

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WANT WANT CHINA HOLDINGS LIMITED

中國旺旺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0151)

CONNECTED TRANSACTIONS Renewal of Property Lease Agreements

On 15 January 2021, certain members of the Group, as tenants, entered into the Property Lease Agreements with the relevant Landlords, in respect of the renewal of the leases of certain Properties with each for a term of two years and three months from 1 January 2021 to 31 March 2023 (both dates inclusive).

According to HKFRS 16 “Leases”, the Group, as the lessees, is required to recognise the leases as right-of-use assets and lease liabilities in the consolidated balance sheet of the Group. As such, entering into the Property Lease Agreements and the transactions contemplated thereunder would be regarded as acquisitions of assets by the Group pursuant to the Listing Rules. The aggregate value of the right-of-use assets to be recognized by the Group under the Property Lease Agreements is estimated to be approximately RMB120,112,292, which is unaudited and may be subject to adjustment in the future.

Each of the Landlords is an associate of Mr. Tsai (the chairman, chief executive officer, an executive Director and the ultimate controlling shareholder of the Company) and hence a connected person of the Company within the meaning of the Listing Rules and the lease transactions contemplated under the Property Lease Agreements constitute connected transactions of the Company.

As the highest of the applicable percentage ratios in respect of the estimated aggregate value of the right-of-use assets to be recognised by the Group under the Property Lease Agreements is more than 0.1% but less than 5%, the lease transactions contemplated under the Property Lease Agreements are subject to the reporting and announcement requirements but are exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

RENEWAL OF PROPERTY LEASE AGREEMENTS

Reference is made to the announcements dated 28 December 2018 and 21 January 2020 in relation to certain connected transactions on the leasing of Properties entered into by the Group with certain connected persons pursuant to the San Want Framework Property Lease Agreement, CTV Framework Property Lease Agreement and the Tenancy Agreement.

On 15 January 2021, certain members of the Group, as tenants, entered into the Property Lease Agreements with the relevant Landlords, in respect of the renewal of the leases of certain Properties with each for a term of two years and three months from 1 January 2021 to 31 March 2023 (both dates inclusive).

Details of each of the Property Lease Agreements dated 15 January 2021 are set out below:

Property Lease Agreement	Landlord	Tenant	Property/ Gross area under lease	Term	Monthly after-tax rental (exclusive of water, electricity charges and outgoings) (payable by cash)	Rental Deposit Payable in cash upon signing of agreement	Payment terms
(A)	Landlord 1	Shanghai Want Want	26,249 sq.m. of Property 1	From 1 January 2021 to 31 March 2023	1/1/2021-31/3/2022: RMB3,543,615.0 1/4/2022-31/3/2023: RMB3,575,113.8	RMB3,543,615	The rent for the first month shall be payable on the day of signing of the relevant Property Lease Agreement. Thereafter, the monthly rent shall be payable in advance by the Tenant to the Landlord 10 days before the expiry of the preceding month.
(B)	Landlord 2	Shanghai Want Want	3,975 sq.m. of Property 2		1/1/2021-31/3/2022: RMB484,155.0 1/4/2022-31/3/2023: RMB488,925.0	RMB484,155	
(C)	Landlord 2	Hunan Want Want	1,300 sq.m. of Property 2		1/1/2021-31/3/2022: RMB158,340.0 1/4/2022-31/3/2023: RMB159,900.0	RMB158,340	
(D)	Landlord 3	Shanghai Want Want	3,205 sq.m. of Property 3		1/1/2021-31/3/2022: RMB390,369.0 1/4/2022-31/3/2023: RMB394,215.0	RMB390,369	
(E)	Landlord 4	I Lan Foods	167.96 Taiwanese Ping (坪) of Property 4 and Parking Spaces		1/1/2021-31/3/2023: Property 4: NTD255,719 Parking Spaces: NTD6,300	NTD524,038	

HISTORICAL TRANSACTION AMOUNTS

The previous leasing of Properties pursuant to the San Want Framework Property Lease Agreement, CTV Framework Property Lease Agreement and the Tenancy Agreement constituted continuing connected transactions of the Company. The aggregate historical transaction amounts incurred by the Group pursuant to such agreements in respect of the leases of Properties for the years ended 31 December 2019 and 31 December 2020 are as follows:

	Historical amounts for the year ended 31 December	
	2019	2020
Total rental amount incurred		
- Properties 1 & 2	RMB47,954,000	RMB49,399,000
- Property 3	0	RMB4,534,434
- Property 4 and Parking Spaces	NTD4,372,000	NTD3,144,228

REASONS AND BENEFITS FOR THE PROPERTY LEASE AGREEMENTS

The Properties have been occupied and used by the Group as offices. Having taken into account the needs of the Group, the Group renewed the leasing of the Properties with each for a term of two years and three months from 1 January 2021 to 31 March 2023 (both dates inclusive) with a view to continue to lease and use the existing Properties as offices.

The rentals were negotiated on arm's length basis and on normal commercial terms by the contracting parties, and are based on the expected floor areas to be leased from the relevant Landlords and the rental rates with reference to market rental rates for the Properties as recommended by respective independent professional valuer.

The Board, including the independent non-executive Directors, considers that the terms of the Property Lease Agreements have been negotiated and arrived at on arm's length basis and on normal commercial terms, and that such terms are fair and reasonable and are in the interests of the Company and its Shareholders as a whole and that the Property Lease Agreements were entered into in the ordinary and usual course of business of the Group.

INFORMATION ON THE PARTIES

The Company is an investment holding company. The Group is principally engaged in the manufacturing, distribution and sale of rice crackers, dairy products and beverages, snack foods and other products.

Shanghai Want Want is a limited liability company incorporated in the PRC and a subsidiary of the Company that is indirectly owned as to 99.99% by the Company. Its principal business activities are provision of consultancy services and information.

Hunan Want Want is the Shanghai branch office of Hunan Want Want Foods Ltd., a limited liability company incorporated in the PRC and a subsidiary of the Company that is indirectly owned as to 99.99% by the Company. Its principal business activities are selling and distribution of food and beverages and various other products.

I Lan Foods is a limited liability company incorporated in the Taiwan region and a subsidiary of the Company that is indirectly owned as to 99.99% by the Company. Its principal business activities are manufacturing and distribution of food and beverages.

Landlord 1 is a limited liability company incorporated in the PRC and its principal business activities are investment and provision of services, and non-residential property leasing.

Landlord 2 is a limited liability company incorporated in the PRC and its principal business activities are provision of consulting services, parking lot management, property management and leasing services for Property 2.

Landlord 3 is a limited liability company incorporated in the PRC and whose principal business activities are provision of consulting services, conference services, parking lot management, property management and leasing services for properties located at Property 3.

Mr. Tsai is the ultimate controlling shareholder of each of the Landlord 1, Landlord 2 and Landlord 3.

Landlord 4 is a company incorporated in Taiwan region with limited liability, and whose principal business activities are the establishment and operation of television broadcasting system, production and distribution of television programs as well as production and broadcasting of TV commercials, and the shares of which are listed on the Taiwan Stock Exchange Corporation (stock code: 9928).

San Want Investments Co., Ltd. * (神旺投資股份有限公司), a limited liability company incorporated in Taiwan region, is holding more than 30% of the total issued shares of Landlord 4 and it controls the majority of board seats of the Landlord 4. Mr. Tsai is the ultimate controlling shareholder of San Want Investments Co., Ltd. * (神旺投資股份有限公司).

LISTING RULES IMPLICATIONS

Each of the Landlords is an associate of Mr. Tsai (the chairman, chief executive officer, an executive Director and the ultimate controlling shareholder of the Company) and hence a connected person of the Company within the meaning of the Listing Rules and the lease transactions contemplated under the Property Lease Agreements constitute connected transactions of the Company.

According to HKFRS 16 “Leases”, the Group, as the lessees, is required to recognise the leases as right-of-use assets and lease liabilities in the consolidated balance sheet of the Group. As such, entering into the Property Lease Agreements and the transactions contemplated thereunder would be regarded as acquisitions of assets by the Group pursuant to the Listing Rules. The aggregate value of the right-of-use assets to be recognized by the Group under the Property Lease Agreements is estimated to be approximately RMB120,112,292, which is unaudited and may be subject to adjustment in the future.

As the highest of the applicable percentage ratios in respect of the estimated aggregate value of the right-of-use assets to be recognised by the Group under the Property Lease Agreements is more than 0.1% but less than 5%, the lease transactions contemplated under the Property Lease Agreements are subject to the reporting and announcement requirements but are exempt from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Pursuant to the relevant requirements under the Listing Rules and the articles of association of the Company, Mr. Tsai, Mr. Tsai Shao-Chung, Mr. Tsai Wang-Chia, Mr. Huang Yung-Sung, Mr. Chu Chi-Wen, Mr. Tsai

Ming-Hui, Mr. Maki Haruo and Mr. Cheng Wen-Hsien are considered to have an interest in the transactions contemplated under the Property Lease Agreements. For this reason, each of them did not attend the relevant Board meeting and accordingly did not vote on the Board resolutions approving the transactions.

DEFINITIONS

In this announcement, the following words and expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Company”	Want Want China Holdings Limited, a company incorporated as an exempt company with limited liability under the law of the Cayman Islands, whose principal activity is investment holding and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CTV Framework Property Lease Agreement”	the framework property lease agreement dated 28 December 2018 entered into between the Company and Landlord 4 in relation to the lease of the premises located at 1/F and 7/F, No. 120 Chung-Yang Road, Nangang District, Taipei, Taiwan region (Property 4) by the Group (for use as the Group’s office) and the Parking Spaces, for a term of two years from 1 January 2019 to 31 December 2020 (both dates inclusive)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hunan Want Want”	Hunan Want Want Foods Ltd., Shanghai branch office * (湖南旺旺食品有限公司上海分公司), is the Shanghai branch office of Hunan Want Want Foods Ltd., * (湖南旺旺食品有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company that is indirectly owned as to 99.99% by the Company
“I Lan Foods”	I Lan Foods Industrial Co., Ltd., a limited liability company incorporated in the Taiwan region and a subsidiary of the Company that is indirectly owned as to 99.99% by the Company
“Landlords”	collectively, Landlord 1, Landlord 2, Landlord 3 and Landlord 4, and each a “Landlord”
“Landlord 1”	Want Want (China) Investment Co., Limited * (旺旺(中國)投資有限公司), a limited liability company incorporated in the PRC

“Landlord 2”	Shanghai Want Gong Trading Co., Limited * (上海旺貢商貿有限公司), a limited liability company incorporated in the PRC
“Landlord 3”	Shanghai Want Qi Corporate Management Co., Ltd. * (上海旺氣企業管理有限公司), a limited liability company incorporated in the PRC
“Landlord 4”	China Television Company, a company incorporated in Taiwan region with limited liability, and the shares of which are listed on the Taiwan Stock Exchange Corporation (stock code: 9928)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tsai”	Mr. TSAI Eng-Meng, the chairman, chief executive officer, an executive Director and the ultimate controlling shareholder of the Company
“NTD”	New Taiwan dollars, the lawful currency of Taiwan region
“Parking Spaces”	the three car parking slots on B3 floor, No. 120 Chung-Yang Road, Nangang District, Taipei, Taiwan region
“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China
“Properties”	collectively, Property 1, Property 2, Property 3 and Property 4, and each a “Property”
“Property 1”	property located at No. 1088 East Hong Song Road, Shanghai, PRC
“Property 2”	property located at No. 558 Hong Xu Road, Shanghai, PRC
“Property 3”	Block 53 located at No. 488 Hong Xu Road, Minhang District, Shanghai, PRC
“Property 4”	7/F, No. 120 Chung-Yang Road, Nangang District, Taipei, Taiwan region
“Property Lease Agreements”	collectively, Property Lease Agreement (A), Property Lease Agreement (B), Property Lease Agreement (C), Property Lease Agreement (D) and Property Lease Agreement (E), and each a “Property Lease Agreement”
“Property Lease Agreement (A)”	the Property Lease Agreement dated 15 January 2021 entered into between Shanghai Want Want and Landlord 1 in relation to the lease of the Property 1 by the Group for use as the Group’s offices

“Property Lease Agreement (B)”	the Property Lease Agreement dated 15 January 2021 entered into between Shanghai Want Want and Landlord 2 in relation to the lease of the Property 2 by the Group for use as the Group’s offices
“Property Lease Agreement (C)”	the Property Lease Agreement dated 15 January 2021 entered into between Hunan Want Want and Landlord 2 in relation to the lease of the Property 2 by the Group for use as the Group’s offices
“Property Lease Agreement (D)”	the Property Lease Agreement dated 15 January 2021 entered into between Shanghai Want Want and Landlord 3 in relation to the lease of the Property 3 by the Group for use as the Group’s offices
“Property Lease Agreement (E)”	the Property Lease Agreement dated 15 January 2021 entered into between I Lan Foods and Landlord 4 in relation to the lease of the Property 4 by the Group for use as the Group’s offices and Parking Spaces
“RMB”	Renminbi yuan, the lawful currency of the PRC
“San Want Framework Property Lease Agreement”	the framework property lease agreement dated 28 December 2018 entered into between the Company and San Want in relation to the lease of the Property 1 and Property 2 by the Group for use as the Group’s offices, for a term of two years from 1 January 2019 to 31 December 2020 (both dates inclusive)
“San Want”	San Want Holdings Limited, a company incorporated in Barbados with limited liability, and whose principal business activities are the operation of hospital, hotel and property businesses and other investments
“Shanghai Want Want”	Shanghai Want Want Foods Group Co., Ltd. (上海旺旺食品集團有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company that is indirectly owned as to 99.99% by the Company
“Share(s)”	ordinary share(s) with nominal value of US\$0.02 each in the issued share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 21 January 2020 entered into between Shanghai Want Want as tenant and Landlord 3 in relation to the lease of Property 3 for use as the Group’s offices for a term of one year from 1 January 2020 to 31 December 2020 (both dates inclusive)

* *For identification purposes only*

By order of the Board
Want Want China Holdings Limited
TSAI Eng-Meng
Chairman

Hong Kong, 15 January 2021

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. TSAI Shao-Chung, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen, Mr. TSAI Ming-Hui and Ms. LAI Hong Yee; the non-executive Directors are Mr. LIAO Ching-Tsun, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. HSIEH Tien-Jen, Mr. LEE Kwok Ming and Mr. PAN Chih-Chiang.