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**天喔國際控股有限公司**  
**Tenwow International Holdings Limited**

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

**(Stock Code: 01219)**

**(A) STRATEGIC COOPERATION AGREEMENT  
WITH SHANGHAI TANGJIU  
AND  
(B) CONNECTED TRANSACTION —  
DISPOSAL OF 2% EQUITY INTEREST IN NANPU**

**A. STRATEGIC COOPERATION AGREEMENT**

The disclosure regarding to the Strategic Cooperation Agreement in this announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Announcement. On 15 April 2016, Tenwow Group and Shanghai Tangjiu entered into the Strategic Cooperation Agreement pursuant to which Tenwow Group and Shanghai Tangjiu agreed to, amongst others, (i) to continue strengthen the cooperation in fields such as the supply chain, brand development and sales channels; (ii) focus on capital markets, overseas expansion and carry out continuous and effective cooperation; and (iii) continue to strengthen cooperation within the companies of the parties' groups, to enhance the exchange of information, sharing of resources to strengthen and enhance resource utilization efficiency and synergy. With the view to a steady and sustainable growth of Nanpu, the parties have reached consensus to support and optimize the business operation and arrangements of Nanpu given the right capital market conditions and to maximize the value of Nanpu by means of capital operation. Pursuant to the Strategic Cooperation Agreement, Tenwow Group agreed to transfer to Shanghai Tangjiu 2% equity interest held by the Vendor in Nanpu, upon the completion of which Shanghai Tangjiu will hold 51% equity interest in Nanpu.

## **B. DISPOSAL OF 2% EQUITY INTEREST IN NANPU**

Pursuant to the Strategic Cooperation Agreement, on 15 April 2016, the Vendor, as vendor, and Shanghai Tangjiu, as purchaser entered into the Equity Transfer Agreement, pursuant to which, among other things, the Vendor agreed to sell and Shanghai Tangjiu agreed to purchase 2% equity interest in Nanpu at a consideration of RMB20,000,000.

As at the date of this announcement, Nanpu is a joint venture indirectly owned by the Group as to 51% through Tenwow (Fujian) Food (as to 35.835%) and the Vendor (as to 15.165%), both being wholly-owned subsidiaries of the Company, and is owned by Shanghai Tangjiu as to the remaining 49%. Upon completion of the Disposal, Nanpu will be held as to 51%, 35.835% and 13.165% by Shanghai Tangjiu, Tenwow (Fujian) Food and the Vendor, respectively.

### **LISTING RULES IMPLICATIONS**

As with the case at the time of the Company's listing on the Stock Exchange, Nanpu is and remains to be deemed as a connected person of the Company by the Stock Exchange under Rule 14A.07 of the Listing Rules. Shanghai Tangjiu is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of Shanghai Tangjiu being a substantial shareholder of Nanpu. As one or more applicable percentage ratios for the Disposal contemplated under the Equity Transfer Agreement are more than 0.1% but below 5%, the Disposal is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

None of the Directors have any material interest in the transactions contemplated under the Equity Transfer Agreement and none of them was required to abstain from voting on the resolutions passed by the Board to approve the Equity Transfer Agreement.

## **A. STRATEGIC COOPERATION AGREEMENT**

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given the right capital market conditions and to maximize the value of Nanpu by means of capital operation. Pursuant to the Strategic Cooperation Agreement, Tenwow Group agreed to transfer to Shanghai Tangjiu 2% equity interest held by the Vendor in Nanpu, upon the completion of which Shanghai Tangjiu will hold 51% equity interest in Nanpu.

The Strategic Cooperation Agreement shall remain in effect until the parties thereto enter into a further agreement in relation to the Potential Cooperation in place of the Strategic Cooperation Agreement, or three (3) years from the signing of the Strategic Cooperation Agreement, whichever is earlier.

## **REASONS AND BENEFITS OF THE STRATEGIC COOPERATION AGREEMENT**

The Company is one of the leading food and beverages producers and manufacturers in the PRC. It has fully established its distribution network covering the eastern, central, southern and southwestern regions of China. Shanghai Tangjiu and its subsidiaries are one of the leading food and beverages producers and manufacturers in Shanghai. In particular, Shanghai Tangjiu possesses a number of well-known brands and has a strong influence in upstream industries such as the agricultural and animal husbandry and fishery industries, as well as the downstream retail industry. Through strengthening of cooperation between the parties in areas such as raw materials, distribution network, branding, and products, the parties will be able to achieve complementary advantages and will strive to realise multi-levels of benefits through the cooperation.

### **B. DISPOSAL OF 2% EQUITY INTEREST IN NANPU**

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As at the date of this announcement, Nanpu is a joint venture indirectly owned by the Group as to 51% through Tenwow (Fujian) Food (as to 35.835%) and the Vendor (as to 15.165%), both being wholly-owned subsidiaries of the Company, and is owned by Shanghai Tangjiu as to the remaining 49%. Upon completion of the Disposal, Nanpu will be held as to 51%, 35.835% and 13.165% by Shanghai Tangjiu, Tenwow (Fujian) Food and the Vendor, respectively.

## **THE DISPOSAL**

The principal terms of the Equity Transfer Agreement are summarized as follows:

<b>Date</b>	:	15 April 2016
<b>Parties</b>	:	(i) The Vendor, as vendor; and (ii) Shanghai Tangjiu, as purchaser.
<b>Asset to be disposed</b>	:	2% equity interest in Nanpu

**Consideration and payment** : RMB20,000,000 to be paid by Shanghai Tangjiu to the Vendor in full within ten (10) business days after the relevant approval documents stated under the paragraph headed “Conditions Precedent” below have been obtained.

The consideration was determined by the parties after arm’s length negotiations, with reference to the net asset value of Nanpu plus premium.

### **Conditions Precedent**

Shanghai Tangjiu’s obligations for Completion (save as waived in writing by Shanghai Tangjiu) is subject to:

- (i) the Vendor having provided Shanghai Tangjiu with copies of the board and shareholders resolutions of Nanpu and the Vendor, respectively authorising or approving the signing, delivery and performance of the transactions under the Equity Transfer Agreement; and
- (ii) the Vendor having provided Shanghai Tangjiu with a copy of the letter from Tenwow (Fujian) Food agreeing to waive its preemption rights to the Sale Interest under the Equity Transfer Agreement.

The Vendor’s obligations for Completion (save as waived in writing by the Vendor) is subject to:

- (i) Shanghai Tangjiu having provided the Vendor with copies of the board and shareholders resolutions of Shanghai Tangjiu authorising or approving the signing, delivery and performance of the transactions under the Equity Transfer Agreement; and
- (ii) Shanghai Tangjiu and the Vendor having obtained the relevant governmental approvals (if any) in relation to the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder.

### **Completion**

Within three (3) business days of payment of the consideration by Shanghai Tangjiu under the Equity Transfer Agreement, the parties and Nanpu shall coordinate to register the transfer of the Sale Interest with the competent Trade and Industry Bureau responsible for Nanpu. Completion shall take place on the day on which the transfer of the Sale Interest are registered with the Trade and Industry Bureau.

## Financial information of Nanpu

As at 31 December 2015, the audited net asset value of Nanpu is approximately RMB780,116,000.

	<b>For the year ended 31 December 2014 (audited)</b>	<b>For the year ended 31 December 2015 (audited)</b>
Net profit before taxation	RMB82,046,000	RMB90,223,000
Net profit after taxation	RMB59,275,000	RMB63,967,000

## INFORMATION OF THE GROUP AND PARTIES INVOLVED IN THE STRATEGIC COOPERATION AGREEMENT AND THE EQUITY TRANSFER AGREEMENT

The Company is a packaged food and beverage producer and distributor in China 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 China.

The Vendor is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the sale of various wines and liquor and provides a supporting sales network in Eastern China.

Tenwow Group is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is a leading packaged food and beverage producer and one of the largest distributors of packaged food and beverages in the PRC, with a well-established distribution network across the PRC.

Nanpu is a joint venture of the Company which, as at the date of this announcement, is indirectly owned by the Company as to 51% and as to 49% by Shanghai Tangjiu, a substantial shareholder of Nanpu and a connected person of the Company. Nanpu was established in the PRC with limited liability on 6 October 1992. From the Group's operational, management and accounting perspectives, Nanpu (which is accounted as a joint venture) and its subsidiaries are not considered as subsidiaries of the Company. Nanpu is the largest distributor of the Company and is also one of the largest packaged food and beverage distributors in China. Nanpu's distribution channels primarily focus on the eastern and northern regions of China, which is complementary to the distribution channels of the Company.

Shanghai Tangjiu, a state-owned enterprise in the PRC and a wholly owned subsidiary of Bright Food (Group) Co., Ltd. (光明食品(集團)有限公司), is a producer and seller of sugar and Chinese rice wine and also a food brand agency company and food retailer in the PRC. Shanghai Tangjiu is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of Shanghai Tangjiu being a substantial shareholder of Nanpu.

## **REASONS AND FINANCIAL IMPACT OF THE DISPOSAL**

The Vendor and Shanghai Tangjiu have agreed to further support Nanpu, with the aim to enhance Nanpu's overall strength and competitiveness. With the view to a steady and sustainable growth of Nanpu, the parties have reached consensus to support and optimize the business operation and arrangements of Nanpu given the right capital market conditions and to maximize the value of Nanpu by means of capital operation. The Group and Shanghai Tangjiu intends to establish multi-level strategic cooperation relationship, which may improve the business of Nanpu. Meanwhile, the increase in shareholding of Nanpu's equity interests by the state-owned enterprise would also help allay concerns from certain investors on the connected transactions between Tenwow Group and Nanpu. The Disposal will also enhance the cash flow of the Group.

It is expected that the Group will record a gain on the Disposal in the amount of approximately RMB4,534,000, which is calculated based on the consideration for the Disposal and the carrying value of the Sale Interest of approximately RMB15,466,000.

The Board intends to use the net proceeds arising from the Disposal for general working capital.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As with the case at the time of the Company's listing on the Stock Exchange, Nanpu is and remains to be deemed as a connected person of the Company by the Stock Exchange under Rule 14A.07 of the Listing Rules. Shanghai Tangjiu is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of Shanghai Tangjiu being a substantial shareholder of Nanpu. As one or more applicable percentage ratios for the Disposal contemplated under the Equity Transfer Agreement are more than 0.1% but below 5%, the Disposal is subject to reporting and announcement requirements but exempt from the independent shareholders' approval under Chapter 14A of the Listing Rules.

None of the Directors have any material interest in the transactions contemplated under the Equity Transfer Agreement and none of them was required to abstain from voting on the resolutions passed by the Board to approve the Equity Transfer Agreement.

## **DEFINITIONS**

The following expressions in this announcement have the following meanings:

“Announcement”	the announcement of the Company dated 7 April 2015 in relation to, among other things, the strategic cooperative agreement entered into between Tenwow Group and Shanghai Tangjiu
“Board”	board of Directors

“Company”	Tenwow International Holdings Limited (天喔國際控股有限公司), a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1219)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of 2% equity interest of Nanpu by the Vendor to Shanghai Tangjiu pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	an agreement dated 15 April 2016 entered between the Vendor and Shanghai Tangjiu in relation to, among other things, the Disposal
“Group”	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
“Nanpu”	Nanpu Food Co. Ltd. (南浦食品(集團)有限公司), is a company established under the laws of the PRC of which as at the date of this announcement the Group owns 51% interest and a joint venture of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interest”	2% equity interest in Nanpu held by the Vendor
“Shanghai Tangjiu”	Shanghai Tangjiu (Group) Co. Ltd. (上海市糖業煙酒(集團)有限公司), is a company established under the laws of the PRC on 14 August 1992, a substantial shareholder of Nanpu and a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	the strategic cooperation agreement dated 15 April 2016 entered into between Tenwow Group and Shanghai Tangjiu
“Tenwow (Fujian) Food”	Tenwow (Fujian) Food Co., Ltd. (天喔(福建)食品有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“Tenwow Group”

Tenwow Foods (Group) Co., Ltd. (天喔食品(集團)有限公司), is a company established under the laws of the PRC on 2 December 1999 and an indirect wholly-owned subsidiary of the Company

“Vendor”

Shanghai Tiansheng Wines and Spirits Co., Ltd. (上海天盛酒業有限公司) a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company

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

Hong Kong, 15 April 2016

*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 Ms. Chen Shirley Shiyong; and the independent non-executive Directors are Mr. Liu Chang-Tzong, Mr. Cheung Yui Kai Warren and Mr. Wang Longgen.*