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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)

**INTERIM RESULTS ANNOUNCEMENT FOR THE
SIX MONTHS ENDED JUNE 30, 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of COFCO Joycome Foods Limited (the “**Company**”, “**we**”, “**our**” or “**us**”) is pleased to announce the unaudited condensed consolidated results and financial position of the Company and its subsidiaries (the “**Group**”) for the six months ended June 30, 2025 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2024 as follows:

HIGHLIGHTS

Key Operating Data	Six months ended June 30,			
	2025	2024	year-on-year	
Hog production volume (unit: ' 000 heads)	2,898	1,584	83.0%	
Average selling price of finishing hogs (RMB/kg)	14.59	15.28	-4.5%	
Fresh pork sales volume (unit: ' 000 tons)	150	120	25.1%	
Branded small-packed fresh pork sales volume (unit: ' 000 packs)	27,792	18,968	46.5%	
Ratio of revenue from branded business of total fresh pork business ⁽¹⁾	31.2%	26.7%	+4.5ppt	
Meat import sales volume (unit: ' 000 tons)	34	33	2.5%	
Key Financial Data	Six months ended June 30,			
	2025		2024	
	Before biological assets fair value adjustments <i>RMB' 000</i>	After biological assets fair value adjustments <i>RMB' 000</i>	Before biological assets fair value adjustments <i>RMB' 000</i>	After biological assets fair value adjustments <i>RMB' 000</i>
Revenue ⁽²⁾	8,963,004	8,963,004	7,483,311	7,483,311
Profit/(loss) for the period	203,390	321,951	(314,992)	323,024
Profit/(loss) attributable to the owners of the Company ⁽³⁾	198,174	316,735	(321,947)	316,069
Basic earnings/(loss) per share ⁽⁴⁾	RMB0.0433	RMB0.0691	RMB(0.0703)	RMB0.0690

Notes:

1. The Group continued to increase its brand communication and channel development, and the proportion of brand business revenue in the current period increased by 4.5 percentage points year-on-year.
2. Revenue of the Group was RMB8,963 million, representing a year-on-year increase of 19.8%, mainly attributable to the stable development of hog production business and improved production efficiency, resulting in increase in revenue from the segment.
3. Profit attributable to the owners of the Company before biological assets fair value adjustments amounted to RMB198 million, achieving a turnaround from losses to profits over the same period of last year, which was mainly due to the stable production pace of the hog production business, cost improvement, and a significant reduction in losses in the fresh pork business. Profit attributable to the owners of the Company after biological assets fair value adjustments amounted to RMB317 million. The biological assets fair value was adjusted based on the hog price at the end of June 2025.
4. 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 interim dividend for the six months ended June 30, 2025.

FINANCIAL INFORMATION

The following financial information is a summary of the unaudited condensed consolidated financial statements for the six months ended June 30, 2025 of the Group, which have been reviewed by Baker Tilly Hong Kong Limited, the independent auditor of the Company, and the audit committee of the Board (the “**Audit Committee**”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2025

(Expressed in Renminbi)

		Six months ended June 30,					
		2025			2024		
		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total
	NOTES	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)	(Unaudited)	(Unaudited)	(restated) (Unaudited)	(Unaudited)	(restated) (Unaudited)
Revenue	3	8,963,004	–	8,963,004	7,483,311	–	7,483,311
Cost of sales		(8,232,263)	(535,513)	(8,767,776)	(7,408,512)	102,501	(7,306,011)
Gross profit		730,741	(535,513)	195,228	74,799	102,501	177,300
Other income	5	164,147	–	164,147	191,069	–	191,069
Other gains and losses	6	(19,051)	–	(19,051)	35,149	–	35,149
Selling and distribution costs		(266,477)	–	(266,477)	(258,232)	–	(258,232)
Administrative expenses		(302,922)	–	(302,922)	(268,986)	–	(268,986)
Share of results of associates		(12,355)	–	(12,355)	502	–	502
Gain/(loss) arising from agricultural produce at fair value less costs to sell at the point of harvest		–	310,809	310,809	–	(48,188)	(48,188)
Gain arising from changes in fair value less costs to sell of biological assets		–	343,265	343,265	–	583,703	583,703
Finance costs	7	(64,782)	–	(64,782)	(64,986)	–	(64,986)
Profit before tax	8	229,301	118,561	347,862	(290,685)	638,016	347,331
Income tax expense	9	(25,911)	–	(25,911)	(24,307)	–	(24,307)
Profit for the period		203,390	118,561	321,951	(314,992)	638,016	323,024

	NOTES	Six months ended June 30,	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (restated) (Unaudited)
Other comprehensive income/(expense) net of income tax:			
<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		1,690	(1,638)
Income tax relating to item that will not be reclassified to profit or loss		(422)	409
		<u>1,268</u>	<u>(1,229)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operation (with nil tax effect)		<u>—</u>	<u>(3,659)</u>
Other comprehensive income/(expense) for the period, net of income tax		<u>1,268</u>	<u>(4,888)</u>
Total comprehensive income for the period		<u>323,219</u>	<u>318,136</u>
Profit for the period attributable to:			
Owners of the Company		316,735	316,069
Non-controlling interests		<u>5,216</u>	<u>6,955</u>
		<u>321,951</u>	<u>323,024</u>
Total comprehensive income for the period attributable to:			
Owners of the Company		318,003	311,181
Non-controlling interests		<u>5,216</u>	<u>6,955</u>
		<u>323,219</u>	<u>318,136</u>
Earnings per share:			
Basic	10	<u>RMB0.0691</u>	<u>RMB0.0690</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

(Expressed in Renminbi)

		June 30, 2025 <i>RMB'000</i> (Unaudited)	December 31, 2024 <i>RMB'000</i> (Audited)
	<i>NOTES</i>		
Non-current assets			
Goodwill		100,609	100,609
Property, plant and equipment		12,663,931	12,033,230
Right-of-use assets		784,342	783,880
Intangible assets		26,864	29,731
Investments in associates		2,018	14,373
Equity instrument at fair value through other comprehensive income (“FVTOCI”)		112,380	110,690
Biological assets		909,545	919,651
Prepayments for purchase of property, plant and equipment		2,436	44,845
Deferred tax assets		6,754	6,785
		<u>14,608,879</u>	<u>14,043,794</u>
Current assets			
Inventories		1,587,712	1,433,305
Biological assets		2,792,938	2,389,057
Account receivables	12	371,833	282,574
Prepayments, deposits and other receivables		379,043	348,303
Other current assets		489,388	486,200
Financial assets at fair value through profit or loss		443	17,550
Amounts due from related companies	13	302,119	292,051
Cash and bank balances		635,711	1,063,987
		<u>6,559,187</u>	<u>6,313,027</u>

		June 30, 2025 <i>RMB'000</i> (Unaudited)	December 31, 2024 <i>RMB'000</i> (Audited)
	NOTES		
Current liabilities			
Account payables	14	815,008	893,278
Other payables, accruals and deposits received		1,068,770	976,508
Lease liabilities		40,800	42,863
Contract liabilities		396,377	389,533
Bank borrowings		6,190,137	2,609,132
Amounts due to related companies	13	146,769	1,724,789
Loans from related companies		492,500	1,792,500
Financial liabilities at fair value through profit or loss		8,272	247
Current tax liabilities		10,443	12,768
		<u>9,169,076</u>	<u>8,441,618</u>
Net current liabilities		<u>(2,609,889)</u>	<u>(2,128,591)</u>
Total assets less current liabilities		<u>11,998,990</u>	<u>11,915,203</u>
Non-current liabilities			
Bank borrowings		1,361,279	1,621,963
Loans from a related company		108,188	106,502
Deferred income		119,002	115,985
Deferred tax liabilities		51,571	51,687
Long-term payable		79,446	76,459
Lease liabilities		362,981	349,303
		<u>2,082,467</u>	<u>2,321,899</u>
Net assets		<u><u>9,916,523</u></u>	<u><u>9,593,304</u></u>
Capital and reserves			
Share capital		1,668,983	1,668,983
Reserves		<u>8,032,263</u>	<u>7,714,260</u>
Equity attributable to owners of the Company		9,701,246	9,383,243
Non-controlling interests		<u>215,277</u>	<u>210,061</u>
Total equity		<u><u>9,916,523</u></u>	<u><u>9,593,304</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(Expressed in Renminbi)

1 BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements of COFCO Joycome Foods Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended June 30, 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended December 31, 2024.

The condensed 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.

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**”). 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 HKICPA. The comparative figures in the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and related notes to condensed 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.

As at June 30, 2025, the Group’s current liabilities exceeded its current assets by RMB2,609,889,000. Taking into account the banking facilities available to the Group, the directors of the Company have, at the time of approving the condensed 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 condensed consolidated financial statements.

2 PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for biological assets and certain financial instruments that are measured at fair value at the end of the reporting period.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group’s annual financial statements for the year ended December 31, 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group’s financial year beginning on January 1, 2025 for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKAS 21

Lack of Exchangeability

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

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with customers

For the six months ended June 30, 2025						
Segments	Hog production and sales RMB'000 (unaudited)	Sales of feed RMB'000 (unaudited)	Sales of fresh pork RMB'000 (unaudited)	Sales of processed meat products RMB'000 (unaudited)	Sales of imported meat products RMB'000 (unaudited)	Total RMB'000 (unaudited)
Types of goods or services						
Hogs	2,656,526	—	—	—	—	2,656,526
Feed products	—	2,393,490	—	—	—	2,393,490
Fresh pork	—	—	2,490,985	—	—	2,490,985
Processed meat products	—	—	—	378,804	—	378,804
Imported meat products	—	—	—	—	1,043,199	1,043,199
Total	2,656,526	2,393,490	2,490,985	378,804	1,043,199	8,963,004
Timing of revenue recognition						
A point in time	2,656,526	2,393,490	2,490,985	378,804	1,043,199	8,963,004
For the six months ended June 30, 2024						
Segments	Hog production and sales RMB'000 (unaudited)	Sales of feed RMB'000 (restated) (unaudited)	Sales of fresh pork RMB'000 (unaudited)	Sales of processed meat products RMB'000 (unaudited)	Sales of imported meat products RMB'000 (unaudited)	Total RMB'000 (restated) (unaudited)
Types of goods or services						
Hogs	1,226,591	—	—	—	—	1,226,591
Feed products	—	2,912,491	—	—	—	2,912,491
Fresh pork	—	—	2,063,075	—	—	2,063,075
Processed meat products	—	—	—	376,803	—	376,803
Imported meat products	—	—	—	—	904,351	904,351
Total	1,226,591	2,912,491	2,063,075	376,803	904,351	7,483,311
Timing of revenue recognition						
A point in time	1,226,591	2,912,491	2,063,075	376,803	904,351	7,483,311

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 previous year ended December 31, 2024, the Group acquired 100% equity interest in COFCO Jiahua (see Note 1), 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:

4 SEGMENT INFORMATION (CONTINUED)

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 six months ended June 30, 2024 is restated as if the Group had been operating these segments in that period.

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

Segment revenue and results

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

	Hog production RMB'000 (unaudited)	Feed RMB'000 (unaudited)	Fresh pork RMB'000 (unaudited)	Processed meat products RMB'000 (unaudited)	Meat import RMB'000 (unaudited)	Segment total RMB'000 (unaudited)	Inter- segment elimination RMB'000 (unaudited)	Total RMB'000 (unaudited)
<i>Six months ended June 30, 2025</i>								
Segment revenue								
External customers	2,656,526	2,393,490	2,490,985	378,804	1,043,199	8,963,004	–	8,963,004
Inter-segment sales	1,836,974	733,530	49,023	919	177,108	2,797,554	(2,797,554)	–
Segment revenue	<u>4,493,500</u>	<u>3,127,020</u>	<u>2,540,008</u>	<u>379,723</u>	<u>1,220,307</u>	<u>11,760,558</u>	<u>(2,797,554)</u>	<u>8,963,004</u>
Segment results	<u>243,889</u>	<u>55,812</u>	<u>(4,296)</u>	<u>6,183</u>	<u>15,796</u>	<u>317,384</u>		<u>317,384</u>
Unallocated corporate income								35,464
Unallocated corporate expenses								(58,765)
Fair value adjustments on biological assets and agricultural produce								118,561
Finance costs								(64,782)
Profit before tax								<u>347,862</u>
<i>Six months ended June 30, 2024</i>								
Segment revenue								
External customers	1,226,591	2,912,491	2,063,075	376,803	904,351	7,483,311	–	7,483,311
Inter-segment sales	1,436,719	334,983	34,101	2,926	144,189	1,952,918	(1,952,918)	–
Segment revenue	<u>2,663,310</u>	<u>3,247,474</u>	<u>2,097,176</u>	<u>379,729</u>	<u>1,048,540</u>	<u>9,436,229</u>	<u>(1,952,918)</u>	<u>7,483,311</u>
Segment results	<u>(375,158)</u>	<u>100,572</u>	<u>(27,633)</u>	<u>21,675</u>	<u>28,208</u>	<u>(252,336)</u>		<u>(252,336)</u>
Unallocated corporate income								74,651
Unallocated corporate expenses								(48,014)
Fair value adjustments on biological assets and agricultural produce								638,016
Finance costs								(64,986)
Profit before tax								<u>347,331</u>

4 SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Segment profit represents the profit/(loss) earned by 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 liabilities

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and liabilities 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.

5 OTHER INCOME

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(restated) (Unaudited)
Interest income from banks	1,021	6,934
Interest income from a related company	4,547	5,519
	<u>5,568</u>	<u>12,453</u>
Dividend income from equity instruments at FVTOCI	37,500	75,000
Government grants*	121,079	103,616
	<u>164,147</u>	<u>191,069</u>

* Government grants are mainly related to innocuous treatment of died hogs and construction of hog farms. There are no unfulfilled conditions or contingencies relating to these grants.

Government grants related to acquisition of lands use rights and acquisition/construction of property, plant and equipment projects are included in deferred income and are credited to profit or loss on a systematic basis over the useful lives of the related assets. Included in the above balances are government grants released from deferred income of RMB3,345,000 for the six months ended June 30, 2025 (six months ended June 30, 2024 (restated): RMB3,726,000).

6 OTHER GAINS AND LOSSES

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(restated) (Unaudited)
Exchange gain, net	111	3,710
(Loss)/gain on disposal of property, plant and equipment, net	(512)	17,098
Gain on disposal of right-of-use assets	–	11,130
Gain/(loss) on lease modification	65	(330)
Write-down of inventories to net realisable value	(2,459)	(9,516)
Reversal of/(provision of) impairment on account receivables, net	3	(20)
Reversal of impairment on other receivables, net	20	68
Reversal of impairment on amounts due from related companies	226	–
Realised and unrealised (loss)/gain on fair value changes in respect of foreign currency forward contracts, net	(13,563)	9,243
Others	(2,942)	3,766
	(19,051)	35,149

7 FINANCE COSTS

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(restated) (Unaudited)
Interest on:		
– Bank borrowings	52,509	38,494
– Loans from related companies	14,594	14,803
– Lease liabilities from the third parties	7,981	9,810
– Long-term payable	2,987	3,097
Total borrowing costs	78,071	66,204
Less: borrowing costs capitalised in the cost of qualifying assets	(13,289)	(1,218)
	64,782	64,986

8 PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(restated) (Unaudited)
Cost of inventories recognised as expenses	8,210,681	7,400,762
Realised and unrealised loss on fair value changes in respect of commodity future contracts, net	21,582	7,750
Loss/(gain) fair value changes in respect of biological assets	535,513	(102,501)
Total cost of sales	<u>8,767,776</u>	<u>7,306,011</u>
Depreciation of property, plant and equipment	363,967	343,313
Depreciation of right-of-use assets	30,598	33,686
Amortisation of intangible assets	3,962	3,623
Total depreciation and amortisation	398,527	380,622
Less: Capitalised in biological assets	(237,688)	(244,336)
	<u>160,839</u>	<u>136,286</u>

9 INCOME TAX EXPENSE

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(restated) (Unaudited)
Current tax:		
– The People's Republic of China (the "PRC") Enterprise Income Tax ("EIT")	27,504	26,216
Over provision in prior years:		
– PRC EIT	(1,085)	(568)
	<u>26,419</u>	<u>25,648</u>
Deferred tax:		
– Current period	(508)	(1,341)
Income tax expense	<u>25,911</u>	<u>24,307</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit generated in Hong Kong for the six months ended June 30, 2025 (six months ended June 30, 2024: 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 six months ended June 30, 2025 (six months ended June 30, 2024: 25%).

Certain operations of the Company's certain subsidiaries were exempted from PRC income taxes during both 2025 and 2024. 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 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 agricultural 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 were exempted from EIT in the six months ended June 30, 2025 and 2024.

10 EARNINGS PER SHARE

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

Earnings

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
		(restated)
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share		
Profit for the period attributable to the owners of the Company	<u>316,735</u>	<u>316,069</u>

Number of shares

	Six months ended June 30,	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>4,581,998</u>	<u>4,581,998</u>

No diluted earnings per share is presented as there were no potential ordinary shares in issue for both periods.

11 DIVIDEND

No dividends were paid, declared or proposed during the six months ended June 30, 2025 and 2024. The board of directors of the Company has resolved not to declare any interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: nil).

12 ACCOUNT RECEIVABLES

	June 30, 2025	December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Account receivables from contracts with customers	399,246	309,990
Less: Allowance for credit losses	<u>(27,413)</u>	<u>(27,416)</u>
	<u>371,833</u>	<u>282,574</u>

12 ACCOUNT RECEIVABLES (CONTINUED)

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

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Within 90 days	370,753	281,666
90 to 180 days	936	769
180 days to 1 year	82	—
Over 1 year	62	139
	371,833	282,574

13 BALANCES WITH RELATED COMPANIES

Related companies with which the Group had transactions and/or outstanding balances are COFCO Corporation and its subsidiaries.

Included in amounts due from related companies as at June 30, 2025 were receivables of trade nature amounting to RMB63,319,000 (December 31, 2024: RMB156,907,000), which are unsecured, interest-free and repayable according to relevant sales contracts. An aged analysis of these receivables as at the end of the reporting period, based on delivery dates and net of allowance for credit losses, is as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Within 90 days	35,527	143,195
Over 90 days but less than 1 year	23,218	10,928
Over 1 year	4,574	2,784
	63,319	156,907

The remaining balance of amounts due from related companies included prepayments in connection with the purchases of goods and current account balances, which are unsecured, interest-free and repayable on demand.

Included in amounts due to related companies as at June 30, 2025 were payables of trade nature amounting to RMB114,276,000 (December 31, 2024: RMB99,356,000), which are unsecured, interest-free and repayable according to the relevant purchase contracts. An aged analysis of these payables at the end of the reporting period, based on the invoice dates, is as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Within 90 days	103,010	87,332
Over 90 days but less than 1 year	11,220	12,015
Over 1 year	46	9
	114,276	99,356

13 BALANCES WITH RELATED COMPANIES (CONTINUED)

Also included in amounts due to related companies as at December 31, 2024 was the consideration payable of RMB1,569,071,000 in relation to the Acquisition (see Note 1), which is repayable within three months from the date on which COFCO Jiahua obtains the business license certifying that COFCO Jiahua has been converted into a foreign-invested enterprise. The license was subsequently obtained on January 21, 2025. The consideration was fully settled during the current interim period.

The remaining balance of amounts due to related companies include interest payable in respect of loans from a related company and current account balances, which are unsecured, interest-free and repayable on demand.

14 ACCOUNT PAYABLES

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Account payables	815,008	893,278

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

An aged analysis of the account payables as at the end of the reporting period, based on the invoice dates, is as follows:

	June 30, 2025 RMB'000 (Unaudited)	December 31, 2024 RMB'000 (Audited)
Within 1 year	814,519	892,090
1 to 2 years	450	1,188
Over 2 years	39	—
	815,008	893,278

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 acquisition, the Company 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 recent years, the Company has vigorously promoted breeding research, intelligent upgrading, accelerated the introduction of high-end scientific research talents, and developed new productive forces.

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. 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. In July 2025, the Company acquired a high-quality meat deep-processing plant with an annual production capacity of 9,000 tons in Pinghu City, Jiading, Zhejiang Province, which will be synergized with the research and development (R&D) center in Shanghai. This will better respond to the market demands in East China and surrounding areas. Meanwhile, 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

Feed production saw a modest increase and the industry witnessed a clear trend of technological upgrading

In the first half of 2025, feed production in China grew year-on-year. According to the China Feed Industry Association, a total of 158.50 million tons of industrial feed were produced across China in the first half of the year, representing a year-on-year increase of 7.7%, mainly attributable to rebounded aquaculture demand and stable development of hog and poultry farming.

In terms of feed ingredients, corn spot prices continued to rise in the first half of the year, increasing from RMB2,050/ton at the beginning of the year to RMB2,410/ton by the end of June, with the average price down 6.3% year-on-year in the first half of the year. Meanwhile, soybean meal prices went upward and then downward, peaking at RMB4,062/ton in April before dropping to RMB2,932/ton by the end of June, with the average price for the first half of the year decreased by 5.2% year-on-year.

The trend toward technological upgrading in the industry is evident, with low-protein feed technology and policies promoting the reduction of soybean meal use continuing to advance. The feed industry is shifting from single-product competition to a multi-dimensional competitive landscape centered on technology, services, and industrial chain collaboration.

Hog supply-demand maintained a tight balance and hog prices rebounded after declining

According to the data from the National Bureau of Statistics, the hog production volume was 366 million heads in the first half of 2025, representing a year-on-year increase of 0.6%, while pork output totaled 30.20 million tons, representing a year-on-year increase of 1.3%. As of the end of June 2025, the stock of breeding sows stood at 40.43 million heads, which is 103.7% of the normal reserves of 39.00 million heads, remaining at the upper limit of the “green zone” for production capacity regulation. This indicates that the hog market is still in a tight supply-demand balance.

In the first half of the year, hog prices showed a downward trend. At the beginning of the year, prices saw a slight increase due to temporary seasonal demand for the Lunar New Year, but consumption seasonally declined after the holiday, dragging prices down. Although strong supply and weak demand pushed hog prices to a bottom in early June, a phased improvement in the supply-demand balance led to a rebound in prices from late June onward. Mysteel Data shows the average hog price in China in the first half of 2025 was RMB14.77/kg, down 3.9% year-over-year.

Consumer market recovered as demand for health and quality increased and differentiated brand advantages emerged

According to data from the National Bureau of Statistics, total retail sales of consumer goods reached RMB24.5 trillion in the first half of 2025, representing a year-on-year increase of 5.0%. By quarter, Q2 grew by 5.4%, 0.8 percentage point higher than 4.6% in Q1, showing a gradual recovery trend quarter-by-quarter. Catering revenue recorded RMB2.7 trillion, representing a year-on-year increase of 4.3%. In the first half of the year, the consumer market experienced a moderate recovery driven by policy stimulus, further solidifying consumption’s role as the “main engine” of the economy.

Consumers’ pursuit of quality and emotional connection with brands has deepened. Branded small-packed linseed-fed pork with antibiotic-free certificate has demonstrated clear differentiated advantages due to its high quality, standardization and nutritional health benefits, gaining more brand recognition and consumer loyalty.

Beef imports further decreased, total meat imports fell to the lowest level in the past six years

According to the statistics of the General Administration of Customs of the PRC, China’s total meat imports in the first half of 2025 were 3.2 million tons, down 2.7% year-on-year, marking the lowest level in six years. The import market showed structural changes: pork imports (excluding by-products) totaled 0.54 million tons, rising 4.9% year-over-year and commanding 1.8% of national pork production; beef imports (excluding by-products) reached 1.3 million tons, down 9.5% year-on-year, accounting for 38.0% of national beef production.

III. Results of Operation

In the first half of 2025, the Company maintained its strategic focus and advanced key initiatives in line with its guiding principles of “cost priority, technology empowerment, brand leadership, and green development”. The upstream feed and farming businesses consolidated the growth of the Company, while the downstream branded business helped it build its differentiated competitive advantages. Thus, management efficiency continued to improve, driving steady and healthy development of the Company’s core businesses.

The hog production segment achieved improvements in breeding costs by optimizing its production structures, improving its efficiency and implementing targeted cost-reduction initiatives. By integrating breeding techniques and digital intelligence, the segment’s new quality productive forces gradually took effect. The segment reported a profit of RMB244 million, an increase of RMB619 million over the previous year. The feed segment has strengthened market research and forecasting, expanded centralized procurement, and leveraged synergies while focusing on new product to continuously optimize products and services. Sales volume increased year-on-year. The fresh pork business continued to focus on linseed-fed pork as its core product, implementing precise brand marketing and expanding across all sales channels to achieve significant breakthrough. Sales volume of branded small-packed pork increased by 46.5% year-on-year, with linseed-fed pork sales surging by 123% over the previous year. Segment profit increased by RMB23.34 million year-on-year. The processed meat and meat import segments deepened the trade plus processing business model, expanded downstream sales channels to enhance sales volume, leveraged market research and forecasting and supply chain advantages to build a beef value chain. Both the distribution volume of imported meat and the sales volume of processed meat products increased year-on-year.

During the Reporting Period, the Company’s profit before biological assets fair value adjustments reached RMB203 million, an increase of RMB518 million year-on-year.

Hog Production Business

Implementing targeted initiatives to cut production costs

In the first half of 2025, the Company put more effort into implementing targeted initiatives to systematically lower production costs. Firstly, it improved production efficiency by continuing herd rotation, implementing a high-efficiency breeding system to establish sustainable, stable, and high-yield breeding farms, thereby gradually improving production efficiency and operational quality. Secondly, the Company cooperated and helped with farmers, actively expanded the stocking business, developing a COFCO’s distinctive “Company + Farmer” business model, leading to rapid growth in cooperative farming operations. Thirdly, we launched targeted cost reduction initiatives focusing on key areas such as feed conversion ratio, feeding management, vaccine and medication costs, and frontline employee incentives to narrow regional disparities and establish a sustainable low-cost strategy.

Greatly promote the development of new quality productive forces

The Company continued to rely on genomic breeding technologies to increase the number of gene chip tests. The technologies also improved the accuracy of breeding values of various main selected traits. In Jilin, the region where genetic breeding was first applied, the production performance is significantly better than that in other regions. A joint laboratory for pig breeding has been established with the research team of a well-known university to further promote the research and development of breeding technologies. We developed a digital and intelligent operation platform. Projects in Changling and Taonan, Jilin Province, have been integrated with IoT-enabled intelligent device clusters, enabling real-time data collection across all production processes. Relying on the feeding model and disease prevention and control model, and through the linkage of big data analysis platform, the feeding plan of breeding stock and commodity pigs was dynamically optimized, thereby achieving precise regulation and risk prediction. We accelerated the introduction of top talents in scientific research, strengthened scientific research cooperation with universities such as Huazhong Agricultural University, engaged professors from universities as external experts, systematically enhanced professional capabilities, and built an innovative technological force.

Establishing a full-chain ecological recycling model

COFCO Joycome focuses on energy conservation and environmental protection, three wastes (waste gas, waste water, and solid waste) and steadily pushes ahead with “Carbon Peaking and Carbon Neutrality” and energy management, in order to continuously advance our green development strategy. (1) The integration of breeding and planting facilitates circular development. Based on local conditions and the principle of “one place, one policy”, the Company has built demonstration parks for the integration of breeding and planting with distinct features in various breeding areas. Through the integration of breeding and planting, resource utilization of waste, and cascaded development of energy, a low-carbon closed-loop system from the field to the dining table has been created, achieving a symbiotic and win-win situation between environmental benefits and industrial value. (2) Exploration of cutting-edge technologies in ecological environmental protection is carried out. Joint research has been conducted with a number of universities to explore cutting-edge technologies such as low-carbon treatment and resource utilization of breeding manure, and remediation of coastal saline-alkali land with biogas fertilizer. The Jilin branch has established a biogas fertilizer R&D center, which uses an integrated water and fertilizer system to apply biogas slurry as water-soluble fertilizer to greenhouse vegetables at different growth stages. (3) The “pollutants disposal before discharging (減負還田)” approach has significantly reduced environmental pressure. A unique green model of ecological cycle, namely “feed production – pig breeding – manure treatment – biogas power generation/heating – manure return to the field – circular planting – circular aquaculture – feed raw materials”, has been constructed and continuously improved.

Feed business

Giving full play to synergistic advantages by deepening industrial collaboration

In the first half of the year, internal synergy in pig feed volume increased. The Group further deepened collaboration with Mengniu in ruminant feed sector, developing a new “Feed-Livestock-Dairy” industrial chain and optimizing the structure of farm customers.

Strengthening centralized procurement and adhering to refined management

In the first half of 2025, the feed segment vigorously increased the proportion of centralized procurement. Meanwhile, relying on a sound commercial intelligence system, fully analyze the market trend of corn and soybean meal, lock in positions in advance, and control the procurement cost of feed raw materials. We adhered to refined management, efficiently connected among the four aspects – technology R&D, raw material procurement, production quality control, and marketing services – enhancing efficiency through high inventory turnover and reducing inventory costs. The Group also enhanced the quality and service capabilities of its sales team and continued to optimize its team and product structure.

Establishing a feed professional committee to inject new momentum into R&D innovation

The breeding and feed businesses have integrated their research and development (R&D) efforts. In April 2025, the Feed Professional Management Committee was established, appointing three academicians of the Chinese Academy of Engineering as academic members. The committee focuses on tackling cutting-edge technologies in the feed industry. Research has been conducted in such fields as formula optimization technologies (including raw material selection, precision nutrition, and low-protein diets) and feed-related initiatives like antibiotic-free feed development and grain reduction in feed.

In June 2025, the Ruminant Nutrition Innovation Consortium was established to cooperate deeply with well-known scientific research institutions and study utility model patent technologies for ruminant nutrition. The Consortium and industrial research institutions formed an expert team to conduct application research and experiments in Ningxia and other regions. The team made breakthroughs in key areas such as feed formula optimization, selenium source selection, and the rate of biotransformation rate, in order to overcome the R&D bottleneck of selenium-enriched Tan sheep meat. The research result has been applied for a patent.

Fresh pork business

Quality commitment: creating a differentiated competitive edge to reinforce premium quality recognition

We continued to strictly control product quality with high standards to improve capability/price ratio of products. With linseed-fed and antibiotic-free pork as the core, we have created differentiated selling points. In early 2025, linseed-fed pork products won the Superior Taste Award (國際美味獎) issued by the International Taste Institute (國際風味評鑒所), reinforcing the recognition of our products in safety, deliciousness, health, and premium quality.

In the first half of 2025, the sales volume of fresh pork reached 150,000 tons, representing a year-on-year increase of 25.1%. The overall revenue of the fresh pork business was RMB2.54 billion, representing a year-on-year increase of 21.1%. Revenue from brand business reached RMB792 million, representing a year-on-year increase of 41.5%. The outstanding profitability of the brand business contributed to a significant year-on-year decrease of loss of RMB23.34 million in the fresh pork segment's performance during the Reporting Period.

Channel deepening: full-chain coverage and omnichannel volume expansion

In the first half of 2025, we expanded the brand channel for premium yet affordable products with “safe, delicious, and healthy” features in the fresh food segment, by establishing new branches, we also expanded the coverage of our supermarkets channel in line with the trends of shrinking traditional supermarkets and the rising of new retails and supermarkets. We focused on developing renowned channels that set a good example, improving our end-to-end visibility and increasing our sales volume markedly. Our antibiotic-free linseed-fed pork products were recommended by e-commerce platforms as they are favored by consumers for its high-quality and stable products, combined with stable supply secured by efficient cooperation with supply chain. This gradually enhanced platform stickiness and sustained the year-on-year increase of sales volume of linseed-fed pork products at a high rate.

Brand communication: product-centric precision targeting with emotional resonance to address customers’ pain points

The strategy of brand communication focused on the interplay among three perspectives of “precision targeting, brand image cultivation, and addressing pain points”. We concentrated on linseed-fed pork, precisely targeted at household and bundled parent-child scenarios with quality perception, breaking down customers’ pain points through age-targeted health solutions. The Company made dynamic adjustments to its channels based on consumption figures, achieving breakthroughs in brand value and sales growth.

In terms of precise targeted advertising, the Group put more effort in households with children in regions such as Beijing, Shanghai, Guangzhou, and Shenzhen. Through a counter-seasonal advertising strategy, the campaign leverages high-traffic media such as LED screens at metro shopping districts to reach 260 million people, establishing efficient brand recognition and conversion.

In the field of brand image cultivation, based on the core emotional touchpoint of parent-child family, the Company made precise targeted advertising to reach potential customers through cheerleader competitions by 100 schools, marathon competitions and other sports activities as well as AI innovation competitions etc. By leveraging endorsements by the national team athletes and in-depth reporting from national media, the Company established a quality identity of “trusted and healthy”.

With regard to addressing customers’ pain point, the Company deeply fortified the differentiated application scenarios of linseed-fed pork, constructed an all-audience communication matrix focusing on “DHA for children’s cognitive development, low-fat for the fitness, and high-calcium for the senior”.

Processed meat product and meat import business

Processed meat: enhancing products, enlarging production capacity, expanding markets, achieving year-on-year sales growth

By leveraging strong supply chain management capabilities, we fully exploited the advantages of the integrated industrial chain for pork to consolidate and advance the development of pork products. Meanwhile, we vigorously innovated in beef products, expanded beef product categories centered on young consumers' usage scenarios, and created differentiated selling points for beef products.

The Company acquired a high-quality meat deep-processing plant with an annual production capacity of 9,000 tons in Pinghu City, Jiaxing, Zhejiang Province, which is located in the core sales area. By synergizing with our R&D center in Shanghai, it can more efficiently respond to market demand. Meanwhile, the second-phase factory in Dongtai is expected to start production by the end of 2025, and the planned production capacity of the processed meat product business will increase from 23,000 tons per year to 52,000 tons per year.

The Company focused on building a terminal service-oriented management system to improve operational efficiency and customer satisfaction. Meanwhile, it vigorously expanded market channels through the “B+C dual-driven” strategy, resulting in a significant increase in the yield rate. At the business-to-business (B2B) end, in synergy with the meat import business, we took advantage of the industrial chain to consolidate and expand key customers of fast food. The new product “Crispy Pork Chop” (香脆炸豬排) entirely entered into 10 stores of “Yujian Xiaomian” (遇見小麵) in Hong Kong, which was widely favored among Hong Kong consumers, with sales volume far exceeding expectations. At the business-to-consumer (B2C) end, relying on the brand renewal and upgrade of Maverick, the Company developed leading products that accurately targeting consumption scenarios to enhance the competitiveness of channels and brand value.

In the first half of the year, raw material costs increased due to the increase in beef prices. However, the Company increased the sales volume of existing products, developed new products and developed new customers, so that the sales volume of processed meat products in the first half of the year increased year-on-year.

Meat import business: Accurately analyzing market conditions and further promoting downstream channels to build a beef value chain

In the first half of the year, under the circumstance where the national beef import volume declined, the Company accurately judged the increasing vibration of the beef market, and arranged upstream procurement in advance to grasp the procurement time; further promoted downstream channels and continued to explore valued customers; built up the beef value chain and deepened the integration of processing and trade, thereby growing in scale against the trend.

IV. Financial Review

Overall Performance

In the first half of 2025, the revenue of the Group was RMB8,963 million, representing an increase of RMB1,480 million as compared with RMB7,483 million for the same period in 2024. Prior to biological assets fair value adjustments, the profit for the period of the Group was RMB203 million, as compared with net loss for the same period in 2024 of RMB315 million.

Revenue

In the first half of 2025, the revenue of the Group was RMB8,963 million, representing an increase of 19.8% as compared with RMB7,483 million for the same period in 2024, mainly attributable to the stable development and improved production efficiency of hog production business.

Gross Profit Margin

In the first half of 2025, the gross profit margin before biological assets fair value adjustments of the Group was 8.2%, representing a year-on-year increase of 7.2 percentage points. The increase in gross profit margin was mainly attributable to the hog production business.

Selling and Distribution Expenses/Administrative Expenses

In the first half of 2025, the total selling and distribution expenses and administrative expenses of the Group amounted to RMB569 million, representing an increase of RMB42 million as compared with RMB527 million for the same period last year.

Finance Costs

In the first half of 2025, the Group's finance costs amounted to RMB65 million, as compared with RMB65 million in the same period of 2024.

Other Income, Other Gains and Losses

In the first half of 2025, the Group's other income, other gains and losses amounted to a total gain of RMB145 million, representing a decrease of RMB81 million as compared with that of the same period in 2024. It was mainly attributable to the impact of dividend revenue and the fair value of foreign currency forward contracts.

Profit/(Loss) for the Period

For the reasons above, the Group recorded a net profit of RMB203 million before biological assets fair value adjustments in the first half of 2025, as compared with the net loss of RMB315 million before biological assets fair value adjustments in the same period in 2024.

Significant Investments and Material Acquisitions and Disposals of Subsidiaries

The Group had neither any significant investments nor any significant acquisitions and disposals of subsidiaries in the first half of 2025.

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 June 30, 2025, the cash and bank balances owned by the Group amounted to approximately RMB636 million (December 31, 2024: approximately RMB1,064 million). The decrease in cash and bank balances by RMB428 million was mainly due to the concentration of its capital to improve liquidity and the reduction in capital positions.

As at June 30, 2025, our current ratio was 0.72 (December 31, 2024: 0.75). As at June 30, 2025, our unused bank credit facilities were RMB9,897 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 the first half of 2025, the EBITDA of the Group (before biological assets fair value adjustments)¹ was RMB834 million (the same period in 2024: RMB245 million). The EBITDA of the Group (after biological assets fair value adjustments)² was RMB811 million (the same period in 2024: RMB793 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 amortization 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 the first half of 2025, cash generated from our operating activities was RMB106 million (used in the same period in 2024: RMB513 million). Cash used in our investment activities was RMB2,452 million (used in the same period in 2024: RMB552 million), including RMB939 million for the purchase of property, plant and equipment (the same period in 2024: RMB527 million). Cash generated from our financing activities was RMB1,927 million (generated in the same period in 2024: RMB273 million). Our time deposits with maturity of over three months decreased by RMB9.43 million from the beginning of 2025. The changes in our foreign exchange rates resulted in losses of RMB0.01 million. In summary, in the first half of 2025, our net decrease in cash and bank balances was RMB428 million.

Capital Structure

As at June 30, 2025, the total number of issued shares of the Company was 4,581,998,323 shares.

As at June 30, 2025, the Group had interest-bearing bank loans of approximately RMB7,551 million (December 31, 2024: approximately RMB4,231 million). The annual interest rate on bank loans ranged from 0.92% to 2.79% (December 31, 2024: from 0.62% to 3.45%). 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>	June 30, 2025	December 31, 2024
Within 1 year	6,190	2,609
1 to 2 years	536	1,048
2 to 5 years	615	389
Over 5 years	210	185
Total	<u>7,551</u>	<u>4,231</u>

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

<i>Unit: RMB in million</i>	June 30, 2025	December 31, 2024
Fixed-rate borrowings	4,626	2,494
Variable-rate borrowings	2,925	1,737
Total	<u>7,551</u>	<u>4,231</u>

As at June 30, 2025, the Group had loans from related parties of approximately RMB601 million (December 31, 2024: approximately RMB1,899 million).

As at June 30, 2025, the Group had net assets of approximately RMB9,917 million (December 31, 2024: approximately RMB9,593 million). Net debts³ of the Group amounted to approximately RMB7,516 million (December 31, 2024: approximately RMB5,066 million), while the net debt-to-equity ratio⁴ was approximately 75.8% (December 31, 2024: approximately 52.8%).

Notes:

3. Net debts of the Group refer to interest-bearing bank loans and loans from related parties less cash and bank balances.
4. Net debt-to-equity ratio refers to interest-bearing bank loans and loans from the related parties less cash and bank balances, divided by total equity and multiplied by 100%.

Contingent Liabilities and Pledge of Assets

As at June 30, 2025 and December 31, 2024, the Group had no significant contingent liabilities.

As at June 30, 2025 and December 31, 2024, 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 the first half of 2025, the Group's capital expenditure was RMB942 million (the same period in 2024: RMB565 million). The following table sets forth our capital expenditure for the years indicated:

<i>Unit: RMB in million</i>	For the six months ended June 30,	
	2025	2024
Payments for property, plant and equipment	939	527
Payments for right-of-use assets	2	35
Payments for intangible assets	1	3
Total	<u>942</u>	<u>565</u>

As of the first half of 2025, our capital expenditure was mainly used for the continued construction of the fresh hog farms in Jilin 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 June 30, 2025, capital commitment of the Group was RMB1,563 million (December 31, 2024: RMB1,551 million).

Biological Assets

Biological assets of the Group primarily consist of commodity pigs at different growth stages and breeding hogs used for animal production in the future. The fair value of our biological assets was RMB3,702 million as at June 30, 2025 and RMB3,309 million as at December 31, 2024. 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 the first half of 2025 and the same period in 2024, such adjustments have resulted in an increase of RMB536 million and a decrease of RMB103 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 RMB311 million (the same period in 2024: losses of RMB48 million); gains arising from changes in fair value of biological assets less cost of sales amounted to RMB343 million (the same period in 2024: gains of RMB584 million). In general, the net effect of adjustment in fair value of biological assets on profit was gains of RMB119 million during the current period, as compared with the gains of RMB638 million during the same period in 2024.

V. Human Resources

14,243 employees were hired for the continuing operations of the Group as at June 30, 2025 (June 30, 2024: 12,075 employees). Remuneration for employees was determined based on their job nature, individual performance and the market trends. For the six months ended June 30, 2025, total remuneration of the Group amounted to approximately RMB980 million (same period of 2024: approximately RMB847 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.

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:

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, foot-and-mouth disease, 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 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.

Market Competition and Market Change Risks

Market competition and market change risks refer to the possibility of reducing market share and revenue of a corporation due to changes in market and competitive environment, including market price fluctuation. On the one hand, as affected by economy and consumption concept, there was no obvious sign of recovery in demand for meat products, together with the lower expected growth in pork consumption, which caused sluggish hog price. On the other hand, the concentration ratio of the hog production increased significantly, the stock of breeding sows and hog production volume both were in relatively higher level. The hog production capacity in China was higher than reasonable level, leading to less momentum to hog price. Impacted by uncertainty such as import tariff, material costs such as feed were subject to fluctuation to a larger extent. As a result of foregoing, fluctuations in procurement and sale prices may lead to higher costs or lower profits due to relationship between supply and demand and external environment.

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 Provision for Management of Safe Production (《安全生產管理規定》), Measures for Administration of Production Safety Accidents (《生產安全事故管理辦法》), 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.

Environmental Protection Risks

Environmental protection risks refer to risks of corporate property loss and bad influence on social image due to excessive emission of pollutants and environmental pollution resulted from deficient environmental protection facilities and unstable operation. The Group has formulated systems, such as Regulations of Administration on Energy Conservation and Environmental Protection (《節能環保管理規定》), Measures for Supervision and Administration of “Three Simultaneities” for Construction Projects (《建設項目“三同時”監督管理辦法》) and Emergency Plans for Environmental Pollution Accidents (《環境污染事故應急預案》), which defined the requirements of environmental protection compliance and standardized the emergency management of environmental pollution accidents to effectively carry out environmental protection risk prevention. The Group has established environmental risk warning and monitoring system, formulated specific early warning indicators and bottom line indicators, and regularly carried out environmental inspection, systematically checked the environmental protection problems of its subsidiaries, and followed up the implementation of rectifications, so as to effectively implement the responsibility of environmental protection.

VII. Outlook

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

Firstly, we will vigorously promote cost control across the entire value chain. Drive cost reduction with the involvement of all factors, all links, and all employees, establish special improvement tasks, and build the Company's cost competitiveness to navigate the cycles of the industry.

Secondly, we will resolutely promote technological innovation to facilitate the Company's transformation and upgrading. In the field of breeding, we will continue to improve the level of genomic breeding technology, accumulate breeding hog's genomic database, and newly cultivate domestic high-quality pig breeds with excellent meat quality and high performance, as well as deepen university-enterprise cooperation to accelerate the conversion of scientific research achievements. In the field of feed research and development, we will rely on the newly established feed professional committee to accelerate the improvement of the nutrition database and reduce the cost of formulas through timely substitution of advantageous raw materials. In the area of digitalization and intelligence, we will adhere to the standardization of technology system, the digitization of business management and the intelligentization of operation management.

Thirdly, we will put more efforts on branding. We will clarify the positioning of two major brands of Joycome and Maverick, carrying out integrated marketing through targeting at core demographic groups and focusing on "quality + convenience" to continuously enhance brand power.

Fourthly, we will continue to practice the concept of green development. we will adhere to the green, low-carbon and circular development pathway with integration of planting and breeding and apply new technologies and processes to accelerate the harmless treatment and resource utilization of manure, so as to lead the green development of the industry.

Fifthly, we will develop a robust talent cultivation and motivation system and boost team vitality. We will improve positive incentive system, and continue to improve the training system of the "Five-Star Program", so as to enhance the development of talents in an all-round way.

OTHER EVENTS

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2025.

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**"). The Company has fully complied with all code provisions set out in the Corporate Governance Code during the six months ended June 30, 2025. The Board will continue to review and enhance the Company's corporate governance practices to ensure compliance with the Corporate Governance Code.

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 to the Listing Rules as a code of conduct for 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 six months ended June 30, 2025.

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 six months ended June 30, 2025 (including sale of treasury shares as defined in the Listing Rules (if any)). For the six months ended June 30, 2025, there were no treasury shares held by the Company.

SUBSEQUENT EVENTS

As at the date of this announcement, the Group has no material subsequent events after June 30, 2025 which are required to be disclosed.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended June 30, 2025. The Audit Committee is of the view that the interim results of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2025 have been reviewed by the auditor of the Company, Baker Tilly Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants.

PUBLICATION OF INTERIM REPORT

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

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

Beijing, PRC, August 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.