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**WH Group Limited**  
**萬洲國際有限公司**

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

**(Stock Code: 288)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF ASSETS**

**THE DISPOSAL**

On October 3, 2022, the Seller, a wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Buyer, pursuant to which the Seller agreed to sell and the Buyer agreed to buy the Assets at a purchase price of US\$587,500,000 (subject to adjustments pursuant to the terms of the Disposal Agreement).

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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## **The Disposal Agreement**

The principal terms of the Disposal Agreement are summarized as follows:

### ***Date***

October 3, 2022

### ***Parties***

- (i) the Seller, a wholly-owned subsidiary of the Company, as the seller;
- (ii) the Buyer, as the buyer.

To the best knowledge, information and belief of the Directors, after having made all reasonable enquiries, each of the Buyer and its ultimate beneficial owners is a third party independent of and not connected with the Company and its connected persons.

### ***Subject matter***

The Assets to be disposed of by the Seller (which are non-core assets of the Group) include:

- (a) the contracts relating to the Business as identified in the Disposal Agreement;
- (b) the inventory relating to the Business as identified in the Disposal Agreement;
- (c) the equipment relating to the Business as identified in the Disposal Agreement;
- (d) the intellectual property owned by Seller or any of its affiliates primarily used in or held for use in the operation of the Business;
- (e) all books and records of Seller or any of its affiliates to the extent related to the Business;
- (f) all permits held by Seller or its affiliates for the operation of the Business (except to the extent not transferrable to Buyer);
- (g) all real property owned by Seller and its applicable affiliates and primarily used in the Business; and
- (h) all other assets, properties and rights not covered under paragraphs (a) through (g) above that are primarily used in or held for use in the Business.

### ***Consideration and payment terms***

The consideration payable at the Closing of the Disposal Agreement shall be an amount equal to the purchase price of US\$587,500,000, as adjusted pursuant to the terms of the Disposal Agreement with reference to, among others, the net working capital and cash amount held by the Business and the amount of indebtedness related to the Business prior to the Closing.

At the Closing, the Buyer shall pay the estimated purchase price under the Disposal Agreement to the Seller. The final purchase price (reflecting the adjusted amount pursuant to the Disposal Agreement) shall be determined by the Seller and Buyer following the Closing, and the adjusted amount to the purchase price (if any) shall be paid by the Seller or Buyer to the other party as appropriate.

The consideration was determined based on arm's length negotiations between the Seller and the Buyer having regard to, among other things, the historical financial performance and the book value of the Assets as at December 31, 2021 in the amount of US\$120,800,000, as well as taking into account the factors set out in the sections of this announcement headed "Financial Impact on the Group and Use of Proceeds" and "Reasons for the Disposal".

### ***Closing***

The Closing shall take place at 10:00 a.m. New York time electronically via the exchange of documents and signatures on the fifth business day following the date that all of the conditions set forth in the Disposal Agreement are satisfied or waived.

### ***Conditions***

The Closing is conditional upon the satisfaction or waiver of (as appropriate) the following conditions precedent, among others:

- (a) the waiting periods (and any extensions thereof) and any approvals applicable to the transactions contemplated by the Disposal Agreement shall have been terminated or shall have expired or shall have been obtained, as applicable;
- (b) each of the Buyer or Seller shall have performed and complied in all material respects with all of its covenants and obligations under the Disposal Agreement that are required to be performed or complied with by it on or prior to the date of the Closing; and
- (c) at date of the Closing, there being in effect no law, preliminary or permanent injunction or other order issued or threatened by any governmental entity of competent jurisdiction which would restrain, prohibit or otherwise makes illegal the consummation of the transactions contemplated by the Disposal Agreement.

### ***Commitment letter provided by the Sponsors***

Concurrently with the execution of the Disposal Agreement, and as a condition and inducement to the Seller's willingness to enter into the Disposal Agreement, the Buyer has delivered to Seller a commitment letter by and among the Sponsors and the Buyer, pursuant to which the Sponsors have agreed and committed, subject to the terms and conditions set forth therein, to invest in the Buyer, directly or indirectly, the cash amounts set forth therein.

### **INFORMATION ON THE GROUP**

The Company is a limited liability company incorporated under the laws of the Cayman Islands. The principal activity of the Company is investment holding. The Group is the world's largest pork company, with global leadership across key segments of the industry value chain, including packaged meats, fresh pork and hog production.

The Seller is a corporation incorporated in the Commonwealth of Virginia, the United States and an indirect wholly-owned subsidiary of the Company. The Seller is a global food company with farms, facilities and offices in the United States, Europe and Mexico.

Based on the Seller's management accounts, the unaudited net profits attributable to the Assets before and after taxation for the financial years ended December 31, 2020 and 2021 were respectively:

- (i) for 2020 — US\$17,600,000 and US\$13,600,000; and
- (ii) for 2021 — US\$20,900,000 and US\$17,000,000.

### **INFORMATION ON THE BUYER**

The Buyer is a limited liability company incorporated in Delaware, the United States and a wholly-owned subsidiary of Solina, a société par actions simplifiée incorporated under the laws of France. The principal business activity of the Buyer is investment holding.

Solina is the leader on the European market of savoury ingredients. With 35 production sites and numerous local R&D centres close to its customers, Solina develops tailor-made ingredients for the savoury food industry, foodservice and butcher sectors. Solina's expertise combines culinary and technical expertise that enables the company to design innovative food solutions excelling in taste, functionality and nutrition. Headquartered in France, the company counts more than 2700 employees, production facilities in 19 countries and serves clients in more than 75 countries. Solina's majority shareholder is Astorg.

Astorg is a leading European private equity firm with over €18 billion of assets under management. Astorg works with entrepreneurs and management teams to acquire market leading global companies headquartered in Europe or the United States, providing them with the strategic guidance, governance and capital they need to achieve their growth



“Assets”	the subject matter of the Disposal, the details of which are disclosed in the section headed “The Disposal Agreement — Subject matter” in this announcement
“Astorg”	AAM, and together with its affiliates and funds managed by AAM
“Board”	the board of Directors
“Business”	Saratoga Foods Specialty division of the Seller, which creates, designs, develops, formulates and manufactures for sale custom spices, seasonings, spice or seasoning blends and culinary sauces, including to food manufacturers and food service providers in the United States and Canada
“Buyer”	Saratoga Food Specialties LLC, a limited liability company incorporated in Delaware, the United States
“Closing”	closing of the Disposal in accordance with the terms of the Disposal Agreement
“Company”	WH Group Limited (萬洲國際有限公司), a limited liability company incorporated under the laws of the Cayman Islands the Shares of which are listing on the Main Board of the Stock Exchange
“connected persons”, “percentage ratio” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Assets by the Seller to the Buyer pursuant to the Disposal Agreement
“Disposal Agreement”	the asset purchase agreement dated October 3, 2022 entered into between the Seller and the Buyer in respect of the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Seller”	Smithfield Foods, Inc., a corporation incorporated in the Commonwealth of Virginia, the United States and an indirect wholly-owned subsidiary of the Company and, as the context may require, all or any of its subsidiaries
“Shareholders”	holders of the ordinary shares with nominal value of US\$0.0001 each in the share capital of the Company
“Solina”	Solina Group Holding, a société par actions simplifiée incorporated under the laws of France
“Sponsors”	Astorg VII Special Limited Partnership and Astorg VII Co-Invest Solina. Astorg VII Special Limited Partnership and Astorg VII Co-Invest Solina are Luxembourg special limited partnerships and managed by AAM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

By order of the Board  
**WH Group Limited**  
**Wan Long**  
*Chairman*

Hong Kong, October 3, 2022

*As at the date of this announcement, the executive directors of the Company are Mr. WAN Long, Mr. GUO Lijun, Mr. WAN Hongwei, Mr. Charles Shane SMITH and Mr. MA Xiangjie; the non-executive director of the Company is Mr. JIAO Shuge; and the independent non-executive directors of the Company are Mr. HUANG Ming, Mr. LAU, Jin Tin Don and Ms. ZHOU Hui.*