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**CONTINUING CONNECTED TRANSACTIONS —  
NEW LEASES OF PROPERTIES  
AND  
REVISION OF ANNUAL CAPS**

Reference is made to the Prospectus. On 1 July 2014, Yijia Logistics entered into each of the New Lease Agreements with Tiansheng Warehouse.

Tiansheng Warehouse is a wholly-owned subsidiary of Nan Pu Investments, which is in turn owned by Mr. Lin as to more than 30%. Therefore, Tiansheng Warehouse is an associate of Mr. Lin and a connected person of the Company.

The Group has leased certain premises from Mr. Lin and his associate, Tiansheng Warehouse, in the ordinary course of its business pursuant to the Existing Lease Agreements. As Tiansheng Warehouse is connected with Mr. Lin, the continuing connected transactions under the Existing Lease Agreements have been aggregated pursuant to Rule 14A.81 of the Listing Rules. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under Rule 14A.105 (formerly, Rule 14A.42(3) of the Listing Rules prior to 1 July 2014) of the Listing Rules in relation to the Existing Lease Agreements.

Pursuant to Rule 14A.81 of the Listing Rules, the New Lease Agreements and the Existing Lease Agreements would have to be aggregated for the purpose of considering the compliance obligations of the Company. In light of such aggregation, the existing annual caps of the continuing connected transactions under the Existing Lease Agreements will not be sufficient, and therefore the Board proposes to revise the existing annual caps for the two years ending 31 December 2015.

As one or more of the applicable percentage ratios in respect of the revised annual caps under the New Lease Agreements and the Existing Lease Agreements, on an aggregated basis, exceed 0.1% but are less than 5%, the entering into of the New Lease Agreements and the revised annual caps are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

## **INTRODUCTION**

Reference is made to the Prospectus. The Group has leased certain premises from Mr. Lin and his associate, Tiansheng Warehouse, in the ordinary course of its business pursuant to the Existing Lease Agreements. As Tiansheng Warehouse is connected with Mr. Lin, the continuing connected transactions under the Existing Lease Agreements have been aggregated pursuant to Rule 14A.81 of the Listing Rules. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under Rule 14A.105 (formerly, Rule 14A.42(3) of the Listing Rules prior to 1 July 2014) of the Listing Rules in relation to the Existing Lease Agreements.

Due to the entering into of the New Lease Agreements with Tiansheng Warehouse as set out below, the original annual caps for the leases contemplated under the Existing Lease Agreements for the two years ending 31 December 2015 will not be sufficient and will need to be revised.

## **THE FIRST LEASE AGREEMENT**

On 1 July 2014, Yijia Logistics entered into the First Lease Agreement with Tiansheng Warehouse. Principal terms of the First Lease Agreement are set out below:

Lessor	:	Tiansheng Warehouse
Lessee	:	Yijia Logistics
Property	:	1-4 Floors warehouse No.1300 Jiu Gan Road, Song Jiang District Shanghai, the PRC
Area	:	8,000 square metres of regular temperature storage space and 8,000 square metres of temperature controlled storage space
Term	:	From 1 July 2014 to 31 December 2015

Rent : RMB1,051,200 per month (inclusive of management fees). The monthly rent and fees were determined based on daily fees of RMB1.38 per square metre for the regular temperature storage space and RMB3.00 per square metre for the temperature controlled storage space. The monthly rent will increase by 5% each year

Use : Storage

The terms of First Lease Agreement have been agreed by the parties after arm's length negotiation and are on normal commercial terms. The monthly rent has been determined based on the property's gross floor area and a specific cost per square metre with reference to the rent payable by other tenants of Tiansheng Warehouse and is in line with the prevailing open market rent of other premises with conditions comparable to those of under the First Lease Agreement.

## **THE SECOND LEASE AGREEMENT**

On 1 July 2014, Yijia Logistics entered into the Second Lease Agreement with Tiansheng Warehouse. Principal terms of the Second Lease Agreement are set out below:

Lessor : Tiansheng Warehouse

Lessee : Yijia Logistics

Property : A warehouse currently under construction at No.1300 Jiu Gan Road, Song Jiang District Shanghai, the PRC, the construction is expected to be completed by the end of 2014

Area : 12,000 square metres

Term : From 1 January 2015 to 31 December 2015

Rent : RMB496,800 per month (inclusive of management fees). The monthly rent and fees were determined based on daily fees of RMB1.38 per square metre.

Use : Storage

The terms of Second Lease Agreement have been agreed by the parties after arm's length negotiation and are on normal commercial terms. The monthly rent has been determined based on the property's gross floor area and a specific cost per square metre with reference to the rent payable by other tenants of Tiansheng Warehouse and is in line with the prevailing open market rent of other premises with conditions comparable to those of under the Second Lease Agreement.

## ANNUAL CAPS

### Historical Figures

The historical total amounts paid by the Group under the Existing Lease Agreements for the indicated periods were as follows:

	<b>Year ended 31 December 2011 (RMB '000)</b>	<b>Year ended 31 December 2012 (RMB '000)</b>	<b>Year ended 31 December 2013 (RMB '000)</b>
Existing Lease Agreements	26,681	27,540	26,037

### Revision of 2014 and 2015 Annual Caps

The total amounts paid by the Group under the Existing Lease Agreements for the period up to the date of this announcement has not exceeded the current annual cap for the year ending 31 December 2014.

Due to the entering into of the New Lease Agreements, the original annual caps for the leases contemplated under the Existing Lease Agreements for the two years ending 31 December 2015 will not be sufficient and will need to be revised.

According to the terms of and based on the New Lease Agreements and the Existing Lease Agreements, the Company estimates that the revised annual caps of the continuing connected transactions under the New Lease Agreements and the Existing Lease Agreements for the two years ending 31 December 2015 are set out as below:

	<b>Original Cap (RMB '000)</b>	<b>Revised Cap (RMB '000)</b>
For the year ending 31 December 2014	29,499	35,806
For the year ending 31 December 2015	30,997	49,888

## **Bases of the Revised Annual Caps**

The Directors have taken into account of the maximum aggregate annual rental fees payable for the two years ending 31 December 2015 in respect of all the leased premises under the New Lease Agreements and the Existing Lease Agreements when estimating the above revised annual caps.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LEASE AGREEMENTS**

Yijia Logistics, is a subsidiary of Nanpu, which undertakes the warehousing, storage, logistics and distribution of major goods of Nanpu and its subsidiaries. With a increasing demand for warehouse space from Nanpu and its subsidiaries, the existing warehouses can hardly meet the actual needs therefore more storage space is needed. Further, Nanpu has expanded its business to distribution of imported milk and cereal bars products in the PRC and will need to store these products at specific temperatures that the temperature controlled storage space under the First Lease Agreement will provide.

The Board also considers that with the increase in sales to e-commerce customers who have a higher demand for location and speed of distribution, the warehouse under the New Lease Agreements can meet the demand for fast distribution in terms of the geographical location, which can increase the satisfaction of customers towards the Group's services. The new warehouses are also adjacent to Yijian Logistics' other warehouses, which can facilitate management in terms of inventory and operation and allow for the sharing of resources such as forklifts and logistics vehicles.

The Directors (including the independent non-executive Directors) consider that the transactions under the New Lease Agreements are entered into after arm's length negotiations by reference to the open market rental of properties of similar size, use and location (being publicly available information), based on normal commercial terms and the terms of such transactions and the revised annual caps are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

Mr. Lin is interested in more than 30% of Nan Pu Investments, which in turn wholly-owns Tiansheng Warehouse. Pursuant to the articles of association of the Company, Mr. Lin is materially interested in each of the New Lease Agreements and has abstained from voting in the resolutions approving the New Lease Agreements. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the New Lease Agreements.

## **INFORMATION REGARDING THE COMPANY, YIJIA LOGISTICS AND TIANSHENG WAREHOUSE**

The Company is a leading packaged food and beverage producer and a distributor of packaged food and beverages in the PRC, which operates a unique business model of producing and distributing a comprehensive range of products, ranging from alcoholic beverages, food and snacks, non-alcoholic beverages to other fast moving consumer goods, through a well-established distribution network across the PRC.

Yijia Logistics is a company established under the laws of the PRC and a subsidiary of Nanpu. Yijia Logistics is mainly engaged in the wholesale of packaged goods, storage and delivery services.

Tiansheng Warehouse is a company established under the laws of the PRC and is a wholly-owned subsidiary of Nan Pu Investments. Tiansheng Warehouse is mainly engaged in the warehousing, storage and logistics distribution services.

## **IMPLICATIONS UNDER THE LISTING RULES**

Tiansheng Warehouse is a wholly-owned subsidiary of Nan Pu Investments, which is in turn owned by Mr. Lin as to more than 30%. Therefore, Tiansheng Warehouse is an associate of Mr. Lin and a connected person of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, the New Lease Agreements and the Existing Lease Agreements would have to be aggregated for the purpose of considering the compliance obligations of the Company. In light of such aggregation, the existing annual caps of the continuing connected transactions under the Existing Lease Agreements will not be sufficient, and therefore the Board proposes to revise the existing annual caps for the two years ending 31 December 2015.

As one or more of the applicable percentage ratios in respect of the revised annual caps under the New Lease Agreements and the Existing Lease Agreements, on an aggregated basis, exceed 0.1% but are less than 5%, the entering into of the New Lease Agreements and the revised annual caps are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Tenwow International Holdings Limited, a limited liability company incorporated in the Cayman Islands on 25 August 2011 and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01219)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Lease Agreements”	the partially exempted continuing transactions under the lease agreements entered into amongst the Group, Nanpu, Mr. Lin and Tiansheng Warehouse, details of which are set out in the Prospectus
“First Lease Agreement”	the lease agreement entered into between Yijia Logistics and Tiansheng Warehouse on 1 July 2014 in respect of 1-4 Floors warehouse, No.1300 Jiu Gan Road, Song Jiang District Shanghai, the PRC
“Group”	means the Company and its subsidiaries.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Lin”	Mr. Lin Jianhua, a Director and a controlling shareholder of the Company
“Nanpu”	Nanpu Food Co. Ltd* (南浦食品(集團)有限公司) a company established under the laws of the PRC on 6 October 1992 of which 51% is owned by the Group and a jointly controlled entity of the Company

“Nan Pu Investments”	Nan Pu (Hong Kong) Investments Limited (南浦(香港)投資有限公司) a company incorporated under the laws of Hong Kong on 5 March 2003 and a connected person of the Company
“New Lease Agreements”	the First Lease Agreement and the Second Lease Agreement
“PRC”	the People’s Republic of China, and, for the purpose of this announcement, excluding Taiwan or Hong Kong and Macau Special Administrative Regions
“Prospectus”	the prospectus of the Company dated 5 September 2013
“RMB”	Renminbi, the lawful currency of the PRC
“Second Lease Agreement”	the lease agreement entered into between Yijia Logistics and Tiansheng Warehouse on 1 July 2014 in respect of a warehouse currently under construction at No.1300 Jiu Gan Road, Song Jiang District Shanghai, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tiansheng Warehouse”	Shanghai Tiansheng Warehouse Co., Ltd.* (上海天盛倉儲有限公司), a company established under the laws of the PRC on 24 February 2003 and a connected person of the Company
“Yijia Logistics”	Shanghai Yijia Logistics Limited* (上海一佳物流有限公司), a company established under the laws of the PRC on 13 July 2007 and a subsidiary of Nanpu

By Order of the Board  
**Tenwow International Holdings Limited**  
**Lin Jianhua**  
*Chairman and Executive Director*

Hong Kong, 2 July 2014

*As at the date of this announcement, the executive Directors are Mr. LIN Jianhua, Mr. WANG Juewei, Mr. LAM Hang Boris, Mr. YEUNG Yue Ming and Ms. AU Lai Hang; the non-executive Director is Mr. CHEN Shirley Shiyong; and the independent non-executive Directors are Mr. LIU Chang-Tzong, Mr. CHEUNG Yui Kai Warren and Mr. WANG Longgen.*

\* *For identification purposes only*