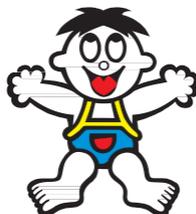


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## **WANT WANT CHINA HOLDINGS LIMITED**

**中國旺旺控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 0151)**

### **CONTINUING CONNECTED TRANSACTIONS**

#### **Renewal of Framework Property Lease Agreement, New Framework Property Lease Agreement and Framework Advertising Agreement**

##### **Renewal of Framework Property Lease Agreement**

Reference is made to the announcement of the Company dated 28 January 2016 in relation to the Framework Property Lease Agreement which will expire on 31 December 2016.

On 28 December 2016, the Company renewed its Framework Property Lease Agreement with San Want in respect of the renewal of the lease of certain properties for a term of two years from 1 January 2017 to 31 December 2018 (both dates inclusive).

##### **New Framework Property Lease Agreement**

On 28 December 2016, the Company entered into a New Framework Property Lease Agreement with CTV in respect of the lease of the Premises for a term of two years from 1 January 2017 to 31 December 2018 (both dates inclusive).

##### **Framework Advertising Agreement**

On 28 December 2016, the Company also entered into a Framework Advertising Agreement with CTI in respect of the purchase of advertising airtime at CTI's television channels for a term of two years from 1 January 2017 to 31 December 2018 (both dates inclusive).

## **Listing Rules Implications**

Mr. Tsai is the controlling shareholder of San Want, CTV and CTI, therefore each of San Want, CTV and CTI is an associate of Mr. Tsai and a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Renewed Framework Property Lease Agreement, New Framework Property Lease Agreement and Framework Advertising Agreement constitute continuing connected transactions of the Company.

As the highest of the applicable percentage ratios under the Listing Rules in respect of each of the (i) Renewed Framework Property Lease Agreement and New Framework Property Lease Agreement on an aggregated basis pursuant to Chapter 14A of the Listing Rules; and (ii) Framework Advertising Agreement is, on an annual basis, more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **RENEWED FRAMEWORK PROPERTY LEASE AGREEMENT**

Reference is made to the announcement of the Company dated 28 January 2016 in relation to the Framework Property Lease Agreement which will expire on 31 December 2016.

The Board announces that the Company entered into the Renewed Framework Property Lease Agreement with San Want on 28 December 2016 in respect of the renewal of the lease of certain properties for a term of two years from 1 January 2017 to 31 December 2018 (both dates inclusive).

### ***Date of agreement***

28 December 2016

### ***Parties***

The Company and San Want

### ***Principal terms of the Renewed Framework Property Lease Agreement***

Pursuant to the Renewed Framework Property Lease Agreement, San Want agreed to lease to the Group certain properties with a total gross area of approximately 31,275 square meters for two years commencing from 1 January 2017 and expiring on 31 December 2018. Such properties leased are currently and will continue to be used as the Group's offices in Shanghai. Members of the Group will enter into individual lease agreements for the lease of relevant properties with San Want and/or its subsidiaries according to the terms and conditions set out in the Renewed Framework Property Lease Agreement. The term of each lease to be entered into under the Renewed Framework Property Lease Agreement will be valid from 1 January 2017 to 31 December 2018.

The annual rent payable under the Renewed Framework Property Lease Agreement shall be RMB40,234,000 and RMB40,797,000 for the year commencing on 1 January 2017 and 1 January 2018, respectively, exclusive of property management fees and/or utility charges, and shall be payable in four equal instalments in cash in advance on a quarterly basis and each instalment (other than the first instalment) shall be payable five days before the expiry of the

rental period of preceding instalment. A deposit representing one month's rental and the first instalment are payable upon signing of the individual lease agreements.

### ***Reasons for the Renewed Framework Property Lease Agreement***

The Framework Property Lease Agreement relates to the leases of (i) a total gross area of approximately 26,000 square meters at the Shanghai Headquarter Building and (ii) a total gross area of approximately 3,900 square meters at the Shanghai Office. Both properties have been occupied and used by the Group as offices.

Having taken into account the needs of the Group, the Group intends to continue to lease and use the existing properties. Further, the Group intends to lease from San Want an additional space for approximately 1,375 square meters at the Shanghai Office to cope with the growth and development of the emerging ecommerce and online business.

### ***Existing annual cap and transaction amount for the Framework Property Lease Agreement***

The existing annual cap for the total rental amount to be incurred by the Group pursuant to the Framework Property Lease Agreement for the year ending 31 December 2016 is RMB38,690,000. To the best knowledge of the Company based on information currently available to it, such annual cap is not expected to be exceeded as at the date of this announcement.

### ***Proposed annual caps***

The proposed annual caps of the aggregate rental amount payable by the Group under the Renewed Framework Property Lease Agreement for each of the years ending 31 December 2017 and 2018 are RMB40,234,000 and RMB40,797,000, respectively. Such annual caps are determined by the Company based on the expected floor areas to be leased from San Want and the rental rates with reference to the market rental rates for the Shanghai Headquarter Building and the Shanghai Office as at 16 November 2016 as recommended by an independent professional valuer as well as the expected increase in average rental rates at about 1-2% per annum.

The Board, including the independent non-executive Directors, considers that the terms of the Renewed Framework Property Lease Agreement 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 Renewed Framework Property Lease Agreement was entered into in the ordinary and usual course of the Company's business, and the proposed annual caps are fair and reasonable.

## **NEW FRAMEWORK PROPERTY LEASE AGREEMENT**

On 28 December 2016, the Company also entered into the New Framework Property Lease Agreement with CTV in respect of the lease of the Premises for a term of two years from 1 January 2017 to 31 December 2018 (both dates inclusive).

### ***Date of agreement***

28 December 2016

## ***Parties***

The Company and CTV

## ***Principal terms of the New Framework Property Lease Agreement***

Pursuant to the New Framework Property Lease Agreement, CTV agreed to lease to the Group the Premises with a total gross area of approximately 1,052 square meters for two years commencing from 1 January 2017 and expiring on 31 December 2018. The Premises will be used as office by the Group. A member of the Group will enter into a lease agreement for the lease of the Premises with CTV according to the terms and conditions set out in the New Framework Property Lease Agreement. The term of the lease to be entered into under the New Framework Property Lease Agreement will be valid from 1 January 2017 to 31 December 2018.

The annual rent payable under the New Framework Property Lease Agreement shall be NTD5,814,610 for each of the year commencing on 1 January 2017 and 1 January 2018, exclusive of electricity, gas and all other costs incurred by the Group in relation to the Premises. The rental shall be payable in cash on a monthly basis on or before 25<sup>th</sup> of each calendar month during the term of the lease. A deposit of approximately NTD969,102, representing two months' rental are payable upon signing of the individual lease agreement.

## ***Reasons for the New Framework Property Lease Agreement***

To cope with the needs and development of the Group to provide better support and services for the overseas markets and to strengthen its data analytic, information technology and research capabilities and talent cultivation, the Group intends to set up a new office and lease the Premises for office use.

## ***Proposed annual cap***

The proposed annual cap of the rental amount payable by the Group under the New Framework Property Lease Agreement for each of the years ending 31 December 2017 and 2018 is NTD5,814,610. Such annual cap is determined by the Company based on the expected floor areas to be leased from CTV and the rental rates with reference to the market rental rates for the Premises as at 14 December 2016 as recommended by independent professional valuers.

The Board, including the independent non-executive Directors, considers that the terms of the New Framework Property Lease Agreement 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 New Framework Property Lease Agreement was entered into in the ordinary and usual course of the Company's business, and the proposed annual cap is fair and reasonable.

## ***Listing Rules implications***

Mr. Tsai is the controlling shareholder of both San Want and CTV, therefore each of San Want and CTV is an associate of Mr. Tsai and a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Renewed Framework Property Lease Agreement and New Framework Property Lease Agreement constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the

## Listing Rules.

As the highest of the applicable percentage ratios under the Listing Rules in respect of the Renewed Framework Property Lease Agreement and New Framework Property Lease Agreement on an aggregated basis pursuant to Chapter 14A of the Listing Rules is, on an annual basis, more than 0.1% but less than 5%, the transactions contemplated thereunder will be subject to the reporting, annual review 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, as Mr. Tsai, Mr. Tsai Shao-Chung, Mr. Tsai Wang-Chia, Mr. Liao Ching-Tsun, Mr. Huang Yung-Sung, Mr. Maki Haruo and Mr. Cheng Wen-Hsien are considered to have an interest in the transaction contemplated under the Renewed Framework Property Lease Agreement and Mr. Tsai, Mr. Tsai Shao-Chung and Mr. Tsai Wang-Chia are considered to have an interest in the transaction contemplated under the New Framework Property Lease Agreement, they had abstained from voting on the respective Board resolutions approving the transactions (other than Mr. Tsai Shao-Chung who was absent from the relevant Board meeting and accordingly did not vote on the relevant Board resolutions).

## **FRAMEWORK ADVERTISING AGREEMENT**

The Board also announces that the Company entered into the Framework Advertising Agreement with CTI on 28 December 2016 in respect of the purchase of advertising airtime at the CTI's television channels for a term of two years from 1 January 2017 to 31 December 2018 (both dates inclusive).

### ***Date of agreement***

28 December 2016

### ***Parties***

The Company and CTI

### ***Principal terms of the Framework Advertising Agreement***

Pursuant to the Framework Advertising Agreement, CTI agreed to sell advertising airtime on its television channels to broadcast the advertisement produced by the Group according to the pre-agreed broadcasting schedule, and primarily in markets outside mainland China for two years commencing from 1 January 2017 and expiring on 31 December 2018.

The annual amount of advertising cost payable under the Framework Advertising Agreement shall be US\$6,100,000 for each of the years commencing on 1 January 2017 and 1 January 2018, subject to adjustments based on the total actual broadcasting airtime incurred during the year as provided by CTI and being agreed upon by the Group not later than 25 December in each year. Pursuant to the Framework Advertising Agreement, for each year during the term, the first instalment of US\$3,050,000, representing 50% of the annual contract amount, shall be payable not later than 31 August while the remaining balance adjusted based on the actual broadcasting airtime incurred during the year shall be payable within 15 days after receipt of the invoice issued by CTI and not later than 25 December (or such a later date as the parties may agree).

Members of the Group will enter into individual agreements for the purchase of advertising airtime with CTI according to the terms and conditions set out in the Framework Advertising Agreement. The term of each individual agreement to be entered into under the Framework Advertising Agreement will be valid from 1 January 2017 to 31 December 2018 (both dates inclusive).

### ***Reasons for the Framework Advertising Agreement***

CTI is a satellite and cable television operator operating five television channels in Taiwan which provide round-the-clock real-time in-depth news coverage and also diverse entertainment shows and TV series dramas. Its television channels have broad coverage in Asia-Pacific region. Besides Taiwan it also covers mainland China, Hong Kong, Japan, Australia, New Zealand and countries in South East Asia.

The Company is of the view that entering into the Framework Advertising Agreement with CTI will provide a good platform and opportunities to access those markets, promote our products and brands, enhance our international image, explore new business opportunities and expand our overseas markets for the growth and development of the Group in the long run.

The Framework Advertising Agreement was entered into by the parties after arm's length negotiation and the advertising airtime provided by CTI to the Group will be at rates no higher than those available to its other independent third party customers.

### ***Previous transaction amount and the proposed annual caps***

During the year ending 31 December 2016, CTI has been selling advertising airtime on its television channels to broadcast the advertisement produced by the Group and the total amount already paid or payable by the Group to CTI for this year is around US\$2,100,000. As all the applicable percentage ratios under the Listing Rules in respect of the existing transaction is, on an annual basis, less than 0.1%, the existing transaction is fully exempt from all reporting, annual review, announcement, and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The proposed annual cap of the advertising cost payable by the Group under the Framework Advertising Agreement for each of the years ending 31 December 2017 and 2018 is US\$6,100,000. Such annual caps are determined by the Group based on the expected number of advertising airtime, broadcasting time slots and broadcasting programmes with reference to the rates published by CTI for the tenure of the Framework Advertising Agreement. A service fee at 10% of the advertising cost will also be charged by CTI pursuant to the Framework Advertising Agreement, which has been included in the annual cap set out above. The increase in the proposed annual cap as compared to the total amount already paid or payable by the Group to CTI for the year ending 31 December 2016 is mainly attributable to the increase in advertising unit price charged by CTI due to the increase in level of services and audience reach of CTI with increasing numbers of local cable television systems broadcasting CTI's channel programmes and TV commercials and through CTI's new Over-the-Top (OTT) technology platform to users over the internet.

The Board, including the independent non-executive Directors, considers that the terms of the Framework Advertising Agreement 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 Framework Advertising Agreement was entered into in the ordinary and usual course of the Company's business, and the proposed annual caps are fair and reasonable.

### ***Listing Rules implications***

Mr. Tsai is the controlling shareholder of CTI, therefore CTI is an associate of Mr. Tsai and a connected person of the Company within the meaning of the Listing Rules and the transaction contemplated under the Framework Advertising Agreement constitutes a continuing connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios under the Listing Rules in respect of the Framework Advertising Agreement is, on an annual basis, more than 0.1% but less than 5%, the transaction contemplated thereunder will be subject to the reporting, annual review and announcement requirements but is 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 and Mr. Tsai Wang-Chia are considered to have an interest in the transaction contemplated under the Framework Advertising Agreement and had abstained from voting on the Board resolutions approving the transaction (other than Mr. Tsai Shao-Chung who was absent from the relevant Board meeting and accordingly did not vote on the relevant Board resolutions).

### **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
“CTI”	CTI Television Incorporation, a company incorporated in Taiwan with limited liability, and whose principal activities are operating television broadcasting channels, production, distribution and broadcasting of television programs and television commercials
“CTV”	China Television Company Limited, a company incorporated in Taiwan 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)
“Director(s)”	the director(s) of the Company
“Framework Advertising Agreement”	the framework advertising agreement dated 28 December 2016 entered into between the Company and CTI, pursuant to which CTI agreed to sell advertising airtime to broadcast the advertisement produced by the Group from 1 January 2017 to 31 December 2018 (both dates inclusive)
“Framework Property Lease Agreement”	the framework property lease agreement dated 28 January 2016 entered into between the Company and San Want
“Group”	the Company and its subsidiaries, whose principal business activities are the manufacturing, distribution and sale of rice crackers, dairy products and beverages, snack foods and other products
“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 controlling shareholder of the Company
“New Framework Property Lease Agreement”	the framework property lease agreement dated 28 December 2016 entered into between the Company and CTV, pursuant to which CTV agreed to lease the Premises to the Group for use as the Group’s office from 1 January 2017 to 31 December 2018 (both dates inclusive)
“NTD”	New Taiwan dollars, the lawful currency of Taiwan
“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China
“Premises”	1/F and 7/F, No. 120 Chung-Yang Road, Nangang District, Taipei, Taiwan
“Renewed Framework Property Lease Agreement”	the renewed framework property lease agreement dated 28 December 2016 entered into between the Company and San Want, pursuant to which San Want agreed to

	lease certain properties to the Group for use as the Group's offices from 1 January 2017 to 31 December 2018 (both dates inclusive)
“RMB”	Renminbi yuan, the lawful currency of the PRC
“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 Headquarter Building”	property located at No.1088 East Hong Song Road, Shanghai, PRC
“Shanghai Office”	property located at No.558 Hong Xu Road, Shanghai, PRC
“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
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 28 December 2016

*As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. LIAO Ching-Tsun, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen and Mr. CHAN Yu-Feng; the non-executive Directors are Mr. TSAI Shao-Chung, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. CHIEN Wen-Guey, Mr. LEE Kwang-Chou and Dr. KAO Ruey-Bin.*