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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)**

## **VOLUNTARY ANNOUNCEMENT**

### **ACQUISITION OF CLOUGHERTY PACKING, LLC BY SMITHFIELD**

This announcement is made by the Company on a voluntary basis.

#### **THE ACQUISITION**

The Board is pleased to announce that on November 21, 2016 (after trading hours), Smithfield (an indirect wholly-owned subsidiary of the Company) as purchaser, and the Seller as seller, entered into a definitive agreement, pursuant to which Smithfield conditionally agreed to acquire the Target Companies from the Seller. The purchase price for the Target Companies is US\$145,000,000 (approximately HK\$1,125,200,000), subject to certain post-closing working capital adjustments.

The transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to be completed before the year-end of 2016. Upon completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

#### **INFORMATION ON THE TARGET COMPANIES**

Clougherty is a limited liability company incorporated in the State of Delaware, the United States, and is an integrated producer and processor of pork products. Based in California, Clougherty operates under various brands including “Farmer John” and “Saag’s Specialty Meats”. Clougherty processes approximately 7,400 hogs daily and has sales of approximately US\$500 million annually. Its products, which are sold primarily in the Southwestern United States, include hot dogs, bacon, breakfast sausages, fresh pork, ham, lunch meat and smoked sausages.

PFFJ and Champ, each a limited liability company incorporated in the State of Delaware, the United States, are affiliates of Clougherty which operate hog farms located in California, Wyoming and Arizona in the United States.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Acquisition expands and strengthens Smithfield’s vertically integrated supply chain with an existing profitable business with fresh and packaged meats customers and immediate entry into the U.S. West Coast market. The U.S. West Coast location is strategic to targeting Asian export markets with a time advantage compared to East Coast plants. As the Farmer John brand is the leading branded bacon and the leading branded fresh sausage in California, the Acquisition further solidifies the Group’s image as a premium pork products producer and processor. The Acquisition also offers opportunities to generate synergies through horizontal integration with Smithfield’s existing production, sales and distribution processes, boosting sales and facilitating the offering of a broader scope of quality products to customers.

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition is below 5%, the Acquisition does not constitute a notifiable transaction of the Company.

## **DEFINITIONS**

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Acquisition”	the proposed acquisition of all of the issued and outstanding membership interests of the Target Companies by Smithfield from the Seller pursuant to the definitive agreement
“Board”	the board of Directors
“Champ”	Champ, LLC, a company incorporated under the laws of the State of Delaware, the United States with limited liability
“Clougherty”	Clougherty Packing, LLC, a company incorporated under the laws of the State of Delaware, the United States with limited liability
“Company”	WH Group Limited (萬洲國際有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PFFJ”	PFFJ, LLC, a company incorporated under the laws of the State of Delaware, the United States with limited liability
“Seller”	Hormel Foods Corporation, a corporation incorporated in the State of Delaware, the United States, the shares of which are listed on the New York Stock Exchange (stock code: HRL)
“Smithfield”	Smithfield Foods, Inc., a corporation incorporated under the laws of the Commonwealth of Virginia, the United States and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Target Companies”	collectively, Clougherty, PFFJ and Champ
“United States or U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America

For and on behalf of the Board of  
**WH Group Limited**  
**Wan Long**  
*Chairman and Chief Executive Officer*

Hong Kong, November 22, 2016

*For the purpose of this announcement, translations of US\$ into HK\$ or vice versa have been calculated by using an exchange rate of US\$1.00 equal to HK\$7.76. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

*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.*