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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)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

HIGHLIGHTS

	Six months ended 30 June 2024	2023
Packaged meats sold (thousand metric tons)	**1,501**	1,597
Pork sold (thousand metric tons)	**1,823**	2,026

	Six months ended 30 June 2024		2023	
	Results before biological fair value adjustments	**Results after biological fair value adjustments**	Results before biological fair value adjustments	Results after biological fair value adjustments
	US$ million (unless otherwise stated) **(unaudited)**		*US$ million (unless otherwise stated)* (unaudited)	
Revenue	**12,293**	**12,293**	13,116	13,116
EBITDA	**1,469**	**1,599**	1,066	1,113
Operating profit	**1,140**	**1,140**	639	639
Profit attributable to owners of the Company	**694**	**784**	383	420
Basic earnings per share (US cents)	**5.41**	**6.11**	2.99	3.27
Interim dividend per share (HK$)	**0.10**	**0.10**	0.05	0.05

- Sales volume of packaged meats and pork decreased by 6.0% and 10.0% respectively.
- Revenue decreased by 6.3%.
- Operating profit increased by 78.4%.
- Profit attributable to owners of the Company and basic earnings per share, before biological fair value adjustments, both increased by 81.2%.

The board (the "**Board**") of directors (the "**Directors**") of WH Group Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2024 (the "**Review Period**").

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion should be read in conjunction with the interim financial information of the Group, including the related notes, set forth in the financial information section of this announcement.

INDUSTRY OVERVIEW

The Group is a leading global pork company with operations in multiple geographical regions. In the Review Period, our business in People's Republic of China ("**China**") contributed 31.7% of the revenue and 39.2% of the operating profit of the Group (six months ended 30 June 2023 (the "**Comparable Period**"): 34.2% and 81.4% respectively). Meanwhile, our businesses in the United States of America (the "**U.S.**") and United Mexican States ("**Mexico**") accounted for 54.3% of the revenue and 47.7% of the operating profit of the Group (Comparable Period: 53.4% and 5.6% respectively). The rest of the revenue and operating profit of the Group was primarily derived from our business in Europe. As the pork industry in each of the above regions is characterised distinctively but also co-related to each other to a certain extent, market dynamics in China, the U.S. and Europe are important to the results of our Group.

China

China is the largest pork producer and consumption market in the world. Supplies of pork in China are largely dependent on the availability of agricultural resources, government policies, regulatory environment, animal epidemics and production technology. Given the dominant position of pork in Chinese diet, demand has always been stable and strong. As China continues to experience economic growth and improvement of people's living standards, demand for high-quality pork products is expected to expand further. For short-term trend, it is mainly impacted by industry cycles and near-term events.

In the Review Period, the total production of hogs was 364 million heads with reference to the National Bureau of Statistics of China, which was 3.1% lower than that of the Comparable Period. The total production volume of pork was 29.81 million metric tons, representing a decrease of 1.7% over the Comparable Period. According to the statistics published by the Ministry of Agriculture and Rural Affairs of China, the number of breeding sows at each month end continuously decreased on a year-over-year basis since July 2023. As of the end of June 2024, the number of breeding sows decreased by 6.0% from that of the same time last year. As the market expected hog supplies to tighten, the average hog price in the Review Period was Renminbi ("**RMB**") 15.59 (approximately U.S. Dollar ("**US$**") 2.16) per kilogram ("**kg**"), representing an increase of 3.1% over the Comparable Period.

Although hog prices increased, the total volume of imported pork and by-products in the Review Period as published by the General Administration of Customs of China was 1.11 million metric tons, representing a decrease of 27.3% from that of the Comparable Period. The key importing regions were the European Union (the "**EU**"), the U.S. and Brazil in descending order of import volume.

U.S.

The U.S. is the second largest pork producing country in the world. The entire industry is relatively mature and concentrated. As the U.S. is also the world's largest pork exporting country, hog prices and pork values in the U.S. are driven by the supply and demand of its domestic and export markets.

With reference to the statistics of the United States Department of Agriculture (the "**USDA**"), overall animal protein production in the U.S. in the Review Period was slightly lower than that of the Comparable Period as the production of pork increased by 1.1%, the production of chicken stayed flat, but the production of beef decreased by 1.5%. On the demand side, both domestic consumption and exports were stable. According to the USDA, export volume of U.S. pork and offals increased by 2.6% during the Review Period. Major export destinations that recorded volume growth were Mexico and South Korea.

Against this background, the average hog price, as published by Chicago Mercantile Exchange, Inc. ("**CME**") was US$1.38 per kg in the Review Period, representing an increase of 7.0% over the Comparable Period. The average pork cut-out value as reported by the USDA also increased 13.7% to US$2.08 per kg. As hog prices increased and raising costs decreased following the grain prices, the margin of hog producers improved. As the increase in pork cut-out values was larger than the increase in hog prices, the margin of slaughters also improved.

Europe

The EU is the world's second largest producer of pork after China considering all its member states collectively. The main producers are Germany, Spain, Poland, France, Denmark and Netherlands. The EU as a whole is also the largest exporter of pork and pork products globally. Therefore, its pork prices are highly sensitive to the export conditions.

According to the latest statistics published by the European Commission, the aggregated pork production volume of the member states of the EU increased by 1.4% in the first five months of 2024 over that of the same period in the previous year as the production level was low in 2023. Driven by more supplies, the average carcass price in EU decreased by 6.1% to Euro 2.17 (approximately US$2.35) per kg in the Review Period which represented an average hog price of about Euro 1.64 (approximately US$1.77) per kg. Due to lack of price competitiveness and export restrictions caused by animal diseases, total export volume of the EU in the first four months of 2024 decreased by 5.8% over that of the same period in the previous year. Out of which, shipments to China decreased by 18.8%.

RESULTS OF OPERATIONS

	Six months ended 30 June		
	2024	2023	Change
	US$ million	*US$ million*	*%*
Revenue[1]			
— Packaged meats[2]	**6,491**	6,653	(2.4)
— Pork[3]	**4,926**	5,580	(11.7)
— Others[4]	**876**	883	(0.8)
	12,293	13,116	(6.3)
Operating profit (loss)			
— Packaged meats[2]	**1,137**	1,068	6.5
— Pork[3]	**95**	(409)	N/A
— Others[4]	**(92)**	(20)	360.0
	1,140	639	78.4

Notes:

(1) Revenue refers to net external sales.

(2) Packaged meats represents production, wholesale and retail sales of packaged meat products.

(3) Pork represents hog farming, slaughtering, wholesale and retail sales of fresh and frozen pork.

(4) Others' operating loss includes corporate expenses.

In the Review Period, revenue of the Group decreased by 6.3% to US$12,293 million as sales volume reduced. Operating profit, on the other hand, significantly increased by 78.4% to US$1,140 million. The primary driver was the turnaround of our pork business.

Amongst all operating segments, packaged meats has always been our core business. During the Review Period, packaged meats accounted for 99.7% of the Group's operating profit and 52.8% of the Group's revenue (Comparable Period: 167.1% and 50.7% respectively).

Packaged Meats

	Six months ended 30 June		
	2024	2023	Change
	US$ million	*US$ million*	*%*
Revenue			
China	**1,697**	1,960	(13.4)
U.S.	**3,943**	3,947	(0.1)
Europe	**851**	746	14.1
	6,491	6,653	(2.4)
Operating profit			
China	**460**	453	1.5
U.S.	**614**	578	6.2
Europe	**63**	37	70.3
	1,137	1,068	6.5

In the Review Period, our packaged meats sales volume decreased by 6.0% to 1,501 thousand metric tons. In China, sales volume during the Review Period decreased by 9.9% as consumers spent more cautiously. It is our ongoing strategy to transform our product portfolio by continuously introducing new products and developing new channels. Sales volume in the U.S. decreased by 3.4% in the Review Period as consumers were stretched by high level of prices. In Europe, our sales volume increased by 1.6% due to the Acquisition of Argal (as defined hereinbelow).

Revenue in the Review Period decreased by 2.4% to US$6,491 million. In China, revenue decreased by 13.4% because of the decline in sales volume and unfavourable translation of currency. In the U.S., revenue remained stable as the decrease in sales volume was offset by higher average selling price, which was driven by higher meat values. In Europe, revenue in the Review Period increased by 14.1% as we benefited from both higher sales volume and higher average selling price.

Operating profit was US$1,137 million in the Review Period, representing an increase of 6.5% from that of the Comparable Period. In China, operating profit increased by 1.5% in the Review Period as the benefit of lower raw material costs outweighed the negative impact of sales volume decrease and local currency depreciation. In the U.S., our operating profit increased by 6.2% in the Review Period as we recognised certain Employee Retention Tax Credit in relation to COVID-19 pandemic ("**ERC**"). In the meantime, we continued to improve operational efficiency and promote cost savings to offset the inflationary pressure. In Europe, operating profit increased by 70.3% as we priced our products with strong discipline, improved our product mix and completed the Acquisition of Argal.

Pork

	Six months ended 30 June		
	2024	2023	Change
	US$ million	*US$ million*	*%*
Revenue			
China	**1,656**	1,981	(16.4)
U.S. and Mexico	**2,710**	3,036	(10.7)
Europe	**560**	563	(0.5)
	4,926	5,580	(11.7)
Operating profit (loss)			
China	**28**	42	(33.3)
U.S. and Mexico	**(4)**	(495)	(99.2)
Europe	**71**	44	61.4
	95	(409)	N/A

Total number of hogs processed in the Review Period was 22,290 thousand heads, representing a decrease of 12.2% over that of the Comparable Period. In China, the number of hogs processed decreased by 31.9% mainly due to keen market competition and soft consumer demand. The processing volume in the U.S. and Mexico as well as Europe decreased by 4.1% and 6.0% respectively as we closed our processing facility in California, the U.S. during the Comparable Period and adjusted our processing volume in each location to optimize operational efficiency during the Review Period. External sales volume of pork was 1,823 thousand metric tons in the Review Period, representing a decrease of 10.0% from that of the Comparable Period. The primary reason of decrease was the decrease in processing volume in China and the U.S..

Pork revenue in the Review Period decreased by 11.7% to US$4,926 million. In China, revenue decreased by 16.4% mainly due to the decline in sales volume. This was associated with the lower level of processing volume in the Review Period. In the U.S. and Mexico, revenue decreased by 10.7% primarily due to the decrease in the sales of grain and sales volume of pork, which was partially offset by the increase in average selling price of pork. In Europe, revenue decreased by 0.5% as both sales volume and average selling prices remained stable.

In the Review Period, we recorded an operating profit of US$95 million (Comparable Period: operating loss of US$409 million). The turnaround was mainly contributed by the reduction of operating loss in the U.S. and Mexico by US$491 million. The improvement of results was primarily due to higher product values of pork, lower feed costs of hog, enhanced operation efficiency of farming and slaughtering, effective cost controls as well as the recognition of certain ERC. In China, operating profit decreased by 33.3% as we were challenged by severe market competition, weak consumer demand and higher hog costs. In Europe, operating profit increased by 61.4% as we benefited from lower feeds, hogs and utilities costs.

Others

In addition to packaged meats and pork, the Group also engages in certain other businesses which mainly include production and sale of poultry products, biological pharmaceutical materials, packaging materials and condiments, provision of logistics and supply chain management services as well as operation of a finance company and a chain of food retail stores.

In particular, our poultry business in Europe and China processed approximately 163 million heads of broiler, goose and turkey in total during the Review Period, representing an increase of 11.6% from that of the Comparable Period. The growth of our poultry business is integral to our strategy of protein diversification. For our logistics and supply chain management business, we currently own 19 logistics parks across 14 provinces in China covering the majority regions of the nation. Apart from delivering our packaged meats and pork to customers timely and safely, these facilities also provide services to third party customers.

In the Review Period, revenue generated by our other businesses remained stable at US$876 million. However, operating loss of our other businesses, after deduction of corporate expenses, increased by US$72 million to US$92 million in the Review Period. The increase in operating loss was primarily due to the loss in our poultry business in China as a result of unfavourable market dynamics as well as the decrease in government subsidies in China. On a positive note, our operating profit from the poultry business in Europe grew significantly, which partially offset the increase in operating loss.

ANALYSIS OF CAPITAL RESOURCES

Treasury Management

Our treasury function undertakes the responsibility of cash management, liquidity planning and control, procurement of financing which is cost-efficient to the Group, management of credit profile as well as mitigation of financial risks such as interest rate and foreign exchange fluctuations. The design of our treasury function aims at aligning with the long-term and short-term needs of the Group and conforming with good governance standard.

Liquidity

The Group continues to maintain ample liquidity. As at 30 June 2024, we had cash and bank balances of US$797 million (as at 31 December 2023: US$1,156 million), which were held primarily in RMB and US$. The aggregate amount of unutilised banking facilities as at 30 June 2024 was US$5,499 million (as at 31 December 2023: US$5,569 million). Out of which, committed banking facilities available to the Group as at 30 June 2024 was US$2,856 million (as at 31 December 2023: US$2,763 million).

For yield enhancement purpose, we also hold certain financial products and debt instruments from time to time. Such financial products and debt instruments are classified under current assets as financial assets at fair value through profit or loss and debt investments at amortised cost. As at 30 June 2024, the aggregate balance was US$593 million (as at 31 December 2023: US$546 million). During the Review Period, there was no impairment charges on any of these financial products and debt instruments.

Our current ratio (ratio of consolidated current assets to consolidated current liabilities) was 1.7 times as at 30 June 2024 (as at 31 December 2023: 1.6 times).

Credit Profile

The Group aims at maintaining a good credit profile for both the Company and its subsidiaries that is beneficial to their long-term growth and development. Our Long-Term Issuer Default Rating ("**IDR**") and senior unsecured rating are BBB+ according to Fitch Ratings. Our issuer credit rating is BBB according to S&P Global Ratings. Our issuer rating is Baa2 according to Moody's. The outlook of these ratings are stable.

For our wholly-owned subsidiary, Smithfield Foods, Inc. ("**Smithfield**"), Fitch Ratings affirms its Long-Term IDR of BBB with a stable outlook. According to S&P Global Ratings, the corporate credit rating of Smithfield is BBB-. The outlook is stable. The corporate family rating of Smithfield assigned by Moody's was Ba1. The credit outlook is also stable.

Debt Profile

As at the dates indicated below, we had the following outstanding interest-bearing bank and other borrowings:

	At 30 June 2024 *US$ million*	At 31 December 2023 *US$ million*
Borrowings by nature		
Senior unsecured notes	**1,981**	1,979
Bank borrowings	**1,360**	1,246
Loans from third parties	**5**	3
Bank overdrafts	**27**	—
	3,373	3,228
Borrowings by geographical region		
U.S. and Mexico	**1,990**	1,991
China	**1,294**	1,173
Europe	**89**	64
	3,373	3,228
Borrowings by currency		
US$	**1,981**	1,980
Hong Kong Dollar ("**HK$**")	**156**	78
RMB	**1,136**	1,093
Other currencies	**100**	77
	3,373	3,228

The Group's total principal amount of outstanding borrowings as at 30 June 2024 was US$3,397 million (as at 31 December 2023: US$3,252 million). The maturity profile is analysed as follows:

	Total
In 2024	36%
In 2025	1%
In 2026	4%
In 2027	17%
In 2029	12%
In 2030	15%
In 2031 or after	15%
	100%

As at 30 June 2024, 100.0% of our borrowings were unsecured (as at 31 December 2023: 99.8%). Certain borrowings were secured by pledged bank deposits and other assets. Certain borrowings contained affirmative and negative covenants that are subject to certain qualifications and exceptions. The Group had no default in repayment of bank borrowings, nor did it breach any relevant finance covenants during the Review Period.

Major Financing Activities

There were no major financing activities in the Review Period.

Leverage Ratios

As at 30 June 2024, our debt to equity ratio (ratio of consolidated borrowings to consolidated total equity) and net debt to equity ratio (ratio of consolidated borrowings less cash and bank balances to consolidated total equity) were 31.3% and 23.9%, respectively (as at 31 December 2023: 30.5% and 19.6%, respectively). Our debt to EBITDA ratio (ratio of consolidated borrowings to EBITDA before biological fair value adjustments) and net debt to EBITDA ratio (ratio of consolidated borrowings less cash and bank balances to EBITDA before biological fair value adjustments) as at 30 June 2024, were 1.4 times and 1.1 times, respectively (as at 31 December 2023: 1.6 times and 1.1 times, respectively).

Finance Costs

Our finance costs decreased by 12.9% to US$74 million in the Review Period as we benefited from lower average interest rates on our borrowings.

As at 30 June 2024, the average interest rate of our outstanding borrowings was 3.1% (as at 31 December 2023: 3.2%).

HUMAN RESOURCES

We believe that the success of the Group largely depends on our capacity to attract and retain a dynamic workforce. As at 30 June 2024, the Group had approximately 101 thousand employees in total, in which approximately 45 thousand employees were with our China operation, approximately 37 thousand employees were with our U.S. and Mexico operations and approximately 19 thousand employees were with our European operations.

We value respectful relationships and encourage enterprising work ethics. We nurture an inclusive culture and provide safe work place. To ensure our employees have constantly improving knowledge and skills to drive the growth of the Group, we provide adequate training and development programs.

Our compensation principle is to align rewards of employees with the goals, objectives and financial performance of the Group. Therefore, our compensation includes appropriate fixed pays such as basic salaries and allowances; variable incentives such as performance bonus; and fringe benefits such as retirement plans and medical coverage. The Company also adopted a pre-IPO share option scheme in 2014. All outstanding options granted under the scheme were lapsed on 4 August 2024. In the Review Period, total remuneration expenses of the Group amounted to US$2,009 million, representing a decrease of 3.8% from that of the Comparable Period, as a result of effective cost control.

BIOLOGICAL ASSETS

As at 30 June 2024, we had a total of 12.5 million hogs, consisting of 11.5 million live hogs and 1.0 million breeding stock, representing an increase of 3.8% from that of 31 December 2023. We also had a total of 30.5 million poultry, consisting of 27.7 million broilers and 2.8 million breeding stock, an increase of 12.6% from that of 31 December 2023. The fair value of our biological assets was US$1,388 million as at 30 June 2024, as compared to US$1,363 million as at 31 December 2023.

Our results have been, and we expect they will continue to be, affected by changes in the fair value of our biological assets. Fair value of our biological assets is determined with reference to the market prices, species, growing conditions, cost incurred and the professional valuation. We engaged an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, to measure such fair value for the Group on an annual basis.

In the Review Period, the net impact of biological fair value adjustments on our profit or loss was a gain in the amount of US$96 million (Comparable Period: gain of US$38 million).

KEY INVESTMENT INTERESTS

Purchase of packaged meats facility in Tennessee, the U.S.

In July 2024, the Group completed the purchase of a premier dry sausage production facility in Tennessee from Cargill Meat Solutions Corporation. We expect this investment would fuel our strategy of continued growth in the value-added packaged meats business, enhancing our ability to serve the growing demand for high-quality pepperoni, deli, charcuterie and other dry sausage products in the U.S..

Acquisition of Argal

In March 2024, the Group completed the acquisition of 50.1% equity interest in Argal Alimentación, S.A. ("**Argal**"), a Spanish producer of charcuterie and other packaged meats products. The acquisition of Argal was based on an agreed framework of joint management with the original shareholders of Argal, who are currently holding the remaining 49.9% equity interest in Argal. We expect Argal would be a solid platform for our packaged meats growth in Spain and in Europe.

Restructuring of Hog Production in Missouri and Utah, the U.S.

As the hog production part of our pork business experienced significant difficulty in the U.S. during 2023, the Group took severe reformation measures such as reduction of sows, reshuffle of operation geographically, closure of underperforming farms, termination of unqualified contract growers, etc. in Missouri and Utah to sustainably mitigate the operational risks and improve the financial performance of the Group. In the Review Period, an exit cost of US$10 million was incurred (Comparable Period: US$19 million).

Restructuring of operations in Western U.S.

The Group closed our processing facility in California, exited certain hog farm operations in Arizona and California, and reduced our sow herd in Utah during 2023, as operating in these areas had been increasingly costly. During the Review Period, we continued to incur exit and restructuring costs amounted to US$19 million (Comparable Period: US$44 million). As we sold the aforesaid processing facility to an independent third party in June 2023, a pre-tax disposal gain of US$86 million was also recognized in the Comparable Period.

Acquisition of Goodies

In February 2023, the Group completed the acquisition of 100% of the equity interests of a Romanian producer of packaged meats, Goodies Meat Production S.R.L. ("**Goodies**"). Its product portfolio includes salami, ham, bacon, bologna and other meat specialties. The acquisition of Goodies complements and strengthens our existing business in Europe.

CAPITAL EXPENDITURES

Our capital expenditures are primarily for the construction, renovation and transformation of production plants and ancillary facilities. We fund these capital expenditures with internally generated cash, bank loans and shareholders' capital.

Capital expenditures amounted to US$349 million in the Review Period. The following table sets out our capital expenditures paid by geographical region for the periods indicated.

	Six months ended 30 June	
	2024	2023
	US$ million	*US$ million*
China	**117**	230
U.S. and Mexico	**173**	167
Europe	**59**	51
	349	448

During the Review Period, our capital expenditures in China were mainly for the establishment and transformation of poultry and packaged meats production facilities. Our capital expenditures in the U.S. and Mexico were primarily related to the modernisation of our processing plants and expansion of our packaged meats capacity. Our capital expenditures in Europe were mainly for the additions of poultry production line and other supporting facilities.

KEY RISKS AND THEIR MANAGEMENT

Risk Management

The risk management system of the Group is designed to assist the Group in implementing a sound and consistent risk management and reporting process across the Group. The risk management committee of the Company (the "**Risk Management Committee**") is mainly responsible to oversee the development and implementation of the Group's risk management system. The Group's risk management department assisted the Risk Management Committee to review the effectiveness of risk management process and risk management report submitted by management, in which key risks and mitigation measures were reported to the Risk Management Committee. During the Review Period, the Group conducted enterprise risk assessments to analyse and report key risks, followed by the establishment of respective mitigation controls.

Commodities Price Risks

Commodities comprise a significant part of the Group's inputs (costs) and outputs (sales). The Group uses various raw materials, primarily live hogs, meat, corn, and soybean meal in our packaged meats and pork operations. The Group's revenue is primarily driven by the sale of packaged meats and pork. Significant price fluctuations in these commodities affect our results.

In China, we mitigate the effects of price fluctuations through effective reserves management strategy, pass-through of costs and overseas imports. In the U.S., our vertically integrated supply chain helps the natural hedge of commodities price changes. These commodities are also actively traded on the exchanges. We hedge when we determine conditions are suitable to mitigate price risks. The main objective of hedges is to manage commodity price risk associated with the raw material costs and forward sales of our packaged meats and pork businesses. While these hedging activities may limit our ability to participate in gains from favorable commodity fluctuations, it also reduces the risk of loss from adverse changes in raw material prices. The Group has robust policy and procedures in the management of these hedging activities under a dedicated and professional team.

Currency and Interest Rate Risks

The Group generally matches income and expenses, assets and liabilities with the same currency, in each geographical location which it operates, to reduce currency risks. Only certain entities of the Group have certain sales, purchases, cash and bank balances and borrowings denominated in currencies other than their functional currencies. We monitor our foreign exchange exposure at any time and hedge significant exposure should the need arise.

Our borrowings carry fixed or floating interest rates. As at 30 June 2024, approximately 93.3% of our borrowings (other than bank overdrafts) were at fixed interest rates (as at 31 December 2023: 88.9%). To manage our interest rate exposure, we optimise our debt portfolio and enter into hedges (if appropriate).

CONTINGENT LIABILITIES

Our operations are subject to various laws and regulations administered by various specific local authorities. We receive notices and inquiries from them in relation to compliance from time to time. In some instances, litigation ensues or individuals may initiate litigation against the Group.

Antitrust Litigation

Smithfield has been named as one of the 16 defendants by three groups of plaintiffs (namely the direct purchasers, commercial and institutional indirect purchasers and consumer indirect purchasers) and certain individuals in the U.S. alleging antitrust violations in the pork industry starting in 2009 and continuing through at least June 2018 (the "**Antitrust Litigation**").

Payments in an aggregated amount of approximately US$194 million were subsequently made to settle all class claims by the direct purchasers, commercial and institutional indirect purchasers and consumer indirect purchasers ("**Class Settlements**"). Smithfield also has entered into negotiations to settle certain outstanding non-class cases and related claims. Currently, 29 individual cases (including customers who opted out of the Class Settlements) remain pending against the Group. We intend to vigorously defend against these claims.

The Board assesses and monitors the financial and operational impacts of material lawsuits, including the Antitrust Litigation, on a continuous basis and takes actions which are considered to be in the best interest of the Group. More details and further updates (if any) of the Antitrust Litigation and other lawsuits will be available in the 2024 interim report of the Company.

EVENTS AFTER THE REVIEW PERIOD

On 12 July 2024, the Company submitted a proposed spin-off application to The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (after trading hours) pursuant to Practice Note 15 of the Rules Governing the Listing of Securities on The Stock Exchange (the "**Listing Rules**") regarding the proposed spin-off of the businesses of Smithfield operated in the United States and Mexico ("**Smithfield U.S. and Mexico**") for separate listing on either the New York Stock Exchange or Nasdaq Stock Market in the U.S. (the "**Proposed Spin-off**"). It is currently expected that Smithfield U.S. and Mexico, after the completion of the Proposed Spin-off, will remain as a subsidiary of the Company and its financial results will continue to be consolidated into the Company's financial results.

The details of the Proposed Spin-off have not yet been finalized. The Proposed Spin-off also may or may not proceed. The Company will make further announcement(s) in this regard pursuant to the requirements under the Listing Rules and the applicable laws and regulations as and when appropriate. For details, please refer to the announcement of the Company dated 14 July 2024.

SUSTAINABILITY

Sustainability is an important area of the Group's governance framework. The Board has established an environmental, social and governance committee (the "**ESG Committee**") at the Group level, which sets sustainability goals and targets and guides our development strategy. During the Review Period, the Group held an ESG Committee meeting. At the meeting, the ESG Committee reviewed the key environmental, social and governance risks faced by the Group, and its risk mitigation controls that presented by the management, assessed and endorsed the Group's progress made in light of the environmental targets and amendment made to the Group's corporate principles. The Committee also approved the 2023 Environmental, Social and Governance Report of the Group. The Group's 2023 Environmental, Social and Governance Report was officially released on 15 April 2024.

The Group is committed to providing sustainable protein choices for consumers globally. As we grow our businesses, we also track our impact to natural environment and communities where we operate, monitor the evolution of consumer needs, at the same time, build mutual respect with employees and enable their development. We are engaged in delivering positive contributions to building a healthy and vibrant industry chain, along with our suppliers and distributors. As a leading global operator, we are subject to different laws and legal standards in the markets where we operate, and the expectations of our stakeholders are different among various markets where we have a presence. Under the guidance of the ESG Committee, each of our business units also has its own sustainability body, which moves local sustainability initiatives forward in accordance with the Group's corporate principles.

As at 30 June 2024, the Company remained a constituent stock of the Hang Seng Corporate Sustainability Index ("**HSSUS**") with A+ grade, and has retained an ESG rating of BBB with MSCI, the world's largest index company.

OUTLOOK

The Company achieved significant increase in profits for the Review Period. One of the key drivers was the substantial improvement of our U.S. pork results as market dynamics has become more favourable than the Comparable Period and we implemented a series of reform measures to strengthen our hog production operation. We expect the impact of those measures would continue to be positive to the Company for the remainder of the year. In the meantime, macro-economic headwinds is weighing on consumer confidence and therefore consumption demand. To adapt to the ever-changing market environment and respond to the various challenges, we will rigorously promote adjustment of product mix, expand sales network, manage prices, and save costs. With the competitive advantages of the Group, we believe that the financial results of our core business, packaged meats, would remain strong and resilient while the financial results of our pork business would grow significantly for this year. With the joint effort of our management team, the Company would strive for a good recovery of overall profitability in 2024 and lay the foundation of steady development of the Group in the future.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Notes	**Results before biological fair value adjustments** ***US$'million*** **(Unaudited)**	**Biological fair value adjustments** ***US$'million*** **(Unaudited)**	**Total** ***US$'million*** **(Unaudited)**	Results before biological fair value adjustments *US$'million* (Unaudited)	Biological fair value adjustments *US$'million* (Unaudited)	Total *US$'million* (Unaudited)
Revenue	*3*	**12,293**	**—**	**12,293**	13,116	—	13,116
Cost of sales		**(9,820)**	**164**	**(9,656)**	(11,090)	722	(10,368)
Gross profit		**2,473**	**164**	**2,637**	2,026	722	2,748
Distribution and selling expenses		**(896)**	**—**	**(896)**	(998)	—	(998)
Administrative expenses		**(463)**	**—**	**(463)**	(433)	—	(433)
Gain (loss) arising from agricultural produce at fair value less costs to sell at the point of harvest		**—**	**26**	**26**	—	(499)	(499)
Loss arising from changes in fair value less costs to sell of biological assets		**—**	**(60)**	**(60)**	—	(176)	(176)
Other income		**44**	**—**	**44**	78	—	78
Other gains (losses)		**(1)**	**—**	**(1)**	76	—	76
Other expenses		**(42)**	**—**	**(42)**	(54)	—	(54)
Finance costs		**(74)**	**—**	**(74)**	(85)	—	(85)
Share of profits of associates		**—***	**—**	**—***	2	—	2
Share of losses of joint ventures		**(—*)**	**—**	**(—*)**	(2)	—	(2)
PROFIT BEFORE TAX	*4*	**1,041**	**130**	**1,171**	610	47	657
Taxation	*5*	**(245)**	**(34)**	**(279)**	(108)	(9)	(117)
PROFIT FOR THE PERIOD		**796**	**96**	**892**	502	38	540

* Less than US$1 million.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the six months ended 30 June 2024

		For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Notes	**Results before biological fair value adjustments** ***US$'million*** **(Unaudited)**	**Biological fair value adjustments** ***US$'million*** **(Unaudited)**	**Total** ***US$'million*** **(Unaudited)**	Results before biological fair value adjustments *US$'million* (Unaudited)	Biological fair value adjustments *US$'million* (Unaudited)	Total *US$'million* (Unaudited)
Other comprehensive income for the period:							
Items that may be reclassified subsequently to profit or loss:							
— exchange differences arising on translation of foreign operations				**(152)**			(29)
— fair value changes in cash flow hedge, net of tax				**23**			(21)
Net other comprehensive income that may be reclassified subsequently to profit or loss				**(129)**			(50)
Other comprehensive income for the period, net of tax				**(129)**			(50)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD				**763**			490
Profit for the period attributable to:							
— owners of the Company				**784**			**420**
— non-controlling interests				**108**			**120**
				892			**540**
Total comprehensive income for the period attributable to:							
— owners of the Company				**672**			**413**
— non-controlling interests				**91**			**77**
				763			**490**
EARNINGS PER SHARE							
— Basic (US cents)	*7*			**6.11**			**3.27**
— Diluted (US cents)	*7*			**6.11**			**3.27**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	**30 June 2024 *US$'million* (Unaudited)**	31 December 2023 *US$'million* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*8*	**6,528**	6,602
Right-of-use assets		**642**	687
Biological assets	*9*	**230**	214
Goodwill		**2,119**	2,043
Intangible assets		**1,706**	1,707
Interests in associates		**133**	134
Interests in joint ventures		**88**	90
Other receivables		**55**	68
Financial assets at fair value through profit or loss		**2**	2
Pledged bank deposits		**7**	4
Deferred tax assets		**87**	86
Other non-current assets		**259**	228
Total non-current assets		**11,856**	11,865
CURRENT ASSETS			
Properties under development	*8*	**59**	77
Biological assets	*9*	**1,158**	1,149
Inventories	*10*	**2,921**	2,919
Trade and bills receivables	*11*	**895**	873
Prepayments, other receivables and other assets		**541**	503
Debt investments at amortised cost		**296**	469
Financial assets at fair value through profit or loss		**304**	86
Taxation recoverable		**26**	7
Pledged/restricted bank deposits		**66**	75
Cash and bank balances		**797**	1,156
Total current assets		**7,063**	7,314

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2024

	Notes	**30 June 2024** ***US$'million*** **(Unaudited)**	31 December 2023 *US$'million* (Audited)
CURRENT LIABILITIES			
Trade payables	*12*	**928**	1,240
Accrued expenses and other payables	*13*	**1,701**	2,150
Lease liabilities		**78**	99
Taxation payable		**78**	63
Borrowings	*14*	**1,225**	1,106
Bank overdrafts	*14*	**27**	—
Total current liabilities		**4,037**	4,658
NET CURRENT ASSETS		**3,026**	2,656
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,882**	14,521
NON-CURRENT LIABILITIES			
Other payables	*13*	**584**	459
Lease liabilities		**366**	391
Borrowings	*14*	**2,121**	2,122
Deferred tax liabilities		**630**	570
Deferred revenue		**12**	10
Pension liability and other retirement benefits		**399**	394
Total non-current liabilities		**4,112**	3,946
NET ASSETS		**10,770**	10,575
CAPITAL AND RESERVES			
Share capital		**1**	1
Reserves		**10,057**	9,830
Equity attributable to owners of the Company		**10,058**	9,831
Non-controlling interests		**712**	744
TOTAL EQUITY		**10,770**	10,575

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	US$'million	*US$'million*
	(Unaudited)	(Unaudited)
Net cash flows from operating activities	**689**	2
Net cash flows used in investing activities	**(459)**	(363)
Net cash flows used in financing activities	**(599)**	(202)
Net decrease in cash and cash equivalents	**(369)**	(563)
Cash and cash equivalents at beginning of period	**1,156**	1,394
Effect of foreign exchange rate changes	**(17)**	(14)
Cash and cash equivalents at end of period	**770**	817
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**797**	828
Bank overdrafts	**(27)**	(11)
	770	817

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2024

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

WH Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are production and sales of packaged meats and pork.

The functional currency of the Company is United States Dollar ("**US$**").

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "**IASB**") and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The interim condensed consolidated financial information has been prepared under the historical cost convention, except for biological assets which are measured on initial recognition and at the end of each reporting period at their fair value less costs to sell, and certain financial instruments which are measured at fair value. This condensed consolidated financial information is presented in US$ and all values are rounded to the nearest million except when otherwise indicated.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2023.

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with *International Financial Reporting Standards* ("**IFRSs**") issued by the IASB, except for adoption of the revised IFRSs as disclosed in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The application of the amendments to IFRSs in the current period has had no material effect on the amounts reported and disclosures set out in the interim condensed consolidated financial information.

3. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the executive directors of the Company, who are also the chief operating decision-makers, that are used to make strategic decisions. The Group's reportable segments, which are also the operating segments, are classified based on their locations including China, the U.S. and Mexico, and Europe and the nature of operations as (i) packaged meats, (ii) pork, and (iii) others.

The details of the Group's business activities are as follows:

(i) Packaged meats — represents production, wholesale and retail sales of low temperature and high temperature meat products.

(ii) Pork — represents slaughtering, wholesale and retail sales of fresh and frozen pork and hog farming.

(iii) Others — represents slaughtering and sales of poultry, sales of ancillary products and services such as provision of logistics services, manufacturing of flavouring ingredients and natural casings, manufacture and sales of packaging materials, operating finance companies, property development companies, a chain of retail food stores, sales of biological pharmaceutical materials, trading of meat related products, and corporate expenses incurred by the Group.

Each reportable segment derives its revenue from the sales of products and provision of services based on the location of operations. They are managed separately because each segment requires different production and marketing strategies.

Segment results represent the profit earned by each segment before biological fair value adjustments without allocation of other income not attributed to the respective segment, other expenses, finance costs and share of profits (losses) of associates and joint ventures. This is the measure reported to the chief operating decision-makers for the purposes of resources allocation and assessment of segment performance.

Inter-segment revenue was charged at cost plus margin basis.

3. **SEGMENT INFORMATION (continued)**

The following is an analysis of the Group's revenue and results by reportable segment:

	For the six months ended 30 June 2024			
	Packaged meats	**Pork**	**Others**	**Total**
	US$'million	***US$'million***	***US$'million***	***US$'million***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
China				
Gross segment revenue	1,697	1,894	731	4,322
Less: Inter-segment revenue	—*	(238)	(189)	(427)
Revenue	1,697	1,656	542	3,895
Reportable segment profit (loss)	460	28	(41)	447
U.S. and Mexico				
Gross segment revenue	3,944	4,344	22	8,310
Less: Inter-segment revenue	(1)	(1,634)	(1)	(1,636)
Revenue	3,943	2,710	21	6,674
Reportable segment profit (loss)	614	(4)	(66)	544
Europe				
Gross segment revenue	873	818	394	2,085
Less: Inter-segment revenue	(22)	(258)	(81)	(361)
Revenue	851	560	313	1,724
Reportable segment profit	63	71	15	149
Total				
Gross segment revenue	6,514	7,056	1,147	14,717
Less: Inter-segment revenue	(23)	(2,130)	(271)	(2,424)
Revenue#	6,491	4,926	876	12,293
Reportable segment profit (loss)	1,137	95	(92)	1,140
Net unallocated loss				(25)
Biological fair value adjustments				130
Finance costs				(74)
Share of profits of associates				—*
Share of losses of joint ventures				(—*)
Profit before tax				1,171

* Less than US$1 million.

3. SEGMENT INFORMATION (continued)

	For the six months ended 30 June 2023			
	Packaged meats *US$'million* (Unaudited)	Pork *US$'million* (Unaudited)	Others *US$'million* (Unaudited)	Total *US$'million* (Unaudited)
China				
Gross segment revenue	1,960	2,337	757	5,054
Less: Inter-segment revenue	—	(356)	(213)	(569)
Revenue	1,960	1,981	544	4,485
Reportable segment profit	453	42	25	520
U.S. and Mexico				
Gross segment revenue	3,947	4,490	25	8,462
Less: Inter-segment revenue	—*	(1,454)	—	(1,454)
Revenue	3,947	3,036	25	7,008
Reportable segment profit (loss)	578	(495)	(47)	36
Europe				
Gross segment revenue	768	858	388	2,014
Less: Inter-segment revenue	(22)	(295)	(74)	(391)
Revenue	746	563	314	1,623
Reportable segment profit	37	44	2	83
Total				
Gross segment revenue	6,675	7,685	1,170	15,530
Less: Inter-segment revenue	(22)	(2,105)	(287)	(2,414)
Revenue#	6,653	5,580	883	13,116
Reportable segment profit (loss)	1,068	(409)	(20)	639
Net unallocated income				56
Biological fair value adjustments				47
Finance costs				(85)
Share of profits of associates				2
Share of losses of joint ventures				(2)
Profit before tax				657

Over 99% of the Group's revenue was recognised at a point in time.

No segment assets and liabilities are disclosed as they are not regularly provided to the chief operating decision-makers.

3. SEGMENT INFORMATION (continued)

Geographical information

Information about the Group's revenue presented above is based on the geographical locations of operation.

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging (crediting):

	Six months ended 30 June	
	2024	2023
	US$'million	*US$'million*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**305**	318
Depreciation of right-of-use assets	**44**	48
Amortisation of intangible assets included in administrative expenses	**5**	5
Inventories provisions, net, included in cost of sales	**4**	26
Impairment loss recognised in respect of property, plant and equipment	**—**	2
Impairment loss on trade receivables, net, included in administrative expenses	**1**	1
Lease payments not included in the measurement of lease liabilities	**98**	92
Research and development expenses	**101**	92
Staff costs (excluding directors' remuneration)	**2,001**	2,081
Legal contingencies	**—**	3
Loss (gain) on disposal of property, plant and equipment, net	**1**	(84)
Loss on disposal of other assets	**7**	—
Fair value gain on financial assets at fair value through profit or loss	**(4)**	(6)

The cost of sales represented the cost of inventories and services provided recognised in profit or loss during both periods.

5. TAXATION

	Six months ended 30 June	
	2024	2023
	US$'million	*US$'million*
	(Unaudited)	(Unaudited)
China income tax	**109**	112
U.S. income tax	**92**	(19)
Europe income taxes	**37**	16
Other income taxes	**—***	—*
Withholding tax	**18**	18
Deferred taxation	**23**	(10)
	279	117

Income tax is calculated at the applicable tax rates prevailing in the respective jurisdictions of the Group's operations.

* Less than US$1 million.

6. DIVIDENDS

At the Company's annual general meeting held on 9 May 2024, the shareholders of the Company approved the payment of a final dividend of HK$0.25 per share (year ended 31 December 2022: HK$0.25 per share) of the Company for the year ended 31 December 2023, as recommended by the Board, which was paid in cash to the shareholders of the Company on 30 May 2024, whose names appeared on the register of members of the Company on 21 May 2024.

The Board declared an interim dividend of HK$0.10 per share for the six months ended 30 June 2024 (six months ended 30 June 2023: HK$0.05 per share) to the shareholders of the Company whose names appear on the register of members of the Company on 30 August 2024. The dividend is to be paid in cash to the shareholders of the Company on or about 25 September 2024.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024	2023
	US$'million	*US$'million*
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**784**	420

	Six months ended 30 June	
	2024	2023
	million shares	*million shares*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of diluted earnings per share *(Note)*	**12,830.22**	12,830.22

Note: Diluted earnings per share for the six months ended 30 June 2024 and 30 June 2023 were the same as the basic earnings per share as the Group had no potentially dilutive ordinary shares during the periods.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES UNDER DEVELOPMENT

During the six months ended 30 June 2024, the Group incurred US$277 million (six months ended 30 June 2023: US$296 million) on the additions of items of property, plant and equipment.

During the six months ended 30 June 2024, the Group incurred nil (six months ended 30 June 2023: US$10 million) on the additions to properties under development.

9. BIOLOGICAL ASSETS

The biological assets of the Group are live hogs and poultry at various stages of development, including suckling hogs, nursery hogs, finishing hogs and broilers, which are classified as current assets. Biological assets also include breeding stock (hogs and poultry), which are used to produce future live hogs and broilers, are classified as non-current assets of the Group. The quantity of live hogs, broilers and breeding stock owned by the Group at the end of each reporting period are as follows:

	30 June 2024	31 December 2023
	Head 'million	*Head 'million*
	(Unaudited)	(Audited)
Live hogs		
— suckling	**2**	2
— nursery	**2**	1
— finishing	**8**	8
	12	11
Breeding stock (hogs)	**1**	1
	13	12
Broilers	**28**	24
Breeding stock (poultry)	**3**	3
	31	27

The Group is exposed to a number of risks related to its biological assets. The Group is exposed to the following operating risks:

(i) Regulatory and environmental risks

The Group is subject to laws and regulations in the location in which it operates breeding of hogs and poultry. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular review to identify environmental risks and to ensure that the systems in place are adequate to manage these risks.

(ii) Climate, disease and other natural risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular inspections, disease controls and insurance.

9. BIOLOGICAL ASSETS (continued)

Carrying value of the Group's biological assets

Changes in fair value less costs to sell of biological assets include changes in the fair value of the hogs and poultry at the end of each of the reporting periods.

Analysed for reporting purpose as:

	30 June 2024	31 December 2023
	US$'million	*US$'million*
	(Unaudited)	(Audited)
Current assets	**1,158**	1,149
Non-current assets	**230**	214
	1,388	1,363

Fair value measurement

The fair value of breeding stock (hogs) is determined based on the average of the historical selling price of hog of similar breed and genetic merit less costs to sell (Level 3). The estimated fair value will significantly increase when there is a slight increase in the average historical selling price, and vice versa.

The fair value of breeding stock (poultry) is determined by the replacement cost method, which is based on the cost of restoring the breeders to their original condition, taking into account the newness and residual value. The estimated fair value will increase when there is an increase in the chicken breeds price or breeding cost, or decrease in the culling rate, and vice versa.

The fair values of live hogs and broilers are mainly determined based on the price of hogs and broilers in the actively traded market, subtracting the breeding costs required to raise the live hogs and broilers to be slaughtered and the margins that would be required by a raiser and less costs to sell (Level 3). The estimated fair value will increase when there is an increase in the market price of hogs and broilers or decrease in the breeding cost required to raise the live hogs and broilers, and vice versa.

10. INVENTORIES

	30 June 2024 *US$'million* **(Unaudited)**	31 December 2023 *US$'million* (Audited)
Raw materials	**1,149**	1,425
Work in progress	**334**	172
Finished goods	**1,438**	1,322
	2,921	2,919

11. TRADE AND BILLS RECEIVABLES

	30 June 2024 *US$'million* **(Unaudited)**	31 December 2023 *US$'million* (Audited)
Trade receivables	**907**	887
Impairment	**(15)**	(16)
	892	871
Bills receivable	**3**	2
	895	873

The general credit term allowed by the Group to its customers is within 30 days in China operations while the credit terms vary depending on the sales channels and customers for the U.S. and other countries' operations. The following is an aging analysis of the trade and bills receivables, net of loss allowance, presented based on the date of delivery of goods which approximated the respective dates on which revenue was recognised:

	30 June 2024 *US$'million* **(Unaudited)**	31 December 2023 *US$'million* (Audited)
Within 30 days	**873**	784
31 to 90 days	**11**	88
91 to 180 days	**6**	1
Over 180 days	**5**	—*
	895	873

* Less than US$1 million.

12. TRADE PAYABLES

The average credit period on purchases of goods is about 30 days in China operations and the credit terms vary depending on the vendors for the U.S. and other countries of operations. The Group has financial risk management policies in place to ensure that the payables are paid within the credit timeframe.

The following is an aging analysis of trade payables based on the invoice date:

	30 June 2024 *US$'million* **(Unaudited)**	31 December 2023 *US$'million* (Audited)
Within 30 days	**923**	1,227
31 to 90 days	**2**	9
91 to 180 days	**1**	3
181 to 365 days	**2**	1
	928	1,240

13. ACCRUED EXPENSES AND OTHER PAYABLES

	30 June 2024 *US$'million* **(Unaudited)**	31 December 2023 *US$'million* (Audited)
Accrued staff costs	**408**	543
Deposits received	**71**	75
Sales rebates payables	**147**	153
Payables in respect of acquisition of property, plant and equipment	**192**	263
Accrued insurance	**140**	136
Interest payable	**24**	24
Balance of contingent consideration in respect of acquisition of subsidiaries	**372**	249
Growers payables	**45**	48
Pension liability	**23**	23
Derivative financial instruments	**19**	30
Accrued professional expenses	**12**	8
Accrued rent and utilities	**33**	35
Dividend payables	**5**	8
Contract liabilities	**278**	298
Other accrued expenses	**393**	523
Other payables	**123**	193
	2,285	2,609
Analysed for reporting purposes as:		
Current liabilities	**1,701**	2,150
Non-current liabilities	**584**	459
	2,285	2,609

14. BORROWINGS

	30 June 2024	31 December 2023
	US$'million	*US$'million*
	(Unaudited)	(Audited)
Senior unsecured notes:		
4.250% senior unsecured notes due February 2027	**598**	598
5.200% senior unsecured notes due April 2029	**397**	397
3.000% senior unsecured notes due October 2030	**493**	492
2.625% senior unsecured notes due September 2031	**493**	492
	1,981	1,979
Commercial papers	**—**	—
Bank loans:		
Secured	**—**	7
Unsecured	**1,360**	1,239
Loans from third parties:		
Secured	**1**	1
Unsecured	**4**	2
Total borrowings other than bank overdrafts	**3,346**	3,228
Bank overdrafts	**27**	—
The borrowings are repayable as follows:		
Within one year	**1,225**	1,106
One to two years	**7**	12
Two to five years	**1,126**	728
After five years	**988**	1,382
	3,346	3,228
Less: Amounts due within one year shown under current liabilities	**(1,225)**	(1,106)
Amounts due after one year	**2,121**	2,122
Total borrowings:		
At fixed rates	**3,121**	2,870
At floating rates	**225**	358
	3,346	3,228

OTHER INFORMATION

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, namely Ms. Zhou Hui (Chairman), Mr. Huang Ming and Mr. Lau, Jin Tin Don. The Audit Committee and the Company's management have reviewed the interim results of the Group, together with the internal control and financial reporting matters of the Group, including the interim financial information for the Review Period which has been reviewed by the Company's external auditor, Ernst & Young.

CORPORATE GOVERNANCE PRACTICES

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. Throughout the Review Period, the Company has complied with all the applicable code provisions set out in the Corporate Governance Code in Appendix C1 to the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct (the "**Code of Conduct**") regarding securities transactions by the Directors on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"). The Company has made specific enquiries with each Director and each of them confirmed that he or she had complied with all required standards set out in the Model Code and the Code of Conduct during the Review Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Review Period.

INTERIM DIVIDEND

The Board has recommended the payment of an interim dividend of HK$0.10 per share (2023: HK$0.05 per share) for the six months ended 30 June 2024 (the "**2024 Interim Dividend**"), representing a total payment of approximately HK$1,283 million (equivalent to approximately US$164 million) (2023: approximately HK$642 million, equivalent to approximately US$82 million) to the shareholders of the Company (the "**Shareholders**"). The 2024 Interim Dividend is expected to be paid in cash to the Shareholders whose names appear on the register of members of the Company on Friday, 30 August 2024 on or about Wednesday, 25 September 2024. The register of members of the Company will be closed from Wednesday, 28 August 2024 to Friday, 30 August 2024, both days inclusive, during which period no transfer of shares will be registered. To ensure their entitlement to the 2024 Interim Dividend, Shareholders are reminded to lodge their transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms not later than 4:30 p.m. on Tuesday, 27 August 2024 for registration with Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wh-group.com). The 2024 interim report of the Company will be despatched to the Shareholders and published on the same websites in due course.

By order of the Board
WH Group Limited
Wan Long
Chairman

Hong Kong, 13 August 2024

As at the date of this announcement, the executive Directors are Mr. WAN Long, Mr. GUO Lijun, Mr. WAN Hongwei, Mr. MA Xiangjie and Mr. Charles Shane SMITH; the non-executive Director is Mr. JIAO Shuge; and the independent non-executive Directors are Mr. HUANG Ming, Mr. LAU, Jin Tin Don and Ms. ZHOU Hui.