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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 FIRST QUARTER ENDED APRIL 3, 2016  
OF SMITHFIELD FOODS, INC.**

On April 28, 2016 after trading hours (Hong Kong time), Smithfield released its Form 10-Q Quarterly Report for the first quarter ended April 3, 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 (“**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 April 28, 2016 after trading hours (Hong Kong time), filed its quarterly report with the SEC under Form 10-Q for the first quarter ended April 3, 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 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 APRIL 3, 2016

For the three months ended April 3, 2016, Smithfield produced 3.9 million hogs in the U.S., representing a decrease of 2% from the comparable period of 2015. Hogs processed in the U.S. amounted to 7.7 million heads, relatively unchanged from the comparable period of 2015. Packaged meat sales volume in the U.S. increased 2% to 0.34 million metric tons as compared to the comparable period of 2015. Sales decreased 9% from the comparable period of 2015 to US\$3,306.3 million. Net income increased 25% from the comparable period of 2015 to US\$121 million.

The unaudited consolidated condensed statements of income for the three months ended April 3, 2016 and the unaudited consolidated condensed balance sheet as of April 3, 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)

|  | <b>Three Months Ended</b> |                   |
|--|---------------------------|-------------------|
|  | <b>April 3,<br/>2016</b>  | March 29,<br>2015 |
| Sales  | <b>\$ 3,306.3</b>         | \$ 3,616.5        |
| Cost of Sales                                | <b>2,893.9</b>            | 3,210.4           |
| Gross profit                                 | <b>412.4</b>              | 406.1             |
| Selling, general and administrative expenses | <b>208.1</b>              | 221.9             |
| Income from equity method investments        | <b>(5.8)</b>              | (4.0)             |
| Operating profit                             | <b>210.1</b>              | 188.2             |
| Interest expense                             | <b>32.0</b>               | 34.7              |
| Non-operating loss                           | <b>–</b>                  | 12.8              |
| Income before income taxes                   | <b>178.1</b>              | 140.7             |
| Income tax expense                           | <b>57.1</b>               | 43.7              |
| Net income                                   | <b>\$ 121.0</b>           | \$ 97.0           |

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

|   | April 3,<br>2016  | January 3,<br>2016 |
|---|-------------------|--------------------|
| <b>ASSETS</b>   |                   |                    |
| <b>Current assets:</b>  |                   |                    |
| Cash and cash equivalents   | \$ 260.6          | \$ 704.9           |
| Accounts receivable, net  | 746.0             | 760.0              |
| Inventories   | 2,204.2           | 2,099.7            |
| Prepaid expenses and other current assets   | 119.8             | 176.4              |
| Total current assets  | <u>3,330.6</u>    | 3,741.0            |
| Property, plant and equipment, net  | 2,908.1           | 2,867.3            |
| Goodwill  | 1,623.2           | 1,619.5            |
| Intangible assets, net  | 1,369.0           | 1,365.7            |
| Investments   | 137.1             | 142.5              |
| Other assets  | 134.4             | 158.0              |
| Total assets  | <u>\$ 9,502.4</u> | <u>\$ 9,894.0</u>  |
| <b>LIABILITIES AND EQUITY</b>   |                   |                    |
| <b>Current liabilities:</b>   |                   |                    |
| Current portion of long-term debt and capital lease obligations                   | 49.7              | 30.3               |
| Accounts payable  | 379.5             | 686.1              |
| Accrued expenses and other current liabilities                                    | 742.8             | 828.3              |
| Total current liabilities   | <u>1,172.0</u>    | 1,544.7            |
| Long-term debt and capital lease obligations                                      | 2,276.4           | 2,257.9            |
| Other liabilities   | 1,079.8           | 1,216.5            |
| Redeemable non-controlling interests  | 55.7              | 53.9               |
| <b>Commitments and contingencies</b>  |                   |                    |
| <b>Equity:</b>  |                   |                    |
| Shareholder's equity:   |                   |                    |
| Common stock, no par value, 1,000 shares authorized; 1,000 issued and outstanding | —                 | —                  |
| Additional paid-in capital  | 4,187.4           | 4,185.1            |
| Retained earnings   | 1,060.5           | 1,013.1            |
| Accumulated other comprehensive loss  | (330.0)           | (377.7)            |
| Total shareholder's equity  | <u>4,917.9</u>    | 4,820.5            |
| Non-controlling interests   | 0.6               | 0.5                |
| Total equity  | <u>4,918.5</u>    | 4,821.0            |
| Total liabilities and equity  | <u>\$ 9,502.4</u> | <u>\$ 9,894.0</u>  |

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, April 28, 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. SULLIVNAN 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.*