

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



WH Group Limited

萬洲國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 288)

**FORM 10-Q QUARTERLY REPORT FOR
THE THIRD QUARTER ENDED OCTOBER 2, 2016
OF SMITHFIELD FOODS, INC.**

On October 26, 2016 after trading hours (Hong Kong time), Smithfield released its Form 10-Q Quarterly Report for the third quarter ended October 2, 2016.

RESULTS OF SMITHFIELD AND FORM 10-Q QUARTERLY REPORT

Smithfield Foods, Inc. (“**Smithfield**”) is a corporation incorporated in the Commonwealth of Virginia, the United States (the “**U.S.**”). As at the date of this announcement, Smithfield is an indirect wholly owned subsidiary of WH Group Limited (the “**Company**”) and is not subject to the periodic reporting obligations under section 13 or 15(d) of the United States Securities Exchange Act of 1934. However, the indentures governing certain of Smithfield’s senior debts contain covenants that require Smithfield to file such reports as if it were subject to those reporting requirements. Accordingly, Smithfield currently files with the United States Securities and Exchange Commission (the “**SEC**”) annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as disclosed in the Company’s prospectus dated July 24, 2014. These reports contain financial and other information regarding Smithfield and its subsidiaries.

Smithfield has, on October 26, 2016 after trading hours (Hong Kong time), filed its quarterly report with the SEC under Form 10-Q for the third quarter ended October 2, 2016 (the “**Smithfield Quarterly Report**”). It is important to note that the unaudited consolidated condensed financial results contained in Smithfield Quarterly Report have been prepared in accordance with the accounting principles generally accepted in the U.S.. The Company prepares its consolidated financial results in accordance with the International Financial Reporting Standards (the “**IFRS**”). Accordingly, Smithfield’s results reported therein differ from Smithfield’s results contained in the Company’s consolidated financial statements,

which include certain adjustments in order to conform to the IFRS. These adjustments include the re-measurement of biological assets from cost to fair value through earnings, the reclassification of numerous balance sheet items primarily reflected in biological assets and deferred taxes, and the classification changes within the financial results, primarily for distribution expenses, which have a significant impact on gross margin.

SUMMARY OF RESULTS OF SMITHFIELD FOR THE THREE MONTHS ENDED OCTOBER 2, 2016

For the three months ended October 2, 2016, sales of Smithfield increased by 4% from the comparable period of 2015 to US\$3,538.6 million. Net income increased by 73% from the comparable period of 2015 to US\$143.8 million.

SUMMARY OF RESULTS OF SMITHFIELD FOR THE NINE MONTHS ENDED OCTOBER 2, 2016

For the nine months ended October 2, 2016, sales of Smithfield decreased by 2% from the comparable period of 2015 to US\$10,337.5 million. Net income increased by 42% from the comparable period of 2015 to US\$402.6 million.

The unaudited consolidated condensed statements of income for the three months and nine months ended October 2, 2016 and the unaudited consolidated condensed balance sheet as of October 2, 2016 of Smithfield contained in the Smithfield Quarterly Report are reproduced below:

SMITHFIELD FOODS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(in US\$ millions and unaudited)

	Three Months Ended		Nine Months Ended	
	October 2, 2016	September 27, 2015	October 2, 2016	September 27, 2015
Sales	3,538.6	3,406.1	10,337.5	10,509.2
Cost of Sales	3,066.1	3,021.1	8,995.6	9,299.6
Gross profit	472.5	385.0	1,341.9	1,209.6
Selling, general and administrative expenses	233.8	238.4	669.7	692.9
Income from equity method investments	(7.6)	(7.1)	(21.3)	(11.3)
Operating profit	246.3	153.7	693.5	528
Interest expense	32.0	32.3	96.8	98.5
Non-operating loss	—	—	—	12.1
Income before income taxes	214.3	121.4	596.7	417.4
Income tax expense	70.5	38.1	194.1	132.9
Net income	143.8	83.3	402.6	284.5

SMITHFIELD FOODS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(in US\$ millions, except share data)
(unaudited)

	October 2, 2016	January 3, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	277.6	704.9
Accounts receivable, net	851.7	760.0
Inventories	2,314.9	2,099.7
Prepaid expenses and other current assets	121.0	176.4
	<hr/>	<hr/>
Total current assets	3,565.2	3,741.0
Property, plant and equipment, net	2,952.4	2,867.3
Goodwill	1,621.7	1,619.5
Intangible assets, net	1,363.6	1,365.7
Investments	142.2	142.5
Other assets	171.4	158.0
	<hr/>	<hr/>
Total assets	9,816.5	9,894.0
	<hr/>	<hr/>
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	768.9	30.3
Accounts payable	519.6	686.1
Accrued expenses and other current liabilities	840.5	828.3
	<hr/>	<hr/>
Total current liabilities	2,129.0	1,544.7
Long-term debt and capital lease obligations	1,557.7	2,257.9
Other liabilities	1,117.2	1,216.5
Redeemable non-controlling interests	58.9	53.9

	October 2, 2016	January 3, 2016
--	--------------------	--------------------

Commitments and contingencies

Equity:

Shareholder's equity:

Common stock, no par value, 1,000 shares authorized; 1,000 issued and outstanding	–	–
Additional paid-in capital	4,189.2	4,185.1
Retained earnings	1,039.8	1,013.1
Accumulated other comprehensive loss	(275.8)	(377.7)
	<hr/>	<hr/>
Total shareholder's equity	4,953.2	4,820.5
Non-controlling interests	0.5	0.5
	<hr/>	<hr/>
Total equity	4,953.7	4,821.0
	<hr/>	<hr/>
Total liabilities and equity	9,816.5	9,894.0

If you wish to review the Smithfield Quarterly Report in full, please visit <http://www.smithfieldfoods.com/investor-relations/sec-filings> or <http://www.sec.gov>.

By order of the board of directors of
WH Group Limited
Chau Ho
Company Secretary

Hong Kong, October 26, 2016

As at the date of this announcement, the executive directors of the Company are Mr. WAN Long, Mr. GUO Lijun, Mr. ZHANG Taixi and Mr. SULLIVAN Kenneth Marc and Mr. YOU Mu; 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. LEE Conway Kong Wai and Mr. LAU, Jin Tin Don.