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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)

**UNAUDITED FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED JUNE 30, 2018 OF
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO., LTD.**

On August 14, 2018 after trading hours (Hong Kong time), Shuanghui Development released its interim report for the six months ended June 30, 2018.

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 73.25% equity interest in Shuanghui Development. On August 14, 2018, Shuanghui Development filed its interim report with the Shenzhen Stock Exchange for the six months ended June 30, 2018 (the “**Shuanghui Development Interim Report**”). It is important to note that the unaudited consolidated financial results contained in Shuanghui Development Interim 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 SIX MONTHS ENDED JUNE 30, 2018

For the six months ended June 30, 2018, Shuanghui Development processed 8.27 million hogs, representing an increase of 30.42% from the comparable period of 2017. External sales volume of meat products was 1.55 million metric tons, representing an increase of 6.65% from the comparable period of 2017. Turnover decreased by 1.30% from the comparable period of 2017 to RMB23,732 million. Net profit increased by 23.97% from the comparable period of 2017 to RMB2,459 million.

The unaudited consolidated statement of profit or loss and other comprehensive income for the six months ended June 30, 2018 and the unaudited consolidated statement of financial position as at June 30, 2018 contained in the Shuanghui Development Interim Report are provided below:

**SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the six months ended June 30, 2018

	For the six months ended June 30,	
	2018	2017
	RMB	RMB
	(unaudited)	(unaudited)
I. Total operating income	23,732,111,598.20	24,045,231,882.50
Including: Operating income	23,621,389,338.87	23,997,162,774.64
Interest income	110,667,636.73	48,011,947.54
Handling and commission income	54,622.60	57,160.32
II. Total operating costs	20,832,310,840.64	21,625,807,333.37
Less: Operating costs	18,575,792,566.35	19,534,171,971.85
Interest expenses	11,140,143.63	3,805,843.20
Handling and commission charges	440,672.12	416,919.56
Tax and levies	173,775,349.26	159,498,602.91
Selling expenses	1,266,830,305.35	1,167,243,595.93
Administrative expenses	533,610,757.97	553,746,724.89
Financial expenses	27,075,144.91	42,774,750.76
Impairment losses of assets	243,645,901.05	164,148,924.27
Add: Investment income	22,349,889.64	36,948,151.72
Including: Income from investments in associates and joint ventures	7,275,581.00	11,896,672.54
Gain (Loss) on disposal of assets	-592,582.20	2,158,777.91
Other gains	151,816,839.80	-
III. Operating profit	3,073,374,904.80	2,458,531,478.76
Add: Non-operating income	20,952,700.07	134,264,079.38
Less: Non-operating expenses	9,377,639.11	15,637,066.28
IV. Total profit	3,084,949,965.76	2,577,158,491.86
Less: Income tax expenses	626,213,289.19	593,867,553.77
V. Net profit	2,458,736,676.57	1,983,290,938.09
Including: Net profit from continuing operations	2,458,736,676.57	1,983,290,938.09
Net profit from discontinued operations	-	-
Net profit attributable to owners of Shuanghui Development	2,385,332,323.73	1,904,054,872.23
Profit or loss attributable to non-controlling interests	73,404,352.84	79,236,065.86
VI. Other comprehensive income, net of tax	4,144,572.44	-
Other comprehensive income, net of tax attributable to owners of Shuanghui Development	2,113,731.94	-
Including: Item that may be reclassified subsequently to profit or loss	2,113,731.94	-
Including: Fair value change in cash flow hedge	2,113,731.94	-
Other comprehensive income, net of tax attributable to non-controlling interests	2,030,840.50	-
VII. Total comprehensive income	2,462,881,249.01	1,983,290,938.09
Total comprehensive income attributable to owners of Shuanghui Development	2,387,446,055.67	1,904,054,872.23
Total comprehensive income attributable to non-controlling interests	75,435,193.34	79,236,065.86
VIII. Earnings per share:		
(1) Basic earnings per share	0.7229	0.5771
(2) Diluted earnings per share	0.7229	0.5771

SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2018

	As at June 30, 2018 RMB (unaudited)	As at January 1, 2018 RMB (audited)
Current assets:		
Cash and bank balances	3,826,852,041.87	6,162,804,240.18
Bills receivables	34,102,100.50	25,975,745.00
Trade receivables	111,679,180.22	135,043,452.60
Prepayments	30,189,901.73	75,313,646.39
Other receivables	9,679,630.38	10,432,491.67
Inventories	4,080,783,559.90	2,928,255,410.86
Loans receivables	104,076,000.00	399,417,500.00
Non-current assets due within one year	2,215,306.61	2,334,033.96
Other current assets	590,277,546.26	276,958,347.30
Total current assets	8,789,855,267.47	10,016,534,867.96
Non-current assets:		
Available-for-sale investments	44,686,591.59	44,686,591.59
Long-term equity investments	169,669,621.04	175,762,503.25
Fixed assets	11,159,914,298.56	11,499,807,659.66
Construction in progress	217,700,225.50	154,056,643.23
Materials for construction of fixed assets	6,750,557.39	4,130,046.99
Biological assets	69,678,421.77	68,785,210.07
Intangible assets	958,055,610.00	1,005,343,551.24
Long-term prepaid expenses	60,927,800.37	67,108,747.01
Deferred tax assets	61,025,351.43	47,532,004.86
Other non-current assets	6,196,813.71	5,318,333.85
Total non-current assets	12,754,605,291.36	13,072,531,291.75
Total assets	21,544,460,558.83	23,089,066,159.71
Current liabilities:		
Short-term borrowings	2,040,602,118.85	1,942,107,168.85
Deposit receipts	452,943,464.59	533,822,757.49
Derivative financial instruments	-	4,144,572.44
Trade payables	1,755,094,186.30	1,848,353,162.03
Receipts in advance	497,683,077.03	562,009,399.87
Other loans	752,950,000.00	785,481,761.26
Accrued staff costs	441,362,546.17	611,283,942.17
Taxes payables	324,195,931.18	294,627,389.87
Interest payables	3,687,921.82	4,034,079.23
Dividend payables	73,478,477.00	140,023,774.05
Other payables	664,813,628.32	677,776,645.25
Non-current liabilities due within one year	326,312.45	320,950.78
Other current liabilities	1,962,458.31	3,053,448.99
Total current liabilities	7,009,100,122.02	7,407,039,052.28

SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at June 30, 2018

	As at June 30, 2018 RMB (unaudited)	As at January 1, 2018 RMB (audited)
Non-current liabilities:		
Long-term borrowings	5,057,842.94	5,135,212.55
Long-term payables	67,950,000.00	68,300,000.00
Deferred income	72,140,687.85	74,120,410.78
Deferred tax liabilities	65,115,503.61	67,143,222.92
Total non-current liabilities	210,264,034.40	214,698,846.25
Total liabilities	7,219,364,156.42	7,621,737,898.53
Owners' equity:		
Share capital	3,299,558,284.00	3,299,558,284.00
Capital reserve	1,909,620,367.57	1,885,053,364.53
Other reserve	–	-2,113,731.94
Surplus reserve	1,831,906,631.94	1,831,906,631.94
General reserve	708,827.78	708,827.78
Retained profits	6,357,788,984.81	7,601,970,773.48
Total equity attributable to owners of Shuanghui Development	13,399,583,096.10	14,617,084,149.79
Non-controlling interests	925,513,306.31	850,244,111.39
Total owners' equity	14,325,096,402.41	15,467,328,261.18
Total liabilities and owners' equity	21,544,460,558.83	23,089,066,159.71

If you wish to review the Shuanghui Development Interim 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, August 14, 2018

As at the date of this announcement, the executive directors of the Company are Mr. WAN Long, Mr. WAN Hongjian, Mr. GUO Lijun, Mr. SULLIVAN Kenneth Marc 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.