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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS – LOGISTICS SERVICES

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 5 May 2016 in relation to the Logistics Agreement.

On 10 November 2017, Tingtong and TAB entered into the Supplemental Logistics Agreement to revise the annual caps for the continuing connected transactions under the Logistics Agreement.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Logistics Agreement on an annual basis are more than 0.1% but less than 5%, the revision to the annual caps is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 5 May 2016 (the “**Announcement**”) in relation to the Logistics Agreement. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL LOGISTICS AGREEMENT

On 10 November 2017, Tingtong and TAB entered into the supplemental agreement to the Logistics Agreement (the “**Supplemental Logistics Agreement**”), pursuant to which the parties agreed to revise the annual caps for the Logistics Agreement for the two financial years of 2017 and 2018.

Revised Annual Caps

Pursuant to the Supplemental Logistics Agreement, the annual caps for the logistics services to be provided by Tingtong and its subsidiaries to TAB and its subsidiaries for the two years of 2017 and 2018 will be revised as follows:

	Annual Cap	
	2017	2018
	<i>RMB '000</i>	<i>RMB '000 (Note)</i>
Original ^(Note)	217,455	224,400
Revised	230,000	542,000

Note: The original annual caps under the Logistics Agreement were denominated in US dollars. The Company changed its reporting currency to RMB in 2017, the cap amounts above have been translated into RMB and the revised annual caps are therefore denominated in RMB.

Basis of determining the revised annual caps

The revised annual caps were determined after arm's length negotiations between Tingtong and TAB based on (i) the historical transaction amount; and (ii) the expected trading volume of TAB and its demand for logistics services for 2017 and 2018.

The historical transaction amounts for the logistics services were as follows:

	For the year ended 31 December 2016	For the nine months ended 30 September 2017
	<i>US\$ '000</i>	<i>US\$ '000</i>
Original annual cap	31,000	32,000 ^(Note)
Actual transaction amount	27,261	29,074
Actual transaction amount translated into RMB	<i>RMB '000</i> 181,483	<i>RMB '000</i> 197,570

Note: The annual cap for 2017 is for the whole financial year.

Save for the revision to the annual caps, the other terms of the Logistics Agreement remain unchanged.

REASONS FOR THE REVISION TO THE ANNUAL CAPS

TAB is an indirect non-wholly owned subsidiary of the Company which is held as to 57.5% by the Group, as to 20.4% by AIB and as to 22.1% by Ting Hsin. Ting Hsin is a substantial shareholder of the Company holding approximately 33.59% of the issued share capital of the Company. Accordingly, TAB is a connected subsidiary of the Company for the purpose of the Listing Rules, and the provision of logistics services by Tingtong, an indirect non-wholly owned subsidiary of the Company, to TAB constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Tingtong is primarily engaged in the provision of logistics services and TAB is responsible for the production, marketing, distribution and selling of the Group's beverage products. Owing to the integration of the Group's logistics system, TAB requires more logistics services from Tingtong. The entering into of the Supplemental Logistics Agreement will enable Tingtong to continue to provide captive logistics services to TAB and deliver the Group's beverage products to the market.

Given that the Supplemental Logistics Agreement have been entered into after arm's length negotiations and under normal commercial terms, the Board (including the independent non-executive Directors but excluded Mr. Wei Ing-Chou and Mr. Wei Hong-Ming, who are interested in the transactions contemplated under the Supplemental Logistics Agreement and have abstained from

voting from the Board resolution for the approval of the Supplemental Logistics Agreement) considers that (i) the transactions contemplated under the Supplemental Logistics Agreement are being provided on normal commercial terms and in the ordinary course of business of Tingtong which are not more favorable than those available to the Independent Third Parties; (ii) the terms of the Supplemental Logistics Agreement and the proposed revised annual caps thereunder are fair and reasonable; and (iii) the Supplemental Logistics Agreement is in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Logistics Agreement on an annual basis are more than 0.1% but less than 5%, the revision to the annual caps is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Wei Ing-Chou and Mr. Wei Hong-Ming, who have beneficial interests in Ting Hsin, were considered to be interested in the transactions contemplated under the Supplemental Logistics Agreement and have abstained from voting in respect of the resolution proposed to approve the Supplemental Logistics Agreement.

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

Shanghai, PRC, 10 November 2017

As at the date of this announcement, Mr. Wei Ing-Chou, Mr. Junichiro Ida, Mr. Lin Chin-Tang, 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>