萬洲國際
WH GROUP

WH Group Limited
萬 洲 國 際 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 288)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

HIGHLIGHTS

	2024	2023
Packaged meats sold (thousand metric tons)	**3,100**	3,196
Pork sold (thousand metric tons)	**3,765**	3,959

	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)		*US$ million (unless otherwise stated)*	
Revenue	**25,941**	**25,941**	26,236	26,236
EBITDA	**3,078**	**3,280**	1,972	2,005
Operating profit	**2,404**	**2,404**	1,471	1,471
Profit attributable to owners of the Company	**1,471**	**1,612**	606	629
Basic earnings per Share (US cents)	**11.47**	**12.56**	4.72	4.90
Dividend per Share (HK$)				
Interim (paid)	**0.10**	**0.10**	0.05	0.05
Final	**0.40**	**0.40**	0.25	0.25
	0.50	**0.50**	0.30	0.30

- Sales volume of packaged meats and pork decreased by 3.0% and 4.9% respectively.
- Revenue decreased by 1.1%.
- Operating profit increased by 63.4%.
- Profit attributable to owners of the Company and basic earnings per Share, before biological fair value adjustments, increased by 142.7%.
- In addition to the interim and final dividends as mentioned above, the Company has also declared Special Dividend of HK$0.18 per Share and Distribution in Specie.

The board (the "**Board**") of directors (the "**Directors**") of WH Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024.

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

BUSINESS REVIEW

I. INDUSTRY OVERVIEW

The Group is a leading global pork company with operations in multiple geographical regions. In 2024, our business in the People's Republic of China ("**China**") contributed 32.5% of the revenue and 39.2% of the operating profit of the Group (2023: 33.3% and 64.4% respectively). Meanwhile, our businesses in the United States of America (the "**U.S.**") and the United Mexican States ("**Mexico**") (collectively "**North America**") accounted for 53.0% of the revenue and 49.4% of the operating profit of the Group (2023: 54.0% and 22.4% respectively). The rest of the 14.5% revenue and 11.4% operating profit of the Group (2023: 12.7% and 13.2% respectively) was 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 amongst 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, which accounted for 49% of 2024/2025 global production of pork. In China, supplies of pork 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 the Chinese diet, demand has always been stable and strong. As China continues to experience economic development and improvement of people's living standards, market demand for high-quality pork products is expected to expand further. In the meantime, seasonal and cyclical factors are also driving the short-term trend of the industry.

According to the National Bureau of Statistics of China, the total production of hogs in 2024 was 703 million heads, 3.3% lower than 727 million heads in 2023. The total production volume of pork was 57.1 million tons, a decrease of 1.5% as compared to 57.9 million tons in the previous year. As hog supply decreased, hog prices were higher in 2024. With reference to the statistics published by the Ministry of Agriculture and Rural Affairs of People's Republic of China ("**MOA**"), the average hog price of 2024 was Renminbi ("**RMB**") 17.04 (approximately U.S. Dollar ("**US$**") 2.36) per kilogram ("**kg**"), representing an increase of 10.6% as compared to that of 2023. Having said that, domestic hog supply remained sufficient. Impacted by both domestic and foreign prices, the total volume of imported pork and by-products in 2024 was 2.28 million tons according to the statistics of the General Administration of Customs of China, representing a decrease of 15.7% from that of 2023. The key importing regions during the year were the European Union (the "**EU**"), the U.S. and Brazil in descending order of volume.

U.S.

The U.S. is the third largest pork producing country ranked after China and the EU. It accounted for 11% of 2024/2025 global production. The pork industry in the U.S. is relatively mature and concentrated. As the U.S. is also an important 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.

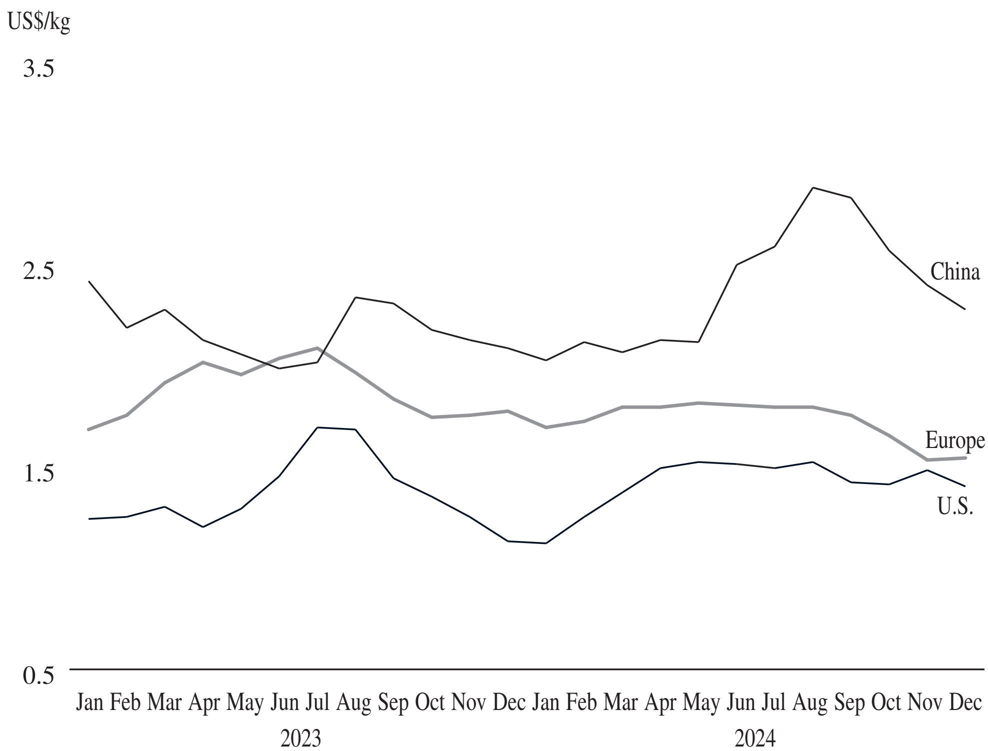
With reference to the statistics of U.S. Department of Agriculture ("**USDA**"), overall animal protein production in the U.S. slightly increased by 0.7% in 2024, in which pork, beef and chicken increased by 1.8%, 0.1% and 1.3% respectively. The increase in pork production was mainly driven by improved sows' productivity and hogs' health. On the demand side, both domestic and export demand were relatively strong. According to the USDA, export volume of the U.S. pork and offals in 2024 increased by 4.0% year-on-year. Despite of the continuing decrease of export to China, other major export destinations such as Mexico and South Korea recorded an increase in export volume. As a result of robust demand, the average hog price, as published by Chicago Mercantile Exchange, Inc. ("**CME**"), was US$1.42 per kg in 2024, representing an increase of 4.5% over that of 2023. The average pork cut-out value, as reported by USDA, also increased by 6.5% year-on-year to US$2.11 per kg in 2024.

Europe

The EU, considering all its members collectively, is the world's second largest producer of pork. It accounted for 18% of 2024/2025 global production. 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 price is highly sensitive to export conditions.

According to the statistics disclosed by the European Commission ("**EC**"), the aggregated pork production volume of the member states of the EU increased by 0.8% in 2024 over that of 2023. The slight increase demonstrated the rebalance of hog supply from the contraction since 2022. Steady supply with uncertain trade outlook weighed on hog prices. The average carcass price in EU decreased by 7.9% to Euro2.11 (approximately US$2.28) per kg in 2024, which represented an average hog price of approximately Euro1.59 or US$1.72 per kg. Although the decrease in prices supported export competitiveness, the total export volume of EU in 2024 slightly decreased by 0.3% over that of 2023, out of which, shipments to China decreased by 3.9%.

Hog prices in China, the U.S. and Europe during 2023 and 2024



Sources: MOA, CME and EC

II. RESULTS OF OPERATIONS

	2024	2023	Change
	US$ million	*US$ million*	*%*
Revenue[1]			
— Packaged meats[2]	**13,655**	13,523	1.0
— Pork[3]	**10,343**	10,810	(4.3)
— Others	**1,943**	1,903	2.1
	25,941	26,236	(1.1)
Operating profit (loss)			
— Packaged meats[2]	**2,234**	2,050	9.0
— Pork[3]	**356**	(480)	N/A
— Others[4]	**(186)**	(99)	N/A
	2,404	1,471	63.4

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 2024, revenue of the Group decreased by 1.1% to US$25,941 million as sales volume of packaged meats and pork decreased. However, part of the decrease was offset by the increase in selling prices. Operating profit increased significantly by 63.4% to US$2,404 million as our pork business turned around and our packaged meats business continued to grow.

Out of all operating segments, packaged meats has always been our core business. In 2024, packaged meats accounted for 92.9% of the Group's operating profit and 52.6% of the Group's revenue (2023: 139.4% of the operating profit and 51.5% of the revenue). Our pork segment accounted for 14.8% of the Group's operating profit and 39.9% of the Group's revenue (2023: negative contribution of the operating profit and 41.2% of the revenue).

Packaged Meats

	2024 *US$ million*	2023 *US$ million*	Change %
Revenue			
China	**3,409**	3,697	(7.8)
North America	**8,317**	8,279	0.5
Europe	**1,929**	1,547	24.7
	13,655	13,523	1.0
Operating profit			
China	**924**	879	5.1
North America	**1,174**	1,072	9.5
Europe	**136**	99	37.4
	2,234	2,050	9.0

In 2024, our packaged meats sales volume decreased by 3.0% to 3,100 thousand metric tons. In China, sales volume decreased by 6.1%. The decrease was mainly due to lack of effective demand from the market. Sales volume in North America decreased by 2.6% in 2024 as consumers were stretched by high level of prices. In Europe, our sales volume increased by 8.0% as due to the Acquisition of Argal (as defined herebelow).

Revenue of packaged meats in 2024 increased by 1.0% to US$13,655 million. The decrease in revenue in China by 7.8% was mainly caused by the decline in sales volume and unfavourable translation of currency. In North America, revenue increased by 0.5% as the increase in average selling price countervailed the decrease in sales volume. In Europe, revenue during the year increased by 24.7% as we benefited from both higher sales volume and average selling price.

Operating profit of packaged meats was US$2,234 million in 2024, an increase of 9.0% from that of 2023. In China, operating profit increased by 5.1% as the benefit of lower raw material costs outweighed the negative impact of sales volume decrease and local currency depreciation. In North America, our operating profit grew by 9.5% as we recognised certain Employee Retention Tax Credit ("**ERC**") in relation to COVID-19 pandemic, and in the meantime, we continued to improve operational efficiency and promote cost savings. In Europe, our operating profit increased by 37.4% primarily as we priced our products with strong discipline, optimised our portfolio mix and completed the Acquisition of Argal.

Pork

	2024	2023	Change
	US$ million	*US$ million*	*%*
Revenue			
China	**3,804**	3,812	(0.2)
North America	**5,404**	5,860	(7.8)
Europe	**1,135**	1,138	(0.3)
	10,343	10,810	(4.3)
Operating profit (loss)			
China	**55**	54	1.9
North America	**170**	(624)	N/A
Europe	**131**	90	45.6
	356	(480)	N/A

Total number of hogs processed in 2024 was 45,353 thousand heads, a decrease of 7.8% over that of 2023. In China, the number of hogs processed decreased by 19.4% due to keen market competition and weak consumption demand. Our processing volume in North America decreased by 4.0% as we ramped down our processing facility in California in 2023 and optimised our harvest schedule in 2024. In Europe, the number of hogs processed in 2024 remained stable. We timely adjust our harvest level based on market opportunity.

External sales volume of pork was 3,765 thousand metric tons in 2024, 4.9% lower than that of 2023. The decrease was primarily caused by the decrease in harvest level in the U.S. and China. Pork revenue in 2024 decreased by 4.3% year-on-year to US$10,343 million. In China, revenue remained stable as the increase in average selling price offset the decrease in sales volume. In North America, revenue decreased by 7.8% as lower level of pork and grain sales in the U.S.. In Europe, as the increase in sales volume offset the decrease in average selling price, revenue stayed flat.

In 2024, we recorded an operating profit of US$356 million (2023: operating loss of US$480 million). The turnaround was primarily attributable to the improvement in North America as we benefited from higher product value of pork, lower feed costs of hog, enhanced operational efficiency in farming and processing, effective costs controls over sales and distribution, as well as the recognition of certain ERC. The operating profit of pork in North America was US$170 million in 2024 (2023: operating loss of US$624 million). In China, operating profit increased by 1.9% to US$55 million as market dynamics and operational efficiency improved for hog production in 2024. However, our processing business was still challenged by severe competition within the industry, higher hog costs and sluggish demand. Operating profit in Europe in 2024 was US$131 million, an increase of 45.6% from that of 2023. The increase was a result of lower feed costs and hog costs, as well as operation improvement.

Others

In addition to packaged meats and pork, the Group also engages in certain ancillary businesses which include production and sale of poultry products, 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 348 million heads of broiler, goose and turkey in total during 2024, representing an increase of 10.9% from that of 2023. 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 20 logistics parks across 15 provinces in China covering the majority 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 2024, revenue generated by our other businesses amounted to US$1,943 million, representing an increase of 2.1% over that of 2023 due to the increase in sales volume of poultry meat. The increase in operating loss of our other businesses was mainly due to increase in performance-related remunerations.

III. PRODUCTION CAPACITY

The Group has production facilities with state-of-the-art equipment in various parts of the world. As at the year-end of 2024, we owned an annual production capacity of packaged meats of approximately 2.08 million metric tons, 1.60 million metric tons and 0.37 million metric tons with utilization rates of 67.6%, 87.0% and 117.1% in China, North America and Europe, respectively. Annual hog processing capacity in China, North America, and Europe were approximately 25.21 million heads, 30.68 million heads and 4.9 million heads, and their utilization rates were 40.8%, 94.4% and 115.3%, respectively, in 2024.

FINANCIAL REVIEW

I. KEY FINANCIAL PERFORMANCE INDICATORS

	2024	2023	Change
Revenue growth rate (%)	**(1.1)**	(6.8)	+5.7 pp
EBITDA margin (%)[(2)]	**11.9**	7.5	+4.4 pp
Operating profit margin (%)	**9.3**	5.6	+3.7 pp
— Packaged meats	**16.4**	15.2	+1.2 pp
— Pork	**2.5**	(3.3)	+5.8 pp
Per unit operating profit (loss) (US$/metric ton)			
— Packaged meats	**720.6**	641.4	+79.2
— Pork	**94.6**	(121.2)	+215.8
Net profit margin (%)[(2)]	**6.6**	3.2	+3.4 pp
Current ratio (times)	**1.9**	1.6	+0.3
Cash conversion cycle (days)	**41.2**	39.7	+1.5
Debt to equity ratio (%)	**29.1**	30.5	−1.4 pp
Debt to EBITDA ratio (times)[(2)]	**1.1**	1.6	−0.5
Return on total assets (%)	**9.5**	4.4	+5.1 pp
Return on equity (%)	**15.7**	6.5	+9.2 pp

Notes:

(1) pp represents percentage point.

(2) The calculation is based on EBITDA or net profit before biological fair value adjustments.

II. 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 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 an adequate level of liquidity. As at 31 December 2024, we had cash and bank balances of US$2,055 million (2023: US$1,156 million), which were held primarily in RMB and US$. The aggregate amount of unutilised banking facilities of the Group as at 31 December 2024 was US$5,358 million (2023: US$5,569 million). Out of which, committed banking facilities available to the Group as at 31 December 2024 was US$2,733 million (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 31 December 2024, the aggregated balance was US$487 million (2023: US$546 million). During the year, 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 1.9 times as at 31 December 2024 (2023: 1.6 times).

Cash Flows

We fund the operations of the Group principally by cash generated from our operations, bank borrowings and other debt instruments, as well as equity financing from investors. Our cash requirements relate primarily to production and operating activities, business and asset acquisitions, repayment of liabilities as they become due, payments of capital expenditures, settlements of interest, distributions of dividend, and any unexpected cash requirements.

In 2024, our net cash from operating activities amounted to US$2,519 million (2023: US$1,617 million). The increase in operating cash inflow was mainly driven by significant increase in earnings. Our net cash used in investing activities in 2024 amounted to US$612 million (2023: US$663 million). The decrease in investing cash outflow was primarily due to reduction in capital expenditure. Our net cash used in financing activities in 2024 amounted to US$984 million (2023: US$1,175 million). The decrease in financing cash outflow was due to net repayment of certain debts in 2023. As such, our net increase in cash and cash equivalents was US$923 million in 2024 (2023: net decrease of US$221 million).

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 Foreign-Currency Issuer Default Rating ("**IDR**") and senior unsecured rating are BBB+ according to Fitch Ratings. Our long-term corporate credit rating is BBB according to S&P Global Ratings. Our issuer rating is Baa2 according to Moody's. The outlook of these ratings is stable.

For our 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 outlook is also stable.

Debt Profile

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

	As at 31 December 2024	As at 31 December 2023
	US$ million	*US$ million*
Borrowings by nature		
Senior unsecured notes	**1,982**	1,979
Bank borrowings	**1,318**	1,246
Loans from third parties	**5**	3
Bank overdrafts	**5**	—
	3,310	3,228
Borrowings by geographical region		
North America	**1,983**	1,991
China	**1,099**	1,173
Europe	**228**	64
	3,310	3,228
Borrowings by currency		
US$	**1,983**	1,980
RMB	**1,098**	1,093
Other currencies	**229**	155
	3,310	3,228

The Group's total principal amount of outstanding borrowings as at 31 December 2024 was US$3,330 million (2023: US$3,252 million). The maturity profile is analysed as follows:

	Total
In 2025	31%
In 2026	8%
In 2027	18%
In 2029	13%
In 2030	15%
In 2031 or after	15%
	100%

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

Major Financing Activities

There were no major financing activities in 2024 and 2023.

Separate Listing of Smithfield on the Nasdaq Global Select Market

In January 2025, the Group spun-off Smithfield with operations in North America for separate listing on the Nasdaq Global Select Market. Smithfield completed its initial public offering (the "**IPO**") of 26,086,958 shares of common stock, which represents 7% of the total outstanding shares, at a price of US$20.00 per share under the ticker "SFD". Out of which, Smithfield issued 13,043,479 shares of common stock and the Group sold the remaining 13,043,479 shares of common stock. The Group also granted the underwriters a 30-day option to purchase up to 3,913,042 additional shares of our common stock. In February 2025, the underwriters partially exercised such option and purchased 2,506,936 additional shares of common stock from the Group (the "**Separate Listing of Smithfield**").

The Group received net cash proceeds of approximately US$534 million after deducting underwriting discounts, commissions and fees from the Separate Listing of Smithfield. Having considered all the relevant factors, the Board resolved to declare (1) a special cash dividend (the "**Special Dividend**") of HK$0.18 per ordinary share of the Company (the "**Share(s)**"), which represents an amount of approximately HK$2,309 million (an equivalent of approximately US$297 million) in total to the shareholders of the Company (the "**Shareholders**"), which is expected to be paid on or about 28 March 2025; and (2) a special dividend of approximately HK$215 million (an equivalent of approximately US$28 million) in total to the Shareholders by way of distribution in specie of certain Smithfield shares or cash alternative, which is expected to be distributed on or about 8 April 2025 ("**Distribution in Specie**"). For details, please refer to the relevant announcements of the Company dated 6 February 2025, 28 February 2025 and 5 March 2025, respectively.

Leverage Ratios

As at 31 December 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 29.1% and 11.0%, respectively (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 31 December 2024 were 1.1 times and 0.4 times, respectively (2023: 1.6 times and 1.1 times, respectively).

Finance Costs

Our finance costs decreased by 13.0% to US$147 million in 2024 as we benefited from lower average interest rates on our borrowings.

As at 31 December 2024, the average interest rate of our outstanding borrowings was 2.95% (2023: 3.21%).

III. 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.

In 2024, capital expenditures amounted to US$707 million (2023: US$812 million). The following table sets out our capital expenditures by geographical region for the years indicated:

	2024	2023
	US$ million	*US$ million*
China	**201**	345
North America	**350**	354
Europe	**156**	113
	707	812

Our capital expenditures in China were mainly for the establishment of certain production facilities related to poultry and convenience food. Our capital expenditures in North America were primarily deployed on the modernization of our processing plants and expansion of our packaged meats production facilities. Our capital expenditures in Europe were mainly for the construction and purchase of new plants.

IV. HUMAN RESOURCES

We believe that success of the Group largely depends on our capacity to attract and retain a dynamic workforce. As at 31 December 2024, the Group had approximately 102 thousand employees in total, in which approximately 47 thousand employees were with our China operation, approximately 36 thousand were with our North America 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 2024, total remuneration expenses of the Group amounted to US$4,149 million, representing an increase of 0.9% from that of 2023.

V. BIOLOGICAL ASSETS

As at 31 December 2024, we had a total of 12.6 million hogs, consisting of 11.7 million market hogs and 0.9 million breeding stock, a decrease of 4.1% from 12.1 million hogs as at 31 December 2023. We also had a total of 21.7 million poultry, consisting of 19.0 million broilers and 2.7 million breeding stock, a decrease of 19.9% from 27.1 million poultry as at 31 December 2023. The fair value of our biological assets was US$1,441 million as at 31 December 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 2024, the net impact of biological fair value adjustments on our profit was a gain in the amount of US$148 million, as compared to a gain in the amount of US$25 million in 2023.

VI. KEY INVESTMENT INTERESTS

Formation of Murphy Farms

In December 2024, Smithfield entered into agreements with an independent third-party contract grower, Murphy Family Ventures (the "**Murphy Family**") for the purpose of forming a limited liability company, Murphy Family Farms LLC (the "**Murphy Farms**"), to produce approximately 3.2 million hogs annually for Smithfield's pork operations in the U.S.. Murphy Farms is majority owned by the Murphy Family. It assumed ownership of 150,000 sows (and the market hogs they produce) which were previously owned by Smithfield. Meanwhile, Smithfield is contracted to provide production services, including the supply of feed and transportation services to Murphy Farms. We regard this arrangement to be beneficial for the Group to achieve a more sustainable pork business in the U.S..

Reform of the U.S. hog production

As the U.S. hog production operation of our pork business experienced significant difficulty in 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. to sustainably mitigate the operational risks and improve the financial performance of the Group. During the year, further exit cost of US$27 million was incurred as a result (2023: US$176 million).

In December 2024, we also disposed of certain vacant farms and idle land in Missouri and Utah to certain independent third-parties for net cash proceeds of US$84 million. The amount of net pre-tax gain on disposal was US$29 million.

Internal Restructuring of European Operation

In August 2024, the Group completed the carve-out of our European operations from Smithfield and able to directly manage three parallel operations in different geographical locations. We expect this internal restructuring will further enhance our management efficiency and promote synergy across locations within the Group.

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 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 2024, we continued to incur exit and restructuring costs amounted to US$26 million (2023: US$54 million). 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 2023.

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.

VII. 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. In 2024, the Group conducted enterprise risk assessments to analyze and report key risks, followed by the establishment of respective mitigation controls. An opinion on the effectiveness of the enterprise risk management ("**ERM**") system of the Company was submitted to the Risk Management Committee, which considers that the ERM system of the Group is effectively in place.

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 strategic inventory management, overseas imports and effective transfer of raw material prices to end customers. 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 risk. The main objective of hedges is to mitigate 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 monitoring procedures in the management of all its derivative activities under the leadership and execution of 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 31 December 2024, approximately 90.5% of our borrowings (other than bank overdrafts) were at fixed interest rates (2023: 88.9%). To manage our interest rate exposure, we optimise our debt portfolio and enter into hedges (if appropriate).

VIII. 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 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 made in 2021 and 2022 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, 22 individual cases (including customers who opted out of the Class Settlements) remain pending against the Group.

The Attorneys General for the states of New Mexico and Alaska and the Commonwealth of Puerto Rico have filed similar complaints on behalf of their respective states, territories, agencies and citizens. The Group has settled with Puerto Rico and Alaska. The Group intends to vigorously defend against the remaining 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 annual report of the Company.

IX. SUSTAINABILITY

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 in various markets we have a presence. Under the guidance of the environmental, social and governance committee, each of our business units also has its own sustainability system, which moves local sustainability initiatives and actions forward in accordance with Group's Corporate Principles. During the reporting period, the Group made reference to the Appendix C2-Environmental, Social and Governance Reporting Code under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), to analyze the initiatives taken in response to and adaptation to climate risks and opportunities, as well as anticipated financial impacts. Our subsidiaries, Henan Shuanghui Investment & Development Co., Ltd. and Smithfield continuously monitor and collect GHG emissions from material sourcing, farming, harvesting and processing, distribution, storage, and transportation on carbon inventory basis, while promoting energy efficiency and expanding the use of renewable energy.

More details regarding the Group's performance on the policies and key performance indicators related to environmental and social topics, as well as compliance with relevant laws and regulations which have a significant impact on the Group will be provided in our Environmental, Social and Governance Report to be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wh-group.com) at the same time as the publication of the 2024 annual report of the Company.

In 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 by MSCI, the world's largest index company, demonstrating the market's recognition of the Group's performance in sustainable development.

X. EVENTS AFTER THE REPORTING PERIOD

Resignation of executive Director

On 28 January 2025, Mr. Charles Shane Smith resigned as an executive Director and a member of the Environmental, Social and Governance Committee, the Food Safety Committee and the Risk Management Committee of the Company with effect from 28 January 2025, to focus on his role as a director and the President and Chief Executive Officer of Smithfield and prevent overlapping of the core management team of the Company and Smithfield.

For further details, please refer to the announcement of the Company dated 28 January 2025.

Change of composition of Board committees

The Board hereby announces that, with effect from 25 March 2025, Ms. Zhou Hui has been appointed by the Board as a member of the Nomination Committee of the Company (in place of Mr. Lau, Jin Tin Don) and Mr. Lau, Jin Tin Don has been appointed by the Board as a member of the Food Safety Committee of the Company (in place of Ms. Zhou Hui).

Upon such appointments, Ms. Zhou Hui will cease to be a member of the Food Safety Committee of the Company and Mr. Lau, Jin Tin Don will cease to be a member of the Nomination Committee of the Company.

XI. OUTLOOK

The Company achieved a significant increase in profits in 2024. One of the key drivers was the substantial improvement of our U.S. pork results as market dynamics has become more favourable than 2023 and we implemented a series of reformation measures to strengthen our hog production operation. In the future, we will continue to improve the operation of our pork business, expand the volume of meat sales and enhance its competitiveness in the market, so as to contribute to the sustainable growth of our results.

Packaged meats is our core business and it achieved the best operating results in history in 2024. Looking forward, we will continue to adhere to the "two adjustments and one control" strategy of "adjusting product mix, adjusting prices and controlling costs", expand our market network, adapt to market changes, strengthen our competitive edges, and maintain stable improvement of our packaged meats business.

In the meantime, geopolitical risks and changes in the macro environment will have a significant impact on the global economy, finance, consumption, market, and supply chains. We will adapt to the external changes, continue to optimize our industrial chain, steadily promote diversification, further complete our global footprint, mitigate risks, improve quality and increase efficiency, and drive the sustainable development in order to maximize the value of the Company.

With the joint effort of the employees, we strive to continue the positive business momentum in 2025 and lay a solid foundation of steady development of the Group in the future.

FINANCIAL INFORMATION

The financial information below is an extract of the consolidated financial statements of the Group for the year ended 31 December 2024, which have been reviewed by the audit committee of the Board (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

		2024			2023		
	Notes	**Results before biological fair value adjustments** *US$'million*	**Biological fair value adjustments** *US$'million*	**Total** *US$'million*	Results before biological fair value adjustments *US$'million*	Biological fair value adjustments *US$'million*	Total *US$'million*
REVENUE	*3*	**25,941**	**—**	**25,941**	26,236	—	26,236
Cost of sales		**(20,749)**	**8**	**(20,741)**	(21,980)	869	(21,111)
Gross profit		**5,192**	**8**	**5,200**	4,256	869	5,125
Distribution and selling expenses		**(1,845)**	**—**	**(1,845)**	(1,977)	—	(1,977)
Administrative expenses		**(1,001)**	**—**	**(1,001)**	(889)	—	(889)
Gain (loss) arising from agricultural produce at fair value less costs to sell at the point of harvest		**—**	**182**	**182**	—	(646)	(646)
Gain (loss) arising from changes in fair value less costs to sell of biological assets		**—**	**12**	**12**	—	(190)	(190)
Other income	*4*	**98**	**—**	**98**	138	—	138
Other gains and (losses)	*5*	**41**	**—**	**41**	(8)	—	(8)
Other expenses		**(141)**	**—**	**(141)**	(289)	—	(289)
Finance costs	*6*	**(147)**	**—**	**(147)**	(169)	—	(169)
Share of profits (losses) of associates		**6**	**—**	**6**	(4)	—	(4)
Share of profits (losses) of joint ventures		**5**	**—**	**5**	(34)	—	(34)
PROFIT BEFORE TAX	*7*	**2,208**	**202**	**2,410**	1,024	33	1,057
Taxation	*8*	**(503)**	**(54)**	**(557)**	(189)	(8)	(197)
PROFIT FOR THE YEAR		**1,705**	**148**	**1,853**	835	25	860
Other comprehensive income for the year:							
Items that will not be reclassified subsequently to profit or loss:							
— remeasurement on defined benefit pension plans				**33**			(13)
				33			(13)

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

For the year ended 31 December 2024

	Notes	2024 Results before biological fair value adjustments US$'million	2024 Biological fair value adjustments US$'million	2024 Total US$'million	2023 Results before biological fair value adjustments US$'million	2023 Biological fair value adjustments US$'million	2023 Total US$'million
Items that may be reclassified subsequently to profit or loss:							
— exchange differences arising on translation of foreign operations				**(256)**			105
— fair value change in cash flow hedge, net of tax				**(24)**			2
				(280)			107
Other comprehensive income for the year, net of tax				**(247)**			94
TOTAL COMPREHENSIVE INCOME FOR THE YEAR				**1,606**			954
Profit for the year attributable to							
— owners of the Company				**1,612**			629
— non-controlling interests				**241**			231
				1,853			860
Total comprehensive income for the year attributable to							
— owners of the Company				**1,386**			753
— non-controlling interests				**220**			201
				1,606			954
EARNINGS PER SHARE	10						
— Basic (US cents)				**12.56**			4.90
— Diluted (US cents)				**12.56**			4.90

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	2024 US$'million	2023 US$'million
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**6,393**	6,602
Right-of-use assets		**607**	687
Biological assets	*12*	**206**	214
Goodwill		**2,100**	2,043
Intangible assets		**1,699**	1,707
Interests in associates		**145**	134
Interests in joint ventures		**95**	90
Other receivables		**84**	68
Financial assets at fair value through profit or loss		**2**	2
Pledged bank deposits		**6**	4
Deferred tax assets		**54**	86
Other non-current assets		**222**	228
Total non-current assets		**11,613**	11,865
CURRENT ASSETS			
Properties under development		**43**	77
Biological assets	*12*	**1,235**	1,149
Inventories	*13*	**2,805**	2,919
Trade and bills receivables	*14*	**888**	873
Prepayments, other receivables and other assets		**568**	503
Debt investments at amortised cost		**179**	469
Financial assets at fair value through profit or loss		**310**	86
Tax recoverable		**98**	7
Pledged/restricted bank deposits		**47**	75
Cash and bank balances		**2,055**	1,156
Total current assets		**8,228**	7,314

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
31 December 2024

	Notes	**2024** **US$'million**	2023 *US$'million*
CURRENT LIABILITIES			
Trade payables	*15*	**1,212**	1,240
Accrued expenses and other payables	*16*	**1,945**	2,150
Lease liabilities		**71**	99
Taxation payable		**109**	63
Borrowings	*17*	**1,049**	1,106
Bank overdrafts		**5**	—
Total current liabilities		**4,391**	4,658
NET CURRENT ASSETS		**3,837**	2,656
TOTAL ASSETS LESS CURRENT LIABILITIES		**15,450**	14,521
NON-CURRENT LIABILITIES			
Other payables	*16*	**498**	459
Lease liabilities		**343**	391
Borrowings	*17*	**2,256**	2,122
Deferred tax liabilities		**659**	570
Deferred revenue		**11**	10
Pension liability and other retirement benefits		**322**	394
Total non-current liabilities		**4,089**	3,946
NET ASSETS		**11,361**	10,575
CAPITAL AND RESERVES			
Share capital		**1**	1
Reserves		**10,660**	9,830
Equity attributable to owners of the Company		**10,661**	9,831
Non-controlling interests		**700**	744
TOTAL EQUITY		**11,361**	10,575

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024	2023
	US$'million	*US$'million*
Net cash flows from operating activities	**2,519**	1,617
Net cash flows used in investing activities	**(612)**	(663)
Net cash flows used in financing activities	**(984)**	(1,175)
Net increase (decrease) in cash and cash equivalents	**923**	(221)
Cash and cash equivalents at beginning of year	**1,156**	1,394
Effect of foreign exchange rate changes	**(29)**	(17)
Cash and cash equivalents at end of year	**2,050**	1,156
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**2,055**	1,156
Bank overdrafts	**(5)**	—
	2,050	1,156

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION

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's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 5 August 2014.

The address of the registered office of the Company and the address of its principal place of business are disclosed in the section headed "Corporate Information" in the annual report.

The Company acts as an investment holding company. The consolidated financial statements of the Company for the year ended 31 December 2024 comprise the Company and its entities (including structured entities, controlled by the Group) (collectively referred to as the "**Group**") and the Group's interests in associates and interests in joint ventures. The Group is primarily involved in the production and sale of packaged meats and pork.

The consolidated financial information has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial information has been prepared under the historical cost convention, except for biological assets, financial assets at fair value through profit or loss, certain non-current assets and derivative financial assets and liabilities which have been measured at fair value. The consolidated financial information is presented in US$, and all values are rounded to the nearest million ("**US$'million**") except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

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*

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) Amendments to IAS 1 *Classification of Liabilities as Current or Non-current* Amendments to IAS 1 *Non-current Liabilities with Covenants*

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*

Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have material impact on the financial position or performance of the Group.

3. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	2024	2023
	US$'million	*US$'million*
Packaged meats	**13,655**	13,523
Pork	**10,343**	10,810
Others	**1,943**	1,903
	25,941	26,236

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, North America, 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 hog farming, slaughtering, wholesale and retail sales of fresh and frozen pork.

(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 segments, other gains and losses, 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 resource allocation and assessment of segment performance.

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

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

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

	For the year ended 31 December 2024			
	Packaged meats *US$'million*	**Pork** *US$'million*	**Others** *US$'million*	**Total** *US$'million*
China				
Gross segment revenue	3,410	4,318	1,631	9,359
Less: Inter-segment revenue	(1)	(514)	(426)	(941)
Revenue	3,409	3,804	1,205	8,418
Reportable segment profit (loss)	924	55	(36)	943
North America				
Gross segment revenue	8,319	8,706	40	17,065
Less: Inter-segment revenue	(2)	(3,302)	(1)	(3,305)
Revenue	8,317	5,404	39	13,760
Reportable segment profit (loss)	1,174	170	(157)	1,187
Europe				
Gross segment revenue	1,976	1,666	866	4,508
Less: Inter-segment revenue	(47)	(531)	(167)	(745)
Revenue	1,929	1,135	699	3,763
Reportable segment profit	136	131	7	274
Total				
Gross segment revenue	13,705	14,690	2,537	30,932
Less: Inter-segment revenue	(50)	(4,347)	(594)	(4,991)
Revenue	13,655	10,343	1,943	25,941
Reportable segment profit (loss)	2,234	356	(186)	2,404
Net unallocated expenses				(60)
Biological fair value adjustments				202
Finance costs				(147)
Share of profits of associates				6
Share of profits of joint ventures				5
Profit before tax				2,410

3. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

	For the year ended 31 December 2023			
	Packaged meats *US$'million*	Pork *US$'million*	Others *US$'million*	Total *US$'million*
China				
Gross segment revenue	3,698	4,466	1,707	9,871
Less: Inter-segment revenue	(1)	(654)	(468)	(1,123)
Revenue	3,697	3,812	1,239	8,748
Reportable segment profit	879	54	15	948
North America				
Gross segment revenue	8,280	8,934	37	17,251
Less: Inter-segment revenue	(1)	(3,074)	(1)	(3,076)
Revenue	8,279	5,860	36	14,175
Reportable segment profit (loss)	1,072	(624)	(118)	330
Europe				
Gross segment revenue	1,595	1,720	788	4,103
Less: Inter-segment revenue	(48)	(582)	(160)	(790)
Revenue	1,547	1,138	628	3,313
Reportable segment profit	99	90	4	193
Total				
Gross segment revenue	13,573	15,120	2,532	31,225
Less: Inter-segment revenue	(50)	(4,310)	(629)	(4,989)
Revenue	13,523	10,810	1,903	26,236
Reportable segment profit (loss)	2,050	(480)	(99)	1,471
Net unallocated expenses				(240)
Biological fair value adjustments				33
Finance costs				(169)
Share of losses of associates				(4)
Share of losses of joint ventures				(34)
Profit before tax				1,057

4. OTHER INCOME

	2024	2023
	US$'million	*US$'million*
Government subsidy	**22**	43
Bank interest income	**36**	49
Income on sales of raw materials	**12**	8
Others	**28**	38
	98	138

5. OTHER GAINS AND (LOSSES)

	2024	2023
	US$'million	*US$'million*
Gain on non-qualified retirement plan assets	**17**	15
Fair value gain on financial assets at fair value through profit and loss	**9**	11
Gain on disposal of property, plant and equipment	**33**	82
Impairment loss on property, plant and equipment	**(4)**	(8)
Impairment loss on other assets	**(1)**	—
Impairment loss on right-of-use assets	**(—*)**	—
Net exchange gain (loss)	**20**	(9)
Gain on insurance recovery	**6**	9
Accelerated depreciation and amortisation	**(10)**	(75)
Net gain (loss) on disposal of other assets	**(15)**	1
Others	**(14)**	(34)
	41	(8)

6. FINANCE COSTS

	2024	2023
	US$'million	*US$'million*
Interest on senior unsecured notes	**(77)**	(78)
Interest on bank and other loans	**(47)**	(69)
Interest on lease liabilities	**(19)**	(21)
Amortisation of transaction costs	**(4)**	(4)
Less: Amounts capitalised in the cost of qualifying assets	**—***	3
	(147)	(169)

* Less than US$1 million.

7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2024	2023
	US$'million	*US$'million*
Auditor's remuneration		
Audit services	**8**	6
Non-audit services	**2**	1
Depreciation of property, plant and equipment	**622**	652
Depreciation of right-of-use assets	**91**	116
Amortisation of intangible assets included in administrative expenses	**10**	11
Inventories provisions, net, included in cost of sales	**40**	101
Recognition of impairment loss on trade receivables, net, included in administrative expenses	**—***	4
Recognition of impairment loss on other receivables, net, included in administrative expenses	**2**	—
Lease payments not included in the measurement of lease liabilities	**172**	171
Research and development expenses	**173**	204
Staff costs (excluding directors' remuneration)	**4,131**	4,101
Legal contingencies	**65**	153

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

8. TAXATION

	2024	2023
	US$'million	*US$'million*
China income tax	**(226)**	(220)
U.S. income tax	**(130)**	(33)
Europe income taxes	**(49)**	(24)
Other income taxes	**(—*)**	(—*)
Withholding tax	**(42)**	(39)
Deferred taxation	**(110)**	119
	(557)	(197)

* Less than US$1 million.

9. DIVIDENDS

	2024	2023
	US$'million	*US$'million*
Dividend recognised as distribution during the year:		
2023 final dividend of HK$0.25 per share (2022: HK$0.25)	**410**	409
2024 interim dividend of HK$0.10 per share (2023: HK$0.05)	**164**	81
	574	490

The final dividend of HK$0.40 per share in respect of the year ended 31 December 2024 has been proposed by the directors and is subject to approval at the forthcoming annual general meeting.

On 6 February 2025, the Company declared a distribution in specie of one share of Smithfield or cash alternative for every 9,300 Company's shares held. On 28 February 2025, the Company further declared a special cash dividend of HK$0.18 per share.

10. 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:

	2024	2023
	US$'million	*US$'million*
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**1,612**	629
	million shares	*million shares*
Number of shares		
Weighted average number of ordinary shares for the purpose of basis and diluted earnings per share *(Note)*	**12,830**	12,830

Note: Diluted earnings per share for the years ended 31 December 2024 and 31 December 2023 were the same as the basic earnings per share as there were no potentially dilutive ordinary share in existence during the years.

11. PROPERTY, PLANT AND EQUIPMENT

During the year, the Group incurred US$616 million (2023: US$655 million) on additions of property, plant and equipment.

12. BIOLOGICAL ASSETS

The biological assets of the Group are live hogs and poultry at various stages of development, including suckling hogs, nursery hogs and 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 quantities of live hogs, broilers and breeding stock owned by the Group at the end of each reporting period are as follows:

	2024	2023
	Head 'million	*Head 'million*
Live hogs		
— suckling	**2**	2
— nursery	**2**	1
— finishing	**8**	8
	12	11
Breeding stock (hogs)	**1**	1
	13	12
Broilers	**19**	24
Breeding stock (poultry)	**3**	3
	22	27

	2024	2023
	US$'million	*US$'million*
Current assets	**1,235**	1,149
Non-current assets	**206**	214
	1,441	1,363

Fair value measurement — Level 3

	2024	2023
	US$'million	*US$'million*
Biological assets		
Live hogs	**1,202**	1,111
Breeding stock (hogs)	**180**	186
Broilers	**33**	38
Breeding stock (poultry)	**26**	28
	1,441	1,363

12. BIOLOGICAL ASSETS (continued)

Fair value measurement — Level 3 (continued)

The fair values 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.

The Group's biological assets were valued by the independent qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

13. INVENTORIES

	2024	2023
	US$'million	*US$'million*
Raw materials	**1,242**	1,425
Work in progress	**315**	172
Finished goods	**1,248**	1,322
	2,805	2,919

14. TRADE AND BILLS RECEIVABLES

	2024	2023
	US$'million	*US$'million*
Trade receivables	**899**	887
Impairment	**(13)**	(16)
	886	871
Bills receivable	**2**	2
	888	873

14. TRADE AND BILLS RECEIVABLES (continued)

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 channel 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 dates of delivery of goods which approximated the respective dates on which revenue was recognised:

	2024	2023
	US$'million	*US$'million*
Current to 30 days	**786**	784
31 to 90 days	**87**	88
91 to 180 days	**8**	1
Over 180 days	**7**	—*
	888	873

15. TRADE PAYABLES

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

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

	2024	2023
	US$'million	*US$'million*
Within 30 days	**1,201**	1,227
31 to 90 days	**9**	9
91 to 180 days	**1**	3
181 to 365 days	**1**	1
	1,212	1,240

* Less than US$1 million.

16. ACCRUED EXPENSES AND OTHER PAYABLES

	2024	2023
	US$'million	*US$'million*
Accrued staff costs	**565**	543
Deposits received	**69**	75
Sales rebates payables	**149**	153
Payables in respect of acquisition of property, plant and equipment	**166**	263
Accrued insurance	**122**	136
Interest payable	**24**	24
Redeemable non-controlling interests	**330**	249
Growers payables	**51**	48
Pension liability	**23**	23
Derivative financial instruments	**11**	30
Accrued professional expenses	**7**	8
Accrued rent and utilities	**40**	35
Dividend payables	**4**	8
Contract liabilities	**344**	298
Other accrued expenses	**363**	523
Other payables	**175**	193
	2,443	2,609
Analysed for reporting purposes as:		
Current liabilities	**1,945**	2,150
Non-current liabilities	**498**	459
	2,443	2,609

17. BORROWINGS

	2024	2023
	US$'million	*US$'million*
Senior unsecured notes:		
4.250% senior unsecured notes due February 2027	**599**	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
	1,982	1,979
Commercial papers	**—**	—
Bank loans:		
Secured	**6**	7
Unsecured	**1,312**	1,239
Loans from third parties:		
Secured	**1**	1
Unsecured	**4**	2
Total borrowings other than bank overdrafts	**3,305**	3,228
Bank overdrafts	**5**	—
Borrowings other than bank overdrafts are repayable as follows:		
Within one year	**1,049**	1,106
One to two years	**242**	12
Two to five years	**1,019**	728
After five years	**995**	1,382
	3,305	3,228
Less: Amounts due within one year shown under current liabilities	**(1,049)**	(1,106)
Amounts due after one year	**2,256**	2,122
Total borrowings other than bank overdrafts:		
At fixed rates	**2,992**	2,870
At floating rates	**313**	358
	3,305	3,228

17. BORROWINGS (continued)

	2024	2023
	US$'million	*US$'million*
Analysis of borrowings (other than bank overdrafts) by currency:		
Denominated in US$	**1,983**	1,980
Denominated in RMB	**1,093**	1,093
Denominated in other currencies	**229**	155
	3,305	3,228

OTHER INFORMATION

AUDIT COMMITTEE

The Audit Committee, consisting of three independent non-executive Directors, namely Ms. Zhou Hui (Chairman), Mr. Huang Ming and Mr. Lau, Jin Tin Don, has discussed with the external auditor of the Company, Ernst & Young ("**EY**"), and reviewed the Group's consolidated financial information for the year ended 31 December 2024, including the accounting principles and practices adopted by the Group.

The Audit Committee is of the opinion that the Group's consolidated financial information comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit Committee therefore recommended for the Board's approval of the Group's consolidated financial information for the year ended 31 December 2024.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of cash flows and the related notes to the consolidated financial information thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by EY, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on this announcement.

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 year ended 31 December 2024, 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 had complied with all required standards set out in the Model Code and the Code of Conduct throughout the year ended 31 December 2024.

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 year ended 31 December 2024.

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.40 per Share for the year ended 31 December 2024 (the "**2024 Final Dividend**") to the Shareholders subject to the approval of the Shareholders at the forthcoming annual general meeting (the "**Annual General Meeting**") of the Company. Taking into account of the interim dividend of HK$0.10 per Share paid on 25 September 2024, total dividend for the year ended 31 December 2024 will be HK$0.50 per Share (2023: HK$0.30 per Share). The 2024 Final Dividend is expected to be paid in cash to the Shareholders whose names appear on the register of members of the Company on Tuesday, 20 May 2025 on or about Thursday, 29 May 2025.

As disclosed in the section headed "Separate Listing of Smithfield on the Nasdaq Global Select Market" in this announcement, as rewards to the Shareholders for their continuing support, the Board has also declared the Distribution in Specie and the Special Dividend.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods and during these periods, no transfer of Shares will be registered:

(i) To attend and vote at the Annual General Meeting

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the Annual General Meeting, the registers of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged for registration with the Company's branch share registrar (the "**Branch Share Registrar**") in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 2 May 2025.

(ii) To qualify for the proposed 2024 Final Dividend

For the purpose of ascertaining the Shareholders' entitlement to the proposed 2024 Final Dividend, the registers of members of the Company will be closed from Friday, 16 May 2025 to Tuesday, 20 May 2025 both days inclusive. In order to qualify for the proposed 2024 Final Dividend, all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged for registration with the Branch Share Registrar not later than 4:30 p.m. on Thursday, 15 May 2025.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Friday, 9 May 2025. The notice of the Annual General Meeting will be published and despatched to the Shareholders in due course.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float under the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wh-group.com). The 2024 annual 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, 25 March 2025

As at the date of this announcement, the executive Directors are Mr. WAN Long, Mr. GUO Lijun, Mr. WAN Hongwei and Mr. MA Xiangjie; 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.