



DISCLOSEABLE AND CONNECTED TRANSACTION

On 2 April 2014, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Purchaser has agreed to acquire the Sale Shares, representing the entire issued share capital of Wealth City, from the Vendor at a consideration of RMB2,483,016,850 (equivalent to approximately US\$406 million). Upon completion of the Acquisition, Wealth City will become a wholly-owned subsidiary of the Group.

As the applicable ratios in respect of the Acquisition are over 5% but below 25%, the transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Vendor is beneficially owned by Mr. Wei Ying-Chiao, an executive Director and a substantial shareholder of the Company. Accordingly, the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee comprising the independent non-executive Directors has been established to advise the Independent Shareholders on the terms of the Agreement and Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition.

The circular containing, amongst other things, further details about the Acquisition and a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition will be despatched to the Shareholders on or before 17 April 2014.

THE AGREEMENT

Date:

2 April 2014

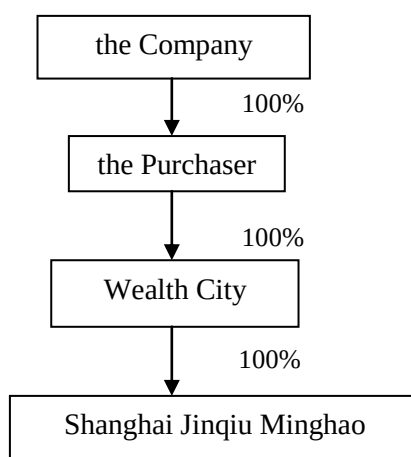
Parties to the Agreement:

- (1) Purchaser: China Dingya Holding Limited, a wholly-owned subsidiary of the Company.
- (2) Vendor: Victory Ascent International Limited, which is an investment holding company beneficially owned by Mr. Wei Ying-Chiao, an executive Director and a substantial shareholder of the Company, and hence is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules.

Subject matter

The Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares, which represent the entire issued share capital of Wealth City.

Wealth City is an investment holding company incorporated in the BVI. Its sole asset is its equity interest in Shanghai Jinqiu Minghao, which is the developer of the Project. The Project is the only property development project of Shanghai Jinqiu Minghao. The shareholding structure of Wealth City upon Completion is as follows:



The combined net asset value of Wealth City and Shanghai Jinqiu Minghao as at 31 December 2013 was approximately US\$159,730,793.16. The combined financial results of Wealth City and Shanghai Jinqiu Minghao for the two years immediately preceding the date of the transaction are as follows:

	For the year ended 31 December	
	2012 (unaudited) <i>RMB</i>	2013 (unaudited) <i>RMB</i>
Net (loss)/profit before tax	(14,869.1)	(13,038.92)
Net (loss)/profit after tax	(14,883.9)	(13,053.05)

After completion of the Acquisition, Wealth City and Shanghai Jinqiu Minghao will become and accounted as indirect wholly-owned subsidiaries of the Company.

Consideration

The Consideration is RMB2,483,016,850 (equivalent to approximately US\$406 million).

The Consideration was determined after arm's length negotiations between the parties with reference to the valuation of the Project as determined by an independent property valuer using the direct comparison approach, as adjusted by the expected liability of Shanghai Jinqiu Minghao that the Purchaser will assume in the sum of RMB835,089,000 (equivalent to approximately US\$136.54 million) upon the completion of the Project, which is expected to be in end-March 2015.

If the actual total liabilities of Shanghai Jinqiu Minghao upon completion of the Project (the "Payment Adjustment Date") are not equal to the abovementioned expected total liabilities of RMB835,089,000, the actual total liabilities to be deducted will be adjusted through the fourth instalment (as detailed

below) of the Consideration. In any event, the Vendor has undertaken that the actual total liabilities on the Payment Adjustment Date will not exceed RMB900 million.

The Consideration will be payable by the Group through internal resources and bank borrowings on approximately a 50:50% basis. The Consideration will be payable in accordance with the following schedule:

- (a) a sum of RMB496,603,370, equivalent to 20% of the Consideration, will be payable by the Purchaser within 15 Business Days upon the receipt of the payment notice from the Vendor on the satisfaction of, among others, the following conditions on or before 31 May 2014: (i) the execution of the Agreement, (ii) the issued share capital of Wealth City being US\$147,232,000 and is fully paid-up, (iii) the respective boards of the Vendor and the Purchaser having approved the Acquisition and the execution of the Agreement, (iv) the independent non-executive Directors having approved the Acquisition, and (v) the Independent Shareholders having approved the Acquisition at the EGM by way of poll;
- (b) a sum of RMB1,241,508,425, equivalent to 50% of the Consideration, will be payable by the Purchaser within 15 Business Days from the receipt of the payment notice from the Vendor upon completion of, among others, the delivery to the Purchaser of Blocks A and B of the Project in their partially decorated forms, and the delivery of Block D of the Project in its bare shell form, Shanghai Jinqiu Minghao having obtained the necessary approvals from the local government authorities for the Purchaser and its designated persons to enter Block A and B to commence fitting out work, the registration of the Purchaser as the shareholder and the persons nominated by it as the directors of Wealth City, all these conditions should be satisfied before 30 June 2014;
- (c) a sum of RMB372,452,527.50, equivalent to 15% of the Consideration, will be payable by the Purchaser within 15 Business Days from the receipt of the payment notice from the Vendor upon completion of, among others, the delivery of Block C of the Project in its bare shell form to the Purchaser, the delivery of the full construction drawings of Block C to the Purchaser to enable the commencement of the interior decoration work, the work relating to the entire Project and the Project has obtained its examination certificate, the registration of the nominated persons of the Purchaser as the legal representative and directors respectively of Shanghai Jinqiu Minghao, and the Project has obtained permanent electricity, water and gas supplies, all these conditions should be satisfied before 31 December 2014;
- (d) a sum equivalent to the remaining portion of the Consideration after netting with the final instalment, will be payable by the Purchaser within 15 Business Days upon receipt of the payment notice by the Vendor and the completion of the final construction account of the Project, the registration and the issue of the relevant property certificates of the Project by the relevant property administration authority of the PRC, the delivery by the Vendor or a third party authorised by the Vendor of a surety bond in the sum of RMB30 million to be issued in favour of the Purchaser with validity of two years from the date Shanghai Jinqiu Minghao receives the completion document of the Project, all these conditions should be satisfied before 31 March 2015; and
- (e) the balance of the Consideration, equivalent to RMB20,000,000, will be payable by the Purchaser within 15 Business Days upon receipt of the payment notice by the Vendor and the expiry of the two years maintenance period of the Project. The conditions of this final instalment should be satisfied by 1 October 2016 or the expiry of the maintenance period of the Project, whichever is later.

If the conditions set out in the payment schedule (a) to (d) above are not satisfied by the specified date as a result of the Vendor, and the Vendor continues fail to discharge its obligation after the three

months extension period as provided in the Agreement, the Vendor is required to pay a penalty to the Purchaser calculated at 20% premium to the prevailing lending interest rate of the People's Bank of China at that time.

Conditions

The Agreement is conditional upon:

- (a) approval of the Agreement and the transactions contemplated thereunder by the independent non-executive Directors;
- (b) approval of the Agreement and the transactions contemplated thereunder by the Independent Shareholders by way of poll at a general meeting of the Company convened in compliance with the Listing Rules;
- (c) approval of the Agreement and the transactions contemplated thereunder by the board of directors and shareholder of the Purchaser;
- (d) approval of the Agreement by the board of the Vendor; and
- (e) the issued share capital of Wealth City being US\$147,232,000.

If the conditions specified in the Agreement are not fulfilled or waived before 30 June 2014, the Agreement will forthwith become null and void and cease to have any effect.

Other terms

Pursuant to the terms of the Agreement, the Vendor has undertaken to the Purchaser to:

- (a) provide to the Purchaser deductible invoices of land appreciation tax amounting to not less than approximately RMB1,610.0 million in respect of the costs of development of the Project by 31 March 2015, the expected date of completion of the Project;
- (b) be responsible for all the operation costs (other than construction costs) and expenses to be incurred on the Project up to 31 December 2014, including interests fees payable on bank borrowings, operating costs of the Project, tax payable in relation to the use of lands and the related management fees, all of which should be recorded as liabilities in the book of Shanghai Jinqiu Minghao by the Vendor. Any costs to be incurred after 31 December 2014 will be borne by the Purchaser;
- (c) inform and make a written submission to the relevant tax authorities in the PRC before delivery of the Project on its guarantee any future tax payable resulting from the Acquisition. If such future tax to be paid by Shanghai Jinqiu Minghao is insufficient to cover the amount as guaranteed by the Vendor, the Vendor has agreed to indemnify the Purchaser for any future tax liabilities resulting from the Acquisition;
- (d) submit to the Purchaser the financial statements of Shanghai Jinqiu Minghao and invoices (including all costs and expenses on the Project to be paid by the Vendor) for the previous month before the tenth days of every month, commencing from the month of signing the Agreement and until the month of delivery of Block C and D (after completion of interior decoration); and
- (e) ensure Shanghai Jinqiu Minghao does not have any other receivables in its book and the actual total liabilities of which will not exceed RMB900.0 million as at 31 March 2015.

INFORMATION ON WEALTH CITY AND THE PROJECT

Wealth City is an investment holding company and its sole asset is its equity interest in Shanghai Jinqiu Minghao.

Shanghai Jinqiu Minghao is a company engaged in property development. The current registered capital of Shanghai Jinqiu Minghao is US\$135 million and has been fully paid-up. Shanghai Jinqiu Minghao has been wholly-owned by Wealth City since 2006. Shanghai Jinqiu Minghao is the developer of the Project, which is located at Wuzhong Road, Hongqiao Town, Minhang District of Shanghai (上海市閔行區虹橋鎮吳中路), the PRC.

The Project comprises four office and commercial blocks and related ancillary facilities, including 818 car parking spaces, with an aggregated gross floor area of approximately 140,358.31 square meters. Construction of the Project has commenced and is at an advanced stage of development. Construction and partial decoration of two of the buildings, Block A and B, are expected to be completed by June 2014. Construction of the other two buildings, Block C and D, is still in progress and it is expected that the whole Project will be completed by end-March 2015.

REASONS FOR THE ACQUISITION

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

In order to further the development of the Group on the basis of its current foundation, the Group intends to establish an operation headquarters in Shanghai to enhance the image of the Group, improve efficiency and to facilitate international contacts. Given Shanghai's strategic location at the mouth of the Yangtse River Delta in East China and its being the commercial and financial centre of the PRC and rich in human resources, the Company considers that locating its operation headquarters in Shanghai would enable the Company to effectively consolidate its internal and external resources, promote administrative efficiency, enhance the hiring of talents and their nurture, and strengthen the Group's leading position in product developments.

The Project is close to the most important and newest commercial area in Shanghai, the Hongqiao Commercial Area, which is served by the largest transportation hub in Asia (international airport, high-speed and metro railways). The location provides closer ties both domestically and overseas, as well as savings on transportation costs and will be beneficial to the Group's primary operation in the PRC, and its vision on the rest of the world. In addition, the Project has a complete layout, comprising offices, research and development centre, education and training centre and related amenities in executive catering and accommodation, with adequate space planning and a high standard of architectural design, it is a rare project in Shanghai that meets the requirements as the Group's new operation headquarters and suitable for the long-term plan of the Group.

The Project comprises four office and commercial blocks and amenity facilities. The Company intends to initially use Block A and B of the Project as offices for its operation headquarters. Block C of the Project will be used by the Group for the overall research on and supervision of, food safety and certain other functions of the research and development division of the Group. Block D of the Project will initially be used by the Group for executive accommodation and may be converted into further office space in the future in accordance with the operational requirements of the Group.

The Company intends to hold the Project for its own use and has no current plan to resell any part of the Project. The Company may consider leasing out surplus part of the Project to partners of the Group to improve the management efficiency of the entire operation of the Group. The leasing out of such surplus part of the Project to partners and affiliates of the Group may constitute continuing connected transactions for the Company, and the Company will comply with the requirements of the Listing Rules as and when binding contracts have been entered into.

The Consideration was determined after arm's length negotiations and was based on the valuation of the Project, as adjusted by the expected liability of Shanghai Jinqiu Minghao in the sum of RMB835,089,000 that the Purchaser will assume. The Directors (other than the independent non-executive Directors and Mr. Wei Ying-Chiao and Mr. Wei Ing-Chou) are of the view that the Agreement was entered into under normal commercial terms and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders 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.

GENERAL

At the Board meeting held to approve the Acquisition, Mr. Wei Ying-Chiao, who owns the Vendor, and his brother Mr. Wei Ing-Chou are considered to be interested in the transaction contemplated under the Agreement and have abstained from the Board resolution proposed to approve the Acquisition.

As the applicable ratios in respect of the Acquisition are over 5% but below 25%, the transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Vendor is beneficially owned by Mr. Wei Ying-Chiao, an executive Director and a substantial shareholder of the Company. Accordingly, the Acquisition also constitutes a connected transaction for the Company and is subject to the approval by the independent Shareholders at the EGM by way of poll. Mr. Wei Ying-Chiao and his associates will abstain from voting in respect of the resolution proposed at the EGM to approve the Acquisition.

An Independent Board Committee comprising the independent non-executive Directors have been established to advise the Independent Shareholders on the terms of the Agreement and Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition.

The circular containing, amongst other things, further details about the Acquisition and a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition, will be despatched to the Shareholders on or before 17 April 2014.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the terms of the Agreement;
“Agreement”	the agreement dated 2 April 2014 between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Shares;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Business Day”	any day on which licensed banks are open for business in Hong Kong and the PRC;
“BVI”	the British Virgin Islands;

“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 Agreement;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration for the acquisition of the Sale Shares;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened to approve the Acquisition;
“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 People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors;
“Independent Shareholders”	Shareholders other than Mr. Wei Ying-Chiao and his associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, which for the purpose of this announcement will exclude Hong Kong, Macau and Taiwan;
“Project”	the property project being developed by Shanghai Jinqiu Minghao in Shanghai;
“Purchaser”	China Dingya Holding Limited, a company incorporated in the BVI, a wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	147,232,000 shares of US\$1.00 each in the share capital of Wealth City, representing the entire issued share capital of Wealth City;
“Shanghai Jinqiu Minghao”	上海金球名豪房地产有限公司 (Shanghai Jinqiu Minghao Real Estate Co., Ltd.), a company established in the PRC;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Wealth City”	Wealth City Investment Limited, a company incorporated in the BVI;

“Vendor”

Victory Ascent International Limited, a company incorporated in the BVI which is interested in the entire issued share capital of Wealth City as at the date of this announcement.

Unless otherwise specified in this announcement, translations of RMB into US\$ are made in this announcement, for illustration only, at the rate of US\$1.00 = RMB6.116. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rate or at all.

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

Hong Kong, 2 April 2014

** For identification purpose only*

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. Nagano Teruo 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.

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Website: <http://www.masterkong.com.cn>
<http://www.irasia.com/listco/hk/tingyi>