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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)

**FORM 10-Q QUARTERLY REPORT FOR
THE THIRD QUARTER ENDED SEPTEMBER 27, 2015
OF SMITHFIELD FOODS, INC.**

On October 28, 2015 after trading hours (Hong Kong time), Smithfield released its Form 10-Q Quarterly Report for the third quarter ended September 27, 2015.

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 (“**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 28, 2015 after trading hours (Hong Kong time), filed its quarterly report with the SEC under Form 10-Q for the third quarter ended September 27, 2015 (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 accounting principles generally accepted in the U.S. The Company prepares its consolidated financial results in accordance with International Financial Reporting Standards (“**IFRS**”). Accordingly, Smithfield’s results reported herein differ from Smithfield’s results contained in the Company’s consolidated financial statements, which include certain adjustments in order to conform to 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 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 SEPTEMBER 27, 2015

For the three months ended September 27, 2015, Smithfield produced 3.7 million hogs in the U.S., representing an increase of 12% from the comparable period in 2014. Hogs processed in the U.S. amounted to 7.2 million heads, representing an increase of 15% from the comparable period of 2014. Packaged meat sales volume in the U.S. increased 5% to 0.3 million metric tons as compared to the comparable period for 2014. Sales decreased 8% from the comparable period of 2014 to US\$3,406.1 million. Net income decreased 46% from the comparable period of 2014 to US\$83.3 million.

SUMMARY OF RESULTS OF SMITHFIELD FOR THE NINE MONTHS ENDED SEPTEMBER 27, 2015

For the nine months ended September 27, 2015, Smithfield produced 11.5 million hogs in the U.S., representing an increase of 6% from the comparable period in 2014. Hogs processed in the U.S. amounted to 22.2 million heads, representing an increase of 12% from the comparable period of 2014. Packaged meat sales volume in the U.S. increased 6% to 0.94 million metric tons as compared to the comparable period for 2014. Sales decreased 4% from the comparable period of 2014 to US\$10,509.2 million. Net income decreased 29% from the comparable period of 2014 to US\$284.5 million.

The unaudited consolidated condensed statements of income for the three months and nine months ended September 27, 2015 and the unaudited consolidated condensed balance sheet as of September 27, 2015 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	
	September 27, 2015	September 28, 2014	September 27, 2015	September 28, 2014
Sales	\$3,406.1	\$3,702.3	\$10,509.2	\$10,938.4
Cost of Sales	3,021.1	3,248.3	9,299.6	9,619.2
Gross profit	385.0	454.0	1,209.6	1,319.2
Selling, general and administrative expenses	238.4	218.4	692.9	653.0
Income from equity method investments	(7.1)	(14.5)	(11.3)	(40.5)
Operating profit	153.7	250.1	528.0	706.7
Interest expense	32.3	39.3	98.5	120.5
Non-operating (gain) loss	–	–	12.1	(1.1)
Income before income taxes	121.4	210.8	417.4	587.3
Income tax expense	38.1	55.5	132.9	183.8
Net income	\$83.3	\$155.3	\$284.5	\$403.5

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

	September 27, 2015	December 28, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	115.2	433.5
Accounts receivable, net	826.2	864
Inventories	2,251.9	2,206.8
Prepaid expenses and other current assets	225.6	244.3
Total current assets	<u>3,418.9</u>	<u>3,748.6</u>
Property, plant and equipment, net	2,829.8	2,753.4
Goodwill	1,622.5	1,626.2
Intangible assets, net	1,371.4	1,380.9
Investments	139.8	498.0
Other assets	118.2	124.4
Total assets	<u>9,500.6</u>	<u>10,131.5</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	21.6	48.1
Accounts payable	495.2	675.1
Accrued expenses and other current liabilities	697.8	745.0
Total current liabilities	<u>1,214.6</u>	<u>1,468.2</u>
Long-term debt and capital lease obligations	2,276.3	2,678.5
Net long-term pension liability	305.6	574.9
Other liabilities	885.6	819.7
Redeemable non-controlling interests	53.0	49.8
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	4,182.2	4,167.3
Retained earnings	845.3	590.8
Accumulated other comprehensive loss	(262.4)	(218.6)
Total shareholder's equity	<u>4,765.1</u>	<u>4,539.5</u>
Non-controlling interests	0.4	0.9
Total equity	<u>4,765.5</u>	<u>4,540.4</u>
Total liabilities and equity	<u>9,500.6</u>	<u>10,131.5</u>

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

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

Hong Kong, October 28, 2015

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