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CNC HOLDINGS LIMITED

中國新華電視控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8356)

VOLUNTARY ANNOUNCEMENT

STRATEGIC COOPERATION AGREEMENT REGARDING THE COOPERATION WITH THE ORGANISER OF THE “ALLIANCE OF TELEVISION CHANNELS IN COUNTIES OF THE PRC”

This announcement is made by CNC Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders and potential investors of the Company informed of the latest business development of the Company.

THE STRATEGIC COOPERATION AGREEMENT

The board (the “**Board**”) of directors (the “**Director(s)**”) is pleased to announce that, on 26 August 2016, the Company entered into a strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with Beijing Tuo Pu Da Media Company Limited* 北京托普達傳媒有限公司 (the “**Cooperation Partner**”), pursuant to which the Company and the Cooperation Partner established a cooperation partner relationship to jointly operate the businesses of the alliance of television channels in counties of the People’s Republic of China (the “**PRC**”) (the “**Television Channels Alliance**”) which is organised and operated by the Cooperation Partner, including the production and broadcasting of television programmes, advertising business and television e-commerce business etc., so as to further develop the television broadcasting business of the Group and expand the revenue of the Group.

Date of the Strategic Cooperation Agreement

26 August 2016

Parties to the Strategic Cooperation Agreement

- (a) the Company; and
- (b) the Cooperation Partner, Beijing Tuo Pu Da Media Company Limited*北京托普達傳媒有限公司, being the organiser and operator of the Television Channels Alliance.

The Directors confirmed that to the best of their knowledge, information and belief having made all reasonable enquiries, the Cooperation Partner is a third party independent of the Company and the connected persons (as defined under The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”)) of the Company.

Principal terms of the Strategic Cooperation Agreement

The principal terms of the Strategic Cooperation Agreement includes:

- The Company and the Cooperation Partner will establish a cooperation partner relationship so as to jointly operate the businesses of the Television Channels Alliance;
- The parties will cooperate with each other in the production of television programmes and films, operation of television e-commerce business, import of information contents for television programmes, promotion and broadcast of television programmes of the Television Channels Alliance, operation of advertising business, organisation of offline events and other aspects; and
- The Company and the Cooperation Partner will enter into further agreement(s) to materialise the cooperation plan under the Strategic Cooperation Agreement as well as to set out the specific terms, including but not limited to the details of the cooperation and the profit sharing of the operating profit arising from the cooperation.

INFORMATION ON THE COOPERATION PARTNER

The Cooperation Partner is the organiser and operator of the Television Channels Alliance. Television Channels Alliance is launched by the “China Radio Film and TV” magazine (《中國廣播影視》雜誌社) which is supervised by State Administration of Press, Publication, Radio, Film and Television of the PRC (國家新聞出版廣電總局), aiming at facilitating the sharing of the resources among the Television Channels Alliance and various television channels in different counties of the PRC so as to enhance the competitiveness of local television media companies and establish communication mechanism and a broad development platform in all win situation. Currently the Television Channels Alliance comprises of over 600 television channels in various counties of the PRC and internet media platforms. The Television Channels Alliance integrates information resources of different media and establishes a television network and platform comprising of the resources of television channels in various counties of the PRC so as to provide comprehensive services to members of the Television Channels Alliance, including broadcast of local news programmes and advertisements as well as import of high quality television and video programmes etc..

REASONS AND BENEFITS OF THE STRATEGIC COOPERATION AGREEMENT

The Group is principally engaged in the provision of waterworks engineering services for the public sector in Hong Kong, television broadcasting business in the Asia-Pacific region (excluding the PRC) in return for advertising and related revenue and large outdoor display screen advertising business in PRC. The Company endeavours to enhance the competitiveness of the Group's existing business and at the same time, explore new business opportunities to broaden its source of income and expand the business operations in order to maximize profit and return for the Company and the shareholders of the Company. The Board believes that the enter into of the Strategic Cooperation Agreement would allow the Group to broadcast the self-produced television programmes in the broad platform of the Television Channels Alliance and further enhance the brand recognition and influence of the Group in the television media industry. By leveraging on the strength, resources and expertise of both parties, it would facilitate the expansion of the television e-commerce business of the Group into various media platforms in the PRC to increase the revenue of the Group.

In view of the above, the Board is of the view that the terms and conditions of the Strategic Cooperation Agreement are fair and reasonable and are in the interests of the Company and the shareholders of the Company as a whole.

** For identification purpose only*

By order of the Board
CNC Holdings Limited
Li Yuet Tai
Company Secretary

Hong Kong, 26 August 2016

As at the date of this announcement, the Directors are Mr. Zhang Hao¹ (Chairman), Mr. Zou Chen Dong¹ (Vice Chairman and Chief Executive Officer), Mr. Kan Kwok Cheung¹, Mr. Chia Kar Hin, Eric John¹, Dr. Li Yong Sheng², The Hon. Ip Kwok Him, GBS, JP³, Mr. Wan Chi Keung, Aaron, BBS, JP³, Mr. Jin Hai Tao³ and Mr. Wong Chung Yip, Kenneth³.

¹ *Executive Director*

² *Non-executive Director*

³ *Independent non-executive Director*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not

misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at www.cnctv.hk.