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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)

**AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2017 OF
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO., LTD.**

On March 26, 2018 after trading hours (Hong Kong time), Shuanghui Development released its annual report for the year ended December 31, 2017.

Henan Shuanghui Investment & Development Co., Ltd. (河南雙匯投資發展股份有限公司) (“**Shuanghui Development**”) is a company incorporated in the People’s Republic of China whose shares are listed on the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”). As at the date of this announcement, WH Group Limited (the “**Company**”) indirectly owns approximately 73.25% equity interest in Shuanghui Development. On March 26, 2018, Shuanghui Development filed its annual report with the Shenzhen Stock Exchange for the year ended December 31, 2017 (the “**Shuanghui Development Annual Report**”). It is important to note that the audited consolidated financial results contained in Shuanghui Development Annual Report have been prepared in accordance with the China Accounting Standards for Business Enterprises. The Company prepares its consolidated financial results in accordance with the International Financial Reporting Standards (the “**IFRS**”). Accordingly, Shuanghui Development’s results reported therein differ from Shuanghui Development’s results contained in the Company’s consolidated financial statements, which include certain adjustments in order to conform to the IFRS.

SUMMARY OF RESULTS OF SHUANGHUI DEVELOPMENT FOR THE YEAR ENDED DECEMBER 31, 2017

For the year ended December 31, 2017, Shuanghui Development processed 14.27 million hogs, representing an increase of 15.54% from the comparable period of 2016. External sales volume of meat products was 3.10 million metric tons, representing an increase of 4.58% from the comparable period of 2016. Turnover decreased by 2.44% from the comparable period of 2016 to RMB50,578 million. Net profit decreased by 1.12% from the comparable period of 2016 to RMB4,511 million.

The audited consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2017 and the audited consolidated statement of financial position as at December 31, 2017 contained in the Shuanghui Development Annual Report are provided below:

**SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended December 31, 2017

	For the year ended December 31,	
	2017	2016
	RMB	RMB
	(audited)	(audited)
I. Total operating income	50,578,326,328.12	51,845,061,670.83
Including: Operating income	50,447,336,035.71	51,822,365,961.66
Interest income	130,779,635.27	22,613,614.76
Handling and commission income	210,657.14	82,094.41
Less: Operating costs	40,907,132,171.75	42,439,540,448.01
Interest expenses	12,043,267.23	1,259,167.51
Handling and commission charges	823,156.61	336,163.04
Business tax and levies	345,909,650.67	312,262,084.21
Selling expenses	2,402,089,608.92	2,271,682,006.65
Administrative expenses	1,128,336,855.37	1,206,641,380.81
Financial expenses	55,120,256.41	-17,763,442.59
Impairment losses of assets	331,477,844.44	172,934,238.42
Add: Investment income	74,139,388.13	98,084,024.52
Including: Income from investments in associates and joint ventures	15,146,825.33	18,416,856.20
Gain on disposal of assets	77,568,804.23	1,308,593.26
II. Operating profit	5,547,101,709.08	5,557,562,242.55
Add: Non-operating income	242,208,162.35	342,254,112.53
Less: Non-operating expenses	30,123,040.83	37,817,067.84
III. Total profit	5,759,186,830.60	5,861,999,287.24
Less: Income tax expenses	1,248,654,226.69	1,300,457,688.13
IV. Net profit	4,510,532,603.91	4,561,541,599.11
Net profit attributable to owners of Shuanghui Development	4,319,299,922.47	4,405,056,392.24
Profit or loss attributable to non-controlling interests	191,232,681.44	156,485,206.87

**SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the year ended December 31, 2017

	For the year ended December 31,	
	2017	2016
	RMB	RMB
	(audited)	(audited)
V. Other comprehensive income, net of tax	-4,144,572.44	-
Other comprehensive income, net of tax attributable to owners of Shuanghui Development	-2,113,731.94	-
Including: Fair value change in effective portion of cash flow hedge that may be reclassified subsequently to profit or loss	-2,113,731.94	-
Other comprehensive income, net of tax attributable to non-controlling interests	-2,030,840.50	-
VI. Total comprehensive income	4,506,388,031.47	4,561,541,599.11
Total comprehensive income attributable to owners of Shuanghui Development	4,317,186,190.53	4,405,056,392.24
Total comprehensive income attributable to non- controlling interests	189,201,840.94	156,485,206.87
VII. Earnings per share:		
(1) Basic earnings per share	1.3091	1.3346
(2) Diluted earnings per share	N/A	N/A

SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2017

	As at December 31, 2017 RMB (audited)	As at January 1, 2017 RMB (audited)
Current assets:		
Cash and bank balances	6,162,804,240.18	3,303,688,588.09
Bills receivables	25,975,745.00	60,233,834.95
Trade receivables	135,043,452.60	100,835,614.91
Prepayments	75,313,646.39	57,586,136.30
Other receivables	10,432,491.67	47,682,603.89
Inventories	2,928,255,410.86	3,219,714,749.87
Non-current assets due within one year	2,334,033.96	2,334,034.42
Loans receivables	399,417,500.00	742,500,000.00
Other current assets	276,958,347.30	248,978,269.65
Total current assets	10,016,534,867.96	7,783,553,832.08
Non current assets:		
Available-for-sale investments	44,686,591.59	34,038,891.59
Long-term equity investments	175,762,503.25	176,666,881.24
Fixed assets	11,499,807,659.66	11,574,188,890.19
Construction in progress	154,056,643.23	532,599,950.74
Materials for construction of fixed assets	4,130,046.99	2,339,249.15
Biological assets	68,785,210.07	70,951,919.14
Intangible assets	1,005,343,551.24	1,042,586,917.58
Long-term prepaid expenses	67,108,747.01	62,792,467.66
Deferred tax assets	47,532,004.86	66,787,715.68
Other non-current assets	5,318,333.85	5,412,685.60
Total non-current assets	13,072,531,291.75	13,568,365,568.57
Total assets	23,089,066,159.71	21,351,919,400.65
Current liabilities:		
Short-term borrowings	1,942,107,168.85	1,055,000,199.99
Deposit receipts	533,822,757.49	335,343,336.65
Derivative financial instruments	4,144,572.44	-
Other loans	785,481,761.26	-
Trade payables	1,848,353,162.03	2,308,776,897.74
Receipts in advance	562,009,399.87	712,391,591.65
Accrued staff costs	611,283,942.17	600,782,437.34
Taxes payables	294,627,389.87	295,603,980.32
Interest payables	4,034,079.23	750,025.01
Dividend payables	140,023,774.05	118,669,486.46
Other payables	677,776,645.25	740,333,008.37
Non-current liabilities due within one year	320,950.78	341,855.36
Other current liabilities	3,053,448.99	8,440,201.50
Total current liabilities	7,407,039,052.28	6,176,433,020.39

SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at December 31, 2017

	As at December 31, 2017 RMB (audited)	As at January 1, 2017 RMB (audited)
Non-current liabilities:		
Long-term borrowings	5,135,212.55	5,825,999.87
Long-term other payables	68,300,000.00	–
Deferred income	74,120,410.78	51,986,672.16
Deferred tax liabilities	67,143,222.92	48,925,918.81
Total non-current liabilities	214,698,846.25	106,738,590.84
Total liabilities	7,621,737,898.53	6,283,171,611.23
Owners' equity:		
Share capital	3,299,558,284.00	3,299,558,284.00
Capital reserve	1,885,053,364.53	1,831,050,450.76
Other reserve	–2,113,731.94	–
Surplus reserve	1,831,906,631.94	1,831,906,631.94
General reserve	708,827.78	15,313.63
Retained profits	7,601,970,773.48	7,240,262,335.24
Total equity attributable to owners of Shuanghui		
Development	14,617,084,149.79	14,202,793,015.57
Non-controlling interests	850,244,111.39	865,954,773.85
Total owners' equity	15,467,328,261.18	15,068,747,789.42
Total liabilities and owners' equity	23,089,066,159.71	21,351,919,400.65

If you wish to review the Shuanghui Development Annual Report in full, please visit www.szse.cn.

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

Hong Kong, March 26, 2018

As at the date of this announcement, the executive directors of the Company are Mr. WAN Long, Mr. GUO Lijun, Mr. ZHANG Taixi, 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.