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CONTINUING CONNECTED TRANSACTIONS

On 15 November 2013, the Company and TZCI entered into the TZCI Supply Agreement, pursuant to which TZCI Group will supply the TZCI Materials to the Group for a term of three financial years ending 31 December 2016.

On 15 November 2013, the Company and TFS entered into the TFS Supply Agreement, pursuant to which TFS will supply the TFS Products to the Group for a term of three financial years ending 31 December 2016.

As both TZCI and TFS are majority owned by Messrs. Wei Ing-Chou and Wei Ying-Chiao, both being executive Directors, and their 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. An independent financial adviser will be 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.

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 the Independent Financial Adviser 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 2013.

The TZCI Supply Agreement

- Date: 15 November 2013
- 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 2016.
- Price: The term of supply of the TZCI Materials to the Group by TZCI under the TZCI Supply Agreement will be based on the prevailing market prices of the TZCI Materials or on terms which are no less favorable to the Group 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 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 2014 US\$	Year ended 31 December 2015 US\$	Year ended 31 December 2016 US\$
Transaction amount	583,000,000	670,000,000	771,000,000

The annual caps for the TZCI Supply Agreement were determined based on the historical transaction amount and taking into account the growth of the Company. The Company and TZCI have entered into an agreement on 28 September 2010 on the purchase of the TZCI Materials by the Group. Such agreement will expire on 31 December 2013.

The table below summarises the actual purchases of the TZCI Materials by the Group from TZCI Group for the two years ended 31 December 2012 and the nine months ended 30 September 2013:

	Year ended 31 December 2011 US\$	Year ended 31 December 2012 US\$	nine months ended 30 September 2013 US\$
Annual Cap	370,040,000	427,960,000	493,000,000 (Note)
Actual transaction amount	205,459,000	420,959,000	366,967,000

Note: For the entire year of 2013.

The TFS Supply Agreement

Date:	15 November 2013
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 2016.
Price:	The term of supply of the TFS Products to the Group by TFS under the TFS Supply Agreement will be based on the prevailing market prices of the TFS Products or on terms which are no less favorable to the Group than that 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 2014 US\$	Year ended 31 December 2015 US\$	Year ended 31 December 2016 US\$
Transaction amount	18,166,000	20,891,000	24,025,000

The annual caps for the TFS Supply Agreement were determined based on the historical transaction amount and taking into account the growth of the Company. The Company and TFS have entered into an agreement on 28 September 2010 on the purchase of the TFS Products by the Group. Such agreement will expire on 31 December 2013.

The table below summarises the actual purchases of the TFS Products made by the Group from TFS for the two years ended 31 December 2012 and the nine months ended 30 September 2013:

	Year ended 31 December 2011 US\$	Year ended 31 December 2012 US\$	nine months ended 30 September 2013 US\$
Annual cap (RMB)	191,480,000	202,970,000	215,139,000 <i>(Note)</i>
	28,918,000	32,317,000	34,205,000
Actual transaction amount	15,437,000	15,093,000	10,639,000

Note: For the entire year of 2013.

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. The core product, P-170, is a unique formula 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 agreements with respect to the supply of products from TZCI and TFS are due to expire soon, the Directors consider that the entering into of the TZCI Supply Agreement and the TFS Supply Agreement are in the ordinary and usual course of business of the Group. Given that the TZCI Supply Agreement and the TFS Supply Agreement are entered into under normal commercial terms, that the terms have been reached after arm's length negotiations, the Directors consider that the TZCI Supply Agreement and the TFS Supply Agreement 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 and seasoning flavours.

IMPLICATION UNDER THE LISTING RULES

As both TZCI and TFS are majority owned by Messrs. Wei Ing-Chou and Wei Ying-Chiao, both being executive Directors, and their 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. Messrs. Wei Ing-Chou and Wei Ying-Chiao have abstained from voting on the Board resolution approving the TZCI Supply Agreement and the TFS Supply Agreement.

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. An independent financial adviser will be 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. Messrs. Wei Ing-Chou and Wei Ying-Chiao 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 the Independent Financial Adviser 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 2013.

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;

“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;
“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;
“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;
“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;
“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 and Mr. Wei Ying Chou, two executive Directors, and their two brothers in equal proportions, and as to 49.0% by East One Holding Limited, an independent third party not connected with the Company and its connected person;

“TFS Products”	modified potato starch and seasoning flavour products supplied by TFS;
“TFS Supply Agreement”	the agreement entered into between TFS and the Company dated 15 November 2013;
“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 40.8% by Great System, 20.0% by Ching-Ni Wei, being an elder sister of Mr. Wei Ing-Chou, 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) and Nanjing Tingzheng Packing Material Co., Ltd. (南京頂正包材有限公司), all of which are companies wholly owned by TZCI and established in the PRC with limited liability;
“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 2013;
“US\$”	United States dollar, the lawful currency of the United States;
“%”	per cent.

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

Hong Kong, 18 November 2013

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