the Agreement having been duly performed and complied with in all material respects on or prior to the date of Completion; and
- (c) all consents and waivers in relation to the transactions under the Agreement have been obtained.

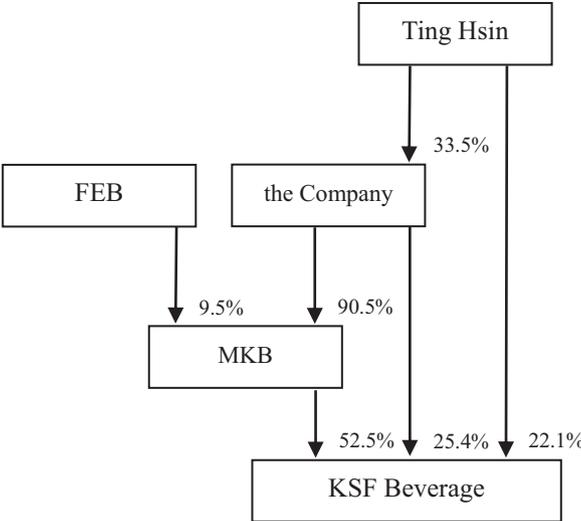
Completion is expected to take place on 31 December 2019, or at such other time as the Parties may otherwise agree.

INFORMATION ON KSF BEVERAGE

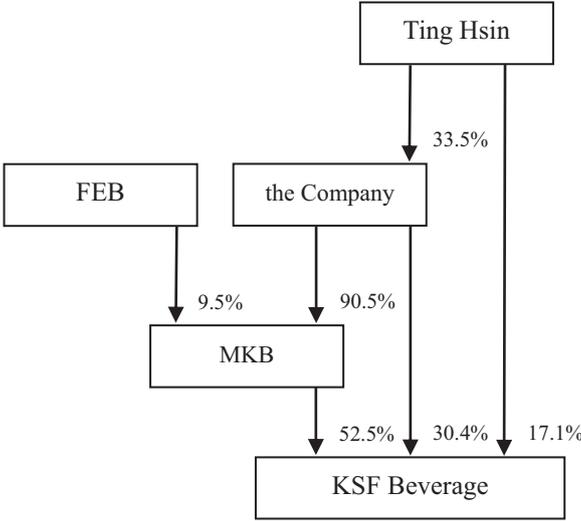
KSF Beverage is an investment holding company incorporated in the Cayman Islands and is a non-wholly owned subsidiary of the Company as at the date of this announcement. KSF Beverage and its subsidiaries are principally engaged in the production and distribution of beverage products in the PRC.

The shareholding structure of KSF Beverage is as follows:

(a) As at the date of this announcement:



(b) Immediate upon Completion:



Based on the unaudited consolidated financial statements of KSF Beverage for the six months ended 30 June 2019, the consolidated net asset value of KSF Beverage was approximately RMB14,000,499,904. The audited financial results of KSF Beverage for the two years ended 31 December 2018 are as follows:

	For the year ended 31 December	
	2017	2018
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	1,271,507	1,195,926
Net profit after tax	844,372	797,875

Upon Completion, the interest in KSF Beverage that the Company will be able to control will increase from approximately 77.9% to approximately 82.9%, and KSF Beverage will continue to be accounted as a subsidiary of the Company.

INFORMATION ON THE PARTIES

The Group is principally engaged in the production and distribution of instant noodles and beverage products in the PRC.

Ting Hsin is an investment holding company incorporated in the Cayman Islands.

REASONS FOR THE ACQUISITION

The Acquisition will enable the Company to further increase its interests in KSF Beverage and allow it to further develop its business in beverage products. The Directors (including the independent non-executive Directors but excluded Mr. Wei Hong-Ming, the Chairman of the Board and an executive Director of the Company, Mr. Wei Hong-Chen and Mr. Lin Chin-Tang, executive Directors of the Company, who are considered to be interested in the transaction contemplated under the Agreement and have avoided discussion and abstained from voting for the resolution to approve the Acquisition) are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Ting Hsin is a substantial shareholder of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements and exempt from the requirement of Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As Ting Hsin is beneficially owned by family members and relatives of Mr. Wei Hong-Ming, the Chairman of the Board and an executive Director of the Company, and Mr. Wei Hong-Chen, an executive Director of the Company, Mr. Wei Hong-Ming and Mr. Wei Hong-Chen are considered to be interested in the transaction contemplated under the Agreement and have avoided discussion and abstained from voting for the resolution proposed to approve the Acquisition. Mr. Lin Chin-Tang, an executive Director of the Company who holds an officer position in Ting Hsin, is also considered to be interested in the transaction contemplated under the Agreement and has avoided discussion and abstained from voting for the resolution proposed to approve the Acquisition.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Company pursuant to the Agreement;
“Agreement”	the agreement dated 20 December 2019 between the Company and Ting Hsin in connection with the Sale Shares;
“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;
“Completion”	completion of the Acquisition;
“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;
“Independent Shareholders”	the Shareholders other than Ting Hsin and its associates;

“KSF Beverage”	KSF Beverage Holding Co., Ltd., a company incorporated in the Cayman Islands with limited liability and a non-wholly owned subsidiary of the Company;
“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 with limited liability and a non-wholly owned subsidiary of the Company;
“PRC”	the People’s Republic of China;
“Sale Shares”	52,637 shares in the issued share capital of KSF Beverage;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Ting Hsin”	Ting Hsin (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands, a substantial shareholder of the Company; and
“%”	per cent.

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

Hong Kong, 20 December 2019

As at the date of this announcement, Mr. Wei Hong-Ming, Mr. Junichiro Ida, Mr. Lin Chin-Tang, Mr. Wei Hong-Chen, Mr. Koji Shinohara and Mr. Yuko Takahashi 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*