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**中糧家佳康食品有限公司**  
COFCO Joycome Foods Limited

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 01610)

**ANNUAL RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED DECEMBER 31, 2024**

The board of directors (the “**Board**”) of COFCO Joycome Foods Limited (the “**Company**” or “**we**”, “**our**” or “**us**”) is pleased to announce the audited consolidated results and financial position of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023 as follows:

**HIGHLIGHTS**

| <b>Key Operating Data</b>  | <b>2024</b>        |                    | <b>2023</b>        | <b>year-on-year</b> |
|--|--------------------|--------------------|--------------------|---------------------|
| Hog production volume (unit: '000 heads) <sup>(1)</sup>                            | <b>3,560</b>       |                    | 5,200              | -31.5%              |
| Average selling price of finishing hogs (RMB/kg)                                   | <b>16.53</b>       |                    | 14.55              | 13.6%               |
| Fresh pork sales volume (unit: '000 tons)  | <b>262</b>         |                    | 245                | 7.1%                |
| Branded small-packed fresh pork sales volume (unit: '000 packs) <sup>(2)</sup>     | <b>42,317</b>      |                    | 38,557             | 9.8%                |
| Ratio of revenue from branded business of total fresh pork business <sup>(2)</sup> | <b>29.4%</b>       |                    | 26.6%              | +2.8ppt             |
| Meat import sales volume (unit: '000 tons)   | <b>66</b>          |                    | 68                 | -2.5%               |
| <b>Key Financial Data</b>  | <b>2024</b>        |                    | <b>2023</b>        |                     |
|  | <b>Before</b>      | <b>After</b>       | <b>Before</b>      | <b>After</b>        |
|  | <b>biological</b>  | <b>biological</b>  | <b>biological</b>  | <b>biological</b>   |
|  | <b>assets</b>      | <b>assets</b>      | <b>assets</b>      | <b>assets</b>       |
|  | <b>fair value</b>  | <b>fair value</b>  | <b>fair value</b>  | <b>fair value</b>   |
|  | <b>adjustments</b> | <b>adjustments</b> | <b>adjustments</b> | <b>adjustments</b>  |
|  | <b>RMB'000</b>     | <b>RMB'000</b>     | <b>RMB'000</b>     | <b>RMB'000</b>      |
| Revenue <sup>(3)</sup>   | <b>16,326,201</b>  | <b>16,326,201</b>  | 17,237,951         | 17,237,951          |
| Profit/(loss) for the Year <sup>(4)</sup>  | <b>275,245</b>     | <b>554,262</b>     | 152,191            | (34,626)            |
| Profit/(loss) attributable to the owners of the Company <sup>(5)</sup>             | <b>259,199</b>     | <b>538,216</b>     | 177,220            | (9,597)             |
| Basic earnings/(loss) per share <sup>(6)</sup>                                     | <b>RMB0.0566</b>   | <b>RMB0.1175</b>   | RMB0.0400          | RMB(0.0022)         |

*Notes:*

1. Affected by some periodic factors such as the rotation of the breeding herds, the closure of some factories with lower efficiency in northern region and the epidemic diseases in 2023, the hog production volume of the Group decreased by 31.5% as compared with the same period of last year.
2. The Group focused on the star product of “linseed-fed pork” and launched omni-channel development and comprehensive marketing. The brand influence of Joycome continued to increase. During the Reporting Period, the sales volume of branded small-packed fresh pork increased by 9.8% year-on-year, and the proportion of brand revenue increased by 2.8 percentage points year-on-year.
3. Revenue amounted to RMB16,326 million, representing a year-on-year decrease of 5.3%, primarily due to the year-on-year decrease in hog production volume, and the meat import business voluntarily reduced the volume out of risk control considerations.
4. Profit for the year before biological assets fair value adjustments amounted to RMB275 million, representing a year-on-year increase of RMB123 million, mainly attributable to the rapid increase in sales volume of the hog production business and the month-on-month improvement in cost control under the background of the improvement of the hog price, the significant reduction in losses in the fresh pork business, and the stable earnings of the processed meat products and meat import business. At the same time, the consolidation of COFCO Feed contributed to profits.
5. Profit attributable to the owners of the Company before biological assets fair value adjustments amounted to RMB259 million, while profit attributable to the owners of the Company after biological assets fair value adjustments amounted to RMB538 million. The biological assets fair value was adjusted based on the hog price at the end of December 2024.
6. The basic earnings/(loss) per share represent the profit/(loss) attributable to the owners of the Company divided by the weighted average number of ordinary shares for the year.

The Board has resolved not to declare any final dividend for the year ended December 31, 2024.

## FINANCIAL INFORMATION

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

|  |       | 2024   |   |                | 2023   |   |                       |
|--|-------|--|---|----------------|--|---|-----------------------|
|  |       | Results<br>before<br>biological<br>assets<br>fair value<br>adjustments | Biological<br>assets<br>fair value<br>adjustments | Total          | Results<br>before<br>biological<br>assets<br>fair value<br>adjustments<br>(restated) | Biological<br>assets<br>fair value<br>adjustments | Total                 |
|  | NOTES | RMB'000  | RMB'000   | RMB'000        | RMB'000  | RMB'000   | RMB'000<br>(restated) |
| Revenue  | 3     | 16,326,201   | –   | 16,326,201     | 17,237,951   | –   | 17,237,951            |
| Cost of sales  |       | (15,116,277)   | (741,492)   | (15,857,769)   | (16,290,741)   | 698,560   | (15,592,181)          |
| Gross profit   |       | 1,209,924  | (741,492)   | 468,432        | 947,210  | 698,560   | 1,645,770             |
| Other income   | 5     | 339,886  | –   | 339,886        | 331,714  | –   | 331,714               |
| Other gains and losses   | 6     | 26,250   | –   | 26,250         | 157,924  | –   | 157,924               |
| Selling and distribution expenses  |       | (536,660)  | –   | (536,660)      | (549,242)  | –   | (549,242)             |
| Administrative expenses  |       | (581,197)  | –   | (581,197)      | (559,512)  | –   | (559,512)             |
| Share of results of associates   |       | (3,736)  | –   | (3,736)        | 824  | –   | 824                   |
| Gain/(loss) arising from agricultural produce at fair value less costs to sell at the point of harvest |       | –  | 795,805   | 795,805        | –  | (831,064)   | (831,064)             |
| Gain/(loss) arising from changes in fair value less costs to sell of biological assets                 |       | –  | 224,704   | 224,704        | –  | (54,313)  | (54,313)              |
| Finance costs  | 7     | (123,727)  | –   | (123,727)      | (142,933)  | –   | (142,933)             |
| Profit/(loss) before tax   | 8     | 330,740  | 279,017   | 609,757        | 185,985  | (186,817)   | (832)                 |
| Income tax expense   | 9     | (55,495)   | –   | (55,495)       | (33,794)   | –   | (33,794)              |
| <b>Profit/(loss) for the year</b>  |       | <b>275,245</b>   | <b>279,017</b>                                    | <b>554,262</b> | <b>152,191</b>   | <b>(186,817)</b>                                  | <b>(34,626)</b>       |
| <b>Other comprehensive income/(expense), net of income tax:</b>  |       |  |   |                |  |   |                       |
| <i>Items that will not be reclassified to profit or loss</i>   |       |  |   |                |  |   |                       |
| Fair value gain/(loss) on equity instrument at fair value through other comprehensive income           |       |  |   | 23,854         |  |   | (139,275)             |
| Income tax relating to items that will not be reclassified to profit or loss                           |       |  |   | (5,963)        |  |   | 34,819                |
|  |       |  |   | <b>17,891</b>  |  |   | <b>(104,456)</b>      |

|   |       | 2024  |  |                         |   | 2023   |                                |  |
|---|-------|---|--|-------------------------|---|--|--------------------------------|--|
|   | NOTES | Results<br>before<br>biological<br>assets<br>fair value<br>adjustments<br>RMB'000 | Biological<br>assets<br>fair value<br>adjustments<br>RMB'000 | Total<br>RMB'000        | Results<br>before<br>biological<br>assets<br>fair value<br>adjustments<br>RMB'000<br>(restated) | Biological<br>assets<br>fair value<br>adjustments<br>RMB'000 | Total<br>RMB'000<br>(restated) |  |
| <i>Items that may be reclassified subsequently<br/>to profit or loss</i>  |       |   |  |                         |   |  |                                |  |
| Exchange differences arising on translation<br>of foreign operations (with nil tax effect)  |       |   |  | (11,179)                |   |  | (13,912)                       |  |
| Release of cumulative exchange differences<br>to profit or loss associated with changes in<br>net investment in a foreign operation |       |   |  | <u>-</u>                |   |  | <u>(79,603)</u>                |  |
|   |       |   |  | <u>(11,179)</u>         |   |  | <u>(93,515)</u>                |  |
| Other comprehensive income/(expense) for the year,<br>net of income tax   |       |   |  | <u>6,712</u>            |   |  | <u>(197,971)</u>               |  |
| <b>Total comprehensive income/(expense) for the year</b>  |       |   |  | <b><u>560,974</u></b>   |   |  | <b><u>(232,597)</u></b>        |  |
| Profit/(loss) for the year attributable to:   |       |   |  |                         |   |  |                                |  |
| Owners of the Company   |       |   |  | 538,216                 |   |  | (9,597)                        |  |
| Non-controlling interests   |       |   |  | <u>16,046</u>           |   |  | <u>(25,029)</u>                |  |
|   |       |   |  | <b><u>554,262</u></b>   |   |  | <b><u>(34,626)</u></b>         |  |
| Total comprehensive income/(expense) for the year<br>attributable to:   |       |   |  |                         |   |  |                                |  |
| Owners of the Company   |       |   |  | 544,928                 |   |  | (207,568)                      |  |
| Non-controlling interests   |       |   |  | <u>16,046</u>           |   |  | <u>(25,029)</u>                |  |
|   |       |   |  | <b><u>560,974</u></b>   |   |  | <b><u>(232,597)</u></b>        |  |
| Earnings/(loss) per share:  | 11    |   |  |                         |   |  |                                |  |
| Basic   |       |   |  | <b><u>RMB0.1175</u></b> |   |  | <b><u>RMB(0.0022)</u></b>      |  |

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*AS AT DECEMBER 31, 2024*

|   |       | At December 31,   |                   |
|---|-------|-------------------|-------------------|
|   |       | 2024              | 2023              |
|   | NOTES | RMB'000           | RMB'000           |
|   |       |                   | (restated)        |
| <b>Non-current assets</b>   |       |                   |                   |
| Goodwill  |       | 100,609           | 100,609           |
| Property, plant and equipment   |       | 12,033,230        | 10,401,030        |
| Right-of-use assets   |       | 783,880           | 728,750           |
| Intangible assets   |       | 29,731            | 30,408            |
| Investments in associates   |       | 14,373            | 21,933            |
| Equity instrument at fair value through<br>other comprehensive income |       | 110,690           | 86,836            |
| Biological assets   |       | 919,651           | 567,344           |
| Prepayments for purchase of property,<br>plant and equipment          |       | 44,845            | 2,316             |
| Deferred tax assets   |       | 6,785             | 7,383             |
|   |       | <u>14,043,794</u> | <u>11,946,609</u> |
| <b>Current assets</b>   |       |                   |                   |
| Inventories   |       | 1,433,305         | 1,303,371         |
| Biological assets   |       | 2,389,057         | 1,635,066         |
| Account receivables   | 12    | 282,574           | 274,250           |
| Prepayments, deposits and other receivables                           |       | 348,303           | 370,441           |
| Other current assets  |       | 486,200           | 475,570           |
| Financial assets at fair value through profit or loss                 |       | 17,550            | 177,277           |
| Amounts due from related companies                                    |       | 292,051           | 548,139           |
| Cash and bank balances  |       | 1,063,987         | 2,063,915         |
|   |       | <u>6,313,027</u>  | <u>6,848,029</u>  |

|  |       | At December 31,         |                          |
|--|-------|-------------------------|--------------------------|
|  |       | 2024                    | 2023                     |
|  | NOTES | RMB'000                 | RMB'000                  |
|  |       |                         | (restated)               |
| <b>Current liabilities</b>                                 |       |                         |                          |
| Account and bills payables                                 | 13    | 893,278                 | 820,999                  |
| Other payables, accruals and deposits received             |       | 976,508                 | 1,065,457                |
| Lease liabilities  |       | 42,863                  | 41,782                   |
| Contract liabilities                                       |       | 389,533                 | 347,206                  |
| Bank borrowings  |       | 2,609,132               | 4,446,317                |
| Amounts due to related companies                           |       | 1,724,789               | 145,825                  |
| Loans from related companies                               |       | 1,792,500               | 502,500                  |
| Financial liabilities at fair value through profit or loss |       | 247                     | 12,491                   |
| Current tax liabilities                                    |       | 12,768                  | 16,616                   |
|  |       | <u>8,441,618</u>        | <u>7,399,193</u>         |
| <b>Net current liabilities</b>                             |       | <u>(2,128,591)</u>      | <u>(551,164)</u>         |
| <b>Total assets less current liabilities</b>               |       | <u>11,915,203</u>       | <u>11,395,445</u>        |
| <b>Non-current liabilities</b>                             |       |                         |                          |
| Bank borrowings  |       | 1,621,963               | 50,000                   |
| Loans from a related company                               |       | 106,502                 | 103,289                  |
| Deferred income  |       | 115,985                 | 122,307                  |
| Deferred tax liabilities                                   |       | 51,687                  | 46,632                   |
| Long-term payable  |       | 76,459                  | 79,265                   |
| Lease liabilities  |       | 349,303                 | 329,590                  |
|  |       | <u>2,321,899</u>        | <u>731,083</u>           |
| <b>Net assets</b>  |       | <u><u>9,593,304</u></u> | <u><u>10,664,362</u></u> |
| <b>Capital and reserves</b>                                |       |                         |                          |
| Share capital  |       | 1,668,983               | 1,668,983                |
| Reserves   |       | <u>7,714,260</u>        | <u>8,812,553</u>         |
| Equity attributable to the owners of the Company           |       | 9,383,243               | 10,481,536               |
| Non-controlling interests                                  |       | <u>210,061</u>          | <u>182,826</u>           |
| <b>Total equity</b>  |       | <u><u>9,593,304</u></u> | <u><u>10,664,362</u></u> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2024

### 1.1 GENERAL INFORMATION

COFCO Joycome Foods Limited (the “Company”) was incorporated on March 11, 2014 and acts as an investment holding company. As at December 31, 2024, the Company’s parent is COFCO (Hong Kong) Limited (incorporated in Hong Kong) and ultimate parent is COFCO Corporation (a state-owned enterprise registered in The People’s Republic of China (the “PRC”)). On December 31, 2024, the address of the Company’s registered office was changed from Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands to P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. Its principal place of business is COFCO Fortune Plaza, No.8, Chao Yang Men South Street, Chao Yang District, Beijing, PRC.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited since November 1, 2016 (the “Listing”).

The principal activities of the Company’s subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the “Group”) are production and sales of hogs, manufacture and sales of fresh and frozen meats, manufacture and sales of processed meat products, import and trade of meat products, and manufacture and sales of feed.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company and most of its subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

### 1.2 BUSINESS COMBINATION UNDER COMMON CONTROL

On October 21, 2024, the Company and COFCO Industry Investment Co., Ltd.\* (中糧產業投資有限公司) (“COFCO Industry Investment”), a wholly-owned subsidiary of COFCO Corporation, entered into the acquisition agreement, pursuant to which the Company agreed to acquire 100% equity interests in COFCO Jiahua Industrial Limited\* (中糧嘉華實業有限公司) (“COFCO Jiahua”) from COFCO Industry Investment at a cash consideration of approximately RMB1,569 million (the “Acquisition”). Further details of the Acquisition are set out in the Company’s circular dated November 25, 2024. The Acquisition was completed in December 2024 and since then COFCO Jiahua has become a subsidiary of the Company.

COFCO Corporation has been the controlling shareholder of the Company since March 24, 2023. The Acquisition was regarded as a business combination under common control, as the Company and COFCO Jiahua are controlled by COFCO Corporation both before and after the Acquisition, and has been accounted for in accordance with Hong Kong Accounting Guideline 5 (Revised) “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The comparative figures in these consolidated financial statements have been restated as if the business combination took place on March 24, 2023, being the date the combining entities first came under the common control. The consolidated statement of profit or loss and other comprehensive income includes the results of COFCO Jinhua and its subsidiaries from March 24, 2023. The effects of all significant transactions between the combining entities or businesses are eliminated. No adjustments were made to the net assets and net profit of any combining entities or businesses to achieve consistency of the accounting policies.

## 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

## 2.2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on January 1, 2024 for the preparation of the consolidated financial statements:

|                                  |   |
|----------------------------------|---|
| Amendments to HKFRS 16           | Lease Liability in a Sale and Leaseback   |
| Amendments to HKAS 1             | Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1             | Non-current Liabilities with Covenants  |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements   |

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2.3 GOING CONCERN

As at December 31, 2024, the Group’s current liabilities exceeded its current assets by RMB2,128,591,000. Taking into account the banking facilities available to the Group, the directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to meet its liabilities as and when they fall due and to continue in operational existence for the foreseeable future. Thus the Group continues to adopt the going concern basis of accounting in preparing its consolidated financial statements.



### 3. REVENUE

#### (i) Disaggregation of revenue from contracts with customers

| For the year ended December 31, 2024     |  |                                    |  |   |  |                         |
|--|--|------------------------------------|--|---|--|-------------------------|
| Segments                                 | Hog<br>production<br>and sales<br><i>RMB'000</i> | Sales<br>of feed<br><i>RMB'000</i> | Sales of<br>fresh pork<br><i>RMB'000</i> | Sales of<br>processed<br>meat<br>products<br><i>RMB'000</i> | Sales of<br>imported<br>meat<br>products<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
| <b>Types of goods or services</b>        |  |                                    |  |   |  |                         |
| Hogs                                     | 3,231,292  | —                                  | —  | —   | —  | 3,231,292               |
| Feed products                            | —  | 5,758,906                          | —  | —   | —  | 5,758,906               |
| Fresh pork                               | —  | —                                  | 4,795,181                                | —   | —  | 4,795,181               |
| Processed meat products                  | —  | —                                  | —  | 741,100   | —  | 741,100                 |
| Imported meat products                   | —  | —                                  | —  | —   | 1,799,722  | 1,799,722               |
| <b>Total</b>                             | <b>3,231,292</b>                                 | <b>5,758,906</b>                   | <b>4,795,181</b>                         | <b>741,100</b>  | <b>1,799,722</b>   | <b>16,326,201</b>       |
| <b>Geographical market</b>               |  |                                    |  |   |  |                         |
| Mainland China                           | 3,231,292  | 5,758,906                          | 4,795,181                                | 741,100   | 1,799,722  | 16,326,201              |
| <b>Timing of revenue<br/>recognition</b> |  |                                    |  |   |  |                         |
| A point in time                          | 3,231,292  | 5,758,906                          | 4,795,181                                | 741,100   | 1,799,722  | 16,326,201              |

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

|  | For the year ended December 31, 2024 |                                |                                |
|--|--------------------------------------|--------------------------------|--------------------------------|
|  | Segment<br>revenue<br><i>RMB'000</i> | Eliminations<br><i>RMB'000</i> | Consolidated<br><i>RMB'000</i> |
| Hog production and sales                     | 6,370,286                            | (3,138,994)                    | 3,231,292                      |
| Sales of feed                                | 6,626,003                            | (867,097)                      | 5,758,906                      |
| Sales of fresh pork                          | 4,851,969                            | (56,788)                       | 4,795,181                      |
| Sales of processed meat products             | 747,002                              | (5,902)                        | 741,100                        |
| Sales of imported meat products              | 2,136,209                            | (336,487)                      | 1,799,722                      |
| <b>Revenue from contracts with customers</b> | <b>20,731,469</b>                    | <b>(4,405,268)</b>             | <b>16,326,201</b>              |
| <b>Total revenue</b>                         | <b>20,731,469</b>                    | <b>(4,405,268)</b>             | <b>16,326,201</b>              |

|  | For the year ended December 31, 2023             |  |  |   |  |                                       |
|--|--|--|--|---|--|---------------------------------------|
| Segments                                 | Hog<br>production<br>and sales<br><i>RMB'000</i> | Sales of<br>feed<br><i>RMB'000</i><br>(restated) | Sales of<br>fresh pork<br><i>RMB'000</i> | Sales of<br>processed<br>meat<br>products<br><i>RMB'000</i> | Sales of<br>imported<br>meat<br>products<br><i>RMB'000</i> | Total<br><i>RMB'000</i><br>(restated) |
| <b>Types of goods or<br/>services</b>    |  |  |  |   |  |                                       |
| Hogs                                     | 4,443,555  | —  | —  | —   | —  | 4,443,555                             |
| Feed products                            | —  | 5,669,629  | —  | —   | —  | 5,669,629                             |
| Fresh pork                               | —  | —  | 4,141,252                                | —   | —  | 4,141,252                             |
| Processed meat products                  | —  | —  | —  | 776,505   | —  | 776,505                               |
| Imported meat products                   | —  | —  | —  | —   | 2,207,010  | 2,207,010                             |
| <b>Total</b>                             | <b>4,443,555</b>                                 | <b>5,669,629</b>                                 | <b>4,141,252</b>                         | <b>776,505</b>  | <b>2,207,010</b>   | <b>17,237,951</b>                     |
| <b>Geographical market</b>               |  |  |  |   |  |                                       |
| Mainland China                           | 4,443,555  | 5,669,629  | 4,141,252                                | 776,505   | 2,207,010  | 17,237,951                            |
| <b>Timing of revenue<br/>recognition</b> |  |  |  |   |  |                                       |
| A point in time                          | 4,443,555  | 5,669,629  | 4,141,252                                | 776,505   | 2,207,010  | 17,237,951                            |

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

|  | For the year ended December 31, 2023               |  |  |
|--|--|--|--|
|  | Segment<br>revenue<br><i>RMB'000</i><br>(restated) | Eliminations<br><i>RMB'000</i><br>(restated) | Consolidated<br><i>RMB'000</i><br>(restated) |
| Hog production and sales                     | 7,312,910  | (2,869,355)                                  | 4,443,555                                    |
| Sales of feed                                | 6,552,135  | (882,506)                                    | 5,669,629                                    |
| Sales of fresh pork                          | 4,210,481  | (69,229)                                     | 4,141,252                                    |
| Sales of processed meat products             | 782,198  | (5,693)                                      | 776,505                                      |
| Sales of imported meat products              | 2,458,248  | (251,238)                                    | 2,207,010                                    |
| <b>Revenue from contracts with customers</b> | <b>21,315,972</b>                                  | <b>(4,078,021)</b>                           | <b>17,237,951</b>                            |
| <b>Total revenue</b>                         | <b>21,315,972</b>                                  | <b>(4,078,021)</b>                           | <b>17,237,951</b>                            |

(ii) **Performance obligations for contracts with customers and revenue recognition policies**

The Group sells hogs, feed, fresh pork, processed meat products and imported meat products and provides meat procurement agency services in Mainland China. Revenue is recognised when control of the goods or services has transferred, being at the point when the goods have been delivered to the customers at the locations agreed between the Group and the customers or the services have been completed.

Except for certain reputable customers, the Group requires full prepayments from customers. For credit sales, the normal credit term is within 180 days upon delivery.

All contracts are for periods of one year or less. As permitted by HKFRS 15, the transaction price allocated to the unsatisfied performance obligations is not disclosed.

#### 4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

During the year, the Group acquired 100% equity interest in COFCO Jiahua (see Note 1.2), which is principally engaged in the manufacture and sales of feed products. With these developments, the Group has five reportable operating segments under HKFRS 8 Operating Segments as follows:

|                                 |   |
|---------------------------------|---|
| Hog production segment          | represents hog breeding and sales of hogs                                     |
| Feed segment                    | represents manufacture and sales of feed products                             |
| Fresh pork segment              | represents slaughtering, wholesale and retail sales of fresh and frozen meats |
| Processed meat products segment | represents manufacture, wholesale and retail sales of processed meat products |
| Meat import segment             | represents sales of imported meat products                                    |

The Group’s segment information for the year ended December 31, 2023 is restated as if the Group had been operating these segments in that year.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

## Segment revenues and results

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

|   | Hog<br>production<br><i>RMB'000</i> | Feed<br><i>RMB'000</i> | Fresh<br>pork<br><i>RMB'000</i> | Processed<br>meat<br>products<br><i>RMB'000</i> | Meat<br>import<br><i>RMB'000</i> | Segment<br>total<br><i>RMB'000</i> | Inter-<br>segment<br>elimination<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|---|-------------------------------------|------------------------|---------------------------------|---|----------------------------------|------------------------------------|--|-------------------------|
| <i>For the year ended December 31, 2024</i>                             |                                     |                        |                                 |   |                                  |                                    |  |                         |
| <b>Segment revenue</b>  |                                     |                        |                                 |   |                                  |                                    |  |                         |
| External customers  | 3,231,292                           | 5,758,906              | 4,795,181                       | 741,100   | 1,799,722                        | 16,326,201                         | –  | 16,326,201              |
| Inter-segment sales   | <u>3,138,994</u>                    | <u>867,097</u>         | <u>56,788</u>                   | <u>5,902</u>                                    | <u>336,487</u>                   | <u>4,405,268</u>                   | <u>(4,405,268)</u>                                 | <u>–</u>                |
| Segment revenue   | <u>6,370,286</u>                    | <u>6,626,003</u>       | <u>4,851,969</u>                | <u>747,002</u>                                  | <u>2,136,209</u>                 | <u>20,731,469</u>                  | <u>(4,405,268)</u>                                 | <u>16,326,201</u>       |
| <b>Segment results</b>  | <u>258,609</u>                      | <u>202,384</u>         | <u>(57,233)</u>                 | <u>35,538</u>                                   | <u>58,232</u>                    | <u>497,530</u>                     | <u>–</u>   | <u>497,530</u>          |
| Unallocated corporate income  |                                     |                        |                                 |   |                                  |                                    |  | 76,790                  |
| Unallocated corporate expenses  |                                     |                        |                                 |   |                                  |                                    |  | (119,853)               |
| Fair value adjustments on biological<br>assets and agricultural produce |                                     |                        |                                 |   |                                  |                                    |  | 279,017                 |
| Finance costs   |                                     |                        |                                 |   |                                  |                                    |  | <u>(123,727)</u>        |
| <b>Profit before tax</b>  |                                     |                        |                                 |   |                                  |                                    |  | <u>609,757</u>          |

|   | Hog<br>production<br><i>RMB'000</i> | Feed<br><i>RMB'000</i><br>(restated) | Fresh<br>pork<br><i>RMB'000</i> | Processed<br>meat<br>products<br><i>RMB'000</i> | Meat<br>import<br><i>RMB'000</i> | Segment<br>total<br><i>RMB'000</i><br>(restated) | Inter-<br>segment<br>elimination<br><i>RMB'000</i><br>(restated) | Total<br><i>RMB'000</i><br>(restated) |
|---|-------------------------------------|--------------------------------------|---------------------------------|---|----------------------------------|--|--|---------------------------------------|
| <i>For the year ended December 31, 2023</i>                             |                                     |                                      |                                 |   |                                  |  |  |                                       |
| <b>Segment revenue</b>  |                                     |                                      |                                 |   |                                  |  |  |                                       |
| External customers  | 4,443,555                           | 5,669,629                            | 4,141,252                       | 776,505   | 2,207,010                        | 17,237,951                                       | –  | 17,237,951                            |
| Inter-segment sales   | <u>2,869,355</u>                    | <u>882,506</u>                       | <u>69,229</u>                   | <u>5,693</u>                                    | <u>251,238</u>                   | <u>4,078,021</u>                                 | <u>(4,078,021)</u>   | <u>–</u>                              |
| Segment revenue   | <u>7,312,910</u>                    | <u>6,552,135</u>                     | <u>4,210,481</u>                | <u>782,198</u>                                  | <u>2,458,248</u>                 | <u>21,315,972</u>                                | <u>(4,078,021)</u>   | <u>17,237,951</u>                     |
| <b>Segment results</b>  | <u>108,952</u>                      | <u>187,317</u>                       | <u>(126,815)</u>                | <u>58,257</u>                                   | <u>41,555</u>                    | <u>269,266</u>                                   | <u>–</u>   | <u>269,266</u>                        |
| Unallocated corporate income  |                                     |                                      |                                 |   |                                  |  |  | 169,663                               |
| Unallocated corporate expenses  |                                     |                                      |                                 |   |                                  |  |  | (110,011)                             |
| Fair value adjustments on biological<br>assets and agricultural produce |                                     |                                      |                                 |   |                                  |  |  | (186,817)                             |
| Finance costs   |                                     |                                      |                                 |   |                                  |  |  | <u>(142,933)</u>                      |
| <b>Loss before tax</b>  |                                     |                                      |                                 |   |                                  |  |  | <u>(832)</u>                          |

Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of corporate income and expenses including central administration costs and directors' emoluments, fair value adjustments on biological assets and agricultural produce, and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prices agreed between group entities.

## Segment assets and segment liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

## Other segment information

|   | Hog<br>production<br>RMB'000 | Feed<br>RMB'000               | Fresh<br>pork<br>RMB'000 | Processed<br>meat<br>products<br>RMB'000 | Meat<br>import<br>RMB'000 | Total<br>RMB'000               |
|---|------------------------------|-------------------------------|--------------------------|--|---------------------------|--------------------------------|
| <b>Year ended December 31, 2024</b>                               |                              |                               |                          |  |                           |                                |
| <i>Amounts included in the measure of segment results:</i>        |                              |                               |                          |  |                           |                                |
| Depreciation and amortisation*                                    | (61,441)                     | (107,961)                     | (88,238)                 | (19,670)                                 | (90)                      | (277,400)                      |
| (Provision of)/reversal of impairment on account receivables, net | –                            | (376)                         | (831)                    | 9  | –                         | (1,198)                        |
| Reversal of impairment on other receivables, net                  | –                            | 759                           | –                        | –  | –                         | 759                            |
| Provision of impairment on amount due from related companies      | –                            | (1,640)                       | –                        | –  | –                         | (1,640)                        |
| (Loss)/gain on disposal of property, plant and equipment, net**   | (2,746)                      | (1,691)                       | 19,580                   | (1,004)                                  | –                         | 14,139                         |
| (Loss)/gain on disposal of right-of-use assets                    | (432)                        | –                             | 11,130                   | –  | –                         | 10,698                         |
| Gain on lease modification  | 144                          | –                             | 34                       | –  | –                         | 178                            |
| Reversal of write-down/(write-down) of inventories                | –                            | 247                           | (14,010)                 | (1,579)                                  | –                         | (15,342)                       |
|   |                              |                               |                          |  |                           |                                |
|   | Hog<br>production<br>RMB'000 | Feed<br>RMB'000<br>(restated) | Fresh<br>pork<br>RMB'000 | Processed<br>meat<br>products<br>RMB'000 | Meat<br>import<br>RMB'000 | Total<br>RMB'000<br>(restated) |

## Year ended December 31, 2023

|   |          |          |          |          |       |           |
|---|----------|----------|----------|----------|-------|-----------|
| <i>Amounts included in the measure of segment results:</i>        |          |          |          |          |       |           |
| Depreciation and amortisation*                                    | (65,786) | (62,903) | (82,569) | (20,371) | (104) | (231,733) |
| Reversal of/(provision of) impairment on account receivables, net | 41       | 2,350    | (307)    | 30       | –     | 2,114     |
| Reversal of/(provision of) impairment on other receivables, net   | –        | 114      | 55       | (10)     | –     | 159       |
| Provision of impairment on amount due from related companies      | –        | –        | (632)    | –        | –     | (632)     |
| Gain/(loss) on disposal of property, plant and equipment, net**   | 23,310   | (569)    | 17,695   | 25,771   | –     | 66,207    |
| Gain on disposal of right-of-use assets                           | 2,457    | –        | 31,698   | 17,155   | –     | 51,310    |
| Gain/(loss) on lease modification                                 | 56       | –        | 73       | (53)     | –     | 76        |
| Reversal of write down/<br>(Write down) of inventories            | –        | 176      | (48,134) | –        | –     | (47,958)  |

\* Depreciation and amortisation not included in the measure of segment results for the year ended December 31, 2024 amounted to RMB872,000 (2023: RMB245,000).

\*\* Loss on disposal of property, plant and equipment not included in the measure of segment results for the year ended December 31, 2024 amounted to RMB8,000 (2023: RMB2,000).

## Geographical information

All of the revenue of the Group is derived from Mainland China based on location of the operations for both 2024 and 2023.

All the Group's non-current assets (excluding deferred tax assets and equity instrument at fair value through other comprehensive income ("FVTOCI")) as at December 31, 2024 and 2023 are located in Mainland China based on geographical location of the assets on the operations.

## Information about major customers

No revenue from transactions with any single external customer amounted to 10% or more of the Group's revenue for the years ended December 31, 2024 and 2023.

## 5. OTHER INCOME

An analysis of the Group's other income is as follows:

|  | Year ended December 31, |                |
|--|-------------------------|----------------|
|  | 2024                    | 2023           |
|  | <b>RMB'000</b>          | <b>RMB'000</b> |
|  |                         | (restated)     |
| Interest income from banks                       | 14,057                  | 10,009         |
| Interest income from a related company           | 9,905                   | 12,831         |
|  | <b>23,962</b>           | <b>22,840</b>  |
| Dividend income from equity instrument at FVTOCI | 75,000                  | 63,750         |
| Government grants                                | 240,924                 | 245,124        |
|  | <b>339,886</b>          | <b>331,714</b> |

## 6. OTHER GAINS AND LOSSES

An analysis of the Group's other gains and losses is as follows:

|  | Year ended December 31, |                |
|--|-------------------------|----------------|
|  | 2024                    | 2023           |
|  | <b>RMB'000</b>          | <b>RMB'000</b> |
|  |                         | (restated)     |
| Exchange gain, net ( <i>Note</i> )   | 11,151                  | 129,545        |
| Gain on disposal of property, plant and equipment, net   | 14,131                  | 66,205         |
| Gain on disposal of right-of-use assets  | 10,698                  | 51,310         |
| Gain on lease modification   | 178                     | 76             |
| Write-down of inventories to net realisable value  | (15,342)                | (47,958)       |
| (Provision of)/reversal of impairment on account receivables, net  | (1,198)                 | 2,114          |
| Reversal of impairment on other receivables, net   | 759                     | 159            |
| Provision of impairment on amounts due from related companies  | (1,640)                 | (632)          |
| Realised and unrealised gain/(loss) on fair value changes in<br>respect of foreign currency forward contracts, net | 16,329                  | (23,231)       |
| Provision for litigation   | –                       | (6,910)        |
| Others   | (8,816)                 | (12,754)       |
|  | <b>26,250</b>           | <b>157,924</b> |

*Note: For the year ended December 31, 2023, the exchange gain included the amount of release of cumulative exchange differences to profit or loss associated with changes in net investment in a foreign operation of RMB79,603,000.*

## 7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

|  | Year ended December 31, |                              |
|--|-------------------------|------------------------------|
|  | 2024                    | 2023                         |
|  | <i>RMB'000</i>          | <i>RMB'000</i><br>(restated) |
| Interest on:   |                         |                              |
| Bank borrowings  | 65,928                  | 108,856                      |
| Long-term payable  | 6,194                   | 5,654                        |
| Loans from related companies                                       | 40,625                  | 12,354                       |
| Lease liabilities from related companies                           | –                       | 335                          |
| Lease liabilities from third parties                               | 17,959                  | 16,592                       |
| Total borrowing costs  | 130,706                 | 143,791                      |
| Less: Borrowing costs capitalised in the cost of qualifying assets | (6,979)                 | (858)                        |
|  | <b>123,727</b>          | <b>142,933</b>               |

Borrowing costs capitalised during the year arose on the specific borrowings with an interest rate of 2.84% (2023: 3.95%) per annum.

## 8. PROFIT/(LOSS) BEFORE TAX

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

|   | Year ended December 31, |                              |
|---|-------------------------|------------------------------|
|   | 2024                    | 2023                         |
|   | <i>RMB'000</i>          | <i>RMB'000</i><br>(restated) |
| Cost of inventories recognised as expenses  | 15,158,911              | 17,773,946                   |
| Realised and unrealised gain on fair value changes<br>in respect of commodity future contracts, net | (42,634)                | (1,483,205)                  |
| Loss/(gain) on fair value changes in respect of biological assets                                   | 741,492                 | (698,560)                    |
| Total cost of sales   | 15,857,769              | 15,592,181                   |
| Employee benefits expenses (including the directors' emoluments):                                   |                         |                              |
| Salaries and other allowances   | 1,655,578               | 1,584,058                    |
| Retirement benefit schemes contributions  | 162,215                 | 148,986                      |
| Less: Capitalised in biological assets and construction in progress                                 | (800,039)               | (754,829)                    |
|   | 1,017,754               | 978,215                      |
| Depreciation of property, plant and equipment   | 699,391                 | 629,443                      |
| Depreciation of right-of-use assets   | 65,006                  | 64,805                       |
| Amortisation of intangible assets   | 7,522                   | 5,669                        |
| Total depreciation and amortisation   | 771,919                 | 699,917                      |
| Less: Capitalised in biological assets  | (493,647)               | (467,939)                    |
|   | 278,272                 | 231,978                      |
| Auditors' remuneration  | 2,020                   | 1,420                        |

## 9. INCOME TAX EXPENSE

An analysis of the Group's income tax expense is as follows:

|                                       | Year ended December 31, |                              |
|---------------------------------------|-------------------------|------------------------------|
|                                       | 2024                    | 2023                         |
|                                       | <i>RMB'000</i>          | <i>RMB'000</i><br>(restated) |
| Current tax:                          |                         |                              |
| PRC Enterprise Income Tax (the "EIT") | 49,691                  | 40,227                       |
| PRC withholding tax                   | 7,199                   | —                            |
|                                       | <u>56,890</u>           | <u>40,227</u>                |
| Over provision in prior years:        |                         |                              |
| PRC Enterprise Income Tax             | <u>(1,085)</u>          | <u>(7,248)</u>               |
| Deferred tax:                         |                         |                              |
| Current year                          | <u>(310)</u>            | <u>815</u>                   |
|                                       | <u><b>55,495</b></u>    | <u><b>33,794</b></u>         |

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit generated in Hong Kong for the year (2023: nil).

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the year (2023: 25%).

Certain operations of the Company's certain subsidiaries were exempted from PRC income taxes during both 2024 and 2023. According to the Implementation Regulation of the EIT Law and the EIT exemptions regulation set out in the Circular of the Ministry of Finance and the State Administration of Taxation on Releasing the Primary Processing Ranges of Agricultural Products Entitled to Preferential Policies on Enterprise Income Tax (Trial Implementation) (Cai Shui [2008] No. 149), and the requirements of Article 86 of the Implementation Regulation of the EIT Law, the income from primary processing for agriculture products are exempted from EIT. In addition, pursuant to related regulations in respect of the Implementation Regulation of the EIT Law, the income from projects of animal-husbandry and poultry feeding, is also entitled to exemption from EIT. Accordingly, the income from the above-mentioned operations of certain subsidiaries of the Group were exempted from EIT in the years ended December 31, 2024 and 2023.

Certain subsidiaries were granted lower tax rates by the state tax bureau in accordance with the EIT Law and the corresponding transitional tax concession policy and "The notice of tax policies relating to the implementation of the western China development strategy" during the years ended December 31, 2024 and 2023.

Withholding tax is calculated at 10% of the dividend income received from a subsidiary in the PRC for the year ended December 31, 2024.

## 10. DIVIDENDS

No dividend was paid or proposed for shareholders of the Company during the years ended December 31, 2024 and 2023, nor has any dividend been proposed since the end of the Reporting Period (2023: nil).



## 11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share attributable to the owners of the Company is based on the following data:

### Earnings/(loss)

|  | Year ended December 31, |                                      |
|--|-------------------------|--------------------------------------|
|  | 2024<br><i>RMB'000</i>  | 2023<br><i>RMB'000</i><br>(restated) |
| Profit/(loss) for the year attributable to owners of the Company<br>for the purpose of basic earnings/(loss) per share | <u><u>538,216</u></u>   | <u><u>(9,597)</u></u>                |

### Number of shares

|  | Year ended December 31, |                         |
|--|-------------------------|-------------------------|
|  | 2024<br><i>'000</i>     | 2023<br><i>'000</i>     |
| Weighted average number of ordinary shares for the<br>purpose of basic earnings/(loss) per share | <u><u>4,581,998</u></u> | <u><u>4,429,231</u></u> |

No diluted earnings/(loss) per share is presented as there were no potential ordinary shares in issue for both 2024 and 2023.

## 12. ACCOUNT RECEIVABLES

|   | At December 31,        |                                      |
|---|------------------------|--------------------------------------|
|   | 2024<br><i>RMB'000</i> | 2023<br><i>RMB'000</i><br>(restated) |
| Account receivables from contracts with customers | 309,990                | 300,468                              |
| Less: Allowance for credit losses                 | <u>(27,416)</u>        | <u>(26,218)</u>                      |
| Total account receivables                         | <u><u>282,574</u></u>  | <u><u>274,250</u></u>                |

## 12. ACCOUNT RECEIVABLES (CONTINUED)

An aged analysis of the account receivables as at the end of the Reporting Period, based on the delivery dates and net of allowance for credit losses, is as follows:

|                    | <b>At December 31,</b> |                |
|--------------------|------------------------|----------------|
|                    | <b>2024</b>            | <b>2023</b>    |
|                    | <b>RMB'000</b>         | <b>RMB'000</b> |
|                    |                        | (restated)     |
| Within 90 days     | <b>281,666</b>         | 272,289        |
| 90 to 180 days     | <b>769</b>             | 758            |
| 180 days to 1 year | <b>–</b>               | 34             |
| Over 1 year        | <b>139</b>             | 1,169          |
|                    | <b>282,574</b>         | <b>274,250</b> |

As at December 31, 2024, included in the Group's account receivables balance are debtors with aggregate carrying amount of RMB908,000 (2023 (restated): RMB7,738,000) which are past due as at the reporting date. Out of the past due balances, RMB139,000 (2023 (restated): RMB1,204,000) has been past due 90 days or more and is not considered as in default taking into account the historical repayment records from the customer. The Group does not hold any collateral over these balances.

## 13. ACCOUNT AND BILLS PAYABLES

An analysis of account and bills payables is as follows:

|                  | <b>At December 31,</b> |                |
|------------------|------------------------|----------------|
|                  | <b>2024</b>            | <b>2023</b>    |
|                  | <b>RMB'000</b>         | <b>RMB'000</b> |
|                  |                        | (restated)     |
| Account payables | <b>893,278</b>         | 759,571        |
| Bills payables   | <b>–</b>               | 61,428         |
|                  | <b>893,278</b>         | <b>820,999</b> |

The account payables are non-interest-bearing and are normally with credit periods ranging from 15 to 60 days. Bills payables are normally repayable within 180 days.

An aged analysis of the account payables as at the end of the Reporting Period, based on the invoice date, is as follows:

|               | <b>At December 31,</b> |                |
|---------------|------------------------|----------------|
|               | <b>2024</b>            | <b>2023</b>    |
|               | <b>RMB'000</b>         | <b>RMB'000</b> |
|               |                        | (restated)     |
| Within 1 year | <b>892,090</b>         | 745,363        |
| 1 to 2 years  | <b>1,188</b>           | 11,548         |
| Over 2 years  | <b>–</b>               | 2,660          |
|               | <b>893,278</b>         | <b>759,571</b> |

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. Company Profile

### *Company Introduction*

The Company is a meat business platform under COFCO Corporation (“COFCO”) and was listed on the main board of The Stock Exchange on November 1, 2016 (stock code: 1610).

The main businesses of the Company include research and development, production, sales and supporting technical services of feed; hog breeding, production, slaughtering and cutting; production, distribution and sale of fresh pork and processed meat products, import and distribution of meat products (including pork, beef, poultry and mutton). We adhere to the operation principle of “leading the safety standards in the industry and assuring meat safety for citizens”, provide customers with a full range of animal nutrition solutions and provide consumers with high-quality meat products. The brand awareness of “FEEDING THE FUTURE (五谷豐登)” complete feed, “RANKING (銳科)” premix, “Joycome” chilled pork and “Maverick” low-temperature meat products continue to rise in popularity.

In 2024, the Company further improved its production capacity layout in the feed processing segment through the strategic acquisition of COFCO Jiahua Industrial Limited\* (中糧嘉華實業有限公司) (wholly controlled COFCO Feed Co., Ltd., hereinafter referred to as “COFCO Feed”). Upon the completion of the merger and acquisition, we will be able to integrate upstream resources, reduce breeding costs, optimize business structure, improve profit stability, and accelerate our pace to build a more competitive meat enterprise with integrated business across the industry chain.

### *Segments Introduction*

#### *Hog Production*

The hog production segment includes businesses such as feed production, hog breeding and hog farming. The Company has established modern hog production bases in provinces and cities including Jilin, Inner Mongolia, Hebei, Henan, Jiangsu and Hubei. In 2024, the new 330-thousand-head project in Changling, Jilin was put into production. The Company also has a number of hog production projects including 660-thousand head in Taonan, Jilin, 660-thousand head in Changling, Jilin and 220-thousand head in Guangshui, Hubei, under construction and hog production capacity will further expand.

#### *Feed*

COFCO Feed is committed to providing customers with comprehensive animal nutrition solutions. Its core business covers research and development, production, sales and supporting technical services of feed products such as pig feed, ruminant feed, poultry feed, aquatic feed and premix. COFCO Feed adheres to the investment philosophy of “Diligently Exploring a Market before Layout”. The feed factory in Hohhot with an annual output of 180,000 tonnes was officially put into production in January 2025, and another 660,000 tons of feed processing capacity is under construction, which will further expand the scale of feed processing. With high-quality products, sound technical services and corporate reputation, the core brands of COFCO Feed, “FEEDING THE FUTURE (五谷豐登)” and “RANKING (銳科)”, have gained increasing brand influence and steadily expanding market scale. COFCO Feed has developed into a national animal nutrition solution provider.

### *Fresh Pork*

The fresh pork segment includes hog slaughtering and cutting, distribution and sale of fresh pork, and the main products are chilled pork. The Company owns four modern slaughtering and processing bases in Jiangsu, Hubei, Jilin and Inner Mongolia, and two cutting centers in Guangdong and Beijing (Beijing cutting center was put into production in August 2024). The Company vigorously develops branded business through the “Joycome” brand, which covers the pork consumption market in major provinces, cities and areas such as Beijing, Shanghai, the Yangtze River Delta, Guangdong, Hubei, Jilin and Inner Mongolia.

### *Processed Meat Products*

The processed meat products segment includes the production, distribution and sale of various types of processed meat products (mainly western-style low-temperature processed meat products). The Company owns two modern processed meat product processing bases in Jiangsu and Guangdong. Our two brands, namely “Maverick” and “Joycome”, cover the processed meat products consumption market in major domestic first-tier cities.

### *Meat Import*

The meat import segment includes import of meat products (including pork, beef, poultry and mutton) and by-products and distribution in the PRC. The Company combines imported raw materials with domestic processing capacity and key account service, and provides high value-added products to well-known domestic food processors, large chain catering enterprises, etc.

## **II. Market Overview**

### ***Through de-stocking of breeding sows, market is still in a tight balance between supply and demand, with hog price declining after reaching record highs***

According to the data from the National Bureau of Statistics, hog production volume in China was 703 million heads in 2024, representing a year-on-year decrease of 3.3%; pork output was 57.06 million tons, representing a year-on-year decrease of 1.5%. The stock of breeding sows in China was 40.78 million heads at the end of 2024, which was higher than the normal reserves of 39.00 million heads, and decreased by 1.5% as compared with that at the end of last year, representing a destocking rate of 7.1% in total as compared with the peak of 43.90 million heads in 2022. The hog market is still in a tight balance between supply and demand.

The hog price in China in the first quarter of 2024 was low, and significantly rebounded since May driven by the improved supply-demand relationship attributable to production destocking. The hog price rose sharply in August before a slight correction. In the fourth quarter, the hog price declined, but it still remained in a high-level range with fluctuations overall. According to the data from Mysteel Data, the average hog price was RMB16.71/kg across China, representing a year-on-year increase of 11.5%.

### ***Picked-up consumer market has resulted in more competitive conditions for pork sales, thereby demonstrating our benefit from a differentiated brand***

According to the data from the National Bureau of Statistics, in 2024, the total retail sales of consumer goods amounted to RMB48.8 trillion, representing a year-on-year increase of 3.5%, of which the revenue from catering amounted to RMB5.6 trillion, representing a year-on-year increase of 5.3%, indicating a picked-up consumer market.

As upstream breeding companies extended their industry chain by developing slaughter business, the homogenization-based competition intensified in the pork consumer market. The branded small packed linseed-fed pork with antibiotic-free certificate is our differentiated products, acquiring higher brand recognition and consumer loyalty by its advantages of high quality, standardization, nutrition and health.

### ***Pork imports shrank significantly while beef imports kept increasing***

According to the statistics of the General Administration of Customs of the PRC, China's total meat imports amounted to 6.67 million tons in 2024, representing a year-on-year decrease of 9.7%, the lowest over the past five years. The import market experienced structural change, in particular, pork imports (excluding by-products) were 1.07 million tons, representing a year-on-year decrease of 30.8%, and accounted for 1.9% of China's pork production. Beef imports (excluding by-products) amounted to 2.87 million tons, representing a year-on-year increase of 5.0%, and accounted for 36.8% of China's beef production.

## **III. Results of Operation**

In 2024, the Company consolidated its basic management and improved operational quality by focusing on the operation strategies of “cost leadership, brand-driven, technology empowerment and green development”. As a result, businesses saw steady growth.

By improving epidemic prevention system, cementing refined management, exploring digital and intelligent hog farming, strengthening genome breeding technological breakthroughs, optimizing incentive modes and other measures, the hog production cost witnessed gradually fallen, and the hog production segment results amounted to RMB259 million, representing a year-on-year increase of 137.4%. Driven by “internal synergy and market expansion”, feed segment was committed to a competitive strategy of “quality product + good service” and “high efficiency + low cost”. As a result, the segment results hit a new high in 2024, amounting to RMB202 million. The fresh pork segment further strengthened its channel layout, with its sales volume of branded small-packed fresh pork increasing by 9.8% year-on-year. It continued to improve its product strength, and upgraded its star product – linseed-fed pork to antibiotic-free pork, with its sales volume of linseed-fed pork increasing by more than 70% year-on-year, and the segment results recording a year-on-year loss reduction of RMB69.58 million. The processed meat product and meat import segments deepened the trade plus processing business model, and gave full play to the advantage of market analysis and judgment and supply chain to create an import meat value chain, to enhance its service ability in fast food system. The meat processing factories ran at full capacity, and the meat import segment recorded a sales volume of 66 thousand tons, with profitability improving year-on-year.

During the Reporting Period, earnings of the Company before biological assets fair value adjustments amounted to RMB275 million, representing a year-on-year increase of RMB123 million.

## ***Hog production business***

### ***Implemented multiple measures to vigorously reduce production cost***

First, the Company optimized the breeding herd structure and improved the quality of breeding stock, reaching 345 thousand breeding and replacement hogs in stock by the end of the year, the highest level on record; second, the Company upgraded African swine fever (“ASF”) prevention hardware facilities such as air filtration and decontamination, and comprehensively enhanced epidemic control and onsite management software to achieve full coverage of ASF prevention system, leaving no blind spots, with year-on-year increase in MSY in risky winter; third, the Company strengthened market analysis and judgement and optimized raw material procurement strategy to reduce procurement cost; fourth, the Company comprehensively advanced 5S-TPM and internal and external benchmarking and improved operational quality of underperforming regions, narrowing regional cost gaps on a year-on-year basis; fifth, the Company improved farm director assessment and incentives, set a tiered incentives based on completion ratio of production volume to differentiate income levels; and promoted incentives for frontline workers exceeding production targets and shared excess profit with them. Driven by the above measures, the hog production cost gradually fell in 2024.

### ***Explored intelligent hog farming to cultivate new quality productive forces***

In 2024, aligning with industry trends and production needs, the Company conducted pilot installation of digital intelligence equipment in new projects. Through the establishment of an intelligent hog farming, production and operation platform, a big data platform, an Internet of Things platform and an AI middle platform, the Company addressed pain points in key areas such as feeding, environmental control, health, and stock valuation, achieving round-the-clock, full-process digital operations, enhancing refined management, and driving cost reduction and efficiency enhancement.

### ***Advanced high quality breeding to strengthen breeding advantages***

In 2024, the Company continued to use integrated platform for genome breeding and production to increase the number of gene chip tests and speed up the rotation of breeding herd, which played an important role in improving reproductive performance and growth rate. In Jilin where genetic breeding was first applied, production performance improved significantly.

### ***Promoted green circular, low-carbon farming and fulfilled ESG responsibilities***

The Company actively implemented the ESG philosophy adhering to the principle of "setting standards and establishing systems to lead by example". On the basis of the traditional biogas engineering and wastewater treatment process techniques, the Company has pioneered the development of the resource treatment technology of “pollutants disposal before discharging(減負還田)”, thus alleviate land assimilation capability; actively explored diversified modes of discharging to the field, such as alfalfa planting, to create a green and recycling agricultural industry chain. Biogas power generation and heat supply were used to reduce the use of natural gas and electricity in farms for low-carbon farming, contributing to carbon emission reduction.



## ***Feed business***

### ***Systematically reduced costs by strengthening business synergy***

Firstly, leveraging an established market intelligence system and anticipating market trends, the Company seized optimal procurement opportunities to reduce feed procurement costs. Secondly, it optimized production processes and supply chain management and enhanced the interplay among procurement, production and sales, and accelerated turnover, thereby improving efficiency and reducing inventory costs.

### ***Advanced R&D and innovation to provide comprehensive and systemic services***

In 2024, based on market demand, the Company rapidly optimized feed formulas to meet the personalized needs of different customers. For internal collaboration, it worked closely with the hog production segment, providing not only feed but also strong support for optimization of formula to help improve feed costs and achieve better synergistic development. For market-oriented customers, it focused on the R&D of new ruminant and aquatic feed products, leveraging new raw materials and technologies, such as replacing fish meal with vegetable protein, to serve strategic development and enhance R&D value and commercialization of the results. Meanwhile, it maintained strict quality control from raw materials to finished products, providing comprehensive and systemic services to strengthen customer stickiness.

## ***Fresh pork business***

### ***Optimized production capacity layout to improve upstream-downstream alignment***

In August 2024, the Pinggu cutting and processing center in Beijing was put into operation, which collaborates with the slaughtering and processing base in Inner Mongolia to more efficiently meet the fresh market demands in North China and improve the upstream-downstream alignment.

### ***Focused on core product “linseed-fed pork” to highlight differentiation advantages***

In 2024, the sales volume of fresh pork reached 262 thousand tons, an increase of 7.1% year-on-year. The sales volume of branded small-packed fresh pork registered 42.32 million boxes, an increase of 9.8% year-on-year. The sales volume of linseed-fed pork increased by more than 70% year-on-year. During the Reporting Period, the loss of segment was down by RMB69.58 million year-on-year.

We firmly built our core product of “linseed-fed pork”. In August 2024, we obtained antibiotic-free product certification, strengthening our brand image of health, safety and high-end quality. Eight linseed-fed pork products have won the Superior Taste Award (國際美味獎) issued by the International Taste Institute (國際風味評鑒所). Joycome also entered into a strategic cooperation with "Tianfuhao" to jointly launch high-quality cooked food products with linseed-fed pork as an ingredient, thereby continuously improving the exposure of our core product. Linseed-fed pork contributed more than 50% of the gross profit of the fresh pork segment.

*Continuously expanded the brand influence of “Joycome” through multi-channel marketing*

In 2024, Joycome achieved significant results in brand communication and channel development. We made smooth progress in market penetration by deepening our cooperation with top new retail companies and supermarkets. In addition, we consolidated and expanded our presence in top fresh food e-commerce platforms to achieve volume and profit growth. The Company promoted the quality and efficiency of franchise channels. As a result, franchise stores achieved a turnaround from losses to profits throughout the year.

Joycome developed the communication model of “sports + aerospace” to strengthen brand endorsement. As a partner of China’s aerospace industry, Joycome adhered to the aerospace meat standard of “zero error”; renewed the contract with the General Administration of Sport of China Training Bureau to ensure athletes prepare for the Paris Olympics; titled and sponsored the “2024 Wuhan Marathon” and the “2024 Beijing Marathon” to strengthen the sports vibe in Joycome. Our various promoting activities, such as targeted messaging, experiential brand communication and online marketing campaigns achieved our brand marketing in all aspects across channels. The Company was awarded as 2024 Advanced Company in China’s Meat Industry by the China Meat Association, and our brand recognition as “Safety, Healthy and Tasty” has been further firmed up.

### ***Processed meat product and meat import business***

*Strengthening market analysis and promoting internal synergy to generate profit despite market challenges*

Meat import segment accurately analyzed the procurement market, accelerated inventory turnover, strictly controlled import risks and generated profit despite market challenges in 2024.

Processed meat product segment strengthened the collaboration with meat import segment. By leveraging the R&D center in Shanghai, we developed more than 100 new products, further strengthening the adhesion of customers. In the meantime, we optimized supply chain efficiency and reduce overall costs at the business-to-business (B2B) end. For instance, Dongtai Factory in Jiangsu created high-volume product categories, improved production efficiency, and had beef patties and sausages as two main categories, accounting for over 60% of sales, therefore lowering processing costs. We also completed the brand renewal and upgrade of Maverick at the business-to-consumer (B2C) end. Market share increased year-on-year by focusing product distribution in new retail and supermarket channels.

During the Reporting Period, the import meat segment results reached RMB58.23 million, recording a year-on-year growth of 40.1%.

## **IV. Financial Review**

### ***Overall Performance***

In 2024, the revenue of the Group was RMB16,326 million, representing a decrease of RMB912 million as compared with RMB17,238 million for the same period in 2023. Prior to biological assets fair value adjustments, the net profit of the Group was RMB275 million, while the net profit for the same period in 2023 was RMB152 million.



## ***Revenue***

In 2024, the revenue of the Group was RMB16,326 million, representing a decrease of 5.3% as compared with RMB17,238 million for the same period in 2023, primarily due to the year-on-year decrease in hog production volume, and the meat import business voluntarily reduced the volume out of risk control considerations.

## ***Gross Profit Margin***

In 2024, the gross profit margin before biological assets fair value adjustments of the Group was 7.4%, representing a year-on-year increase of 1.9 percentage points. The increase in gross profit margin was mainly attributable to the rapid increase in sales volume of the hog production business and the month-on-month improvement in cost control under the background of the improvement of the hog price.

## ***Selling and Distribution Expenses/Administrative Expenses***

In 2024, the total selling and distribution expenses and administrative expenses of the Group amounted to RMB1,118 million, remaining largely stable as compared with RMB1,109 million for the same period last year.

## ***Finance Costs***

In 2024, the Group's finance costs amounted to RMB124 million, representing a decrease of RMB19 million as compared with RMB143 million for the same period in 2023, mainly due to the accelerated cash turnover and reduction in finance costs.

## ***Other Income, Other Gains and Losses***

In 2024, the Group's other income, other gains and losses amounted to a total gain of RMB366 million, representing a decrease of RMB124 million as compared with the same period in 2023, mainly due to an exchange gain of RMB130 million recorded in the same period last year.

## ***Profit/Loss for the Year***

For the reasons above, the Group recorded a profit of RMB275 million before biological assets fair value adjustments during 2024, as compared with a profit of RMB152 million before biological assets fair value adjustments in the same period in 2023.

## ***Significant Investments and Material Acquisitions and Disposals of Subsidiaries***

Save as disclosed in this results announcement, the Group had neither any other significant investments nor relevant material acquisitions and disposals of the subsidiaries in 2024.

## ***Major Financial Ratios***

The financial ratios of the Group as at December 31, 2024 and December 31, 2023 are set forth below:

|   | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|---|------------------------------|----------------------|
| Return on equity <sup>(1)</sup>               | <b>5.5%</b>                  | -0.3%                |
| Return on assets <sup>(2)</sup>               | <b>2.8%</b>                  | -0.2%                |
| EBIT interest coverage ratio <sup>(3)</sup>   | <b>5.61 times</b>            | 0.99 time            |
| EBITDA interest coverage ratio <sup>(4)</sup> | <b>11.52 times</b>           | 5.86 times           |
| Current ratio <sup>(5)</sup>                  | <b>0.75</b>                  | 0.93                 |
| Net debt-to-equity ratio <sup>(6)</sup>       | <b>52.8%</b>                 | 28.5%                |

### *Notes:*

- (1) Equals profit/loss for the year divided by the average of the beginning and ending total equity for that year and multiplied by 100%.
- (2) Equals profit/loss for the year divided by the average of the beginning and ending total assets for that year and multiplied by 100%.
- (3) Equals profit/loss before finance costs and income tax expense for the year divided by finance costs (with capitalised interest added back) for that year.
- (4) Equals profit/loss before finance costs, income tax expense and depreciation and amortisation for the year divided by finance costs (with capitalised interest added back) for that year.
- (5) Equals current assets divided by current liabilities as at the balance sheet date.
- (6) Equals interest-bearing bank loans and loans from the related parties less cash and bank balances, divided by total equity as at the balance sheet date and multiplied by 100%.

## ***Analysis on Capital Resources***

### *Liquidity and Financial Policy*

Adhering to the steady financial policy, externally, the Group was committed to expanding financing channels and strengthening financing capability construction, as well as strengthening the cooperation with banks to obtain adequate credit facilities and ensure the capital liquidity. Internally, the Group implemented intensive management for surplus capital to improve the turnover efficiency for inventories and account receivables as well as the capability of generating cash flow. The finance department of the Group regularly and closely examined the overall condition of cash and liabilities, and flexibly arranged financing plans based on finance costs and maturity profile.

In order to allocate and utilise capitals more effectively, the Group entered into the financial services agreements and entrusted loans framework agreement through COFCO Finance Corporation Limited. At the same time, the Group also used the capital pool in Mainland China, so as to be more effective in utilising cash, reducing average borrowing costs of the Group, and accelerating clearing services among the companies under the Group.

Certain subsidiaries of the Group that are engaged in meat import business or that own foreign currency borrowings may expose us to exchange rate risks mainly related to U.S. dollars and Hong Kong dollars. We paid close attention to exchange rate fluctuations and adopted currency forward contracts in due course to hedge the majority of exchange rate risks.

As at December 31, 2024, the cash and bank balances owned by the Group amounted to approximately RMB1,064 million (December 31, 2023: approximately RMB2,064 million) which was mainly used to reduce its position and accelerate capital turnover.

As at December 31, 2024, our current ratio was 0.75 (December 31, 2023: 0.93). As at December 31, 2024, our unused bank credit facilities were RMB11,519 million.

### ***EBITDA and Cash Flow***

Our operation capital mainly came from cash generated from operation activities, bank borrowings and shareholders' capital contributions. Our cash demand was mainly borne on production and operation activities, capital expenditure, repayment of matured liabilities, interest payment and unexpected cash needs as well.

In 2024, the EBITDA of the Group (before biological assets fair value adjustments)<sup>1</sup> was RMB1,447 million (same period in 2023: RMB1,286 million). The EBITDA of the Group (after biological assets fair value adjustments)<sup>2</sup> was RMB1,505 million (same period in 2023: RMB842 million).

#### *Notes:*

1. The EBITDA of the Group (before biological assets fair value adjustments) refers to the aggregate amount of profit/loss for the period (before biological assets fair value adjustments), income tax expenses, finance costs and depreciation and amortisation, among which depreciation and amortisation refer to the total amount of depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets and depreciation provided for productive biological assets before biological assets fair value adjustments.
2. The EBITDA of the Group (after biological assets fair value adjustments) refers to the aggregate amount of profit/loss for the period (after biological assets fair value adjustments), income tax expenses, finance costs and depreciation and amortisation, among which depreciation and amortisation refer to the total amount of depreciation of property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets.

In 2024, cash generated from our operating activities was RMB652 million (generated during the same period in 2023: RMB1,872 million). Cash used in our investment activities was RMB1,897 million (used during the same period in 2023: RMB798 million), including RMB2,472 million for the purchase of property, plant, and equipment (same period in 2023: RMB1,042 million). Cash generated from our financing activities was RMB744 million (used during the same period in 2023: RMB580 million). Our time deposits with maturity of over three months decreased by RMB498 million as compared with the beginning of 2024. The changes in our foreign exchange rates resulted in gains of RMB303 thousand. In summary, in 2024, our net decrease in cash and bank balances was RMB1,000 million.

## Capital Structure

As at December 31, 2024, the total number of issued shares of the Company remained unchanged at 4,581,998,323 shares.

As at December 31, 2024, the Group had interest-bearing bank loans of approximately RMB4,231 million (December 31, 2023: approximately RMB4,496 million). The annual interest rate on bank loans ranged from 0.62% to 3.45% (December 31, 2023: from 1.90% to 3.65%). Most of the bank loans were based on fixed interest rates.

Details of the maturity of interest-bearing bank loans are as follows:

| <i>Unit: RMB in million</i> | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|-----------------------------|------------------------------|----------------------|
| Within 1 year               | <b>2,609</b>                 | 4,446                |
| 1 to 2 years                | <b>1,048</b>                 | 50                   |
| 2 to 5 years                | <b>389</b>                   | —                    |
| Over 5 years                | <b>185</b>                   | —                    |
| Total                       | <b>4,231</b>                 | 4,496                |

Details of the fixed-rate borrowings and variable-rate borrowings are as follows:

| <i>Unit: RMB in million</i> | <b>December 31,<br/>2024</b> | December 31,<br>2023 |
|-----------------------------|------------------------------|----------------------|
| Fixed-rate borrowings       | <b>2,494</b>                 | 4,479                |
| Variable-rate borrowings    | <b>1,737</b>                 | 17                   |
| Total                       | <b>4,231</b>                 | 4,496                |

As at December 31, 2024, the Group had loans from related parties of approximately RMB1,899 million (December 31, 2023: approximately RMB606 million).

As at December 31, 2024, the Group had net assets of approximately RMB9,593 million (December 31, 2023: approximately RMB10,664 million). Net debts<sup>note</sup> of the Group amounted to approximately RMB5,066 million (December 31, 2023: approximately RMB3,038 million), while the net debt-to-equity ratio was approximately 52.8% (December 31, 2023: approximately 28.5%).

*Note:*

Net debts of the Group refer to interest-bearing bank loans and loans from related parties less cash and bank balances.

### *Contingent Liabilities and Pledge of Assets*

As at December 31, 2024 and December 31, 2023, the Group had no significant contingent liabilities.

As at December 31, 2024 and December 31, 2023, the Group had no bank loans pledged by buildings, land use rights and time deposits of the Group.

### *Capital Expenditure*

Capital expenditure of the Group was mainly used for the construction of our hog farms, as well as our other production and ancillary facilities. We funded our capital expenditures primarily with shareholders' capital contributions, borrowings and our internal funds.

In 2024, the Group's capital expenditure was RMB2,496 million (same period in 2023: RMB1,066 million). The following table sets forth our capital expenditure for the years indicated:

| <i>Unit: RMB in million</i>                | <b>2024</b>         | <b>2023</b>         |
|--|---------------------|---------------------|
| Payments for property, plant and equipment | <b>2,472</b>        | 1,042               |
| Payments for right-of-use assets           | <b>17</b>           | 20                  |
| Payments for intangible assets             | <b>7</b>            | 4                   |
| Total                                      | <b><u>2,496</u></b> | <b><u>1,066</u></b> |

In 2024, our demand for capital expenditure mainly came from the construction of the hog farms in Jilin Province, the Inner Mongolia Autonomous Region and Henan Province.

### *Capital Commitment*

Capital commitment of the Group is mainly related to the construction of hog farms and other production and ancillary facilities. As at December 31, 2024, capital commitment of the Group was RMB1,551 million (December 31, 2023: RMB371 million).

### *Biological Assets*

Biological assets of the Group primarily consist of commodity pigs at different growth stages and breeding hogs used to give birth to animals in the future. The fair value of our biological assets was RMB3,309 million as at December 31, 2024 and RMB2,202 million as at December 31, 2023. Our results have been and are expected to be affected by changes in fair value of biological assets.

Our cost of sales is adjusted for changes in fair value of biological assets, with fair value gains increasing our costs of sales and fair value losses decreasing our cost of sales, although the timing of these adjustments is not necessarily the same as that of the related gains or losses. We have adjusted the cost of sales for each period based on (i) changes in fair value of live hogs for that period less cost of sales; and (ii) changes in fair value less cost of sales of biological assets recognized in the previous periods.

In 2024 and 2023, such adjustments resulted in an increase of RMB741 million and a decrease of RMB699 million in cost of sales, respectively. Additionally, gains arising from fair value less cost of sales of agricultural products at the point of harvest amounted to RMB796 million (the same period in 2023: losses of RMB831 million); gains arising from changes in fair value of biological assets less cost of sales amounted to RMB225 million (the same period in 2023: losses of RMB54 million). In general, the net effect of adjustment in fair value of biological assets on profit was gains of RMB279 million during the Reporting Period and losses of RMB187 million during the same period in 2023.

## **V. Human Resources**

13,006 employees were hired for the continuing operations of the Group as at December 31, 2024 (2023: 11,951 employees). Remuneration for employees was determined based on their job nature, individual performance and the market trends. As at December 31, 2024, total remuneration of the Group amounted to approximately RMB1,818 million (2023: RMB1,733 million).

The Group provides basic social insurance and housing accumulation fund for its employees as required by the PRC law. Apart from the above, we encouraged all employees to become well-rounded and enhance their knowledge and abilities related to their career through continuous training, seminars and online learning in order to unearth their own potentials.

As at December 31, 2024, the gender ratio in the workforce (including our senior management) is 72 (male): 28 (female). In general, the gender diversity of the Group is relatively balanced in the industry and the Group will continue to maintain the gender diversity in workforce. For further details of gender ratio and initiatives taken by the Group to improve gender diversity together with the relevant data, please refer to the disclosure in the Company's ESG Report.

## **VI. Significant Risks and Uncertainties**

The results and business operations of the Group are affected by a number of risks and uncertainties directly or indirectly related to the business of the Group. Primary risk factors known to the Group are outlined as follows:

### ***Price Risks***

Price risks refer to the losses arising from increased costs or reduced profits due to the fluctuation of purchase price and sales price. We operate in a highly fragmented and competitive industry, where the primary raw materials and finished products are commodities, all of which have been subject to significant price fluctuations. In our pork business, we are exposed to the risk of fluctuations of commodity prices, including prices of corn and soybean meals (which are our primary feed ingredients), live hogs and pork in China. In our meat import business, we are exposed to the risk of fluctuations in the price differentials between the Chinese and overseas markets of frozen meat products such as pork, beef, poultry, mutton and lamb. Fluctuations in these commodity prices, especially the prices of live hogs, have had and are expected to continue to have an effect on our profitability. Commodity prices generally fluctuate with market conditions, including supply and demand, diseases, government policies and weather conditions in major agricultural and farming regions.



## ***Epidemic Risks***

The major threat to the development of animal husbandry is epidemic risks. The epidemic spreading in hog production mainly includes African swine fever, blue ear disease, classical swine fever, porcine epidemic diarrhea, porcine pseudorabies, FMD, etc. There are four categories of risks brought about by epidemics. First, the outbreak of epidemic diseases will lead to hog mortalities, which will directly cause a decrease in hog production and result in direct economic losses of the Company. Second, the outbreak of epidemic may cause a significant impact on consumption, since it may inhibit hogs' growth, reduce the production efficiency, and increase feed and veterinary drug consumption, all of which will result in higher operating costs. Third, the epidemic will bring phased reduction to production in hog farms because the purification process reduces the production efficiency of the farms in stages and increases the operating costs, resulting in reduced effectiveness. Fourth, the large scale outbreak and spread of epidemic diseases may cause a panic among some consumers and thus lower the total demand for related products, which adversely affects the sales of hogs.

To solve epidemic risks, the Group has formulated regulations such as the Procedure for Biosecurity Control (《生物安全控制程序》), the Contingency Plan for Major Animal Disease Prevention and Control (《重大動物疫情應急預案》), the Operation Manual of Farm Swine Diseases Prevention and Control (《養殖場豬病防控操作手冊》), the Prevention and Emergency Response Plan for African Swine Fever (《非洲豬瘟預防及應急處置方案》) and the Disease Prevention, Control and Monitoring and Specimen Collection for Virus Testing Plan (《疾病防控監測及病料採樣檢測計劃》), and constantly improved the level and capacity of biosecurity control, so as to comprehensively prevent and curb major animal diseases such as African swine fever. Meanwhile, in order to improve our professional competence in handling the epidemics, we have enhanced the testing ability of vet labs, optimized the epidemic prevention and control measures, and established a dedicated group for the prevention and control of African swine fever.

## ***Food Safety Risks***

Food safety risks refer to risks of severe customer complaints, large-scale product recall and substantial adverse effects resulted from unqualified product and food safety indicators due to deficient food safety management system and unfulfilled management and control measures. To specify various food safety control measures and regulate food safety management, the Group has stipulated systems and standards, such as, Provisions for the Food Safety Management (《食品安全管理規定》), Outline on Quality Safety Risk Control over the Industry Chain (《產業鏈質量安全風險控制大綱》) and Emergency Plan for Food Safety Accidents (《食品安全事故應急預案》). The Group identified food safety risks timely and improved food safety management system, reinforced whole-process management and key point control. The headquarters conducted regular supervision over the inspection and sampling inspection of subordinate enterprises, and evaluated and reviewed in time. All subordinate enterprises strictly implement the food safety management requirements and actively prevent food safety risks.

## ***Safe Production Risks***

Safe production risks refer to risks of corporate property loss, temporary production suspensions or tarnished reputation due to production safety accidents caused by deficient safety management system or inadequate accident preventive measures. The Group has formulated systems such as Measures for Administration of Safety Organization and Accountability System (《安全組織機構和責任制管理辦法》), Measures for Administration of Quality Safety Accidents (《質量安全事故管理辦法》), Measures for Administration of Major Quality Safety Matters (《質量安全重大事項管理辦法》) and Comprehensive Emergency Plans for Production Safety Accidents (《生產安全事故綜合應急預案》) to standardize safety risks management and prevent accidents. The Group has formulated the early warning indicators and bottom line indicators, and organized all subordinate enterprises to conduct all round risk identification, evaluation and classification, and formulated corresponding management and control measures; to formulate special risk prevention and control measures for major risks; to organize all subordinate enterprises to perfect inspection system, organize regular safety inspection and confirm the effectiveness of risk management and control measures; and to conduct regular supervision and inspection to evaluate the operation of management system and risk management and control and promote the improvement and development of subordinate enterprises.

## **VII. Outlook**

In 2025, the Company will continue to stick to its strategic focus through carrying out the following tasks:

1. We will focus on operations and strengthen management by initiating targeted tasks to improve breeding efficiency and comprehensively reducing farming costs;
2. We will propel innovation through technology. We will advance high-quality genome breeding programs and continue to overcome technical challenges in breeding to achieve the implementation of the technology. Also, we will fully introduce intelligent hog farming technology to new hog production projects, solving the weakness points of hog farm management to enhance operation and management efficiency. Furthermore, we will optimize feed formulas and promote the implementation of the precision nutrition system;
3. We will build our brand recognition and expand channels. We will invest more in brand building, continue to promote the branded and differentiated operation of the fresh pork business segment, and focus on our core product of linseed-fed pork to expand the construction of market channels. We will strengthen the brand building, consolidate consumers' awareness of Joycome's "safe, healthy and tasty", so as to expand the influence of our brand;
4. We will optimize our layout and scale production. We will concentrate on our main responsibilities and core businesses, steadily expand production capacity, and accelerate the launch of new projects to strengthen our meat industry chain.
5. We will cultivate talent and boost team vitality. We will develop a robust talent pipeline, particularly in veterinary science, breeding R&D, and brand marketing to further enrich the reserve of professional personnel. We will build high-quality and professional teams and refine incentive mechanisms to foster their innovation and dynamism.



## OTHER EVENTS

### Compliance with the Corporate Governance Code

The Board and the management of the Company are committed to achieving and maintaining high standards of corporate governance, which they consider to be essential to safeguard the integrity of the Group's operations and maintain investors' trust in the Company. The Company's management also actively observes the latest corporate governance requirements in the PRC, Hong Kong and abroad.

The Company has adopted the principles and code provisions contained in the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Save and except for the deviation from code provision C.2.1 disclosed below, in the opinion of the Board, the Company has complied with the code provisions set out in the Corporate Governance Code for the year ended December 31, 2024.

Code provision C.2.1 of the Corporate Governance Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. From June 10, 2022 to March 7, 2024, Mr. Jiang Guojin, the chairman of the Board at the time being acted as the general manager of the Company and has taken up the roles and functions of the managing director including but not limited to implementation of decisions of the Board, formulation of corporate and business strategies of the Company, supervision of ordinary operation of the Company and making decisions and providing advice relating to the appointment of senior management. The Board believes that Mr. Jiang Guojin's extensive experience and knowledge, together with the support of the management, shall strengthen the solid and consistent leadership of the Group and would allow for efficient business planning and decision, which the Board believes is in the best interest of the overall development of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced individuals. Dr. Gao Xiang was appointed as the chairman of the Board since March 7, 2024 and Dr. Zhang Nan was appointed as the general manager of the Company since April 15, 2024. The roles of the chairman of the Board and the general manager are performed by different individuals. Since the appointment of Dr. Zhang Nan, the Company has complied with the code provision C.2.1. As at the date of this announcement, the Board comprises two executive directors, two non-executive directors and three independent non-executive directors and therefore power and authority are sufficiently maintained in its composition. The Company will keep reviewing the current structure of the Board from time to time.

### Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as a code of conduct regarding securities transactions by the directors of the Company. The Company has made specific enquiries with each director and each of them confirmed that he or she had complied with all required standards under the Model Code for the year ended December 31, 2024.

### Purchase, Sale or Redemption of the Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities for the year ended December 31, 2024 (including sale of treasury shares). Neither the Company nor any of its subsidiaries held any treasury shares for the year ended December 31, 2024.

## **Subsequent Events**

As at the date of this announcement, the Group has no material subsequent events after December 31, 2024 which are required to be disclosed.

## **Final Dividend**

The Board has resolved not to declare any final dividend for the year ended December 31, 2024.

## **Review of Annual Results**

The consolidated financial statements of the Group for the year ended December 31, 2024 were audited by Baker Tilly Hong Kong Limited and this results announcement is based on such financial statements which have been agreed by the Company and the auditor. The audit committee of the Company has reviewed the audited annual results of the Company for the year ended December 31, 2024.

## **Scope of work of Baker Tilly Hong Kong Limited**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, Baker Tilly Hong Kong Limited to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement 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 Baker Tilly Hong Kong Limited on the preliminary announcement.

## **Publication of Annual Report**

The annual report of the Company will be published on the website of the Company ([www.cofcojoycome.com](http://www.cofcojoycome.com)) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

By order of the Board  
**COFCO Joycome Foods Limited**  
**Gao Xiang**  
*Chairman and executive director*

Beijing, PRC, March 25, 2025

*As at the date of this announcement, the Board comprises Dr. Gao Xiang as the chairman of the Board and executive director, Dr. Zhang Nan as an executive director, Mr. Chen Zhigang and Mr. Wang Guoxin as non-executive directors, and Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong as independent non-executive directors.*