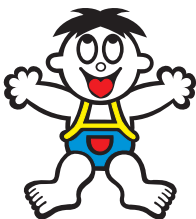


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WANT WANT CHINA HOLDINGS LIMITED

中國旺旺控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 0151)

CONNECTED TRANSACTION

ACQUISITION OF ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

The Board is pleased to announce that on 18 June 2019, the Purchaser entered into the Sale and Purchase Agreement with the Seller, pursuant to which the Purchaser agreed to purchase and the Seller agreed to sell the entire equity interest in the Target Company for a total consideration of RMB50 million. The Target Company is principally engaged in the business of producing and selling of fresh eggs. Upon completion of the Acquisition, the Target Company shall be held as to 100% by the Purchaser and an indirectly wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

Mr. Tsai, the chairman, chief executive officer, executive Director and controlling shareholder of the Company, is also the controlling shareholder of the Seller. As such, the Seller is an associate of Mr. Tsai and hence a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under the Listing Rules. As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition is only subject to reporting and announcement requirements and is exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date

18 June 2019

Parties

- (1) San Want Holdings Limited (the “**Seller**”); and
- (2) Want Want (HK) Holdings Limited (the “**Purchaser**”), a direct wholly owned subsidiary of the Company.

Transaction

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to purchase and the Seller agreed to sell the entire equity interest in the Target Company. As at the date of this announcement, the entire equity interest in the Target Company is wholly-owned by the Seller, for which the minority interest of a total of 3.42% was previously acquired by the Seller from the then shareholders of the Target Company for a total purchase cost of US\$252,000 based on the corresponding registered capital held by them.

Consideration

The total consideration for the Acquisition is RMB50 million (the “**Consideration**”) and shall be payable to the Seller via bank transfer by the Purchaser.

The Consideration was arrived at after arm’s length negotiations between the parties and on normal commercial terms. The Consideration was determined by reference to, among other things, the revenue of the Target Company for the year ended 31 December 2018, the net asset value of the Target Company as at 31 December 2018, the registered capital of the Target Company injected by the Seller since its establishment in the aggregate amount of approximately RMB50 million, the results of legal, financial and tax due diligence reports prepared in relation to the Acquisition, the valuation report prepared by an independent professional valuer of which the value of the business of producing and selling of fresh eggs of the Target Company as at 28 February 2019 amounting to approximately RMB50 million, the business prospect of the Target Company and the fresh eggs production industry and the strategic value of the Target Company’s business to the Group’s business.

The Consideration will be paid by the Purchaser from its internal resources.

Completion

Within 30 days from the completion of the registration for change of business and that a new business licence has been obtained, the Purchaser shall pay to the Seller by bank transfer the remaining balance of the Consideration after deducting any bank charges.

REASONS AND BENEFITS FOR THE ACQUISITION

Currently, most of the fresh eggs used by the Group as an ingredient for the Group's snack food products are sourced from a vast number of suppliers throughout the PRC. Given that the Group is already a major customer of the fresh eggs produced and sold by the Target Company, the Company believes that the Acquisition will enable the Company to centralise and secure a stable and transparent upstream supply of fresh eggs from the Target Company, and at the same time, ensure the safety and better control the quality of the egg supply in terms of pesticides, hormones, antibiotics and heavy metals.

In light of the above, the Board, including the independent non-executive Directors, considers the terms of the Sale and Purchase Agreement have been negotiated and arrived at on arm's length basis and on normal commercial terms and that such terms are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Mr. Tsai, the chairman, chief executive officer, executive Director and controlling shareholder of the Company, is the controlling shareholder of the Seller. As such, the Seller is an associate of Mr. Tsai and hence a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction of the Company under the Listing Rules. As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are less than 5%, the Acquisition is only subject to reporting and announcement requirements and is exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Pursuant to the relevant requirements of the Listing Rules and the articles of association of the Company, each of Mr. Tsai, Mr. Tsai Shao-Chung, Mr. Tsai Wang-Chia, Mr. Huang Yung-Sung, Mr. Maki Haruo and Mr. Cheng Wen-Hsien is deemed or may be perceived to have a material interest in the Sale and Purchase Agreement. Accordingly, each of them (other than Mr. Maki Haruo who was absent) has abstained from voting on the resolutions passed by the Board to approve the Sale and Purchase Agreement.

INFORMATION ON THE TARGET COMPANY

The Target Company was incorporated in the PRC. As at the date of this announcement, the Target Company is principally engaged in the business of producing and selling of fresh eggs. Based on the audited accounts of the Target Company, the net asset value of the Target Company as at 31 December 2018 was approximately RMB32.05 million. The audited net loss (before and after taxation) of the Target Company for the two financial years ended 31 December 2017 and 2018 are set out below:

	For the years ended 31 December	
	2017	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	481	10,727
Net loss before taxation	623	8,531
Net loss after taxation	623	8,531

The significant increase in net loss of the Target Company for the financial year ended 31 December 2018 was mainly due to the loss derived from the sale of certain poultry by-products that was non-recurring. The business of producing and selling of fresh eggs recorded positive net profit (before and after taxation) for the year ended 31 December 2018. Going forward, the Target Company will focus on the operation of the business of producing and selling of fresh eggs.

INFORMATION ON THE COMPANY, THE SELLER AND THE PURCHASER

The Company is an investment holding company. The principal business activities of the Group are the manufacturing, distribution and sale of rice crackers, dairy products and beverages, snack foods and other products.

The Seller is a company incorporated in Barbados with limited liability, and whose principal business activities are the operation of hospital, hotel and property businesses and other investments.

The Purchaser is a company incorporated in Hong Kong and is a direct wholly owned subsidiary of the Company. The principal activity of the Purchaser is investment holding.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire equity interest of the Target Company pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors of the Company
“Company”	Want Want China Holdings Limited, a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands, whose principal activity is investment holding and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries, whose principal business activities are manufacturing, distribution and sale of rice crackers, dairy products and beverages, snack foods and other products

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tsai”	Mr. Tsai Eng-Meng, the chairman, chief executive officer, executive Director and the controlling shareholder of the Company
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Purchaser”	Want Want (HK) Holdings Limited, a company incorporated in Hong Kong and a direct wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Seller and the Purchaser on 18 June 2019, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the entire equity interest in the Target Company
“Seller”	San Want Holdings Limited, a company incorporated in Barbados with limited liability, and whose principal activities are the operation of hospital, hotel and property businesses and other investments
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Poyang County Linwang Forestry Development Co., Limited* (鄱陽縣林旺林業開發有限公司), a limited liability company incorporated in the PRC and is wholly-owned by the Seller, who is principally engaged in the business of producing and selling of fresh eggs
“US\$”	United States dollars, the lawful currency of the United States of America

* *For identification purposes only*

By order of the Board
Want Want China Holdings Limited
TSAI Eng-Meng
Chairman

Hong Kong, 18 June 2019

As at the date of this announcement, the executive Directors are Mr. TSAI Eng-Meng, Mr. TSAI Wang-Chia, Mr. HUANG Yung-Sung, Mr. CHU Chi-Wen, Mr. TSAI Ming-Hui and Ms. LAI Hong Yee; the non-executive Directors are Mr. Liao Ching-Tsun, Mr. TSAI Shao-Chung, Mr. MAKI Haruo and Mr. CHENG Wen-Hsien; and the independent non-executive Directors are Mr. TOH David Ka Hock, Dr. PEI Kerwei, Mr. LEE Kwang-Chou, Mr. HSIEH Tien-Jen and Mr. LEE Kwok Ming.