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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)

**(1) CONDITIONAL VOLUNTARY CASH OFFER
BY MERRILL LYNCH (ASIA PACIFIC) LIMITED AND
MORGAN STANLEY ASIA LIMITED ON BEHALF OF
THE COMPANY TO BUY-BACK UP TO 1,916,937,202 SHARES
AT A PRICE OF HK\$7.80 PER SHARE**
**(2) APPLICATION FOR WHITEWASH WAIVER
AND**
(3) RESUMPTION OF TRADING

FINANCIAL ADVISERS TO THE COMPANY

BofA SECURITIES 

Morgan Stanley

(in alphabetical order)

THE OFFER

The Board resolved on 2 June 2021 for a conditional voluntary cash offer to be made by BofA Securities and Morgan Stanley on behalf of the Company to buy-back, subject to fulfilment of the Conditions, for cancellation up to the Maximum Number, being 1,916,937,202 Shares, representing approximately 13.0% of the issued share capital of the Company as at the date of this announcement at a cash consideration of HK\$7.80 per Share.

The Offer will be made in full compliance with the Codes. The consideration for the Offer, being approximately HK\$14,952.1 million if the Offer is accepted in full, will be paid in cash and will be funded partially by internal resources of the Group and largely by a committed facility.

The Offer Price of HK\$7.80 values the entire issued share capital of the Company as at the date of this announcement (being 14,745,670,786 Shares) at approximately HK\$115,016.2 million.

The Offer Price of HK\$7.80 in cash per Share represents:

- (a) a premium of approximately 17.29% over the closing price of HK\$6.6500 per Share as quoted on the Stock Exchange on 1 June 2021 (being the Last Trading Day);
- (b) a premium of approximately 16.35% over HK\$6.7040 which is the average closing price per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 16.31% over HK\$6.7060 which is the average closing price per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 15.64% over HK\$6.7453 which is the average closing price per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 13.54% over HK\$6.8700 which is the average closing price per Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day;
- (f) a premium of approximately 15.22% over HK\$6.7698 which is the average closing price per Share as quoted on the Stock Exchange over the 90 consecutive trading days up to and including the Last Trading Day; and

(g) a premium of approximately 35.10% to the consolidated net asset value of the Company as at 31 December 2020 of approximately US\$0.74 per Share (equivalent to approximately HK\$5.77 per Share based on the exchange rate of US\$1: HK\$7.75) pursuant to the latest audited consolidated financial statements of the Company.

THE CONTROLLING SHAREHOLDERS CONCERT GROUP UNDERTAKINGS

Each of Heroic Zone, Chang Yun, Sure Pass, High Zenith, Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun and Mr. Ma Xiangjie has irrevocably undertaken to the Company that it or he will not, and will procure the holders of the Shares whose Shares it or he is deemed to be interested in by virtue of Part XV of the SFO not to, accept the Offer or transfer or dispose of any of the Shares held by it or him or in which it or he is interested in during the Offer Period.

Each of Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun, Mr. Ma Xiangjie and Mr. Liu Songtao has irrevocably undertaken to the Company that he will not exercise any of the Options held by him during the Offer Period.

IMPLICATIONS UNDER THE CODES AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Controlling Shareholders Concert Group is, in aggregate, interested in 5,033,479,978 Shares, representing approximately 34.14% of the issued share capital of the Company.

Pursuant to Rule 32.1 of the Takeovers Code and Rule 6 of the Share Buy-backs Code, if as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Subject to the level of acceptances received from the Accepting Shareholders pursuant to the Offer and assuming that no Options will be exercised by their holders prior to completion of the Offer (taking into account the Controlling Shareholders Concert Group Undertakings), the aggregate interests of Controlling Shareholders Concert Group may increase from 34.14% to a maximum level of approximately 39.24% upon completion of the Offer. Accordingly, the Controlling Shareholders Concert Group would be required to make a mandatory offer under Rule 26.1(d) of the Takeovers Code for all the Shares not already owned or agreed to be acquired by it unless the Whitewash Waiver is granted.

An application will be made by Heroic Zone, the Controlling Shareholder having control over approximately 34.11% of the total issued share capital of the Company, to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be conditional upon, among others, (i) the approval by at least 75% of the Independent Shareholders in attendance either in person or by proxy at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the Independent Shareholders in attendance either in person or by proxy at the EGM by way of poll in respect of the Offer.

GENERAL

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer and the Whitewash Waiver, at which only Independent Shareholders can vote. Members of the Controlling Shareholders Concert Group who hold Shares (including Heroic Zone, Sure Pass, High Zenith, Chang Yun, Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun and the spouse of Mr. Ma Xiangjie) as at the date of the EGM will abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver at the EGM.

Mr. Jiao Shuge (a non-executive Director) and Mr. Huang Ming, Mr. Lee Conway Kong Wai and Mr. Lau, Jin Tin Don (each being an independent non-executive Director), comprising all the non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver.

An independent financial adviser will be appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and the Whitewash Waiver in accordance with Rule 2.1 of the Takeovers Code. An announcement on such appointment will be made as soon as practicable.

The Offer Document for the Offer containing, *inter alia*: (i) further details of the Offer; (ii) the expected timetable relating to the Offer; (iii) the recommendation from the Independent Board Committee with respect to the Offer and the Whitewash Waiver; (iv) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) a notice convening the EGM; and (vi) the Form of Acceptance and information relating to the procures required for the acceptance of the Offer, will be despatched to the Shareholders within 21 days from the date of this announcement or such later date to which the Executive may consent.

WARNING

The Offer is subject to all of the Conditions being satisfied in full on or before the Long Stop Date. If the Whitewash Waiver is not granted by the Executive, or if the resolutions to approve the Offer and the Whitewash Waiver are not passed by the Independent Shareholders, the Offer will not proceed and will lapse immediately.

It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the securities of the Company will bear the risk that the Offer may lapse.

Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders to be contained in the Offer Document before deciding whether to vote for or against the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM.

Shareholders should also note that their voting decision on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM shall not affect their decision as to whether to accept the Offer or not.

If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and should consult their professional advisers when in doubt.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 2 June 2021 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 June 2021.

A. INTRODUCTION

The Board resolved on 2 June 2021 for a conditional voluntary cash offer to be made by BofA Securities and Morgan Stanley on behalf of the Company to buy-back, subject to fulfilment of the Conditions, for cancellation up to the Maximum Number, being 1,916,937,202 Shares, representing approximately 13.0% of the issued share capital of the Company as at the date of this announcement at a cash consideration of HK\$7.80 per Share.

The Offer will be made in full compliance with the Codes. The consideration for the Offer, being approximately HK\$14,952.1 million if the Offer is accepted in full, will be paid in cash and will be funded partially by internal resources of the Group and largely by a committed facility.

B. TERMS OF THE OFFER

The principal terms of the Offer are as follows:

- (a) BofA Securities and Morgan Stanley will make the Offer to the Shareholders on behalf of the Company to buy-back up to the Maximum Number of Shares at the Offer Price;
- (b) the Shareholders may accept the Offer in respect of any number of their Shares at the Offer Price up to their entire shareholding (subject to the procedures for scaling down as described under the section headed “F. Other Terms of the Offer” below);
- (c) the Offer is not conditional upon a minimum number of Shares being tendered for buy-backs;
- (d) all Shares validly tendered will be bought-back to the extent that the aggregate number of Shares repurchased pursuant to the Offer will not thereby exceed the Maximum Number. If the number of Shares validly tendered exceeds the Maximum Number, the number of Shares to be bought-back from each Accepting Shareholder will be reduced proportionally so that the number of Shares bought-back by the Company in aggregate is equal to the Maximum Number. Further details of the procedures for scaling down are described under the section headed “F. Other Terms of the Offer” below;
- (e) a Form of Acceptance duly received by or on behalf of the Company will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional unless in accordance with Rule 19.2 of the Takeovers Code;
- (f) Shares will be bought-back for cash, free of commission, levies and dealings charges, save that the amount of stamp duty due on the Shares bought-back attributable to the seller will be deducted from the amount payable to the Accepting Shareholders and will be paid by the Company on behalf of the Accepting Shareholders;
- (g) Shares bought-back will be treated as cancelled and will not be entitled to any dividend declared for any record date set subsequent to the date of their cancellation. Accordingly, the issued share capital of the Company will be diminished by the nominal value of the Shares being bought-back; and

- (h) Shares will be bought-back free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature. Accordingly, the submission of a Form of Acceptance by an Accepting Shareholder will be deemed to constitute a warranty by that Accepting Shareholder to BofA Securities, Morgan Stanley and the Company that the Shares are being sold free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature.

In accordance with the Share Buy-backs Code, the Offer will be subject to the approval by the Independent Shareholders in a general meeting by a majority of votes by way of poll and will also be subject to the satisfaction of the Conditions.

The full terms and details of the Offer will be set out in the Offer Document.

C. THE OFFER PRICE

The Offer Price of HK\$7.80 values the entire issued share capital of the Company as at the date of this announcement (being 14,745,670,786 Shares) at approximately HK\$115,016.2 million:

The Offer Price of HK\$7.80 in cash per Share represents:

- (a) a premium of approximately 17.29% over the closing price of HK\$6.6500 per Share as quoted on the Stock Exchange on 1 June 2021 (being the Last Trading Day);
- (b) a premium of approximately 16.35% over HK\$6.7040 which is the average closing price per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 16.31% over HK\$6.7060 which is the average closing price per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 15.64% over HK\$6.7453 which is the average closing price per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 13.54% over HK\$6.8700 which is the average closing price per Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Day;
- (f) a premium of approximately 15.22% over HK\$6.7698 which is the average closing price per Share as quoted on the Stock Exchange over the 90 consecutive trading days up to and including the Last Trading Day; and

- (g) a premium of approximately 35.10% to the consolidated net asset value of the Company as at 31 December 2020 of approximately US\$0.74 per Share (equivalent to approximately HK\$5.77 per Share based on the exchange rate of US\$1:HK\$7.75) pursuant to the latest audited consolidated financial statements of the Company.

The Offer Price was determined after taking into account, among other things, the historical prices of the Shares traded on the Stock Exchange, historical financial information of the Group and the prevailing market conditions and sentiments, and with reference to the share buy-back transactions of companies listed on the Main Board of the Stock Exchange in recent years.

The Company will not increase the Offer Price. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Company will not be allowed to increase the Offer Price. The Company does not reserve the right to increase the Offer Price.

D. CONFIRMATION OF FINANCIAL RESOURCES

The consideration for the Offer, being approximately HK\$14,952.1 million if the Offer is accepted in full, will be paid in cash and will be funded partially by internal resources of the Group and largely by a committed facility. BofA Securities and Morgan Stanley, being the financial advisers to the Company, are satisfied that sufficient financial resources are, and will remain, available to the Company to satisfy full acceptance of the Offer as described above.

E. CONDITIONS OF THE OFFER

The Offer will be conditional upon fulfilment of all of the following conditions on or before the Long Stop Date:

- (a) the approval by more than 50% of the votes cast by the Independent Shareholders in attendance either in person or by proxy by way of a poll having been obtained at the EGM in respect of the Offer;
- (b) the approval by at least 75% of the votes cast by the Independent Shareholders in attendance either in person or by proxy by way of a poll having been obtained at the EGM in respect of the Whitewash Waiver; and
- (c) the Executive granting the Whitewash Waiver and the satisfaction of any conditions attached to the Whitewash Waiver and the Whitewash Waiver not having been revoked or withdrawn.

None of the Conditions can be waived. Accordingly, if any of the Conditions is not satisfied on or before the Long Stop Date, the Offer will not proceed.

WARNING

The Offer is subject to all of the Conditions being satisfied in full on or before the Long Stop Date. If the Whitewash Waiver is not granted by the Executive, or if the resolutions to approve the Offer and the Whitewash Waiver are not passed by the Independent Shareholders, the Offer will not proceed and will lapse immediately.

It should be noted that dealings in the Shares will continue notwithstanding that any of the Conditions may remain unfulfilled, and that persons dealing in the securities of the Company will bear the risk that the Offer may lapse.

Shareholders are advised to consider the detailed terms of the Offer and the Whitewash Waiver and read, among other things, the letter from the Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders to be contained in the Offer Document before deciding whether to vote for or against the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM.

Shareholders should also note that their voting decision on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM shall not affect their decision as to whether to accept the Offer or not.

If Shareholders are in any doubt as to any aspect of the Offer and the Whitewash Waiver or as to the action to be taken, they should seek independent professional advice.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and should consult their professional advisers when in doubt.

Pursuant to Rule 5.1 of the Share Buy-backs Code and Rule 15.3 of the Takeovers Code, if the Offer is declared unconditional, Shareholders will be able to tender their Shares for acceptance under the Offer for a period of 14 days thereafter.

Acceptance duly received will become irrevocable and cannot be withdrawn after the Offer has been declared unconditional, unless in accordance with Rule 19.2 of the Takeovers Code. All Shares bought-back under the Offer will be cancelled.

The Offer will not be conditional on any minimum number of acceptances. Shares will be bought-back free of commissions and dealing charges, but the seller's ad valorem stamp duty payable by the Accepting Shareholders, calculated at a rate of HK\$1.00 for every HK\$1,000 or part thereof of the market value of the Shares to be bought-back under the Offer, or the consideration payable by the Company in respect of relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable to the Accepting Shareholders. The Company will arrange for payment of the seller's ad valorem stamp duty on behalf of the Accepting Shareholders.

Acceptance of the Offer by any Accepting Shareholder will, subject to the Offer becoming unconditional, be deemed to constitute a warranty by such Shareholder that all Shares sold by such Shareholder under the Offer are free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature, and are sold together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and other distributions declared, made or paid, if any, on or after the date of their cancellation.

F. OTHER TERMS OF THE OFFER

Shareholders may accept the Offer in respect of some or all of their shareholding. If valid acceptances are received for the Maximum Number or fewer Shares, all Shares validly accepted will be bought-back. If valid acceptances received exceed the Maximum Number, the total number of Shares to be bought-back by the Company from each Accepting Shareholder will be determined in accordance with the following formula, save that the Company may in its absolute discretion round such figure up or down with the intention of avoiding (as far as practicable) Shares being held by Accepting Shareholders in fractional entitlements:

$$\frac{A}{B} \times C$$

- A = 1,916,937,202 Shares, being the Maximum Number;
- B = Total number of Shares tendered by all Accepting Shareholders under the Offer;
- C = Total number of Share tendered by the relevant individual Accepting Shareholder under the Offer

As a result, it is possible that not all of such Shares tendered by an Accepting Shareholder will ultimately be bought-back. The total number of Shares which will be bought-back by the Company under the Offer will not exceed the Maximum Number. The decision of the Company as to any scaling down of acceptances in accordance with the above formula and as to the treatment of fractions will be conclusive and binding on all Accepting Shareholders.

G. ODD LOTS

The Shares are currently traded in board lot of 500 Shares each. There is no intention to change the board lot size as a result of the Offer. Accepting Shareholders should note that acceptance of the Offer may result in their holding of odd lots of Shares. The Company will make arrangements to appoint a designated broker to match sales and purchases of odd lot holdings of Shares for a reasonable period after completion of the Offer in order to enable such Accepting Shareholders to dispose of their odd

lots or to top up their odd lots to whole board lots. Details of such arrangements will be included in the Offer Document and will be disclosed by way of separate announcement as and when appropriate.

H. THE CONTROLLING SHAREHOLDERS CONCERT GROUP UNDERTAKINGS

As at the date of this announcement, (i) the Company has a total of 14,745,670,786 issued Shares and a total of 437,177,603 outstanding Options to subscribe for up to 437,177,603 Shares; (ii) as described in note (2) of the shareholding table under the section headed “L. Changes in Shareholding Structure of the Company” below, by virtue of the voting undertakings and arrangement, Heroic Zone has control over the voting rights in an aggregate of 5,029,376,978 Shares held by Chang Yun, High Zenith, Sure Pass and Heroic Zone (representing approximately 34.11% of the total issued share capital of the Company); (iii) Mr. Wan Long, Mr. Wan Hongwei (the son of Mr. Wan Long), Mr. Guo Lijun and Ms. Shi Huiying (the spouse of Mr. Ma Xiangjie), each being a director of one or more of the Controlling Shareholders or close relatives of such director, and therefore a member of the Controlling Shareholders Concert Group, hold 4,103,000 Shares, representing approximately 0.03% of the total issued share capital of the Company; (iv) Mr. Zhang Liwen, Mr. Ma Xiangjie and Mr. Liu Songtao are the trustees under the Heroic Zone Share Plan entrusted to hold the legal title of, and to exercise the shareholders’ rights attached to, 100% equity interest in Rise Grand (which in turn wholly owns Heroic Zone); (v) Mr. Guo Lijun, Mr. Ma Xiangjie and Mr. Liu Songtao are the trustees under the Chang Yun Share Plan entrusted to hold the legal title of, and to exercise the shareholders rights attached to, 100% equity interest in Auspicious Joy (which in turn wholly owns Chang Yun); and (vi) Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun, Mr. Ma Xiangjie and Mr. Liu Songtao, each being a director of one or more of the Controlling Shareholders, and therefore a member of the Controlling Shareholders Concert Group, together hold 204,501,257 outstanding Options, representing approximately 46.78% of total outstanding Options.

Each of Heroic Zone, Chang Yun, Sure Pass, High Zenith, Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun and Mr. Ma Xiangjie has irrevocably undertaken to the Company that it or he will not, and will procure the holders of the Shares whose Shares it or he is deemed to be interested in by virtue of Part XV of the SFO not to, accept the Offer or transfer or dispose of any of the Shares held by it or him or in which it or he is interested in during the Offer Period.

Each of Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun, Mr. Ma Xiangjie and Mr. Liu Songtao has irrevocably undertaken to the Company that he will not exercise any of the Options held by him during the Offer Period.

Under no circumstances will the Controlling Shareholders Concert Group Undertakings cease to be binding during the Offer Period.

As at the date of this announcement, (i) save for the Controlling Shareholders Concert Group Undertakings, neither the Company nor parties acting in concert with it has received any irrevocable commitment not to accept the Offer; and (ii) neither the Company nor parties acting in concert with it has received any irrevocable commitment to accept the Offer.

I. OVERSEAS SHAREHOLDERS

The making of the Offer to Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. The laws of the relevant jurisdictions may prohibit the making of the Offer to Overseas Shareholders or require compliance with certain filing, registration or other requirements in respect of the Offer. The Company reserves the right, subject to the consent of the Executive and the relevant legal requirements, to make special arrangements with respect to Overseas Shareholders whose receipt of the Offer Document and the Form of Acceptance is subject to the laws of the overseas jurisdictions. Details of the Offer in respect of Overseas Shareholders will be set out in the Offer Document. The Company will comply with the requirements under Rule 8 (subject to Note 3 to Rule 8) of the Takeovers Code in respect of Overseas Shareholders.

It is the responsibility of each Overseas Shareholder who wishes to accept the Offer to satisfy itself or himself or herself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or compliance with other necessary formalities or legal requirements. Any acceptance of the Offer by any Shareholder shall be deemed to constitute a representation and warranty from such Shareholder to the Company that all applicable local laws and requirements have been observed and complied with. Shareholders should consult their professional advisers if in doubt.

The Company shall give notice of any matter in relation to the Offer to the Shareholders by issuing announcements or advertisements in accordance with the Codes and the Listing Rules and, if so given, shall be deemed to have been sufficient for all effective purposes, despite any failure by any Overseas Shareholders to receive the same.

J. NOMINEE REGISTRATION OF SHARES

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of the Shares, whose investments are registered in nominee names (including those whose interests in Shares are held through CCASS), to accept the Offer, it is essential that they provide instructions to their nominee agents of their intentions with regard to the Offer.

K. IMPLICATIONS UNDER THE CODES AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Controlling Shareholders Concert Group is, in aggregate, interested in 5,033,479,978 Shares, representing approximately 34.14% of the issued share capital of the Company.

Pursuant to Rule 32.1 of the Takeovers Code and Rule 6 of the Share Buy-backs Code, if as a result of a share buy-back, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Subject to the level of acceptances received from the Accepting Shareholders pursuant to the Offer and assuming that no Options will be exercised by their holders prior to completion of the Offer (taking into account the Controlling Shareholders Concert Group Undertakings), the aggregate interests of Controlling Shareholders Concert Group may increase from 34.14% to a maximum level of approximately 39.24% upon completion of the Offer. Accordingly, the Controlling Shareholders Concert Group would be required to make a mandatory offer under Rule 26.1(d) of the Takeovers Code for all the Shares not already owned or agreed to be acquired by it unless the Whitewash Waiver is granted.

An application will be made by Heroic Zone, the Controlling Shareholder having control over the voting rights in approximately 34.11% of the total issued share capital of the Company, to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be conditional upon, among others, (i) the approval by at least 75% of the Independent Shareholders in attendance either in person or by proxy at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the Independent Shareholders in attendance either in person or by proxy at the EGM by way of poll in respect of the Offer.

The Offer will be conditional upon approval of more than 50% of the Independent Shareholders voting by way of poll at the EGM and the Whitewash Waiver being granted by the Executive, which would also be subject to the approval of at least 75% of the Independent Shareholders voting by way of poll at the EGM. Under Note 15 to Rule 26.1 of the Takeovers Code, the Controlling Shareholders Concert Group shall be deemed to have a lowest percentage holding equal to its percentage holding immediately after completion of the Offer and is free to acquire and dispose of further voting rights in the Company within a band of 2% above such lowest percentage holding of voting rights in the Company in the 12-month period ending on the date of completion of the relevant acquisition without incurring an obligation to make a general offer. Within this band, dispositions of voting rights may be netted off against acquisitions thereof.

If the Offer or the Whitewash Waiver is not approved by the Independent Shareholders, or if the latter is not granted by the Executive, the Offer will not proceed and will lapse immediately.

As at the date of this announcement, the Company does not believe that the transactions under the Offer and the Whitewash Waiver would give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) in Hong Kong. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Offer Document. The Company notes that the Executive may not grant the Whitewash Waiver if the transactions under the Offer and the Whitewash Waiver do not comply with other applicable rules and regulations.

L. CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Offer (assuming that the Maximum Number of Shares are bought-back under the Offer):

	As at the date of this announcement		Upon completion of the Offer (assuming no Options will be exercised from the date of this announcement up to and including the date of completion of the Offer)		Upon completion of the Offer (assuming all Options have been exercised before completion of the Offer, save for the Options held by the Controlling Shareholders Concert Group)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Controlling Shareholders Concert Group						
— Heroic Zone ^(1 and 2)	3,473,820,000	23.56	3,473,820,000	27.08	3,473,820,000	26.60
— Chang Yun ⁽²⁾	631,580,000	4.28	631,580,000	4.92	631,580,000	4.84
— Sure Pass ^(2 and 3)	573,099,645	3.89	573,099,645	4.47	573,099,645	4.39
— High Zenith ^(2 and 4)	350,877,333	2.38	350,877,333	2.74	350,877,333	2.69
— Mr. Wan Long ⁽⁵⁾	1,500,000	0.01	1,500,000	0.01	1,500,000	0.01
— Mr. Wan Hongwei ⁽⁶⁾	2,500,000	0.02	2,500,000	0.02	2,500,000	0.02
— Mr. Guo Lijun ⁽⁷⁾	100,000	0.00	100,000	0.00	100,000	0.00
— Mr. Ma Xiangjie ⁽⁸⁾	3,000	0.00	3,000	0.00	3,000	0.00
Aggregate number of Shares held by the Controlling Shareholders Concert Group	5,033,479,978	34.14	5,033,479,978	39.24	5,033,479,978	38.54
Other core connected persons⁽⁹⁾	420,500	0.00	420,500	0.00	88,261,225⁽¹⁰⁾	0.68
— Mr. Dennis Pat Rick Organ ⁽⁹⁾	—	—	—	—	1,000,000 ⁽¹⁰⁾	0.01
— certain directors of subsidiaries of the Company ⁽⁹⁾	420,500	0.00	420,500	0.00	87,261,225 ⁽¹⁰⁾	0.67
Parties acting in concert with the Company						
— Morgan Stanley Group ^(11 and 12)	22,943,044 ⁽¹¹⁾	0.16	22,943,044 ⁽¹¹⁾	0.18	22,943,044 ⁽¹¹⁾	0.18
Public Shareholders⁽¹²⁾	9,711,770,308	65.86	7,794,833,106	60.76	7,939,668,727	60.79
TOTAL	14,745,670,786	100.00	12,828,733,584	100.00	13,061,409,930	100.00

Notes:

- (1) As at the date of this announcement, Heroic Zone is a wholly-owned subsidiary of Rise Grand, the beneficial interest of which is owned by the HSP Participants under the Heroic Zone Share Plan. Pursuant to an entrustment agreement dated 5 November 2019, the HSP ESC, on behalf of all HSP Participants, entrusted three individual trustees, namely Messrs. Zhang Liwen, Ma Xiangjie and Liu Songtao, to hold the legal title of, and to exercise the shareholders' rights attached to, 100% equity interest in Rise Grand in joint tenancy on behalf of the HSP Participants. Each of Mr. Zhang Liwen and Mr. Liu Songtao is also an HSP Participant holding approximately 0.13% and approximately 0.20% of the participant units in Heroic Zone Share Plan, respectively. For details of the participant units in Heroic Zone Share Plan held by Mr. Ma Xiangjie, please refer to note (8) below. Under the Heroic Zone Share Plan, the HSP ESC, on behalf of all HSP Participants, shall instruct the aforementioned trustees on the exercise of their voting rights as the registered shareholders of Rise Grand, which in turn shall instruct Heroic Zone (a wholly-owned subsidiary of Rise Grand) on the exercise of its rights, including the voting rights attached to the shares in the Company which Heroic Zone controls. The HSP ESC shall comprise five members which are selected by the general meeting of the HSP Participants. As at the date of this announcement, the members of the HSP ESC are Messrs. Wan Long, Guo Lijun, Ma Xiangjie, Liu Songtao and Zhang Liwen.

As at the date of this announcement, the interest in the participant units held by the HSP Participants ranges from approximately 0.0015% to 24.77%. Xing Tong Limited (a company wholly and beneficially owned by Mr. Wan Long who himself is an HSP Participant holding approximately 20.78% of the participant units) holds approximately 24.77% of the participant units and is the largest unitholder amongst all HSP Participants. Therefore, Mr. Wan Long is (directly and indirectly through Xing Tong Limited) interested in approximately 45.55% of the participant units in the Heroic Zone Share Plan. For more details, please refer to note (5) below.

The HSP Participants who are also Directors include Mr. Wan Long (approximately 45.55%, directly and indirectly), Mr. Guo Lijun (approximately 1.69%) and Mr. Ma Xiangjie (approximately 0.34%).

- (2) Pursuant to a deed of undertaking dated 23 December 2019 executed by Chang Yun, a deed of undertaking dated 28 June 2019 executed by High Zenith and a letter of undertaking dated 23 October 2013 executed by Sure Pass, Chang Yun, High Zenith and Sure Pass are respectively obligated to exercise the voting rights in respect of the Shares held by them in accordance with the direction of the Company from time to time. The Company issued written instruction to Chang Yun, High Zenith, Sure Pass on 23 December 2019, 28 June 2019 and 23 October 2013, respectively, to instruct each of Chang Yun, High Zenith and Sure Pass to exercise such voting rights in accordance with the direction of Heroic Zone. Therefore, Heroic Zone has control over the voting rights in an aggregate of 5,029,376,978 Shares held by Chang Yun, High Zenith, Sure Pass and Heroic Zone (representing approximately 34.11% of the total issued share capital of the Company). As at the date of this announcement, Chang Yun is a wholly owned subsidiary of Auspicious Joy, the beneficial interest of which is owned by the CSP Participants. Pursuant to an entrustment agreement dated 23 December 2019, the CSP ESC, on behalf of all CSP Participants, entrusted three individual trustees, namely Messrs. Guo Lijun, Ma Xiangjie and Liu Songtao, to hold the legal title of, and to exercise the shareholders rights attached to, 100% equity interest in Auspicious Joy in joint tenancy. Mr. Liu Songtao is also a CSP Participant holding approximately 6.89% of the participant units in Chang Yun Share Plan. For details of the participant units in Chang Yun Share Plan held by Mr. Guo Lijun and Mr. Ma Xiangjie, please refer to notes (7) and (8) below. Under the Chang Yun Share Plan, the CSP ESC, on behalf of all CSP Participants, shall instruct the aforementioned trustees on the exercise of their

voting rights as the registered shareholders of Auspicious Joy, which in turn shall instruct Chang Yun on the exercise of the voting rights attached to the Shares which Chang Yun holds in the Company. The CSP ESC shall comprise five members, three of whom are appointed by Heroic Zone and two of whom are selected by the general meeting of the CSP Participants. As at the date of this announcement, the members of the CSP ESC are Messrs. Wan Long, Guo Lijun, Ma Xiangjie, Liu Songtao and Zhang Liwen. Upon completion of the Offer and assuming the Maximum Number of Shares are bought back and no Options will be exercised prior to completion of the Offer, pursuant to the aforementioned voting undertakings and arrangement, Heroic Zone will continue to have control over the voting rights in an aggregate of 5,029,376,978 Shares held by Chang Yun, High Zenith, Sure Pass and Heroic Zone (representing approximately 39.20% of the total issued share capital of the Company).

As at the date of this announcement, the interest in the participant units held by the CSP Participants ranges from 0.17% to 14.12%, and Mr. Guo Lijun (an executive Director) holding approximately 14.12% of the participant units is the largest unitholder amongst all CSP Participants.

The CSP Participants who are also Directors include Mr. Wan Long (approximately 12.43%), Mr. Guo Lijun (approximately 14.12%) and Mr. Ma Xiangjie (approximately 9.93%).

- (3) As at the date of this announcement, Sure Pass is wholly and beneficially owned by Mr. Wan Long, an executive Director and Chairman of the Board.
- (4) As at the date of this announcement, High Zenith is a wholly owned subsidiary of Wan Tong International Holdings Limited, which is in turn wholly and beneficially owned by Mr. Wan Long.
- (5) As at the date of this announcement, Mr. Wan Long beneficially owns 1,500,000 Shares. In addition, Mr. Wan Long (i) is an HSP Participant holding approximately 20.78% of the participant units in the Heroic Zone Share Plan; (ii) wholly and beneficially owns Xing Tong Limited, which is an HSP Participant holding approximately 24.77% of the participant units in the Heroic Zone Share Plan; and (iii) a CSP Participant holding approximately 12.43% of the participant units in the Chang Yun Share Plan.
- (6) As at the date of this announcement, Mr. Wan Hongwei beneficially owns 2,500,000 Shares.
- (7) As at the date of this announcement, Mr. Guo Lijun (an executive Director) beneficially owns 100,000 Shares. In addition, Mr. Guo Lijun is (i) an HSP Participant holding approximately 1.69% of the participant units in the Heroic Zone Share Plan; and (ii) a CSP Participant holding approximately 14.12% of the participant units in Chang Yun Share Plan.
- (8) As at the date of this announcement, the spouse of Mr. Ma Xiangjie (an executive Director), Ms. Shi Huiying, is the beneficial owner of 3,000 Shares. In addition, Mr. Ma Xiangjie is (i) an HSP Participant holding approximately 0.34% of the participant units in Heroic Zone Share Plan; and (ii) a CSP Participant holding approximately 9.93% of the participant units in Chang Yun Share Plan.

- (9) As at the date of this announcement, save for members of the Controlling Shareholders Concert Group,
- (i) a total of 420,500 Shares are held by three other core connected persons of the Company, who are directors of certain subsidiaries of the Company; and
 - (ii) a total of 87,840,725 outstanding Options are held by 23 other core connected persons of the Company, including (a) Mr. Dennis Pat Rick Organ (an executive Director) who holds 1,000,000 outstanding Options; and (b) 22 directors of certain subsidiaries of the Company who hold a total of 86,840,725 outstanding Options.
- (10) Based on the assumptions that (i) all Options have been exercised before completion of the Offer, save for the Options held by the Controlling Shareholders Concert Group respectively; and (ii) no Shares held by such other core connected persons of the Company (including those acquired through exercise of Options) will be tendered for acceptance under the Offer.
- (11) Morgan Stanley is a financial adviser to the Company in respect of the Offer. Accordingly, Morgan Stanley and relevant members of the Morgan Stanley Group which hold the Shares are presumed to be acting in concert with the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Eaton Vance Corp. (“EV”) was acquired by Morgan Stanley Group on 1 March 2021, and EV, together with its subsidiary, Parametric Portfolio Associates LLC (“**Parametric**”), are therefore members of the Morgan Stanley Group. As at the date of this announcement, Parametric is neither an exempt principal trader nor an example fund manager, and it holds (i) 9,120,344 Shares; and (ii) approximately 691,135 American depositary receipts, representing 13,822,700 Shares. Parametric is in the process of applying to the SFC for the status of exempt fund manager.
- (12) The Shares held by members of the Morgan Stanley Group as set out above shall be counted towards public float of the Company under Rule 8.08 of the Listing Rules.
- (13) BofA Securities is a financial adviser to the Company in respect of the Offer. Accordingly, BofA Securities and relevant members of the BofA Securities Group which hold the Shares are presumed to be acting in concert with the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code). Details of holdings or borrowings of the Shares and any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) by other parts of the BofA Securities Group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code.

As at the date of this announcement, save as disclosed above, none of the Company or any member of the Controlling Shareholders Concert Group holds, owns, controls or has direction over any Shares, outstanding Options, derivatives, warrants or securities which are convertible or exchangeable into Shares, or has entered into any outstanding derivatives in respect of securities in the Company.

M. INFORMATION ON THE GROUP

The Company is an exempted company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. 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 audited consolidated net asset value of the Group as at 31 December 2020 was approximately US\$10,985 million.

The audited consolidated net asset value per Share as at 31 December 2020 was approximately US\$0.74.

The audited consolidated net profit of the Group for the last two financial years ended 31 December 2020 and 2019 are as follows:

	For the year ended	
	31 December	
	2020	2019
	<i>US\$ million</i>	<i>US\$ million</i>
Net profit before taxation	1,315	2,052
Net profit after taxation	1,092	1,695

N. DEALINGS IN SHARES AND DERIVATIVES BY THE COMPANY AND THE CONTROLLING SHAREHOLDERS CONCERT GROUP

The Company has not bought-back any Shares in the six-month period prior to the date of this announcement, and will not conduct any on-market share buy-back from the date of this announcement up to and including the date at which the Offer closes, lapses or is withdrawn, as the case may be.

Each of the Controlling Shareholders has confirmed (for itself and on behalf of members of the Controlling Shareholders Concert Group) that there has been no dealings in the securities of the Company by any member of the Controlling Shareholders Concert Group in the six months immediately prior to the date of this announcement.

O. OTHER ARRANGEMENTS

Save for the Controlling Shareholders Concert Group Undertakings, there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the Shares and other relevant securities of the Company or of the Controlling Shareholders which might be material to the Offer or the Whitewash Waiver.

There is no agreement or arrangement, to which the Company or members of the Controlling Shareholders Concert Group is a party, which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer or the Whitewash Waiver (save as those set out in the section headed “E. Conditions of the Offer” in this announcement above).

Neither the Company nor any member of the Controlling Shareholders Concert Group has borrowed or lent any relevant securities in the Company.

Apart from the consideration payable by the Company in respect of the Offer, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Company or any member of the Controlling Shareholders Concert Group to any Shareholder or any party acting in concert with any of them in connection with the Offer.

There is no understanding, arrangement, agreement which would constitute a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder, on the one hand, and (i) the Company, its subsidiaries or associated companies; or (ii) members of the Controlling Shareholders Concert Group, on the other hand.

P. REASONS FOR AND BENEFITS OF THE OFFER

The Company is the largest pork producer in the world and is vertically integrated in production and sale of pork and packaged meat products. Its primary operations are located in China and the United States, which collectively account for over 90% of the Company’s revenue in 2020.

The Company’s equity attributable to owners of the Company has increased from US\$5,130 million as at 31 December 2014 to US\$10,005 million as at 31 December 2020. The Company does not currently foresee any material capital outlay or commitments (other than (i) the payment of final dividend of HK\$0.125 per Share for the year ended 31 December 2020 (approximately HK\$1,843 million or equivalent of approximately US\$238 million in total, based on the exchange rate of HK\$7.75 to US\$1) on or around 7 July 2021; and (ii) capital required for its current operational and expansion needs in its ordinary course of business) and thus considers it reasonable to return the capital to the Shareholders.

Furthermore, having taken into account the favourable borrowing costs available in the market, the Company considers that it would be in the interests of the Shareholders and the Company as a whole to take advantage of such favourable borrowing costs to largely finance the Offer with a committed facility and further optimize the capital structure of the Company, which in turn will enhance the earnings per Share and reduce the cost of capital of the Group upon completion of the Offer and cancellation of the Shares bought back.

The Offer Price represents a premium of approximately 17.29% over the closing price of HK\$6.6500 per Share as quoted on the Stock Exchange on 1 June 2021 (being the Last Trading Day) and a premium of approximately 15.64% over HK\$6.7453 which is the average closing price per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day, and a premium of approximately 35.10% to the Group's consolidated net asset value per Share as at 31 December 2020.

The Directors believe that the Offer provides an opportunity for the Shareholders either to tender Shares to realise part of their investments in the Company at a premium to recent market prices and to the Group's net asset value per Share, or to increase their proportionate equity interests in the Company by retaining their shareholdings and participating in the future prospects of the Group. Therefore, the Offer provides the Shareholders a mechanism which allows them to decide upon their preferred level of investment in the Company and allows the Shareholders who do not wish to exit from their investments in the Company to enjoy the benefits of enhanced Shareholder value.

Q. INTENTION IN RELATION TO THE GROUP

The Company is confident in the long-term prospects of the business of the Group. As at the date of this announcement, the Company has a public float of approximately 65.86% of the entire issued share capital of the Company. In the event that the Offer becomes unconditional, upon completion of the Offer and assuming full acceptances of the Offer by the Shareholders (other than members of the Controlling Shareholders Concert Group), the Company will have a public float of 60.76% of the Shares in issue immediately following completion of the Offer (assuming there are no changes to issued share capital of the Company after the date of this announcement) and accordingly the number of Shares in public hands will continue to meet the public float requirement under Rule 8.08 of the Listing Rules.

It is the intention of the Company to continue with the existing businesses of the Group upon completion of the Offer. As at the date of this announcement, the Company does not intend to introduce any major changes by reason only of the Offer to the existing operations and management structure of the Group, and the employment of the employees of the Group will be continued and the material fixed assets of the Group will not be redeployed.

R. NOTICE TO SHAREHOLDERS IN THE UNITED STATES

Shareholders in the United States are advised that the Shares are not listed on a U.S. securities exchange and that the Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “**SEC**”) thereunder. The Offer will be made in the United States pursuant to Section 14(e) and Regulation 14E under the Exchange Act, possibly including certain exemptions from such regulations.

The Offer is subject to Hong Kong disclosure and procedural requirements, including with respect to offer timetable, settlement procedures, timing of payments and withdrawal rights, which are different from those applicable to tender offers carried out in the United States. Persons in the United States are urged, before accepting the Offer, to consult their own professional advisers regarding the tax consequences of acceptance of the Offer, whether in relation to United States federal income tax or taxes under applicable state and local tax laws, or foreign tax laws.

It may be difficult for Shareholders in the United States (if any) to enforce their rights and claims arising out of United States federal securities laws, since the Company is located in a country other than the United States, some or all of its officers and directors may be residents of a country other than the United States and the assets of the Company may be located outside the United States. Shareholders in the United States (if any) may not be able to sue a non-United States company or its officers or directors in a non-United States court for violations of United States securities laws. It may be difficult for such Shareholders to effect service of process within the United States upon the Company or its officers or directors or to enforce against them any judgment of a United States court predicated upon the federal or state securities laws of the United States.

To the extent permissible under applicable law or regulations, the Company and its affiliates or its brokers and their brokers’ affiliates (acting as agents for the Company or its affiliates, as applicable) may from time to time after the date of this announcement and during the pendency of the Offer, and other than pursuant to the Offer, directly or indirectly, purchase or arrange to purchase, the Shares or any securities that are convertible into, exchangeable for or exercisable for the Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent information about such purchases or arrangements to purchase is made public in Hong Kong, such information will be disclosed by means of a press release or other means reasonably calculated to inform the Company’s U.S. shareholders of such information. In addition, subject to compliance with Hong Kong law and relevant regulations, members of the BofA Securities Group and/or the Morgan Stanley Group may also engage in ordinary course trading activities in securities of the Company, which may

include purchases or arrangements to purchase such securities. To the extent required in Hong Kong, any information about such purchases will be made public in Hong Kong in the manner required by Hong Kong law or relevant regulations.

Neither the SEC nor any U.S. state securities commission has approved or disapproved the Offer, passed upon the merits or fairness of the Offer, or passed any comment upon the adequacy, accuracy or completeness of the disclosure in this stock exchange release. Any representation to the contrary is a criminal offence in the United States.

S. GENERAL

The EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Offer and the Whitewash Waiver, at which only Independent Shareholders can vote.

Members of the Controlling Shareholders Concert Group who hold Shares (including Heroic Zone, Sure Pass, High Zenith, Chang Yun, Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun and the spouse of Mr. Ma Xiangjie) as at the date of the EGM will abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver at the EGM.

Independent Board Committee and Independent Financial Adviser

Mr. Jiao Shuge (a non-executive Director) and Mr. Huang Ming, Mr. Lee Conway Kong Wai and Mr. Lau, Jin Tin Don (each being an independent non-executive Director), comprising all the non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Offer and the Whitewash Waiver.

An independent financial adviser will be appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and the Whitewash Waiver in accordance with Rule 2.1 of the Takeovers Code. An announcement on such appointment will be made as soon as practicable.

Offer Document

The Offer Document for the Offer containing, *inter alia*: (i) further details of the Offer; (ii) the expected timetable relating to the Offer; (iii) the recommendation from the Independent Board Committee with respect to the Offer and the Whitewash Waiver; (iv) the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) a notice convening the EGM; and (vi) the Form of Acceptance and information relating to the procures required for the acceptance of the Offer, will be despatched to the Shareholders within 21 days from the date of this announcement or such later date to which the Executive may consent.

T. DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates (having the meaning given to it under the Takeovers Code, including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company) of the Company are hereby reminded to disclose their dealings in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

U. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 2 June 2021 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 7 June 2021.

WARNING: The Offer is conditional upon the satisfaction of the Conditions as described in this announcement in all aspects. Accordingly, the Offer may or may not become unconditional. Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

V. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Accepting Shareholder(s)”	Shareholder(s) accepting the Offer
“acting in concert”	has the meaning ascribed thereto in the Codes, and “parties acting in concert” shall be construed accordingly
“associate(s)”	has the meaning ascribed thereto in the Codes
“Auspicious Joy”	Auspicious Joy Enterprises Limited, a limited liability company incorporated under the laws of the British Virgin Islands
“Board”	the board of Directors

“BofA Securities”	Merrill Lynch (Asia Pacific) Limited, a corporation licensed under the SFO to carry on type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities, a financial adviser to the Company in connection with the Offer and the Whitewash Waiver
“BofA Securities Group”	BofA Securities and persons controlling, controlled by or under the same control as BofA Securities
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Chang Yun”	Chang Yun Holdings Limited (運昌控股有限公司), a limited liability company incorporated under the laws of the British Virgin Islands and one of the Controlling Shareholders
“Chang Yun Share Plan”	the share plan dated 23 December 2019 under which a group of existing and former employees of the Group hold 100% of the beneficial interests in Auspicious Joy, which in turn holds 100% of the equity interest in Chang Yun
“close relative(s)”	has the meaning ascribed thereto under the Takeovers Code for the purpose of classes (2), (6) and (8) of the definition of “acting in concert”
“Codes”	collectively, the Takeovers Code and the Share Buy-backs Code
“Company”	WH Group Limited, a limited liability company incorporated under the laws of the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 288)
“Conditions”	the conditions of the Offer, as set out under the section headed “E. Conditions of the Offer” of this announcement and “Condition” means any of them

“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, refers to Rise Grand, Heroic Zone, Chang Yun, High Zenith and Sure Pass and “Controlling Shareholder” means any one of them
“Controlling Shareholders Concert Group”	the Controlling Shareholders and their respective parties acting in concert with them including, among others, Heroic Zone, Sure Pass, High Zenith, Chang Yun, Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun, Mr. Ma Xiangjie, Mr. Liu Songtao and Mr. Zhang Liwen
“Controlling Shareholders Concert Group Undertakings”	the irrevocable undertakings given by (i) each of Heroic Zone, Sure Pass, High Zenith, Chang Yun, Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun and Mr. Ma Xiangjie that it or he will not, and will procure the holders of the Shares whose Shares it or he is deemed to be interested in by virtue of Part XV of the SFO not to, accept the Offer or transfer or dispose of any of the Shares held by them during the Offer Period; and (ii) each of Mr. Wan Long, Mr. Wan Hongwei, Mr. Guo Lijun, Mr. Ma Xiangjie and Mr. Liu Songtao that he will not exercise any Options held by him during the Offer Period
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSP ESC”	the employee share committee of the Chang Yun Share Plan
“CSP Participants”	the participants of the Chang Yun Share Plan
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, to approve resolutions in respect of the Offer and the Whitewash Waiver
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance to be issued with the Offer Document to the Shareholders for use by such persons in connection with the Offer
“Group”	the Company and its subsidiaries

“Heroic Zone”	Heroic Zone Investments Limited (雄域投資有限公司), a limited liability company incorporated under the laws of the British Virgin Islands and one of the Controlling Shareholders
“Heroic Zone Share Plan”	the share plan dated 25 December 2009, revised on 17 December 2012 and 11 July 2016 respectively, under which a group of existing and former employees of Henan Shuanghui Investment & Development Co., Ltd. (河南雙匯投資發展股份有限公司), an indirect non-wholly owned subsidiary of the Company and the shares of which are listed on the Shenzhen Stock Exchange in the PRC (stock code: 000895), and its associated entities hold 100% of the beneficial interests in Rise Grand, which in turn holds 100% of the equity interest in Heroic Zone
“High Zenith”	High Zenith Limited, a limited liability company incorporated under the laws of the British Virgin Islands and one of the Controlling Shareholders
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSP ESC”	the employee share committee of the Heroic Zone Share Plan
“HSP Participants”	the participants of the Heroic Zone Share Plan
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors, namely, Mr. Jiao Shuge, Mr. Huang Ming, Mr. Lee Conway Kong Wai and Mr. Lau, Jin Tin Don, which is formed to advise the Independent Shareholders in relation to the Offer and the Whitewash Waiver
“Independent Financial Adviser”	the independent financial adviser to be appointed for the purpose of advising the Independent Board Committee in respect of the Offer and the Whitewash Waiver

“Independent Shareholder(s)”	Shareholder(s) other than (i) members of the Controlling Shareholders Concert Group; (ii) any Shareholder who has a material interest in the Offer or the Whitewash Waiver different from all other Shareholders; (iii) any Shareholder who is involved in or interested in the Offer and/or the Whitewash Waiver; and (iv) any person who may be required to abstain from voting on the resolutions in respect of the Offer and the Whitewash Waiver to be proposed at the EGM in accordance with the Codes
“Last Trading Day”	1 June 2021, being the last full trading day in the Shares immediately prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	19 November 2021
“Maximum Number”	1,916,937,202 Shares, being the maximum number of Shares to be bought-back pursuant to the Offer, representing approximately 13.0% of the issued Shares as at the date of this announcement
“Morgan Stanley”	Morgan Stanley Asia Limited, a company incorporated in Hong Kong with limited liability and licensed under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and a financial adviser to the Company in connection with the Offer and the Whitewash Waiver
“Morgan Stanley Group”	Morgan Stanley and persons controlling, controlled by or under the same control as Morgan Stanley
“Offer”	a conditional voluntary cash offer by BofA Securities (<i>in alphabetical order</i>) and Morgan Stanley (<i>in alphabetical order</i>) on behalf of the Company to buy-back up to the Maximum Number at the Offer Price from the Shareholders
“Offer Document”	a circular to the Shareholders (comprising, amongst others, the document containing the Offer, a notice of the EGM, form of proxy for voting at the EGM and the Form of Acceptance) to be issued by the Company in connection with the Offer and the Whitewash Waiver

“Offer Period”	has the meaning ascribed thereto under the Codes and commencing from the date of this announcement
“Offer Price”	HK\$7.80 per Share
“Option(s)”	the share option(s), each relating to one Share, granted and outstanding under the Pre-IPO Share Option Scheme from time to time
“Overseas Shareholder(s)”	Shareholder(s), whose addresses as shown on the register of members of the Company are outside Hong Kong
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme approved and adopted by the Company on 21 January 2014 and as amended on 4 April 2014
“Rise Grand”	Rise Grand Group Limited, a company incorporated in the British Virgin Islands with limited liability and one of the Controlling Shareholders
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“Share Buy-backs Code”	the Code on Share Buy-backs of Hong Kong
“Shareholder(s)”	registered holder(s) of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sure Pass”	Sure Pass Holdings Limited (順通控股有限公司), a limited liability company incorporated under the laws of the British Virgin Islands and one of the Controlling Shareholders
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“United States” or “U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States

“Whitewash Waiver” a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Controlling Shareholders to make a mandatory general offer for all the Shares not already owned by the Controlling Shareholders Concert Group under Rule 26.1(d) of the Takeovers Code, which may otherwise arise as a result of completion of the Offer

“%” per cent

By order of the board of
WH Group Limited
Wan Long
Chairman and Chief Executive Officer

Hong Kong, 6 June 2021

As at the date of this announcement, the executive Directors are Mr. WAN Long, Mr. WAN Hongjian, Mr. GUO Lijun, Mr. Dennis Pat Rick ORGAN and Mr. MA Xiangjie; the non-executive Director is Mr. JIAO Shuge; and the independent non-executive Directors are Mr. HUANG Ming, Mr. LEE Conway Kong Wai and Mr. LAU, Jin Tin Don.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.