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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, 2020 OF
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO., LTD.

On March 30, 2021 after trading hours (Hong Kong time), Shuanghui Development released its annual report for the year ended December 31, 2020.

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 70.33% equity interest in Shuanghui Development. On March 30, 2021, Shuanghui Development filed its annual report with the Shenzhen Stock Exchange for the year ended December 31, 2020 (the “**Shuanghui Development Annual Report**”). It is important to note that the audited consolidated financial results contained in the 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, 2020

For the year ended December 31, 2020, external sales volume of meat products was 3.05 million metric tons, representing a decrease of 3.06% from the comparable period of 2019. Turnover increased by 22.51% from the comparable period of 2019 to RMB73,935 million. Net profit increased by 12.42% from the comparable period of 2019 to RMB6,370 million.

The audited consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2020 and the audited consolidated statement of financial position as at December 31, 2020 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, 2020

	For the year ended December 31,	
	2020	2019
	<i>RMB</i>	<i>RMB</i>
	(audited)	(audited)
I. Total operating income	73,935,193,285.13	60,348,305,743.59
Including: Operating income	73,862,643,466.60	60,309,731,762.99
Interest income	72,512,895.61	38,487,695.49
Handling and commission income	36,922.92	86,285.11
II. Total operating costs	65,663,296,050.98	53,525,288,222.98
Including: Operating costs	61,114,007,702.27	48,976,782,883.71
Interest expenses	26,748,793.32	51,025,016.79
Handling and commission charges	497,026.92	688,202.93
Tax and levies	340,640,363.22	297,129,008.21
Selling expenses	2,660,816,208.54	2,705,930,379.68
Administrative expenses	1,392,263,457.32	1,308,001,261.00
Research and development expenses	95,809,346.10	88,284,314.96
Financial expenses	32,513,153.29	97,447,155.70
Including: Interest expenses	98,647,306.89	122,075,794.19
Interest income	68,929,301.43	44,866,867.08
Add: Other income	173,779,512.26	188,368,924.63
Investment income	393,615,359.91	142,743,112.09
Including: Income from investments in associates and joint ventures	18,979,231.14	14,304,001.88
(Loss)/gain on fair value change	-4,662,519.15	27,879,591.73
Impairment for credit (loss)/gain	-2,918,559.78	141,773.61
Impairment losses of assets	-838,771,542.13	-334,907,147.33
Gain on disposal of assets	10,632,050.73	4,432,083.65

	For the year ended December 31,	
	2020	2019
	RMB	RMB
	(audited)	(audited)
III. Operating profit	8,003,571,535.99	6,851,675,858.99
Add: Non-operating income	30,937,900.68	16,577,096.31
Less: Non-operating expenses	61,550,982.25	29,759,622.12
IV. Total profit	7,972,958,454.42	6,838,493,333.18
Less: Income tax expenses	1,603,156,126.62	1,172,504,439.47
V. Net profit	6,369,802,327.80	5,665,988,893.71
Including: Net profit from continuing operations	6,369,802,327.80	5,665,988,893.71
Net profit from discontinued operations	—	—
Net profit attributable to owners of Shuanghui Development	6,255,513,991.33	5,437,612,565.07
Profit or loss attributable to non-controlling interests	114,288,336.47	228,376,328.64
VI. Other comprehensive income, net of tax	—	-167,642.00
Other comprehensive income, net of tax attributable to owners of Shuanghui Development	—	-85,497.42
Including: Item that may be reclassified subsequently to profit or loss	—	-85,497.42
Including: Change in cash flow hedge	—	-85,497.42
Other comprehensive income, net of tax attributable to non-controlling interests	—	-82,144.58
VII. Total comprehensive income	6,369,802,327.80	5,665,821,251.71
Total comprehensive income attributable to owners of Shuanghui Development	6,255,513,991.33	5,437,527,067.65
Total comprehensive income attributable to non-controlling interests	114,288,336.47	228,294,184.06
VIII. Earnings per share		
(1) Basic earnings per share	1.8642	1.6382
(2) Diluted earnings per share	1.8642	1.6382

SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	As at December 31, 2020 <i>RMB</i> (audited)	As at January 1, 2020 <i>RMB</i> (audited)
Current assets:		
Cash and bank balances	8,485,885,001.20	3,455,331,419.03
Loan receivables from financial institutions	300,000,000.00	100,000,000.00
Exchange financial assets	5,735,620,003.05	3,052,713,858.41
Bills receivables	44,600,000.00	58,965,192.00
Trade receivables	235,909,236.00	153,998,532.63
Prepayments	245,458,023.72	212,027,935.58
Other receivables	55,305,654.74	85,654,976.38
Inventories	6,377,695,426.57	8,801,425,418.16
Loans receivables	80,097,600.00	24,600,000.00
Other current assets	513,368,484.76	358,528,085.64
Total current assets	22,073,939,430.04	16,303,245,417.83
Non-current assets:		
Long-term equity investments	261,797,620.67	177,519,153.68
Other non-current financial assets	67,701,365.25	66,370,029.04
Fixed assets	10,303,818,090.88	10,575,391,363.86
Construction in progress	323,388,219.78	174,313,486.48
Biological assets	148,164,853.70	54,434,108.35
Intangible assets	1,026,638,098.12	980,706,917.51
Development cost	6,353,699.86	2,735,535.77
Long-term prepaid expenses	184,532,694.40	72,615,850.60
Deferred tax assets	187,486,694.75	205,139,943.50
Other non-current assets	120,060,994.51	20,868,724.50
Total non-current assets	12,629,942,331.92	12,330,095,113.29
Total assets	34,703,881,761.96	28,633,340,531.12

	As at December 31, 2020 <i>RMB</i> (audited)	As at January 1, 2020 <i>RMB</i> (audited)
Current liabilities:		
Short-term borrowings	2,382,649,141.34	3,277,465,169.50
Bills payables	4,000,000.00	137,182,676.99
Trade payables	1,708,284,564.46	2,946,334,768.68
Receipts in advance	—	1,894,352,662.62
Contract liabilities	2,448,851,578.28	—
Other loans	819,330,088.75	627,543,125.04
Deposit receipts	49,050,315.18	42,218,682.73
Accrued staff costs	1,113,665,467.11	939,141,147.34
Taxation payables	411,792,409.48	381,237,939.61
Other payables	885,599,607.38	970,114,482.45
Including: Interest payables	—	311,406.24
Dividend payables	89,896,338.39	123,607,556.39
Non-current liabilities due within one year	1,170,765.56	67,979,596.11
Other current liabilities	170,555,854.91	—
Total current liabilities	9,994,949,792.45	11,283,570,251.07
Non-current liabilities:		
Long-term borrowings	15,098,464.11	16,188,598.83
Long-term payables	66,216,080.56	—
Provision	2,500,000.00	—
Deferred income	289,140,618.06	66,431,735.86
Deferred tax liabilities	203,257,840.00	151,759,133.03
Total non-current liabilities	576,213,002.73	234,379,467.72
Total liabilities	10,571,162,795.18	11,517,949,718.79
Owners' equity:		
Share capital	3,464,661,213.00	3,319,282,190.00
Capital reserve	8,072,272,036.07	1,250,180,577.63
Surplus reserve	1,831,906,631.94	1,831,906,631.94
General reserve	109,386,472.28	64,079,524.71
Retained profits	10,284,817,369.31	10,022,251,033.89
Total equity attributable to owners of Shuanghui Development	23,763,043,722.60	16,487,699,958.17
Non-controlling interests	369,675,244.18	627,690,854.16
Total owners' equity	24,132,718,966.78	17,115,390,812.33
Total liabilities and owners' equity	34,703,881,761.96	28,633,340,531.12

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 30, 2021

As at the date of this announcement, the executive directors of the Company are Mr. WAN Long, Mr. WAN Hongjian, Mr. GUO Lijun, Mr. Dennis Pat Rick ORGAN and Mr. MA Xiangjie; 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.