

[For Immediate Release]



## COFCO Meat's 2019 results improved significantly

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### Dividends to be declared represent 40% of profit attributable to the owners of the Company before fair value adjustment of biological assets

(24 March 2020 - Hong Kong) COFCO Meat Holdings Limited ("COFCO Meat" or the "Company", together with its subsidiaries, the "Group"; stock code: 01610), as a leading meat enterprise with operations covering the integrated value chain in China, has today announced its unaudited annual results for the year ended 31 December 2019.

In 2019, the Group's revenue was RMB 11,079 million, representing a year-on-year increase of 54.5%. During the period, profit attributable to the owners of the Company before biological assets fair value adjustment amounted to RMB 425 million, profit attributable to the owners of the Company after biological assets fair value adjustment amounted to RMB1,574 million. The dividends to be declared and paid will in aggregate amount to 40% of the profit attributable to the owners of the Company before biological assets fair value adjustments for the year 2019. The specific amount will be determined based on the audited financial report.

During the year under review, the Group's hog production volume was 1,985 thousand heads. By the end of 2019, a total hog production capacity of 5,024 thousand heads was attained, representing an increase of 936 thousand heads compared with the beginning of the year. The Group accelerated the operations of new sites and rehabilitation of old sites with sow stocks increasing steadily in the second half of 2019. The Group also actively promoted the plan for introducing nuclear herds to provide guaranteed breeding sources.

With continuous strengthening of brand construction, revenue from branded fresh pork grew by 17.1% to reach RMB1,027 million, and the ratio of branded fresh pork revenue increased by 1.2 percentage points year on year to 32%. The Company's small-packed fresh pork recorded annual sales volume of 26.4 million boxes, representing an increase of 45.2% year on year with daily sales volume exceeding 72 thousand boxes. Both the growth in sales and revenue from e-commerce channels exceeded 100% year on year.

As "A partner of China Space", the Company continued to carry out activities such as "Aerospace Science Campus Events" and "Aerospace Launch Viewing Ceremony" centering around the positioning of "Safety with Zero Mistake", and further enhanced the brand awareness and reputation. In August 2019, Joycome became a "guaranteed preparation product for competition by national team athletes of National Sports Training Center (NSTC)", successively supplying pork products for the 2nd National Youth Games and the 7th Military World Games by achieving "zero" failure in cold chain transportation, "zero" detection of stimulants, and "zero" accidents in food quality and safety.

Amid tightening domestic meat supply, the Company enhanced its procurement that covered almost hundred suppliers in 20 countries. In 2019, the sales volume of the segment was 179 thousand tons, representing an increase of 93.3% year on year, of which sales volume of beef was 72 thousand tons, representing an increase of 86.3% year on year; sales volume of pork was 66 thousand tons, representing an increase of 105.8% year on year;

#### **About COFCO Meat Holdings Limited (1610.HK)**

COFCO Meat is the key platform of COFCO, a Fortune Global 500 company to engage in the meat business and is one of China's leading meat companies operating across the entire value chain of the industry. The Company has grown rapidly in scale. Its two major brands, "Joycome" and "Maverick", are respected across China. COFCO Meat is the key platform of COFCO, a Fortune Global 500 company to engage in the meat business and is one of China's leading meat company operating across the entire value chain of the industry. The Company has grown rapidly in scale. Its two major brands, "Joycome" and "Maverick", are respected across China.

With a vertically-integrated pork product industry chain, its businesses include feed production, hog production, slaughtering, the production, distribution and sale of fresh pork and processed meat products, and the import and sale of frozen meat products comprising pork, beef, poultry, mutton and lamb. It is uniquely positioned to benefit from the current trend of the pork industry in China, including gradual industry consolidation toward large-scale hog farms, increasing consumer demand for safe and high-quality products and the need to comply with increasingly stringent environmental and safety regulations. The Group implements strict quality control procedures and has obtained internationally-certified accreditations including ISO9001, ISO22000, HACCP, etc. It also focuses on technological advancement, and has worked with experts from Denmark, the US, Canada and Japan in technological research and development to increase production efficiency. Since the Group's establishment, it has gained widespread support and recognition in China and overseas. On top of being selected as the exclusive meat product supplier of Chinese Olympic Sports Delegation from 2012-2015, it was officially designated as "A partner of China Space" in August 2018, gaining support from several international leading investors, illustrating its industry-leading position.

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