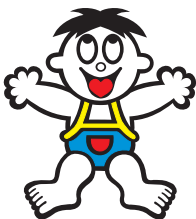


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## **WANT WANT CHINA HOLDINGS LIMITED**

**中國旺旺控股有限公司**

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

**(Stock code: 0151)**

### **RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Prospectus in relation to the following non-exempt continuing connected transactions that the Group has entered into:—

- (i) Framework Property Lease Agreement with San Want, pursuant to which San Want leases certain properties with a total gross area of approximately 20,000 square meters to the Group;
- (ii) Sales Distribution Agreement with Four Seas, pursuant to which the Group sells food and beverage products produced by the Group at wholesale market prices to Four Seas who acts as a sales agent for some of the products of the Group.

As both the Framework Property Lease Agreement and the Sales Distribution Agreement will expire on 31 December 2009, the Group has renewed both agreements by:—

- (i) on 18 December 2009 entering into a Renewed Framework Property Lease Agreement with San Want under which San Want will lease to the Group certain properties with a total gross area of approximately 22,500, 22,900 and 23,300 square meters for the years commencing on 1 January 2010, 2011 and 2012, respectively. Such properties leased will be used as the Group's offices in Shanghai. The term of each lease to be entered into under the Renewed Framework Property Lease Agreement will be valid from 1 January 2010 to 31 December 2012; and
- (ii) on 18 December 2009 entering into a Renewed Sales Distribution Agreement with Four Seas for a further term of three years commencing on 1 January 2010 and expiring on 31 December 2012.

Mr. Tsai, the chairman, the chief executive officer and an executive Director of the Company, is the beneficial owner of both HKHL and Norwares, each of which is a substantial shareholder of the Company respectively holding approximately 30.44% and 16.05% of the issued share capital of the Company. Mr. Tsai is also the controlling shareholder of San Want. As such, San Want is a connected person of the Company within the meaning of the Listing Rules.

Four Seas is a substantial shareholder of the Company's subsidiary, Want-Want Four Seas. As a result, Four Seas is also a connected person of the Company under the Listing Rules.

In view of the above, transactions contemplated under the Renewed Framework Property Lease Agreement and the Renewed Sales Distribution Agreement constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) set out in the Listing Rules for the transactions under each of the Renewed Framework Property Lease Agreement and the Renewed Sales Distribution Agreement is, on an annual basis, expected to be more than 0.1% but less than 2.5%, the transactions contemplated thereunder will be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Prospectus in relation to the following non-exempt continuing connected transactions that the Group has entered into:–

- (i) Framework Property Lease Agreement with San Want, pursuant to which San Want leases certain properties with a total gross area of approximately 20,000 square meters to the Group; and
- (ii) Sales Distribution Agreement with Four Seas, pursuant to which the Group sells food and beverage products produced by the Group at wholesale market prices to Four Seas who acts as a sales agent for some of the products of the Group.

Since the aforesaid agreements will expire on 31 December 2009, the Group has entered into the following renewal agreements:–

### **(A) Renewed Framework Property Lease Agreement**

***Date***

18 December 2009

***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 will lease to the Group certain properties with a total gross area of approximately 22,500, 22,900 and 23,300 square meters for the years commencing on 1 January 2010, 2011 and 2012 respectively. Such properties leased will be used as the Group's offices in Shanghai. The term of each lease to be entered into under the Renewed Framework Property Lease Agreement will be valid from 1 January 2010 to 31 December 2012.

The annual rent payable under the Renewed Framework Property Lease Agreement shall be RMB19,306,000, RMB21,203,000 and RMB23,306,000 for the years commencing on 1 January 2010, 2011 and 2012, respectively, and shall be payable in four equal instalments in cash in advance on a quarterly basis. The annual rent shall be reviewed every three years, taking into account prevailing market conditions, but shall not be higher than the rent payable by a third-party tenant at the relevant time.

Under the Renewed Framework Property Lease Agreement, the Group also has the right to terminate the lease term of any properties at any time prior to its expiry at the Group's discretion. As such, the Group enjoys the flexibility to relocate to other sites or premises at any time if the Company considers that any property leased under the Renewed Framework Property Lease Agreement is no longer suitable for use or no longer cost-competitive.

The Renewed Framework Property Lease Agreement is renewable at the option of the Company. The renewal of the term of the Renewed Framework Property Lease Agreement shall comply with the rules applicable to connected transactions under the Listing Rules.

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

The existing Framework Property Lease Agreement relates to the leases of (i) a total gross area of approximately 18,700 square meters at the Shanghai Headquarter Building and (ii) a total gross area of approximately 1,300 square meters at the Shanghai Sales Office. Both properties have been occupied and used by the Group as offices.

Having taken into account of the practical needs of the Group, the Group intends to continue to occupy and use the existing properties. In addition, in view of the increase in number of staff working at the Shanghai Headquarter Building, the Group intends to lease from San Want additional areas at the Shanghai Headquarter Building as tabled below:

	<b>For the year ending 31 December 2010</b>	<b>For the year ending 31 December 2011</b>	<b>For the year ending 31 December 2012</b>
<i>(approximate square meters, unless otherwise stated)</i>			
Shanghai Headquarter Building			
– Existing areas leased	18,700	18,700	18,700
– Additional areas to be leased	2,500	2,900	3,300
	<u>21,200</u>	<u>21,600</u>	<u>22,000</u>
Shanghai Sales Office			
– Existing areas leased	1,300	1,300	1,300
	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>
<b>Total gross area under the Renewed Framework Property Lease Agreement</b>	<b><u>22,500</u></b>	<b><u>22,900</u></b>	<b><u>23,300</u></b>
<i>Percentage increase in total gross area on year-on-year basis (%)</i>	13%	2%	2%
<b>Average rental rate (RMB per square meter per day)</b>	<b><u>2.38</u></b>	<b><u>2.58</u></b>	<b><u>2.79</u></b>
<i>Percentage increase in average rental rate on year-on-year basis (Note 1)</i>	6%	8%	8%
<b>Expected average number of staff at Shanghai Headquarter Building (head)</b>	<b><u>1,355</u></b>	<b><u>1,390</u></b>	<b><u>1,415</u></b>

Note 1: Average rental rate for the year 2009 is approximately RMB2.24 per square meter per day.

### ***Historical transaction values***

The following table sets out the aggregate historical rental payment made by the Group in respect of the Framework Property Lease Agreement for the year ended 31 December 2008 and for the year ending 31 December 2009, together with their respective historical annual caps:–

	<b>Historical amount</b>		<b>Historical annual cap</b>	
	<b>Actual amount for the year ended 31 December 2008</b> (audited) (RMB'000)	<b>Estimated amount for the year ending 31 December 2009</b> (unaudited) (RMB'000)	<b>For the year ended 31 December 2008</b> (RMB'000)	<b>For the year ending 31 December 2009</b> (RMB'000)
Framework Property Lease Agreement	<u>17,486</u>	<u>16,088</u>	<u>17,700</u>	<u>17,700</u>

To the best knowledge of the Company, neither of the above annual caps for the year ended 31 December 2008 and the year ending 31 December 2009 has been exceeded or is estimated to be exceeded as at the date of this announcement.

### ***Proposed Annual Caps***

The following table sets out the proposed annual caps of the aggregate rental amount payable by the Group under the Renewed Framework Property Lease Agreement for each of the three years ending 31 December 2010, 2011 and 2012:–

	<b>For the year ending 31 December 2010</b> (RMB'000)	<b>For the year ending 31 December 2011</b> (RMB'000)	<b>For the year ending 31 December 2012</b> (RMB'000)
Renewed Framework Property Lease Agreement	<u>19,306</u>	<u>21,203</u>	<u>23,306</u>

The annual caps for each of the three years ending 31 December 2010, 2011 and 2012 are determined after taking into account (i) the historical transaction amounts; (ii) the market rental rates of comparable properties in the vicinity of the areas in which the Group leases properties from San Want; (iii) the expected increase in average rental rates at about 6-8% per annum; and (iv) the additional space required due to anticipated expansion of the organization to cope with the continuous growth of the business of the Group.

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 the Shareholders as a whole, and each of the proposed annual caps is fair and reasonable.

### ***Listing Rules Implications***

Mr. Tsai, the chairman, the chief executive officer and an executive Director of the Company, is the beneficial owner of both HKHL and Norwares, each of which is a substantial shareholder of the Company respectively holding approximately 30.44% and 16.05% of the issued share capital of the Company. Mr. Tsai is also the controlling shareholder of San Want. As such, San Want is a connected person of the Company within the meaning of the Listing Rules and the transactions contemplated under the Renewed Framework Property Lease Agreement constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) set out in the Listing Rules for the transactions under the Renewed Framework Property Lease Agreement is, on an annual basis, expected to be more than 0.1% but less than 2.5%, the transactions contemplated thereunder will be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.

## **(B) Renewed Sales Distribution Agreement**

### ***Date***

18 December 2009

### ***Parties***

Want-Want Four Seas and Four Seas

### ***Principal terms of the Renewed Sales Distribution Agreement***

Pursuant to the Renewed Sales Distribution Agreement, Want-Want Four Seas, a subsidiary of the Company indirectly owned as to approximately 70% by the Company, will continue to sell food and beverage products produced by the Group to Four Seas at wholesale market prices on normal commercial terms whereas Four Seas will continue to act as a sales agent for some of the Group's products for a further period of three years commencing on 1 January 2010 and expiring on 31 December 2012. Want-Want Four Seas will issue an invoice to Four Seas on a monthly basis which shall be settled in cash within 120 days from the date of invoice.

## ***Reasons for the Renewed Sales Distribution Agreement***

Four Seas, a company incorporated in Hong Kong, is principally engaged in trading and distribution of snack foods, confectionery and beverage products. It is one of the leading food trading and distribution companies with extensive distribution network in Hong Kong. It is also a substantial shareholder of Want-Want Four Seas.

With the history of successful business cooperation and the long-term relationship developed between the Group and Four Seas, Four Seas has gained a comprehensive and deep understanding of the Group's products and business needs, which puts Four Seas in a better position than other distributors to provide high quality service and enhance the Group's overall sales. The Company expects the volume of sales to Four Seas to continue to increase in the coming years. The increase in the proposed annual caps for the sales of goods to Four Seas reflects the Company's expectations in this regard.

### ***Historical transaction values***

The following table sets out the historical amounts of the sales to Four Seas in respect of the Sales Distribution Agreement for the two years ended 31 December 2007 and 2008 and for the year ending 31 December 2009, together with their respective historical annual caps:–

	Historical amount			Historical annual cap		
	Actual amount for the year ended 31 December 2007 (audited) (US\$'000)	Actual amount for the year ended 31 December 2008 (audited) (US\$'000)	Estimated amount for the year ending 31 December 2009 (unaudited) (US\$'000)	For the year ended 31 December 2007 (US\$'000)	For the year ended 31 December 2008 (US\$'000)	For the year ending 31 December 2009 (US\$'000)
Sales Distribution Agreement	<u>3,378</u>	<u>3,516</u>	<u>3,300</u>	<u>3,500</u>	<u>4,000</u>	<u>4,500</u>

To the best knowledge of the Company, none of the annual caps for the two years ended 31 December 2007 and 2008 and for the year ending 31 December 2009 has been exceeded or is estimated to be exceeded as at the date of this announcement.

### ***Proposed Annual Caps***

The following table sets out the proposed annual caps of the aggregate amount of sales to Four Seas under the Renewed Sales Distribution Agreement for each of the three years ending 31 December 2010, 2011 and 2012:–

	<b>For the year ending 31 December 2010 (US\$'000)</b>	<b>For the year ending 31 December 2011 (US\$'000)</b>	<b>For the year ending 31 December 2012 (US\$'000)</b>
Renewed Sales Distribution Agreement	<u><u>4,500</u></u>	<u><u>5,000</u></u>	<u><u>5,800</u></u>

The annual caps for each of the three years ending 31 December 2010, 2011 and 2012 are determined after taking into account of the historical transaction amounts and expected future growth of the business of the Group.

The Board, including the independent non-executive Directors, considers the terms of the Renewed Sales Distribution 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 in the interests of the Company and the Shareholders as a whole, and each of the proposed annual caps is fair and reasonable.

### ***Listing Rules Implications***

Four Seas is a substantial shareholder of the Company's subsidiary, namely Want-Want Four Seas. As a result, Four Seas is a connected person of the Company under the Listing Rules and the transactions contemplated under the Renewed Sales Distribution Agreement constitute continuing connected transactions of the Company for the purpose of Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) set out in the Listing Rules for the transactions under the Renewed Sales Distribution Agreement is, on an annual basis, expected to be more than 0.1% but less than 2.5%, the transactions contemplated thereunder will be subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the requirements of independent shareholders' approval under Chapter 14A of the Listing Rules.



## 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. The Shares of which are listed on the main board of the Stock Exchange (stock code: 0151)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Property Lease Agreement”	the framework property lease agreement dated 20 November 2007 entered into between the Company and San Want, pursuant to which San Want agreed to lease certain properties to the Group for use as offices from 1 January 2008 to 31 December 2009
“Four Seas”	Four Seas Mercantile Limited, a company incorporated in Hong Kong with limited liability, whose principal activities are food material supply, food manufacturing, food trading and distribution, cafes and restaurants and investment holdings
“Group”	the Company and its subsidiaries
“HKHL”	Hot-Kid Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being the controlling shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tsai”	Mr. TSAI Eng-Meng, the chairman, the chief executive officer and an executive Director of the Company, and the controlling shareholder of HKHL and Norwares
“Norwares”	Norwares Overseas Inc., a company incorporated in the British Virgin Islands, whose principal business is investment holding

“percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 11 March 2008
“Renewed Framework Property Lease Agreement”	the renewed framework property lease agreement dated 18 December 2009 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 2010 to 31 December 2012.
“Renewed Sales Distribution Agreement”	the renewed sales distribution agreement dated 18 December 2009 entered into between Want-Want Four Seas and Four Seas for a period of 3 years commencing on 1 January 2010 and expiring on 31 December 2012, pursuant to which Want-Want Four Seas sells food and beverage products produced by the Group at wholesale market prices to Four Seas who acts as a sales agent for some of the Group’s products
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sales Distribution Agreement”	the sales distribution agreement dated 1 January 2008 entered into between Want-Want Four Seas and Four Seas, pursuant to which Want-Want Four Seas sells food and beverage products produced by the Group at wholesale market prices to Four Seas who acts as a sales agent for some of the Group’s products
“San Want”	San Want Holdings Limited, a company incorporated in Barbados with limited liability, whose principal activity is investment holding, and its subsidiaries
“Shanghai Headquarter Building”	Property located at No.1088 Hong Song Dong Road, Shanghai, PRC
“Shanghai Sales 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

“Want-Want Four Seas”            Want-Want Four Seas Company Limited, a company incorporated in Hong Kong with limited liability, whose principal activities are distribution of food and beverage products and related activities. It is currently owned as to 70% by WWHL

“WWHL”                                Want Want Holdings Ltd., a company incorporated in Singapore with limited liability and is currently owned as to 99.87% by the Company

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

Hong Kong, 18 December 2009

*As at the date of this announcement, the executive directors are Mr. TSAI Eng-Meng, Mr. LIAO Ching-Tsun and Mr. CHU Chi-Wen, the non-executive directors are Mr. TSAI Shao-Chung, Mr. MAKI Haruo, Mr. TOMITA Mamoru, Mr. LIN Feng-I and Mr. CHENG Wen-Hsien, and the independent non-executive directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. CHIEN Wen-Guey and Mr. LEE Kwang-Chou.*