中粮
COFCO
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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, 2026

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, 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025 as follows:

HIGHLIGHTS

Key Operating Data	**Six months ended June 30,**		
	2026	2025	year-on-year
Average selling price of finished hogs (RMB/kg)	**10.27**	14.59	-29.6%
Fresh pork sales volume (unit: '000 tons)	**197**	150	31.0%
Branded small-packed fresh pork sales volume (unit: '000 packs)	**37,548**	27,792	35.1%
Ratio of revenue from branded business of total fresh pork business[1]	**34.7%**	31.2%	+3.5ppts
Feed sales volume (unit: '000 tons)	**1,057**	958	10.3%

Key Financial Data	**Six months ended June 30,**			
	2026		2025	
	Before biological assets fair value adjustments	**After biological assets fair value adjustments**	Before biological assets fair value adjustments	After biological assets fair value adjustments
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Revenue[2]	**8,735,712**	**8,735,712**	8,963,004	8,963,004
(Loss)/profit for the period[3]	**(1,095,057)**	**(1,559,032)**	203,390	321,951
(Loss)/profit attributable to the owners of the Company[4]	**(1,089,401)**	**(1,553,376)**	198,174	316,735
Basic (loss)/earnings per share[5]	**RMB(0.2378)**	**RMB(0.3390)**	RMB0.0433	RMB0.0691

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 3.5 percentage points year-on-year.

2. Revenue of the Group was RMB8,736 million, representing a year-on-year decrease of 2.5%, mainly attributable to the decrease in the selling prices of hog, risk control and proactive volume reduction in the meat import business during the Reporting Period.

3. The loss for the period before fair value adjustments of biological assets was RMB1,095 million, representing a turnaround from profit to loss year-on-year. During the Reporting Period, the Company continued to deepen cost management across the entire value chain. Through the continuous advancement of breeding research and development, as well as the optimization and enhancement of procurement, production and health management, farming costs improved significantly. At the same time, hog futures tools were utilized to hedge against certain operational risks; new product research and development, brand investment and channel expansion were continuously strengthened, driving an outstanding overall performance in the branded business; and the feed business deepened its focus on product innovation and market expansion, achieving a year-on-year growth in scale. However, the above measures could not fully offset the impact brought by the decline in the selling prices of hog on the farming performance, resulting in a year-on-year decrease in the overall profitability level.

4. Loss attributable to the owners of the Company before fair value adjustments of biological assets amounted to RMB1,089 million. Loss attributable to the owners of the Company after fair value adjustments of biological assets amounted to RMB1,553 million. The biological assets fair value was adjusted based on the hog price at the end of June 2026.

5. The basic (loss)/earnings per share represent the (loss)/profit attributable to the owners of the Company divided by the weighted average number of ordinary shares for the period.

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2026.

FINANCIAL INFORMATION

The following financial information is a summary of the unaudited condensed consolidated financial statements for the six months ended June 30, 2026 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, 2026

(Expressed in Renminbi)

		Six months ended June 30,					
		2026			2025		
	NOTES	**Results before biological assets fair value adjustments** *RMB'000* **(Unaudited)**	**Biological assets fair value adjustments** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**	Results before biological assets fair value adjustments *RMB'000* (Unaudited)	Biological assets fair value adjustments *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Revenue	*3*	**8,735,712**	**–**	**8,735,712**	8,963,004	–	8,963,004
Cost of sales		**(9,166,225)**	**871,823**	**(8,294,402)**	(8,232,263)	(535,513)	(8,767,776)
Gross (loss)/profit		**(430,513)**	**871,823**	**441,310**	730,741	(535,513)	195,228
Other income	*5*	**133,121**	**–**	**133,121**	164,147	–	164,147
Other gains and losses	*6*	**(15,714)**	**–**	**(15,714)**	(19,051)	–	(19,051)
Selling and distribution costs		**(303,960)**	**–**	**(303,960)**	(266,477)	–	(266,477)
Administrative expenses		**(359,036)**	**–**	**(359,036)**	(302,922)	–	(302,922)
Share of results of associates		**–**	**–**	**–**	(12,355)	–	(12,355)
(Loss)/gain arising from agricultural produce at fair value less costs to sell at the point of harvest		**–**	**(642,567)**	**(642,567)**	–	310,809	310,809
(Loss)/gain arising from changes in fair value less costs to sell of biological assets		**–**	**(693,231)**	**(693,231)**	–	343,265	343,265
Finance costs	*7*	**(96,294)**	**–**	**(96,294)**	(64,782)	–	(64,782)
(Loss)/profit before tax	*8*	**(1,072,396)**	**(463,975)**	**(1,536,371)**	229,301	118,561	347,862
Income tax expense	*9*	**(22,661)**	**–**	**(22,661)**	(25,911)	–	(25,911)
(Loss)/profit for the period		**(1,095,057)**	**(463,975)**	**(1,559,032)**	203,390	118,561	321,951

	NOTES	Six months ended June 30, 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Other comprehensive (expense)/income net of income tax:			
Items that will not be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on equity instrument at fair value through other comprehensive income held at the end of the period		**(24,021)**	1,690
Income tax credit/(expense) relating to item that will not be reclassified subsequently to profit or loss		**6,005**	(422)
Other comprehensive (expense)/income for the period, net of income tax		**(18,016)**	1,268
Total comprehensive (expense)/income for the period		**(1,577,048)**	323,219
(Loss)/profit for the period attributable to:			
Owners of the Company		**(1,553,376)**	316,735
Non-controlling interests		**(5,656)**	5,216
		(1,559,032)	321,951
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		**(1,571,392)**	318,003
Non-controlling interests		**(5,656)**	5,216
		(1,577,048)	323,219
(Loss)/earnings per share:			
Basic	*10*	**RMB(0.3390)**	RMB0.0691

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026
(Expressed in Renminbi)

	NOTES	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
Non-current assets			
Goodwill		**100,609**	100,609
Property, plant and equipment		**13,822,642**	13,538,674
Right-of-use assets		**756,119**	786,818
Intangible assets		**23,771**	26,798
Investments in associates		**22,292**	–
Equity instrument at fair value through other comprehensive income ("**FVTOCI**")		**82,178**	106,199
Biological assets		**874,545**	866,430
Prepayments for purchase of property, plant and equipment		**2,370**	6,038
Deferred tax assets		**4,835**	7,048
		15,689,361	15,438,614
Current assets			
Inventories		**1,828,449**	1,610,724
Biological assets		**2,488,411**	2,687,595
Account and bills receivables	*12*	**479,806**	363,118
Prepayments, deposits and other receivables		**447,911**	375,916
Other current assets		**497,777**	493,689
Financial assets at fair value through profit or loss		**968**	28,020
Amounts due from related companies	*13*	**556,521**	134,638
Cash and bank balances		**940,299**	581,576
		7,240,142	6,275,276

	NOTES	**June 30, 2026** *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Current liabilities			
Account payables	*14*	**1,013,903**	951,645
Other payables, accruals and deposits received		**1,382,120**	1,171,816
Lease liabilities		**45,337**	50,892
Contract liabilities		**460,161**	320,058
Bank borrowings		**6,597,710**	6,489,990
Amounts due to related companies	*13*	**157,313**	110,688
Loans from related companies		**1,152,500**	1,342,500
Financial liabilities at fair value through profit or loss		**22,031**	4,625
Current tax liabilities		**10,730**	15,487
		10,841,805	10,457,701
Net current liabilities		**(3,601,663)**	(4,182,425)
Total assets less current liabilities		**12,087,698**	11,256,189
Non-current liabilities			
Bank borrowings		**4,164,405**	1,737,821
Loans from a related company		**111,641**	109,873
Deferred income		**118,713**	109,984
Deferred tax liabilities		**43,484**	50,238
Long-term payable		**76,303**	73,434
Lease liabilities		**321,703**	330,662
		4,836,249	2,412,012
Net assets		**7,251,449**	8,844,177
Capital and reserves			
Share capital		**1,668,983**	1,668,983
Reserves		**5,393,621**	6,965,013
Equity attributable to owners of the Company		**7,062,604**	8,633,996
Non-controlling interests		**188,845**	210,181
Total equity		**7,251,449**	8,844,177

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026

(Expressed in Renminbi)

1 BASIS OF PREPARATION

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, 2026 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, 2025.

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.

As at June 30, 2026, the Group's current liabilities exceeded its current assets by approximately RMB3,601,663,000. 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, 2026 are the same as those presented in the Group's annual financial statements for the year ended December 31, 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on January 1, 2026 for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards-Volume 11

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

Disaggregation of revenue from contracts with customers

	For the six months ended June 30, 2026					
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	**2,543,172**	**–**	**–**	**–**	**–**	**2,543,172**
Feed products	**–**	**2,589,633**	**–**	**–**	**–**	**2,589,633**
Fresh pork	**–**	**–**	**2,472,073**	**–**	**–**	**2,472,073**
Processed meat products	**–**	**–**	**–**	**384,205**	**–**	**384,205**
Imported meat products	**–**	**–**	**–**	**–**	**746,629**	**746,629**
Total	**2,543,172**	**2,589,633**	**2,472,073**	**384,205**	**746,629**	**8,735,712**
Timing of revenue recognition						
A point in time	**2,543,172**	**2,589,633**	**2,472,073**	**384,205**	**746,629**	**8,735,712**

	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

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.

4 SEGMENT INFORMATION (CONTINUED)

Specifically, the Group's reportable 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

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)**
Six months ended June 30, 2026								
Segment revenue								
External customers	**2,543,172**	**2,589,633**	**2,472,073**	**384,205**	**746,629**	**8,735,712**	**–**	**8,735,712**
Inter-segment sales	**1,688,619**	**746,844**	**26,395**	**600**	**303,733**	**2,766,191**	**(2,766,191)**	**–**
Segment revenue	**4,231,791**	**3,336,477**	**2,498,468**	**384,805**	**1,050,362**	**11,501,903**	**(2,766,191)**	**8,735,712**
Segment results	**(993,650)**	**54,828**	**24,418**	**(12,233)**	**24,029**	**(902,608)**		**(902,608)**
Unallocated corporate income								**26**
Unallocated corporate expenses								**(73,520)**
Fair value adjustments on biological assets and agricultural produce								**(463,975)**
Finance costs								**(96,294)**
Loss before tax								**(1,536,371)**

	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)
Six months ended June 30, 2025								
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	4,493,500	3,127,020	2,540,008	379,723	1,220,307	11,760,558	(2,797,554)	8,963,004
Segment results	243,889	55,812	(4,296)	6,183	15,796	317,384		317,384
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								347,862

4 SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

Segment (loss)/profit represents the (loss)/profit 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,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income from banks	**89**	1,021
Interest income from a related company	**3,368**	4,547
	3,457	5,568
Dividend income from equity instruments at FVTOCI	**–**	37,500
Government grants*	**23,154**	21,707
Insurance compensation	**106,510**	99,372
	133,121	164,147

* Government grants are mainly related to innocuous treatment of dead hogs. There are no unfulfilled conditions or contingencies relating to these grants.

Government grants related to acquisition of land 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 approximately RMB6,449,000 for the six months ended June 30, 2026 (six months ended June 30, 2025: approximately RMB3,345,000).

6 OTHER GAINS AND LOSSES

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Exchange gain, net	**145**	111
Loss on disposal of property, plant and equipment, net	**(240)**	(512)
Gain on lease modification	**9**	65
Write-down of inventories to net realisable value	**(15,001)**	(2,459)
Reversal of impairment on account receivables, net	**93**	3
Reversal of impairment on other receivables, net	**8**	20
Reversal of impairment on amounts due from related companies	**731**	226
Realised and unrealised gain/(loss) on fair value changes in respect of foreign currency forward contracts, net	**1,836**	(13,563)
Loss on fair value changes of financial assets at fair value through profit or loss	**(42)**	–
Others	**(3,253)**	(2,942)
	(15,714)	(19,051)

7 FINANCE COSTS

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on:		
– Bank borrowings	**85,884**	52,509
– Loans from related companies	**13,410**	14,594
– Lease liabilities from the third parties	**6,377**	7,981
– Long-term payable	**2,869**	2,987
Total borrowing costs	**108,540**	78,071
Less: borrowing costs capitalised in the cost of qualifying assets	**(12,246)**	(13,289)
	96,294	64,782

8 (LOSS)/PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories recognised as expenses	**9,255,978**	8,210,681
Realised and unrealised (gain)/loss on fair value changes in respect of commodity futures contracts, net	**(89,753)**	21,582
(Gain)/loss on fair value changes in respect of biological assets	**(871,823)**	535,513
Total cost of sales	**8,294,402**	8,767,776
Depreciation of property, plant and equipment	**413,225**	363,967
Depreciation of right-of-use assets	**31,273**	30,598
Amortisation of intangible assets	**3,898**	3,962
Total depreciation and amortisation	**448,396**	398,527
Less: Capitalised in biological assets	**(287,738)**	(237,688)
	160,658	160,839

9 INCOME TAX EXPENSE

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

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
– The People's Republic of China (the "**PRC**") Enterprise Income Tax ("**EIT**")	**20,215**	27,504
– PRC withholding tax	**84**	–
Under/(over) provision in prior years:		
– PRC EIT	**898**	(1,085)
	21,197	26,419
Deferred tax:		
– Current period	**1,464**	(508)
Income tax expense	**22,661**	25,911

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, 2026 (six months ended June 30, 2025: 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, 2026 (six months ended June 30, 2025: 25%).

Certain operations of the Company's certain subsidiaries were exempted from PRC income taxes during both 2026 and 2025. 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, 2026 and 2025.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

10 (LOSS)/EARNINGS PER SHARE

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

(Loss)/earnings

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(Loss)/earnings for the purpose of basic earnings per share		
(Loss)/profit for the period attributable to the owners of the Company	**(1,553,376)**	316,735

Number of shares

	Six months ended June 30,	
	2026	2025
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**4,581,998**	4,581,998

No diluted (loss)/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, 2026 and 2025. The board of directors of the Company has resolved not to declare any interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

12 ACCOUNT AND BILLS RECEIVABLES

	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Account receivables from contracts with customers	**484,933**	368,977
Less: Allowance for credit losses	**(5,127)**	(6,559)
	479,806	362,418
Bills receivables	**–**	700
Total account and bills receivable	**479,806**	363,118

12 ACCOUNT AND BILLS 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, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**479,675**	360,843
90 to 180 days	**131**	141
180 days to 1 year	**–**	1,434
	479,806	362,418

An aged analysis of the bills receivables as at the end of the reporting period, based on the issue dates, is as follows:

	June 30, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**–**	300
90 to 180 days	**–**	400
	–	700

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, 2026 were receivables of trade nature amounting to approximately RMB49,872,000 (December 31, 2025: approximately RMB44,248,000), 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, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**29,027**	27,801
Over 90 days but less than 1 year	**5,543**	–
Over 1 year	**15,302**	16,447
	49,872	44,248

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.

13 BALANCES WITH RELATED COMPANIES (CONTINUED)

Included in amounts due to related companies as at June 30, 2026 were payables of trade nature amounting to approximately RMB117,117,000 (December 31, 2025: approximately RMB86,617,000), 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, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**114,487**	81,280
Over 90 days but less than 1 year	**2,159**	5,337
Over 1 year	**471**	–
	117,117	86,617

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, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Account payables	**1,013,903**	951,645

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, 2026	December 31, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**1,013,352**	950,986
1 to 2 years	**513**	659
Over 2 years	**38**	–
	1,013,903	951,645

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, and 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 "Joycome (家佳康)" chilled pork, "Maverick (萬威客)" low-temperature meat products, "FEEDING THE FUTURE (五穀豐登)" complete feed and "RANKING (銳科)" premix continues to rise in popularity.

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 and 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. With high-quality products, sound technical services and corporate reputation, the core brands of COFCO Feed, "FEEDING THE FUTURE (五穀豐登)" and "RANKING (銳科)", have gained increasing brand influence and a steadily expanding market presence. 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 (家佳康)" 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 three modern processed meat product processing bases in Jiangsu, Zhejiang and Guangdong. Meanwhile, our two brands, namely "Maverick (萬威客)" and "Joycome (家佳康)", 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 2026, feed production in China grew slightly year-on-year. According to the China Feed Industry Association, a total of 168.50 million tons of industrial feed were produced across China in the first half of the year, representing a year-on-year increase of 3.9%.

In terms of feed ingredients, prices of major feed ingredients showed divergence. Corn spot prices rose slightly in the first half of the year, increasing from RMB2,310/ton at the beginning of the year to RMB2,350/ton by the end of June, with the average price up 5.0% year-on-year in the first half of the year. Meanwhile, soybean meal prices went upward and then downward, peaking at RMB3,439/ton in March before dropping to RMB2,888/ton by the end of June, with the average price for the first half of the year decreasing by 5.9% year-on-year.

Competition in the feed industry is becoming increasingly intense, with the continuous acceleration of technological upgrades and significant structural differentiation in the market. The competition for existing market share in traditional pig and poultry feed has intensified. The continuous advancement of large-scale ruminant farming has driven the expansion of demand for ruminant feed. At the same time, underpinned by the Greater Food approach, the development of offshore and deep-sea aquaculture and modern marine ranching is accelerating, which drives the development of aquatic feed, thereby highlighting growth opportunities in market sub-segments.

Strong supply and weak demand in the hog market, with hog prices gradually stabilizing after bottoming out

According to the data from the National Bureau of Statistics, the hog production volume was 372 million heads in the first half of 2026, representing a year-on-year increase of 1.7%, while pork output totaled 31.19 million tons, representing a year-on-year increase of 3.3%. As of the end of June 2026, the stock of breeding sows stood at 37.80 million heads, representing a year-on-year decrease of 6.5%, which is 100.8% of the normal reserves of 37.50 million heads.

In the first half of the year, the hog market generally experienced strong supply and weak demand, with hog prices exhibiting a trend of gradually stabilizing after bottoming out. In early and mid-January, driven by restocking prior to the Lunar New Year, hog prices rose to a year-to-date high of RMB13.2/kg. In late February, due to strong supply and weak demand, the decline in hog prices accelerated. In April, hog prices dropped to a year-to-date low of RMB8.7/kg, and then fluctuated within a narrow range of RMB9.4/kg to RMB10.1/kg from May to June. Mysteel Data showed the average hog price in China in the first half of the year was RMB10.44/kg, down 29.3% year-on-year.

Optimization of the consumer market structure and demand for health and quality drive the continuous unleashing of brand differentiation advantages

According to the data from the National Bureau of Statistics, in the first half of 2026, the domestic consumer market exhibited the characteristics of a slowdown in the growth rate of total volume and continuous optimization of its structure. In the first half of the year, the total retail sales of consumer goods amounted to RMB24.9 trillion, representing a year-on-year increase of 1.3%; the retail sales decreased by 0.6% year-on-year in May alone, and turned from a decrease to an increase in June, growing by 1.0% year-on-year, indicating a mild and relatively slow pace of recovery in the consumer market. Catering revenue reached RMB2.8 trillion, representing a year-on-year increase of 2.8%. Daily high-frequency consumer goods categories and online consumption maintained relatively rapid growth, and the driving force for consumption growth is undergoing a structural transition from volume expansion to quality improvement. Consumers' pursuit of quality and emotional connection with brands has deepened. Branded small-packed antibiotic-free linseed-fed pork has demonstrated clear differentiated advantages due to its high quality, standardization and nutritional health benefits, gaining more brand recognition and consumer loyalty.

Beef imports increased, total meat imports fell to the lowest level in the past seven years

According to the statistics of the General Administration of Customs of the PRC, China's total meat imports in the first half of 2026 were 3.11 million tons, down 3.0% year-on-year, marking the lowest level in seven years. The import market showed structural changes: pork imports (excluding by-products) totaled 0.38 million tons, down 28.8% year-on-year and commanding 1.2% of national pork production; beef imports (excluding by-products) reached 1.53 million tons, up 17.5% year-on-year, accounting for 45.1% of national beef production.

III. Results of Operation

In the first half of 2026, the Company continued to advance key initiatives in line with its guiding principles of "cost leadership, technology empowerment, brand leadership, and green development". Although the selling prices of hogs declined during the Reporting Period, which squeezed the profit margins of the hog production business and led to a year-on-year decrease in overall profitability, core operating indicators improved steadily, and synergies among businesses were significantly enhanced. In the face of low hog prices, the Company persisted in deepening cost management across the entire value chain. Hog production costs decreased month-on-month, the advantages of brand differentiation continued to be unleashed, and the anti-cyclical capability of the entire industry chain was further strengthened.

The hog production segment continued to advance cost management across the entire value chain, with hog production costs decreasing month-on-month. At the same time, it accelerated the application of AI in hog production and research on breeding hogs, and the application of new quality productive forces took effect; the feed segment strengthened market research and forecasting, achieved efficient linkage among technology, procurement, production and sales, and demonstrated significant results in internal and external synergy. It upgraded its R&D platform, expanded specialty ruminant feed and aquatic feed, and enriched its product line, resulting in a steady increase in sales volume; the fresh pork segment turned from loss to profit, with its performance increasing by RMB28.71 million year-on-year. It continued to focus on linseed-fed pork as its core product, enriched its product lines, and deepened its omni-channel layout. In the first half of 2026, branded small-packed fresh pork sales volume increased by 35.1% year-on-year, among which linseed-fed pork sales surged by 123% year-on-year. The processed meat products segment and meat import segment deepened the trade plus processing business model. In the first half of 2026, it accurately grasped the market trends of imported beef, controlled risks, and improved profitability, while deeply cultivating downstream channels to build a value chain for imported beef.

Hog Production Business

Implementing multiple measures to cut production costs

During the first half of 2026, the production segment thoroughly implemented cost management across the entire value chain, and simultaneously advanced refined management in all stages including procurement, production, and operations, so as to continuously consolidate its cost competitive advantage. First, in terms of procurement, it expanded the categories of centralized procurement, incorporated chemical drugs, consumables, logistics, and others into unified negotiations, increased the proportion of centralized procurement, and reduced procurement prices. Second, in the production stage, it deepened the internal synergy between COFCO Feed and the production department, jointly optimized feed formulas, implemented precise on-site feeding, and improved feed conversion ratio, thereby reducing the feed usage costs of the production segment; it vigorously introduced professional veterinary talents, optimized the disease prevention and control system, and enhanced health levels; simultaneously, it advanced specific improvements in non-productive days, feed conversion ratio, environmental protection expenses, and energy costs, so as to comprehensively reduce production costs. Third, in the operations stage, it conducted precise internal and external benchmarking, improved the operational quality of lagging regions, and narrowed the cost gap between regions; it focused on labor efficiency enhancement, and optimized personnel allocation and employee incentives to fully mobilize employees' initiative; it optimized the production structure, and increased the proportion of finished hogs from cooperative farming operations, thereby reducing production costs while engaging and supporting farmers.

Enhancing the level of scientific and technological innovation and the commercialization of technological achievements

First, regarding system development, the Company established the Joycome Research Institute, under which six centers, including hog breeding, animal nutrition, animal health, meat product innovation, advanced intelligent manufacturing, and modern agriculture, were set up, and deepened our cooperation with universities and scientific research institutes. In the first half of 2026, focusing on industrial applications and the commercialization of technological achievements, the Company achieved phased results in areas such as swine breeding as well as digitalization and intelligentization, providing technical support for cost reduction and efficiency enhancement in our farming operations. Second, regarding genetic breeding, the Company continued to apply genomic selection technology for the selective breeding of breeding hogs, collaborated with COFCO Group and Huazhong Agricultural University to jointly tackle core challenges in hog breeding, and promoted the deep integration of research and development achievements with production operations. As a result, the accuracy of trait selection for breeding hogs has improved, and production performance has steadily enhanced. Concurrently, the Company accelerated herd rotation, leading to a continuous increase in the proportion of high-quality breeding hogs. Third, regarding smart farming, the Company accelerated the research and development of AI application technologies in farming. Leveraging the existing digital and intelligent operating platform, the Company completed the model construction and core technology research and development of three sub-modules, namely precise disease prevention and control, precise environmental control and energy conservation, and precise feeding. Through the linkage of big data analysis platform, the feeding plan of breeding stock and commodity pigs was dynamically optimized, thereby significantly improving various performance indicators and achieving precise regulation and risk prediction.

Practicing the ESG philosophy and promoting the development of agricultural industrialization

First, the integration of breeding and planting facilitates circular development. Adapting to local conditions, the Company implements the integration of planting and breeding, the resource utilization of waste, and the cascade development of energy. It has established and is continuously improving 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". The Company processes breeding manure into reusable biogas slurry and liquid fertilizer, and the application of biogas slurry to farmland as liquid fertilizer is scaled up, improving large areas of saline-alkali land and desertified land. Second, through engaging and supporting farmers to increase their income, the Company promotes the "Company + Base + Farmer" model to establish a cooperation mechanism featuring resource integration, risk sharing, and benefit sharing. By combining the enterprise's advantages in technology, capital, and markets with the farmers' advantages in land and labor, the Company achieves complementary strengths and mutually beneficial win-win outcomes. This consolidates cooperative relationships, enhances the operational capabilities of breeding households, assists farmers in income generation, continuously realises multiple win-win outcomes in environmental, social, and economic benefits, and facilitates the development of agricultural industrialisation.

Feed business

Strengthening market trend analysis and controlling raw material procurement costs

In the first half of 2026, the feed segment enhanced the precision of market trend analysis for bulk raw materials, grasped the procurement pace, and effectively controlled the procurement costs of feed raw materials; we adhered to refined management, achieved efficient coordination across the four areas – technology R&D, raw material procurement, production quality control, and marketing services – enhancing efficiency through high inventory turnover and comprehensively reducing costs.

Advancing internal and external synergies and market-oriented expansion in tandem to steadily increase sales volume

The Company continued to strengthen internal and external collaboration, with the internal synergy volume of hog feed in the first half of 2026 increasing year-on-year, while providing strong support for formula optimization and assisting the hog production segment in reducing feed costs, with synergy effects continuing to emerge. The Company further deepened synergy with Mengniu in ruminant feed, creating a new "Feed-Livestock-Dairy" industrial chain, with sales volume increasing significantly year-on-year. The Company proactively expanded market-oriented external sales, adhered to the business philosophy of "good products + good services", promoted development through "technology empowerment", optimized its full-category product portfolio covering livestock, poultry and aquaculture, focused on the three major strategic priorities of "ruminant feed, aquatic feed and premix", and developed key customers, with the sales volume of all three categories increasing year-on-year.

Upgrading the R&D platform and accelerating new product development

The Company deepened strategic cooperation with renowned universities and research institutions, upgraded its R&D platform, and focused on the R&D of ruminant feeds for functional dairy cows, selenium-rich meat sheep and marbled beef cattle, among others. The Company also conducted R&D on deep-sea fish feed and jointly developed aquatic feed with renowned domestic universities and research institutions to enhance product differentiation and improve product competitiveness.

Fresh pork business

Channel deepening: expanding regional coverage and deepening channel partnerships

In the first half of 2026, the fresh pork segment continued to optimize its network layout and expand brand coverage. At the business-to-consumer (B2C) end, the Company focused on channels such as supermarkets, franchised shops, front warehouses, and content-driven e-commerce. While consolidating its existing network channels, the Company actively explored new channels and completed multi-platform deployment. As a result, the number of cooperative outlets increased significantly year-over-year, reaching more consumers, and sales volume from B2C grew substantially. At the business-to-business (B2B) end, the Company accelerated the development of group meal services for government and enterprises, chain restaurants, and industrial clients, achieving year-over-year growth in B2B sales volume in the first half of 2026. At the same time, the Company continued to expand into the Hong Kong market, having entered two major supermarket chains, namely Wellcome and PARKnSHOP, with the number of cooperative stores steadily increasing. To meet the differentiated service needs of the Hong Kong market, the Company launched in-store marketing campaigns to strengthen unique selling points and establish brand recognition, thereby boosting sales volume.

Product research and development: enriching the linseed-fed product line to strengthen differentiated competitive advantages

We continued to strictly control product quality with high standards. With linseed-fed and antibiotic-free pork as the core, and in response to diverse consumers and consumption scenarios, the Company launched new products such as linseed-fed pork meatballs and pork marrow bones. At the same time, the Company actively integrated high-quality external resources, explored co-branded partnerships, and launched co-branded high-value-added linseed products to enrich its linseed product line and strengthen its differentiated competitive advantages.

In the first half of 2026, the sales volume of fresh pork reached 197,000 tons, representing a year-on-year increase of 31.0%, of which linseed-fed pork sales volume recorded an increase of 123% year-over-year. During the Reporting Period, driven by the growth of the branded business, the fresh pork segment achieved profitability, with results increasing by RMB28.71 million year-over-year.

Brand communication: focusing on core flagship products and sustaining brand investment

We focused on promoting our core products to precisely reach the target consumers, and expanded our influence in core cities. First, the White Paper on Consumption Trends of Linseed-fed Pork in China (《中國亞麻籽豬肉消費趨勢白皮書》) was released, which pioneered a dual-indicator framework of "nutrient density + sensory experience" to validate the scientific value and commercial viability of functional pork. The Company took the lead in formulating industry standards for linseed-fed pork, with the participation of nearly a hundred experts and core customers. Covered by dozens of media outlets, including CCTV and People's Daily, this initiative accelerated the transition of linseed-fed pork from corporate exploration to industry-wide consensus and consolidated our position as an industry leader. Second, we implemented integrated marketing. Continuing to center around "sports + aerospace", we strengthened our sports DNA through the "National Team's Chinese New Year's Eve Dinner" campaign, which received authoritative coverage from CCTV, and we continued to sponsor the Wuhan Marathon. Through "Aerospace-Themed Creative Dishes" culinary events and aerospace science lectures, we successfully reached over 1,000 families. Concurrently, offline promotions were rolled out across premium channels such as Freshippo (盒馬), driving a significant year-on-year increase in sales.

Processed meat products and meat import business

Processed meat: deepening the synergy of R&D, production, and sales, enhancing products, expanding markets, and achieving steady new production capacity ramp-up

In 2025, the Company acquired a high-quality meat deep-processing plant in Pinghu City, Jiaxing, Zhejiang Province, which commenced production at the end of 2025. Located in a core sales area and operating in coordination with the Shanghai R&D center, it responded to market demands more efficiently. The 20,000-tonne Dongtai Phase II plant in Jiangsu commenced production in April 2026 and has successfully passed the qualification review of major chain catering customers.

The Company established an integrated platform for the R&D, production, and sales of meat products, making concerted efforts across products, channels, and brands. First, we strengthened product competitiveness. Leveraging the Shanghai R&D center, we drove product upgrades through technological innovation, developed new products tailored to different consumption scenarios, and strengthened customer loyalty. Second, we strengthened channel capabilities. For the B2B end, we capitalized on the rising trend in beef prices to improve profitability, deepened partnerships with top-tier chain catering customers, optimized our product mix, and cultivated core flagship products. These efforts were reinforced by coordinated raw material procurement negotiations and intelligent upgrades of production lines to consolidate manufacturing competitiveness. For the B2C end, we continued to broaden our channel layout, and increased offline market penetration by focusing on channels with strong growth momentum such as small-to-medium community supermarkets, front warehouse, and content e-commerce. Online, we enhanced exposure, boosted sales volume through brand promotion, and expanded our customer base via top live streamers on e-commerce channels. Third, we enhanced brand equity. By focusing on holiday campaigns of leading front warehouses, brand weeks, and young consumers, we rolled out continuous online and offline marketing initiatives to rapidly boost brand visibility and drive higher order conversion rates.

Meat import business: strengthening market trend analysis, further promoting downstream channels to build a beef value chain

Since the beginning of the year, imported beef prices rose rapidly, and the Company accurately appraised macro market trends, actively advanced order-locking operations, appropriately maintained open exposure ratios, and maintained strict risk control. First, we adhered to decentralized and diversified direct procurement to build a competitive cost advantage while effectively mitigating risks. Second, we continued to advance the shift from the traditional raw material trading model towards a value-added deep-processing and supply chain management model. Downstream, we deepened the integration of processing and trading to increase product value and enhance supply chain resilience; upstream, we provided supply chain solutions for strategic customers to improve upstream and downstream stickiness, achieving a value leap from a traditional trading model to a service-oriented model. For the first half of 2026, the segment results of the meat import business amounted to RMB24.03 million, representing a year-on-year increase of 52.1%.

IV. Financial Review

Overall Performance

In the first half of 2026, the revenue of the Group was RMB8,736 million, representing a decrease of RMB227 million as compared with RMB8,963 million for the same period in 2025. Prior to biological assets fair value adjustments, the loss for the period of the Group was RMB1,095 million, as compared with the profit for the same period in 2025 of RMB203 million.

Revenue

In the first half of 2026, the revenue of the Group was RMB8,736 million, representing a decrease of 2.5% as compared with RMB8,963 million for the same period in 2025, mainly attributable to the decrease in the selling prices of hog, risk control and proactive volume reduction in the meat import business during the Reporting Period.

Gross Profit Margin

In the first half of 2026, the gross profit margin before fair value adjustments of biological assets of the Group was -4.9%, representing a year-on-year decrease of 13.1 percentage points. The Company continued to advance breeding research and development, and optimized procurement, production and health management, achieving significant cost improvements. Meanwhile, the Company strengthened the research and development of new products, increased brand investment, and enhanced channel expansion, resulting in an outstanding performance of the branded business. However, the above measures could not fully offset the impact brought by the decline in the selling prices of hog on the farming performance, resulting in a year-on-year decrease in the gross profit margin.

Selling and Distribution Expenses/Administrative Expenses

In the first half of 2026, the total selling and distribution expenses and administrative expenses of the Group amounted to RMB663 million, representing an increase of RMB94 million as compared with RMB569 million for the same period last year. Such increase was primarily attributable to the rise in relevant expenses resulting from the continuous advancement of breeding research and development, as well as the continuous strengthening of new product research and development, brand investment and channel expansion.

Finance Costs

In the first half of 2026, the Group's finance costs amounted to RMB96 million, representing an increase of RMB31 million as compared with RMB65 million in the same period of 2025. The increase was mainly attributable to an increase in the scale of bank borrowings.

Other Income, Other Gains and Losses

In the first half of 2026, the Group's other income, other gains and losses amounted to a total gain of RMB117 million, representing a decrease of RMB28 million as compared with RMB145 million in the same period of 2025. It was mainly attributable to the impact of dividend income.

(Loss)/Profit for the Period

For the reasons above, the Group recorded a net loss of RMB1,095 million before biological assets fair value adjustments in the first half of 2026, as compared with the net profit of RMB203 million before biological assets fair value adjustments in the same period in 2025.

Significant Investments and Material Acquisitions and Disposals of Subsidiaries

The Group had neither any significant investments nor any material acquisitions and disposals of subsidiaries in the first half of 2026.

Analysis on Capital Resources

Liquidity and Financial Policy

Adhering to the prudent 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 capital 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 the Group 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, 2026, the cash and bank balances held by the Group amounted to approximately RMB940 million (December 31, 2025: approximately RMB582 million). The increase in cash and bank balances by RMB359 million was mainly because an appropriate increase in cash reserves can enhance the Company's operational and debt repayment capabilities.

As at June 30, 2026, our current ratio was 0.67 (December 31, 2025: 0.60). As at June 30, 2026, our unused bank credit facilities were RMB11,793 million.

EBITDA and Cash Flow

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

In the first half of 2026, the EBITDA of the Group (before biological assets fair value adjustments)[1] was RMB-382 million (the same period in 2025: RMB834 million). The EBITDA of the Group (after biological assets fair value adjustments)[2] was RMB-992 million (the same period in 2025: RMB811 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 2026, cash used in our operating activities was RMB1,238 million (generated from the same period in 2025: RMB106 million). Cash used in our investing activities was RMB644 million (used in the same period in 2025: RMB2,452 million), including RMB663 million for the purchase of property, plant and equipment (the same period in 2025: RMB939 million). Cash generated from our financing activities was RMB2,241 million (generated from the same period in 2025: RMB1,927 million). The effect of exchange-rate changes on cash and cash equivalents resulted in losses of RMB0.49 million. In summary, in the first half of 2026, our net increase in cash and bank balances was RMB359 million.

Capital Structure

As at June 30, 2026, the total number of issued shares of the Company was 4,581,998,323 shares.

As at June 30, 2026, the Group had interest-bearing bank loans of approximately RMB10,762 million (December 31, 2025: approximately RMB8,228 million). The annual interest rate on bank loans ranged from 0.63% to 2.79% (December 31, 2025: from 0.55% to 2.79%). Most of the bank loans were based on fixed interest rates.

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

Unit: RMB in million	**June 30, 2026**	December 31, 2025
Within 1 year	**6,598**	6,490
1 to 2 years	**1,358**	629
2 to 5 years	**2,610**	899
Over 5 years	**196**	210
Total	**10,762**	8,228

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

Unit: RMB in million	**June 30, 2026**	December 31, 2025
Fixed-rate borrowings	**7,763**	5,870
Variable-rate borrowings	**2,999**	2,358
Total	**10,762**	8,228

As at June 30, 2026, the Group had loans from related parties of approximately RMB1,264 million (December 31, 2025: approximately RMB1,452 million).

As at June 30, 2026, the Group had net assets of approximately RMB7,251 million (December 31, 2025: approximately RMB8,844 million). Net debts[3] of the Group amounted to approximately RMB11,086 million (December 31, 2025: approximately RMB9,099 million), while the net debt-to-equity ratio[4] was approximately 152.9% (December 31, 2025: approximately 102.9%).

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 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, 2026 and December 31, 2025, the Group had no significant contingent liabilities.

As at June 30, 2026 and December 31, 2025, none of the Group's bank borrowings was secured by any of the Group's buildings, land-use rights or time deposits.

Capital Expenditure

Capital expenditure of the Group was mainly used for the hog production facilities, slaughterhouses and meat processing plants. The Group funded its capital expenditures primarily with shareholders' capital contributions, borrowings and our internal funds.

In the first half of 2026, the Group's capital expenditure was RMB664 million (the same period in 2025: RMB942 million). The following table sets forth our capital expenditure for the periods indicated:

	For the six months ended June 30,	
Unit: RMB in million	**2026**	2025
Payments for property, plant and equipment	**663**	939
Payments for right-of-use assets	**–**	2
Payments for intangible assets	**1**	1
Total	**664**	942

During the first half of 2026, the Group's capital expenditure was mainly used in the hog farms in Jilin Province and meat processing plants in Dongtai, Jiangsu Province and Pinghu, Zhejiang Province and other plants.

Capital Commitment

Capital commitment of the Group is mainly related to the aforementioned various capital expenditure projects. As at June 30, 2026, capital commitment of the Group was RMB825 million (December 31, 2025: RMB1,030 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 RMB3,363 million as at June 30, 2026 and RMB3,554 million as at December 31, 2025. 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 2026 and the same period in 2025, such adjustments have resulted in a decrease of RMB872 million and an increase of RMB536 million in cost of sales, respectively. Additionally, losses arising from fair value less cost of sales of agricultural products at the point of harvest amounted to RMB643 million (the same period in 2025: gains of RMB311 million); losses arising from changes in fair value of biological assets less cost of sales amounted to RMB693 million (the same period in 2025: gains of RMB343 million). In general, the net effect of adjustment in fair value of biological assets on profit was a loss of RMB464 million during the current period, as compared with the gains of RMB119 million during the same period in 2025.

V. Human Resources

The Group had 14,028 employees in its continuing operations as at June 30, 2026 (June 30, 2025: 14,243 employees). Remuneration for employees was determined based on their job nature, individual performance and the market trends. For the six months ended June 30, 2026, total remuneration of the Group amounted to approximately RMB1,071 million (same period of 2025: approximately RMB980 million).

The Group provides basic social insurance and housing accumulation fund for its employees as required by the PRC laws. Apart from the above, we encourage 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 consumptive impacts, 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 profitability. Fourth, the large-scale outbreak and spread of epidemic diseases may cause a panic among most consumers and thus lower the total demand for related products, which adversely affects the sales of hogs.

To address 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 return rate 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-than-expected growth in pork consumption, which may cause hog prices to remain sluggish. On the other hand, the concentration ratio of the hog production industry has increased significantly, and the stock of breeding sows and hog production volume both are at a relatively high level. The overall industry capacity is abundant, leading to less upward momentum for hog prices. In addition, impacted by multiple uncertainties such as international trade policies, import tariffs and commodity market trends, procurement costs of feed raw materials such as corn and soybean meal are subject to significant fluctuations. As a result of the foregoing, fluctuations in procurement and sale prices may lead to higher costs or lower profits due to the superimposed impact of multiple factors including hog supply and demand pattern, external macroeconomic and trade environment. The Group will continue to promote cost reduction and efficiency enhancement, and optimize production and operation management; establish a diversified feed procurement system to smooth raw material price fluctuations; reasonably plan the hog production schedule according to market conditions, actively expand sales channels, and strive to reduce the adverse impact brought by market competition and cyclical fluctuations.

Food Safety Risks

Food safety risks refer to risks of severe customer complaints, large-scale product recalls and substantial adverse effects resulting from unqualified product food safety indicators due to deficient food safety management system and unfulfilled management and control measures. The Group has stipulated a full-chain institutional system and standard covering the entire chain of source, process and terminal, such as Measures for the Administration of Supplier Quality and Safety (《供應商質量安全管理辦法》), Outline on Quality Safety Risk Control over the Industry Chain (《產業鏈質量安全風險控制大綱》), Standards for Assessment of Quality and Safety of the Terminals (《終端門店質量安全評估標準》) and Provisions for the Food Safety Management (《食品安全管理規定》), which explicitly stipulates various food safety control measures and regulates food safety management work. The Group identifies food safety risks in a timely manner, and continuously deepens the food safety management system of "full-chain management + all-factor support". It conducts regular supervision over the inspection and sampling inspection of subordinate enterprises, evaluates and reviews in time, and urges subordinate enterprises to strictly implement the food safety management requirements, in order to 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 clear early warning indicators and bottom line indicators, and organized all subordinate enterprises to conduct all-round hazard identification, evaluation and classification, and formulated corresponding management and control measures; formulated special risk prevention and control measures for major risks; organized all subordinate enterprises to perfect inspection system, organize regular safety inspection and confirm the effectiveness of risk management and control measures; and conducted regular supervision and inspection by the headquarters 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 adverse influence on social image due to emission of pollutants exceeding the prescribed limits and environmental pollution resulting 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 response and handling of environmental pollution accidents to effectively carry out environmental protection risk prevention. The Group has established an environmental protection risk warning and monitoring system, formulated specific early warning indicators and bottom line indicators, and regularly carried out environmental protection inspection, systematically checked the environmental protection problems of its subordinate enterprises, and followed up the implementation of rectifications, so as to effectively implement the responsibility of environmental protection.

VII. Outlook

In the second half of 2026, the Company will continue to stick to its strategic focus by carrying out the following tasks:

Firstly, we will continue to deepen cost control across the entire value chain. We will solidly advance nine special cost reduction initiatives in the hog production segment, including health management, feed formula optimization, feed conversion ratio improvement, precision feeding, and manpower efficiency gains; we will comprehensively implement twenty cost reduction measures spanning centralized procurement, production, warehousing, transportation, and operations, taking multiple measures simultaneously to compress costs throughout the entire chain.

Secondly, we will systematically elevate technological innovation and the commercialization of R&D outcomes. We will advance breeding work with high quality, integrate internal and external innovation resources, tackle core technologies for breeding hogs through the integration of industry and research, and build a high-standard breeding R&D base for the industry; we will accelerate the pace of construction and transformation of digitalized and intelligent factories, solidly advance the development of AI breeding technology, and optimize operation platform design and major module development to improve breeding efficiency; we will focus on overcoming challenges in the R&D of characteristic ruminant feed and aquatic feed to enhance product competitiveness.

Thirdly, we will continue to promote the downstream brand business. The Joycome brand will resolutely focus on the linseed-fed pork sector, while the Maverick brand will focus on a full range of beef products, continuously enriching product lines, optimizing network layout, expanding brand coverage, and strengthening integrated marketing to enhance brand influence.

Fourthly, we will continue to practice the concept of green development. Guided by the national "dual carbon" strategy, we will adhere to the green, low-carbon, and circular development pathway with the integration of planting and breeding, continuously increase environmental protection investments, promote the green upgrading of the entire industry chain, and fully leverage the demonstration and leading role of technological achievements.

Fifthly, we will improve the talent cultivation system. We will accelerate the introduction of professional talents in veterinary medicine, R&D, and brand marketing; we will increase the intensity of market-oriented incentives and improve the appraisal system to fully boost vitality.

OTHER EVENTS

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2026.

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, 2026. 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, 2026.

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, 2026 (including sale of treasury shares as defined in the Listing Rules (if any)). For the six months ended June 30, 2026, 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, 2026 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, 2026. The Audit Committee is of the view that the interim results of the Group have been prepared in accordance with applicable accounting standards, rules and regulations and that appropriate disclosures have been duly made.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended June 30, 2026 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 26, 2026

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. Wang Guoxin and Mr. Wu Haojun as non-executive directors, and Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong as independent non-executive directors.