

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Tingyi (Cayman Islands) Holding Corp., you should at once hand this circular together with the enclosed form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION
CO-OPERATION IN THE BEVERAGE GROUP
AND
TRANSFER OF INTEREST IN TINGYI-ASAHI-ITOCHU BEVERAGES**

A notice convening an extraordinary general meeting of Tingyi (Cayman Islands) Holding Corp. to be held at the Conference Room, No. 15, the 3rd Avenue, Tianjin Economic-Technological Development Area, Tianjin, the People's Republic of China on 8 March 2004 at 3:00 p.m. is set out on pages 17 to 18 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the principal place of business of Company in Hong Kong at Suite 3807, 38/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so desire.

* For identification purposes only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Accounts”	the unaudited pro-forma consolidated accounts of Tingyi-Asahi-Itochu Beverages as at 31 December 2003 assuming that the Reorganisation had been completed
“Agreement”	the sale and purchase agreement dated 27 December 2003 entered into between the Company, the Purchaser, Asahi and Itochu in relation to the Co-operation
“Asahi”	Asahi Breweries, Ltd., a company incorporated in Japan with limited liability and an independent third party not connected with the Company, the directors, chief executive, substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules), the securities of which are listed on the Tokyo Stock Exchange
“Board”	the board of Directors
“Chongqing Tingjin”	重慶頂津食品有限公司 (Chongqing Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 27 December 1995 and a wholly-owned subsidiary of the Company
“Company”	Tingyi (Cayman Islands) Holding Corp., a company incorporated in the Cayman Islands, the shares of which are currently listed on the Main Board of the Stock Exchange
“Completion”	completion of the Agreement
“Co-operation”	the co-operation with Asahi and Itochu by the transfer of a 50% interest in Tingyi-Asahi-Itochu Beverages to the Purchaser
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at the Conference Room, No. 15, the 3rd Avenue, Tianjin Economic-Technological Development Area, Tianjin, the People’s Republic of China on 8 March 2004 at 3:00 p.m. including any adjournment thereof, to consider and, if thought fit, to approve the Co-operation
“Fujian Tingjin”	福建頂津食品有限公司 (Fujian Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 15 October 2002 and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“Guangzhou Tingjin”	廣州頂津食品有限公司 (Guangzhou Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 23 November 1995 and a wholly-owned subsidiary of the Company
“Ha’erbin Tingjin”	哈爾濱頂津食品有限公司 (Ha’erbin Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 5 July 2002 and a wholly-owned subsidiary of the Company
“Hangzhou Tingjin”	杭州頂津食品有限公司 (Hangzhou Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 13 March 1996 and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Itochu”	Itochu Corporation, a company incorporated in Japan and an independent third party not connected with the Company, the directors, chief executive, substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules), the securities of which are listed on the Tokyo Stock Exchange
“Kunming Tingjin”	昆明頂津食品有限公司 (Kunming Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 18 July 2002 and a wholly-owned subsidiary of the Company
“Latest Practicable Date”	19 January 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Kong Beverages (BVI)”	a company incorporated in the British Virgin Islands with limited liability on 7 January 2004 and wholly-owned by the Company
“Master Kong Guangzhou”	康師傅（廣州）飲品有限公司 (Master Kong (Guang Zhou) Beverage Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 23 August 2002 and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Purchaser”	A-I China Breweries Co., Ltd., a company incorporated in Japan with limited liability which is held by as to 80% by Asahi and as to 20% by Itochu

DEFINITIONS

“Qingdao Tingjin”	青島頂津食品有限公司 (Qingdao Tingjin Food Co., Ltd), a wholly-owned foreign enterprise incorporated in the PRC on 17 October 2002 and a wholly-owned subsidiary of the Company
“Reorganisation”	the establishment of Tingyi-Asahi-Itochu Beverages in the Cayman Islands and the transfer of the entire equity interest in each of the Subsidiaries to Tingyi-Asahi-Itochu Beverages
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Shares
“Shares”	shares of US\$0.005 each in the share capital of the Company
“Shenyang Tingjin”	瀋陽頂津食品有限公司 (Shenyang Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 30 October 1995 and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	13 wholly-owned subsidiaries of the Company, namely (i) Tianjin Tingjin; (ii) Guangzhou Tingjin; (iii) Wuhan Tingjin; (iv) Hangzhou Tingjin; (v) Chongqing Tingjin; (vi) Xi’an Tingjin; (vii) Shenyang Tingjin; (viii) Xingjiang Tingjin; (ix) Kunming Tingjin; (x) Ha’erbin Tingjin; (xi) Qingdao Tingjin; (xii) Fujian Tingjin; and (xiii) Master Kong Guangzhou
“Tianjin Tingjin”	天津頂津食品有限公司 (Tianjin Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 18 December 1995 and a wholly-owned subsidiary of the Company
“Tingyi-Asahi-Itochu Beverages”	Tingyi-Asahi-Itochu Beverages Holding Co. Ltd., a company incorporated in the Cayman Islands with limited liability on 8 January 2004 which will become the holding company of the Subsidiaries upon completion of the Reorganisation
“Wuhan Tingjin”	武漢頂津食品有限公司 (Wuhan Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 28 March 1996 and a wholly-owned subsidiary of the Company
“Xi’an Tingjin”	西安頂津食品有限公司 (Xi’an Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 18 January 1996 and a wholly-owned subsidiary of the Company

DEFINITIONS

“Xingjiang Tingjin”	新疆頂津食品有限公司 (Xingjiang Tingjin Food Co., Ltd.), a wholly-owned foreign enterprise incorporated in the PRC on 26 June 2002 and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“JPY”	Yen, the lawful currency of Japan
“US\$”	United States dollar, the lawful currency of the United States of America

In this circular, the exchange rates of HK\$7.8 to US\$1.00 and HK\$1.00 to JPY13.7 are used.



康師傅控股有限公司*
TINGYI (CAYMAN ISLANDS) HOLDING CORP.

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mr Wei Ing-Chou (*Chairman and Chief Executive Officer*)
Mr Takeshi Ida (*Vice-Chairman*)
Mr Ryo Yoshizawa (*Executive Vice President*)
Mr Wei Ying-Chiao
Mr Wu Chung-Yi
Mr Junichiro Ida

Registered Office:

Genesis Building Fifth Floor
P.O. Box 448
George Town
Grand Cayman
Cayman Islands

Independent Non-executive Directors:

Mr Hsu Shin-Chun
Mr Katsuo Ko

*Hong Kong Office and Principal
Place of Business in Hong Kong:*
Suite 3807, 38th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

26 January 2004

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
CO-OPERATION IN THE BEVERAGE GROUP
AND
TRANSFER OF INTEREST IN TINGYI-ASAHI-ITOCHU BEVERAGES**

I. INTRODUCTION

On 5 January 2004, the Board announced that the Company entered into the Agreement in relation to the Co-operation with Asahi and Itochu in the beverages business in the PRC. In relation to the Co-operation, the Company will transfer to the Purchaser a 50% interest in Tingyi-Asahi-Itochu Beverages.

The Co-operation constitutes a major transaction for the Company under the Listing Rules and is subject to the approval of the Shareholders at the EGM. The purpose of this circular is to provide you with further information relating to the Co-operation and to give you notice to convene the EGM to consider and, if thought fit, to approve the Co-operation.

* For identification purposes only

LETTER FROM THE BOARD

II. AGREEMENT DATED 27 DECEMBER 2003

(i) Parties

Vendor	The Company
Purchaser	A-I China Breweries Co., Ltd., being an independent third party not connected with the Company, the directors, chief executive, substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules) and held as to 80% by Asahi and as to 20% by Itochu
Purchaser's Guarantors	Asahi and Itochu, each being an independent third party not connected with the Company, the directors, chief executive, substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules)

(ii) Interest to be transferred

50% of the issued share capital of Tingyi-Asahi-Itochu Beverages.

The Co-operation is subject to the Reorganisation having been effected in accordance with the applicable laws and regulations. Upon completion of the Reorganisation, Tingyi-Asahi-Itochu Beverages will become the holding company of the Subsidiaries.

(iii) Consideration

The consideration for the Co-operation is an amount equal to 50% of the equity value of Tingyi-Asahi-Itochu Beverages (the "Equity Value") which represents the difference between (i) US\$950 million (equivalent to HK\$7,410 million), being a valuation of Tingyi-Asahi-Itochu Beverages arrived at after arm's length negotiation of the parties with reference to the prospect of Tingyi-Asahi-Itochu Beverages and the prevailing market conditions of the beverages industry in the PRC; and (ii) the actual amount of unaudited pro-forma consolidated net debts of the Subsidiaries as at 31 December 2003 as shown in the Accounts. The Board is of the view that the consideration is fair and reasonable.

The Accounts were not available as at the Latest Practicable Date. Based on the unaudited accounts of the Subsidiaries as at 30 September 2003, the pro-forma consolidated net debts of the Subsidiaries were approximately US\$180.5 million (equivalent to HK\$1,407.9 million). As a result, the estimated Equity Value and the consideration for the Co-operation would be US\$769.5 million (equivalent to HK\$6,002.1 million) and US\$384.8 million (equivalent to HK\$3,001.1 million) respectively.

The consideration will be payable by the Purchaser to the Company in full by cash at Completion.

LETTER FROM THE BOARD

(iv) Completion

Completion is conditional on (i) the obtaining of the approval of the Co-operation by the Shareholders at the EGM; and (ii) the Reorganisation having been effected in accordance with the applicable laws and regulations of the PRC and the Cayman Islands.

It is expected that the Agreement will be completed on the 15th business day after fulfilment of the conditions.

In the event that the conditions of the Agreement are not fulfilled on or before 24 June 2004, the Agreement will cease and terminate.

III. INFORMATION ON TINGYI-ASAHI-ITochu BEVERAGES AND THE SUBSIDIARIES

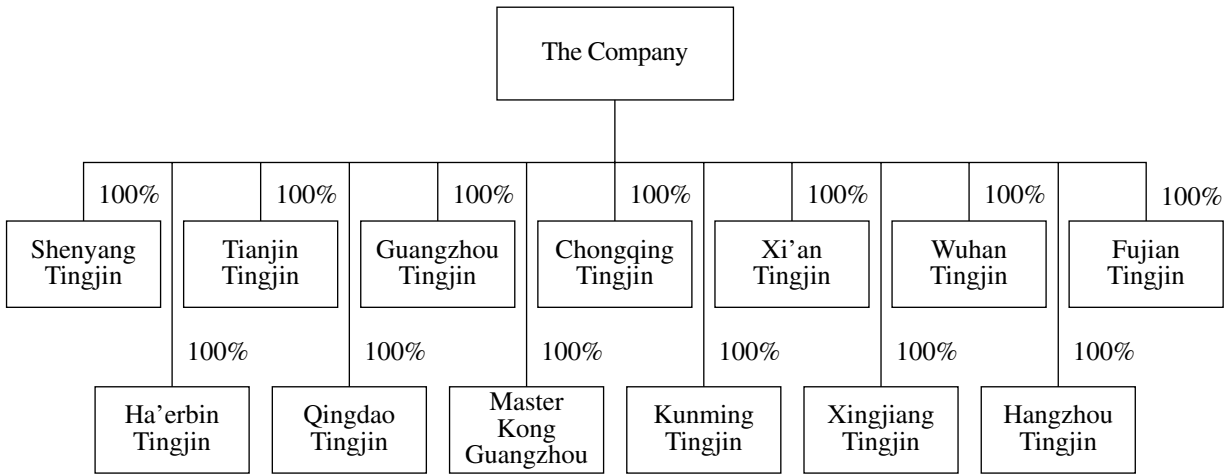
Tingyi-Asahi-Itochu Beverages is a company incorporated in the Cayman Islands and will be the holding company of the Subsidiaries upon completion of the Reorganisation.

The Subsidiaries are principally engaged in the research, development, manufacture, distribution and sale of beverages under the brand names of 康師傅 and 鮮の毎日C in the PRC.

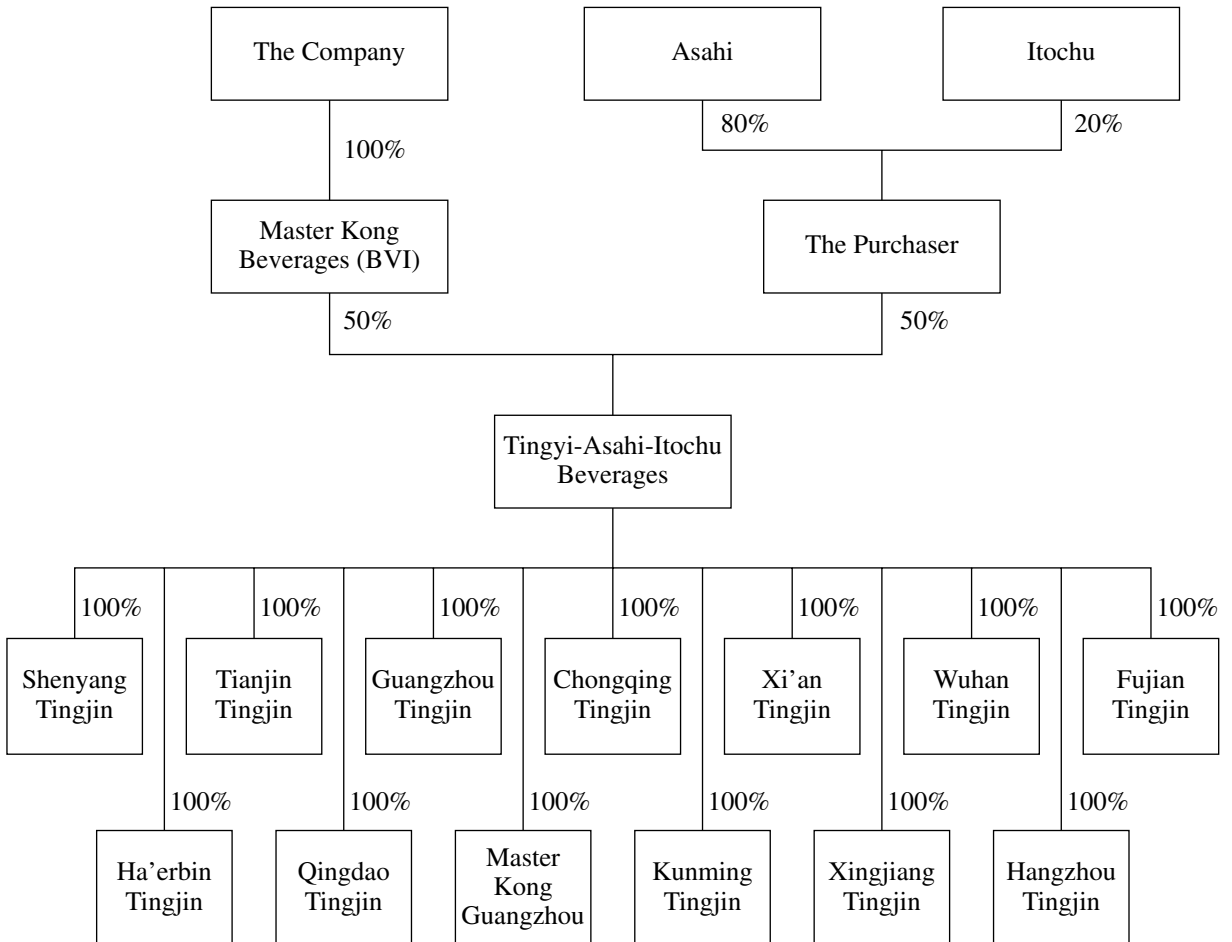
Based on the unaudited pro-forma consolidated financial statements of the Subsidiaries for the year ended 31 December 2001, the year ended 31 December 2002 and the nine months ended 30 September 2003, their unaudited pro-forma consolidated net profit before and after taxation, minority interest and extraordinary items amounted to approximately US\$24.4 million (equivalent to HK\$190.32 million) and approximately US\$24.4 million (equivalent to HK\$190.32 million), approximately US\$44.4 million (equivalent to HK\$346.32 million) and approximately US\$44.3 million (equivalent to HK\$345.54 million), and approximately US\$9.0 million (equivalent to HK\$70.2 million) and approximately US\$8.7 million (equivalent to HK\$67.86 million) respectively and their pro-forma unaudited consolidated net asset value as at 31 December 2001, 31 December 2002 and 30 September 2003 amounted to approximately US\$77.5 million (equivalent to HK\$604.5 million), approximately US\$120.6 million (equivalent to HK\$940.68 million) and approximately US\$154.5 million (equivalent to HK\$1,205.1 million) respectively.

LETTER FROM THE BOARD

Shareholding in the Subsidiaries before the Reorganisation and the Co-operation



Shareholding in the Subsidiaries upon completion of the Reorganisation and the Co-operation



LETTER FROM THE BOARD

IV. REASON FOR THE CO-OPERATION

The Co-operation represents an excellent opportunity for the Company to partner with two premier Asian industry leaders, namely Asahi and Itochu. The Company can leverage on the partners' respective expertise and strengths to significantly enhance its competitiveness in product development, manufacturing, raw material procurement and overall business management. The Company, Asahi and Itochu will continue to hold cooperation discussion to explore and develop new business opportunities. The Board considers that the terms of the Agreement are fair and reasonable and the Co-operation is in the interests of the Group and the Shareholders as a whole. The Board is of the opinion that although the Co-operation involves a transfer of interest in the Subsidiaries, the Co-operation is still in the interests of the Group and the Shareholders as a whole given that with the input of skill and know-how from the strategic partners, the prospects of the Subsidiaries will be enhanced.

Asahi is a leading Japanese manufacturer of alcoholic beverages and soft drinks. Its product portfolio ranges from tea-based beverages, such as Asahi Juroku-Cha and canned coffee Wonda, to soft drinks, such as Mitsuya Cider and Bireley's. Itochu is one of the leading trading companies in Japan with offices in over 80 countries and operations that cover a broad spectrum of industries. The securities of Asahi and Itochu are both listed on the Tokyo Stock Exchange, with current market capitalization of approximately JPY502 billion (equivalent to approximately HK\$37 billion) and JPY561 billion (equivalent to approximately HK\$41 billion) respectively.

The board of Tingyi-Asahi-Itochu Beverages will consist of 8 directors. Each of the Company and the Purchaser will be entitled to appoint half of the number of directors. The Company will also have the right to nominate the Chairman and the chief executive officer of Tingyi-Asahi-Itochu Beverages.

V. USE OF PROCEEDS

The Group is principally engaged in the research, development, manufacture, distribution and sale of instant noodles, bakery products and beverages in the PRC. The gross proceeds from the Co-operation are expected to amount to approximately US\$384.8 million (equivalent to HK\$3,001.44 million) and will be used mainly for the continued investment in the Group's core business in instant noodle to further enhance its already leading market position in the PRC market. The proceeds will also be used in the development of other investment opportunities and the repayment of the Group's borrowings.

VI. EGM

Pursuant to the Listing Rules, the Co-operation constitutes a major transaction for the Company and is subject to the approval of the Shareholders at the EGM.

LETTER FROM THE BOARD

A notice convening the EGM to be held at the Conference Room, No. 15, the 3rd Avenue, Tianjin Economic-Technological Development Area, Tianjin, the People's Republic of China on 8 March 2004 at 3:00 p.m. is set out on pages 17 to 18 of this circular. A proxy form is enclosed for use at the EGM. Whether or not you intend to attend the EGM in person, you are requested to complete and return the enclosed form of proxy to the principal place of business of the Company in Hong Kong at Suite 3807, 38/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong as soon as practicable, but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

VII. RECOMMENDATION

The Board is of the opinion that for the reason stated in the paragraph headed "Reason for the Co-operation" above, it is in the best interest of the Company and the Shareholders as a whole to approve the Co-operation. The Board therefore recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

VIII. FURTHER INFORMATION

Your attention is drawn to the appendices to this circular.

Yours faithfully,
For and on behalf of the board
Tingyi (Cayman Islands) Holding Corp.
Wei Ing-Chou
Chairman

1. INDEBTEDNESS

As at 30 November 2003, the Group had outstanding borrowings of approximately US\$453 million, comprising US\$363 million bank loans (of which US\$31 million were secured by assets of the Group) and US\$90 million convertible bonds which are due for redemption in June 2005. As at 30 November 2003, the Group had no contingent liability and cash on hand amounted to US\$127 million.

As at 30 November 2003, the Group had (i) bank deposits of US\$2 million which have been pledged as security for general banking facilities in the PRC granted to its subsidiaries; and (ii) pledged property, plant and equipment with aggregate net book value of approximately US\$87 million to secure general banking facilities in the PRC granted to the Group.

Save as aforesaid and apart from intra-group liabilities and normal accounts payable, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptances creditors, or any guarantees, or other material contingent liabilities outstanding at the close of business on 30 November 2003.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 30 November 2003.

2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As disclosed in the quarterly report of the Company for the three months ended 30 September 2003, the Group will continue to make use of its brand, marketing and sales network and the Group's strategies are as follow:

- (a) Production: production cost is expected to decrease through enhanced production technology and management;
- (b) Operation: the Group will (i) strengthen its brand awareness and increase its market share by maintaining a closer relationship with its partners and consumers; (ii) control its marketing cost and strengthen its management of logistics system; and (iii) launch competitive and high margin products in suitable time through professional and experienced research team;
- (c) Capital expenditure: the Group will balance the trend of market growth and its development with conservative and cautious approach; and
- (d) The Group will continue to introduce strategic partners and modern techniques to strengthen its comprehensive operation capability and its market position in the food industry.

3. WORKING CAPITAL

The Board is of the opinion that after taking into account the Group's internal resources and available borrowing facilities, with or without the proceeds generated from the Co-operation, the Group has sufficient working capital for its requirements.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Company/Name of associated corporations	Capacity	Number and class of securities <i>(Note 1)</i>
Wei Ing-Chou	Company	Personal	13,242,000 Shares (L)
		Interests in a controlled corporation	1,854,827,866 Shares (L) <i>(Note 2)</i>
			1,868,069,866 Shares (L)
Wei Ying-Chiao	Company	Interests in a controlled corporation	1,854,827,866 Shares (L) <i>(Note 2)</i>
Wu Chung-Yi	Company	Interests in a controlled corporation	1,854,827,866 Shares (L) <i>(Note 2)</i>

Notes:

1. The letter “L” denotes the Director’s long position in such securities.
2. These shares are held by and registered under the name of Ting Hsin (Cayman Islands) Holding Corp., which is beneficially owned as to approximately 54.83% by Ho Te Investments Limited, as to approximately 12.68% by Wu Chung-Yi, as to approximately 15.24% by Grand Sino King Corporation, and as to the remaining 17.25% by unrelated third parties. Ho Te Investments Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 25% by Wei Ing-Chou, 25% by Wei Ying-Chiao, and the remaining equally by Wei Yin-Chun and Wei Yin-Heng (brothers of the above two directors) respectively. Grand Sino King Corporation is a company incorporated in the British Virgin Islands. Wu Chung-Yi is an object of a discretionary trust, the trustee of which owns the entire issued share capital of Grand Sino King Corporation.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have interests or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as known to any Director, the following parties (other than a Director or chief executive of the Company) or corporations had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Company/ Name of Group member	Capacity	Class and number of securities <i>(Note)</i>	Approximate percentage of shareholding
Ting Hsin (Cayman Islands) Holding Corp.	Company	Beneficial owner	1,854,827,866 Shares (L)	33.1889%
Sanyo Foods Co., Ltd.	Company	Beneficial owner	1,854,827,866 Shares (L)	33.1889%
Shyh Shiunn Investment Corporation	Company	Beneficial owner	465,107,784 Shares (L)	8.3200%

Note: The letter “L” denotes the person’s long position in such securities.

Save as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at the Latest Practicable Date.

4. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into, or was proposing to enter into any service contract with the Company or any subsidiary of the Company which does not expire or is not determinable by the employing company within one year without payment of compensation other than statutory compensation.

5. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTEREST

None of the Directors has any direct or indirect interest in any assets which have, since 31 December 2002, being the date of the latest published audited accounts of the Group, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group taken as a whole.

6. MATERIAL CONTRACTS

Save as the Trust Deed dated 4 June 2002 entered into between the Company and DB Trustees (Hong Kong) Limited constituting 3.50% convertible bonds due 2005 in the initial principal amount of US\$90,000,000, the Company and its subsidiaries have not entered into any contract (not being contracts in the ordinary course of business) within two years immediately preceding the date of this circular and which are or may be material.

7. LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

8. GENERAL

- (a) The branch share register and transfer office of the Company in Hong Kong is Hong Kong Registrars Limited, at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road, Central, Hong Kong.
- (b) The secretary of the Company is Mr Ip Pui-Sum, who is a fellow member of the Association of Chartered Certified Accountants (United Kingdom) and an Associate of the Hong Kong Society of Accountants, the Chartered Institute of Management Accountants, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Companies Secretaries. He is also a certified public accountant in Hong Kong.
- (c) The English text of this circular will prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of Sidley Austin Brown & Wood, the Company's legal advisers, at 39th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong during normal business hours on any business day from the date of this circular until 8 March 2004.

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated accounts of the Company for the two financial years ended 31 December 2002;
- (c) the unaudited consolidated accounts of the Company for the nine months ended 30 September 2003; and
- (d) the material contract as referred to in this appendix.



康師傅控股有限公司*
TINGYI (CAYMAN ISLANDS) HOLDING CORP.

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Tingyi (Cayman Islands) Holding Corp. (the “Company”) will be held at the Conference Room, No. 15, the 3rd Avenue, Tianjin Economic-Technological Development Area, Tianjin, the People’s Republic of China on Monday, 8 March 2004 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the agreement dated 27 December 2003 between the Company, A-I China Breweries Co., Ltd., Asahi Breweries, Ltd. and Itochu Corporation in relation to the transfer of interest in Tingyi-Asahi-Itochu Beverages Holding Co. Ltd. (the “Agreement”) (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed; and
- (b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Agreement as he may consider necessary, desirable or expedient.”

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

Hong Kong, 26 January 2004

Principal place of business in Hong Kong:
Suite 3807, 38th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

* *For identification purposes only*

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy will be in writing under the hand of the member or of his/her attorney duly authorised in writing or, if the member is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged at the principal place of business of the Company at Suite 3807, 38/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may attend and vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior will alone be entitled to vote, whether in person or by proxy. For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.