



WH Group Announces Q3 2017 Results Sustained Growth in Business Scale and Operating Results

Hong Kong, October 30, 2017 – **WH Group Limited** (“WH Group” or the “Company”), the world’s largest pork company, today announced the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended September 30, 2017 (the “Period”).

Highlights

- Turnover increased by 3.2% to US\$16,285 million
- Operating profit increased by 7.6% to US\$1,379 million
- Underlying profit attributable to owners of the Company increased by 11.1% to US\$823 million (disregard any biological fair value adjustments and the non-recurrent debt extinguishment costs and related tax during the Period for the refinancing of certain existing indebtedness)

Financial results

During the Period, turnover of the Group was US\$16,285 million, up 3.2% when compared with that of the nine months ended September 30, 2016. Operating profit was US\$1,379 million, an increase of 7.6% from that of the same period last year. Disregarding any biological fair value adjustments and the non-recurrent debt extinguishment costs of US\$70 million and related tax of US\$26 million incurred during the Period for the refinancing of certain existing indebtedness, the underlying profit attributable to owners of the Company was US\$823 million, 11.1% higher than that of the same period last year.

Major achievements

The Group continuously optimizes its footprint in European region through acquisition. On July 28, 2017, the Group acquired 33.5% interest of Pini Polonia and agreed to acquire the remaining 66.5% interest of Pini Polonia (subject to approval from the relevant regulatory authorities), which operates a hog slaughterhouse in Kutno. The acquisition has strengthened the Group’s vertically-integrated supply chain and further enhanced its high-quality meat production capacity, and has made the Group more competitive in Poland. On September 25, 2017, the Group entered into a share purchase agreement, to acquire Elit SRL and Vericom SRL in Romania (subject to approval from the relevant regulatory authorities), which operates three packaged meats manufacturing facilities, five distribution centers and certain related assets. The acquisition will give the Group a leading position in the Romanian packaged meats market with a branded portfolio of higher margin products.

Business Segments Discussion

Packaged Meats

During the Period, sales volume of our packaged meats increased by 1.3% on the back of the growth in U.S. and European markets. Operating profit of packaged meats for the Period recorded a 5.1% year-on-year decline, primarily associated with the higher raw material costs in U.S. and Europe as well as the adverse effect generated from the exchange rates applied in reporting the RMB-denominated business in US\$.

Fresh Pork

Total number of hogs processed in the Period increased by 9.1%, while external sales volume of fresh pork during the Period also increased by 9.4% year-on-year. The increase can mainly be attributed to the positive effects generated from production expansion in all markets and the acquisition of Clougherty and its brands. Since U.S. operations had strong profitability and European operations turned around during the Period, operating profit increased significantly by 23.7%.

Hog Production

During the Period, the hog production volume increased by 5.7%, while the operating profit of this sector rose 3.7 times from that of the same period last year. The primary driver of such increase was the growth recorded in both U.S. and European operations.

Outlook

WH Group Chairman and Chief Executive Officer Mr. Wan Long said: “During the Period, WH Group managed to become a component of the Hang Seng Index. This is indicative of the fact that the Company's stock market value, leading position in the sector and operating performance have been recognized by the capital market. We maintained steady growth and endeavored to promote business development during the Period. Looking ahead, the global political economic climate as well as the industry environment will from time to time bring us both opportunities and challenges. We will improve operations and promote the coordinated development of our global business by continuing to integrate our global resources, by developing sales channels and by growing in scale. We will seize the opportunities brought about by the consolidation in the industry, continuously strengthen the vertically integrated supply chain and realize the Group's multi animal protein strategy, thereby reinforcing WH Group's leadership in the global pork market.”

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About WH Group Limited (HKEx stock code: 288)

WH Group Limited is the largest pork company in the world with the top market share in China, the U.S. and some markets in Europe. It owns many well-recognized and trusted brands and stands above the rest with



global market leadership in all key segments of the pork value chain, including packaged meats, fresh pork and hog production. The Group conducts its operations through Henan Shuanghui Investment & Development Co., Ltd., the largest animal protein company in Asia, and Smithfield Foods, the largest pork company in the U.S. For more information, visit www.wh-group.com.

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