

Asset Acquisitions and Disposals::Change in shareholding in associated companies

Issuer & Securities

Issuer/ Manager	WILMAR INTERNATIONAL LIMITED
Securities	WILMAR INTERNATIONAL LIMITED - SG1T56930848 - F34
Stapled Security	No

Announcement Details

Announcement Title	Asset Acquisitions and Disposals
Date & Time of Broadcast	19-Nov-2018 17:45:28
Status	New
Announcement Sub Title	Change in shareholding in associated companies
Announcement Reference	SG181119OTHRIQTK
Submitted By (Co./ Ind. Name)	Teo La-Mei
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please see attached announcement.
Attachments	WIL_1. Increase in Shareholding 2. Divestment dd 19 Nov 18.pdf Total size =349K

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WILMAR INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199904785Z)

ANNOUNCEMENT

(1) INCREASE IN SHAREHOLDING IN THE REGISTERED CAPITAL OF SATS YIHAI KERRY (LANGFANG) FOOD CO., LTD.; AND (2) DIVESTMENT OF SATS YIHAI KERRY KUNSHAN FOOD CO., LTD.

1. Introduction

- 1.1 Wilmar International Limited (“**Wilmar**” or “**the Company**”) refers to its announcement dated 13 July 2018 (“**Announcement**”) in relation to the execution of a conditional joint venture agreement by the Company’s indirect wholly-owned subsidiary WI Kitchen (Tianjin) Investment Co., Ltd. (“**WIKTI**”) and SATS Food Services Pte. Ltd. (“**SFS**”), to incorporate a company in China.
- 1.2 As stated in the Announcement, Yihai Kerry Investments Co., Ltd. (“**YKI**”), another indirect wholly-owned subsidiary of Wilmar had earlier incorporated another joint venture company under the name of “SATS Yihai Kerry Kunshan Food Co., Ltd.” (“**Kunshan Food Co**”) with SFS pursuant to which SFS and YKI hold a 60% and 40% equity interest respectively in Kunshan Food Co. Further, as stated in the Announcement, SFS is a wholly-owned subsidiary of SATS Ltd. (“**SATS**”) a Singapore company listed on the Mainboard of the Singapore Exchange Securities Trading Limited.
- 1.3 Pursuant to Rule 704(17)(d) and Rule 704(18)(c) of the Listing Manual, the Company wishes to announce that:
 - (a) SATS Yihai Kerry (Langfang) Food Co., Ltd (“**Langfang Food Co**”), the new company referred to in paragraph 1.1 above, has been incorporated with a registered capital of RMB 120,000,000, with SFS and WIKTI subscribing for 60% (RMB 72,000,000) and 40% (RMB 48,000,000) respectively. Langfang Food Co has not commenced business operations and neither SFS nor WIKTI has injected their respective share of the registered capital into Langfang Food Co.
 - (b) WIKTI has on 19 November 2018 entered into a Share Transfer Agreement with SFS to acquire SFS’ 60% equity interest in Langfang Food Co (“**Langfang Transfer Agreement**”) for a purchase consideration of RMB 1 only (the “**Langfang Acquisition**”).
 - (c) SATS China Co., Ltd. (“**SATS China**”), a wholly-owned subsidiary of SATS, has on 19 November 2018 entered into a Share Transfer Agreement with YKI to acquire YKI’s 40% equity interest in Kunshan Food Co for a purchase consideration of RMB 80 million (the “**Kunshan Transfer**”).
- 1.4 Completion of each of the Langfang Acquisition and the Kunshan Transfer is subject to the relevant regulatory approvals being obtained by the relevant parties.
- 1.5 Upon the completion of the Langfang Acquisition and the Kunshan Transfer:
 - (a) Wilmar will cease to have any interest in Kunshan Food Co and it shall cease to be an associated company of Wilmar; and
 - (b) Langfang Food Co shall become an indirect wholly-owned subsidiary of the Company.

2. Principal Terms of the Langfang Acquisition and the Kunshan Transfer

- 2.1 The nominal sale consideration for the Langfang Acquisition was based on the premise that Langfang Food Co has not commenced any business operations and neither SFS nor WIKTI has injected their respective share of the registered capital into Langfang Food Co. Pursuant to the terms of the Langfang Transfer Agreement, WIKTI shall be responsible for subscribing for the entire registered capital of Langfang Food Co.
- 2.2 The purchase consideration for the Kunshan Transfer was arrived at on a willing buyer and willing seller basis, based on YKI's registered capital contribution in Kunshan Food Co.

3. Rationale for the Langfang Acquisition and the Kunshan Transfer

The Company and SATS wish to revise their shareholdings in Langfang Food Co and Kunshan Food Co on mutually-beneficial terms because, with respect to the Kunshan Transfer, SATS wishes to acquire full control of Kunshan Food Co to scale its operations in China to better serve the needs of its customers in fast casual restaurants and the aviation sector, and with respect to the Langfang Acquisition, the Wilmar group wishes to retain the Langfang Food Co for its other businesses.

4. Financial Effects of the Langfang Acquisition and the Kunshan Transfer

The Langfang Acquisition and the Kunshan Transfer are not expected to have any material impact on the Company's net tangible assets per share and consolidated earnings per share for the current financial year.

Issued by
WILMAR INTERNATIONAL LIMITED
19 November 2018