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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 QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2025**

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 three months ended 31 March 2025 (the “**Period**”). This announcement is made by the Company on a voluntary basis to enhance the practice of good corporate governance and further promote the transparency and accountability of the Company.

HIGHLIGHTS

	Three months ended 31 March			
	2025		2024	
Packaged meats sold (<i>thousand metric tons</i>)	714		786	
Pork sold (<i>thousand metric tons</i>)	982		941	
	Three months ended 31 March			
	2025		2024	
	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		US\$ million	
	<i>(unless otherwise stated)</i>			
Revenue	6,554	6,554	6,181	6,181
EBITDA	786	803	674	889
Operating profit	598	598	501	501
Profit attributable to owners of the Company	364	380	301	465
Basic earnings per share (<i>US cents</i>)	2.84	2.96	2.35	3.62
			As at 31 March 2025	As at 31 December 2024
			US\$ million	
Total assets			21,402	19,841
Equity attributable to owners of the Company			11,008	10,661

- Sales volume of packaged meats decreased by 9.2% while sales volume of pork increased by 4.4%.
- Revenue increased by 6.0%.
- Operating profit increased by 19.4%.
- Profit attributable to owners of the Company and basic earnings per share, before biological fair value adjustments, increased by 20.9%.

INDUSTRY OVERVIEW

As a leading pork company in the world, our business is impacted by the industry dynamics in each market where we operate. Supply and demand drive the movements in prices for hogs and pork and consequently impact our costs and sales. During the Period, although hog production volume slightly increased by 0.1% year on year, the average hog price in the People’s Republic of China (“**China**”) increased by 7.3% from that of the three months ended 31 March 2024 (the “**Comparable Period**”) to RMB15.99 (equivalent to approximately US\$2.19) per kilogram (“**kg**”). In the United States of America (the “**U.S.**”), as a result of robust demand, the average hog price for the Period increased by 14.1% to US\$1.44 per kg while the average pork cutout value for the Period increased by 5.9% to US\$2.09. In Europe, the outbreak of foot and mouth disease triggered trade restrictions and increased supplies in markets which were impacted. Therefore, the average carcass price of the member states of the European Union during the Period decreased by 11.8% to Euro 1.87 (equivalent to approximately US\$1.96) per kg, representing an average hog price of approximately Euro 1.41 or US\$1.48 per kg.

RESULTS OF OPERATIONS

	Three months ended 31 March 2025			
	Packaged meats⁽²⁾	Pork⁽³⁾	Others⁽⁴⁾	Total
	<i>US\$ million</i>			
Revenue⁽¹⁾				
China	759	922	322	2,003
U.S. and Mexico (collectively “North America”)	2,023	1,648	5	3,676
Europe	464	239	172	875
	<u>3,246</u>	<u>2,809</u>	<u>499</u>	<u>6,554</u>
Operating profit (loss)				
China	203	16	(4)	215
North America	266	93	(29)	330
Europe	32	22	(1)	53
	<u>501</u>	<u>131</u>	<u>(34)</u>	<u>598</u>

Three months ended 31 March 2024

	Packaged meats ⁽²⁾	Pork ⁽³⁾	Others ⁽⁴⁾	Total
	<i>US\$ million</i>			
Revenue⁽¹⁾				
China	935	835	254	2,024
North America	1,999	1,346	8	3,353
Europe	378	279	147	804
	3,312	2,460	409	6,181
	3,312	2,460	409	6,181
Operating profit (loss)				
China	262	9	(20)	251
North America	288	(62)	(35)	191
Europe	30	26	3	59
	580	(27)	(52)	501
	580	(27)	(52)	501

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 profit (loss) includes corporate expenses.

Packaged Meats

During the Period, sales volume of our packaged meats were 714 thousand metric tons, representing a decrease of 9.2% from that of the Comparable Period. In China, the decrease of 17.4% in sales volume was mainly due to inadequate effective market demand. Our transformation of products and channels also had not yet achieved the desired results. In North America, sales volume decreased by 4.2%. It was mainly due to the shift of Easter timing, which had lowered the sales volume of seasonal ham during the Period. In Europe, sales volume increased by 9.9%. It was mainly due to the contribution of acquisition. Revenue of our packaged meats during the Period decreased by 2.0%, which was mainly driven by the decrease in sales volume. Our packaged meats operating profit also decreased by 13.6% from that of the Comparable Period. In China, operating profit decreased by 22.5% primarily due to decrease in sales volume and increase in expenses. Operating profit in North America decreased by 7.6% as the increase in raw material costs outweighed the increase in sales price. In Europe, operating profit increased by 6.7% as we strived to manage prices to maintain profitability.

Pork

Sales volume of pork increased by 4.4% to 982 thousand metric tons in the Period. In China, North America and Europe, their sales volumes increased by 9.0%, 2.3% and 0.4% respectively. It is our operating strategy to optimize processing volume according to the market dynamics in each region. Supported by higher sales volume, our pork revenue during the Period increased by 14.2% from that of the Comparable Period. In the Period, we recorded an operating profit of US\$131 million (Comparable Period: operating loss of US\$27 million). The notable improvement of results was mainly attributed to the substantial turnaround of our hogs raising operation in the U.S.. Operating profit in China also increased by 77.8%, mainly due to the improvement of performance in hogs raising and expansion of scale in processing. Operating profit in Europe, however, decreased by 15.4% as the reduction in hog prices lowered the overall profitability of the vertically integrated pork production chain.

Separate Listing of Smithfield on the Nasdaq Global Select Market

In January 2025, the Group spun-off Smithfield Foods, Inc. (“**Smithfield**”) with operations in North America for separate listing on the Nasdaq Global Select Market. Smithfield completed its initial public offering of 26,086,958 shares of common stock, which represents 7% of the total outstanding shares (“**Smithfield 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 (1) distribute a special cash dividend (the “**Special Dividend**”) of HK\$0.18 per ordinary share of the Company to the shareholders of the Company (the “**Shareholders**”), which represents an amount of approximately HK\$2,309 million (an equivalent of approximately US\$297 million) on 28 March 2025; and (2) distribute 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 on 8 April 2025 (“**Distribution in Specie**”). For details, please refer to the relevant announcements of the Company dated 6 February 2025, 28 February 2025, 5 March 2025 and 9 April 2025, respectively. After the Separate Listing of Smithfield, Smithfield continue to be a subsidiary of the Company.

OUTLOOK

The Company delivered a solid increase in profit during the first quarter of 2025. For the remainder of the year, we will continue to focus on our core packaged meats business by transforming our products and channels in China, maintaining strong profitability in the U.S. as well as expanding scale and growing profit contribution in Europe. Meanwhile, we will further strengthen our pork business by improving the hog raising operation and enhancing the added value of processing. However, the uncertainty relating to global economic and trading environment imposes challenges to the operation of all businesses. We will adapt to the changing circumstances, leverage on our advantages, continuously adhere to our “industrialization, diversification, globalization, digitalization” and “two-adjustments one-control” strategies, strive to achieve stable and positive operating results, as well as to provide returns to Shareholders.

REVIEW OF FINANCIAL INFORMATION

The Group’s financial information for the three months ended 31 March 2025 is unaudited, but has been reviewed by the audit committee of the Board.

By order of the Board
WH Group Limited
Wan Long
Chairman

Hong Kong, 29 April 2025

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