



WONHE MULTIMEDIA COMMERCE LIMITED ACN 607 288 755  
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5 December 2016

**ASX Announcement**  
**Amendments to the Agreement relating to the Wireless Network in Beijing**

Wonhe Multimedia Commerce Limited (ASX: WMC) (“**Company**”) provides an update on the “Wireless Network Coverage Project in Beijing Area” agreement entered into between its Chinese wholly owned subsidiary, Shenzhen Wonhe Technology Co., Ltd (“**Shenzhen Wonhe**”) and Guangdong Kesheng Enterprise Co., Ltd. (“**Guangdong Kesheng**”), a State-owned Enterprise Operation in China, in January 2016 (“**Agreement**”), as announced on 21 January 2016. The Agreement contemplated that the parties would work together to develop a wireless network in certain designated areas in Beijing.

Shenzhen Wonhe had been in discussions with Guangdong Kesheng regarding the parties’ continuing obligations, commitments and contributions to the wireless network project. Shenzhen Wonhe and Guangdong Kesheng have agreed to vary the terms of the Agreement as follows:

1. Shenzhen Wonhe shall cease its participation in the construction and operation of the wireless network, and its commitment to develop the data systems used by the network, effective on 1 December 2016. As consequence, Shenzhen Wonhe will be released from its obligation to contribute capital to the project (including the cash contribution of 84,636,558 RMB in 2017 and 36,871,412 RMB in 2018), and will not be entitled to the fixed amount payments, as announced on 21 January 2016, and/or distribution of income from the project.
2. However, Shenzhen Wonhe will continue to supply 36,300 routers (being its core business) to Guangdong Kesheng for 1,800 RMB (approx. AUD\$350) each throughout the period between December 2016 and December 2017.
3. As of 30 November, 2016 Shenzhen Wonhe had contributed, by way of cash payments, the supply of equipment and engineering construction services, and the network from a pilot project in the Tongzhou District of Beijing, a total contribution valued at 175,755,641 RMB (approx. AUD\$34.4 million) to the wireless network project under the Agreement.

Under the variation agreement, the parties have now agreed that Shenzhen Wonhe’s total contribution of 175,755,641 RMB (AUD\$34.4 million) will be repaid to Shenzhen Wonhe by Guangdong Kesheng, together with interest accruing at interest rate of 4.75% per annum from 1 December 2016, in three equal annual instalments with the first instalment due on 31 December 2017. The total amount of principal and interest to be repaid to Shenzhen Wonhe shall be 192,452,427 RMB (approx. AUD\$37.67m).



The Board is of the opinion that Shenzhen Wonhe should now concentrate its efforts upon further development of its core business of supplying routers, as well as considering future strategic opportunities.

Justyn Stedwell

*Company Secretary*

On behalf of the Board of Directors

Wonhe Multimedia Commerce Limited