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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 NINE MONTHS ENDED SEPTEMBER 30, 2019 OF
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO., LTD.**

On October 28, 2019 after trading hours (Hong Kong time), Shuanghui Development released its quarterly report for the nine months ended September 30, 2019.

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 73.41% equity interest in Shuanghui Development. On October 28, 2019, Shuanghui Development filed its quarterly report with the Shenzhen Stock Exchange for the nine months ended September 30, 2019 (the “**Shuanghui Development Quarterly Report**”). It is important to note that the unaudited consolidated financial results contained in Shuanghui Development Quarterly 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 NINE MONTHS ENDED SEPTEMBER 30, 2019

For the nine months ended September 30, 2019, Shuanghui Development processed 11.27 million hogs, representing a decrease of 6.35% from the comparable period of 2018. External sales volume of meat products was 2.34 million metric tons, representing a decrease of 1.08% from the comparable period of 2018. Turnover increased by 14.65% from the comparable period of 2018 to RMB41,994 million. Net profit increased by 9.59% from the comparable period of 2018 to RMB4,114 million.

The unaudited consolidated statement of profit or loss and other comprehensive income for the nine months ended September 30, 2019 and the unaudited consolidated statement of financial position as at September 30, 2019 contained in Shuanghui Development Quarterly Report are provided below:

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

For the nine months ended September 30, 2019

	For the nine months ended September 30,	
	2019	2018
	RMB	RMB
	(unaudited)	(unaudited)
I. Total operating income	41,994,340,169.22	36,629,481,790.85
Including: Operating income	41,968,478,986.29	36,496,556,852.09
Interest income	25,780,227.23	132,797,202.91
Handling and commission income	80,955.70	127,735.85
II. Total operating costs	37,176,656,788.50	31,911,479,212.65
Including: Operating costs	33,794,587,523.82	28,678,892,478.93
Interest expenses	36,679,831.17	12,252,359.06
Handling and commission charges	574,248.30	648,005.25
Business tax and levies	224,177,816.35	268,210,209.56
Selling expenses	2,084,318,419.10	1,960,205,326.28
Administrative expenses	876,843,795.24	800,743,292.08
Research expenses	56,910,312.60	52,496,574.66
Financial expenses	102,564,841.92	138,030,966.83
Including: Interest expenses	101,567,646.02	159,100,059.40
Interest income	23,105,031.15	23,147,530.11

SHUANGHUI DEVELOPMENT
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)

For the nine months ended September 30, 2019

	For the nine months ended	
	September 30,	
	2019	2018
	RMB	RMB
	(unaudited)	(unaudited)
Add: Other income	145,092,291.47	213,647,284.98
Investment income	110,748,839.95	43,305,510.26
Including: Income from investments in associates and joint ventures	10,957,921.52	10,392,225.91
Gain on fair value change	13,916,191.86	12,638,873.32
Impairment for credit losses	-87,242.46	—
Impairment losses of assets	-85,835,522.10	-284,414,023.79
Gain/(loss) on disposal of assets	65,365.50	-666,621.58
III. Operating profit	5,001,583,304.94	4,702,513,601.39
Add: Non-operating income	10,677,446.73	23,437,458.02
Less: Non-operating expenses	14,962,654.03	14,423,241.82
IV. Total profit	4,997,298,097.64	4,711,527,817.59
Less: Income tax expenses	887,331,116.42	961,882,622.64
V. Net profit	4,109,966,981.22	3,749,645,194.95
Including: Net profit from continuing operations	4,109,966,981.22	3,749,645,194.95
Net profit from discontinued operations	—	—
Net profit attributable to owners of Shuanghui Development	3,943,102,020.36	3,655,707,197.72
Profit or loss attributable to non-controlling interests	166,864,960.86	93,937,997.23
VI. Other comprehensive income, net of tax	4,007,840.81	4,461,833.88
Other comprehensive income, net of tax attributable to owners of Shuanghui Development	2,043,998.81	2,275,535.27
Including: Item that may be reclassified subsequently to profit or loss	2,043,998.81	2,275,535.27
Including: Change in cash flow hedge	2,043,998.81	2,275,535.27
Other comprehensive income, net of tax attributable to non-controlling interests	1,963,842.00	2,186,298.61
VII. Total comprehensive income	4,113,974,822.03	3,754,107,028.83
Total comprehensive income attributable to owners of Shuanghui Development	3,945,146,019.17	3,657,982,732.99
Total comprehensive income attributable to non-controlling interests	168,828,802.86	96,124,295.84
VIII. Earnings per share:		
(1) Basic earnings per share	1.1879	1.1014
(2) Diluted earnings per share	1.1879	1.1014

SHUANGHUI DEVELOPMENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2019

	As at September 30, 2019 <i>RMB</i> (unaudited)	As at January 1, 2019 <i>RMB</i> (audited)
Current assets:		
Cash and bank balances	2,178,809,716.22	2,800,713,026.56
Loan receivables from financial institutions	300,000,000.00	450,000,000.00
Financial assets held for trading	3,379,385,251.61	—
Financial assets at fair value through profit or loss	—	2,170,530,780.47
Derivative financial instruments	4,175,482.81	167,642.00
Bills receivables	64,218,505.50	61,994,944.86
Trade receivables	125,896,625.97	99,999,810.27
Prepayments	68,026,198.34	64,440,053.91
Other receivables	103,688,592.38	33,507,703.90
Inventories	7,760,567,676.56	4,244,810,831.87
Loans receivables	—	19,680,000.00
Other current assets	396,119,100.88	319,931,613.75
Total current assets	14,380,887,150.27	10,265,776,407.59
Non-current assets:		
Available-for-sale investments	—	46,686,591.59
Long-term equity investments	174,786,178.79	177,794,468.80
Other non-current financial assets	59,635,235.97	—
Fixed assets	10,684,444,009.22	11,158,559,254.58
Construction in progress	161,247,793.68	111,511,869.18
Biological assets	47,637,050.39	66,116,743.94
Intangible assets	830,653,532.60	847,401,736.92
Long-term prepaid expenses	69,885,951.98	73,335,792.73
Deferred tax assets	116,416,110.86	110,588,566.39
Other non-current assets	12,545,372.71	6,753,169.60
Total non-current assets	12,157,251,236.20	12,598,748,193.73
Total assets	26,538,138,386.47	22,864,524,601.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at September 30, 2019

	As at September 30, 2019 <i>RMB</i> (unaudited)	As at January 1, 2019 <i>RMB</i> (audited)
Current liabilities:		
Short-term borrowings	3,605,151,827.34	3,130,575,449.85
Bills payables	130,905,988.87	—
Trade payables	2,255,096,855.21	1,950,862,639.54
Receipts in advance	1,750,174,935.53	989,927,170.24
Other loans	583,891,875.00	797,215,000.00
Deposit receipts	164,913,719.02	300,355,133.39
Accrued staff costs	603,678,942.69	718,824,302.13
Taxation payables	409,699,452.65	333,058,055.49
Other payables	800,034,008.55	706,934,354.82
Including: Interest payables	349,434.56	7,806,055.45
Dividend payables	33,962,215.02	71,106,854.89
Non-current liabilities due within one year	1,136,248.02	1,129,518.63
Total current liabilities	10,304,683,852.88	8,928,881,624.09
Non-current liabilities:		
Long-term borrowings	16,311,391.82	17,338,134.55
Long-term payables	67,000,000.00	67,950,000.00
Deferred income	67,825,070.82	71,678,375.41
Deferred tax liabilities	113,831,388.56	73,493,233.45
Total non-current liabilities	264,967,851.20	230,459,743.41
Total liabilities	10,569,651,704.08	9,159,341,367.50
Owners' equity:		
Share capital	3,319,282,190.00	3,299,558,284.00
Capital reserve	1,250,793,683.12	1,231,820,025.63
Other reserve	2,129,496.23	85,497.42
Surplus reserve	1,831,906,631.94	1,831,906,631.94
General reserve	40,663,724.48	40,663,724.48
Retained profits	8,744,956,552.96	6,637,505,750.36
Total equity attributable to owners of Shuanghui Development	15,189,732,278.73	13,041,539,913.83
Non-controlling interests	778,754,403.66	663,643,319.99
Total owners' equity	15,968,486,682.39	13,705,183,233.82
Total liabilities and owners' equity	26,538,138,386.47	22,864,524,601.32

If you wish to review the Shuanghui Development Quarterly 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, October 28, 2019

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.