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中粮家佳康食品有限公司
COFCO Joycome Foods Limited



2020 Annual Results Presentation

March 2021

中粮家佳康·亚麻籽猪

6倍亚麻酸 优脂新生活

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- Chapter 1 **Business Overview**
- Chapter 2 **Financial Overview**
- Chapter 3 **Strategy and Outlook**

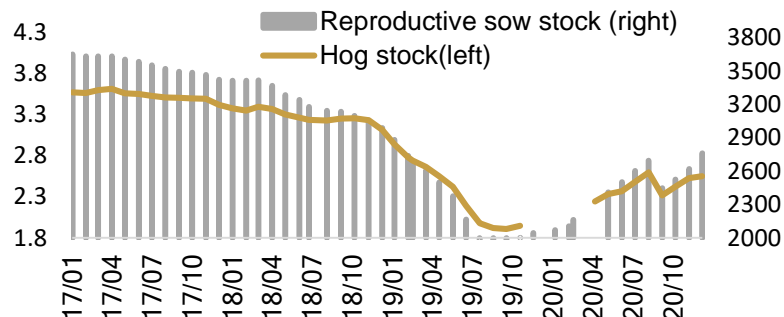
Key Operating Metrics	2020	2019	Change
Hog production volume ('000 heads)	2,046	1,985	3.1%
Average selling price of finishing hogs (RMB/kg)	32.33	16.16	100.1%
Fresh pork sales volume ('000 tons)	109	146	-25.5%
Branded small-packed fresh pork sales volume ('000 boxes)	34,942	26,426	32.2%
Ratio of revenue from branded business of total fresh pork business (%)	38.9%	32.0%	6.9pct
Meat import sales volume ('000 tons)	356	179	99.1%

Key Financial Metrics	2020	2019	Change
Revenue (RMB MM)	18,922	11,079	70.8%
Profit for the period (before adj.) (RMB MM)	2,910	373	679.4%
Including: profit attributable to the owners of the Company (before adj.) (RMB MM)	2,881	425	578.0%
Profit for the period (after adj.) (RMB MM)	4,025	1,522	164.4%
Including: profit attributable to the owners of the Company (after adj.) (RMB MM)	3,995	1,573	153.9%
Basic EPS(before adj.) (RMB)	0.738	0.109	+0.629

The Board recommended the payment of a final dividend for 2020 in the amount of HK\$0.206 per share to shareholders. Together with the interim dividend for 2020 in the amount of HK\$0.118 per share, the full-year dividend for 2020 was HK\$0.324 per share

Monthly Inventory of Hog and Sows in China

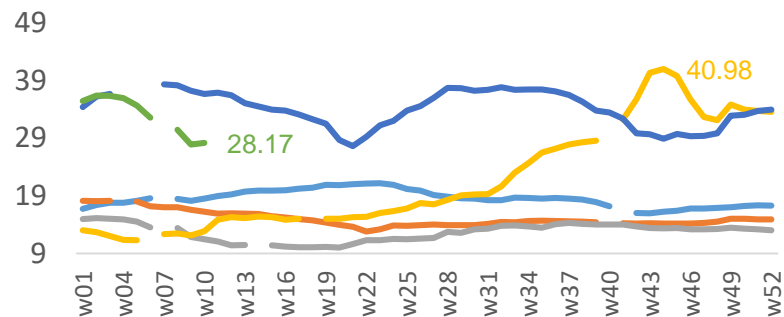
Hundred MM heads 0,000 heads



- Data from the Ministry of Agriculture and Rural Affairs shows that although the stock of hogs and sows has continued to recover, there are still deficiencies, compared with normal years

Chinese Hog Prices (RMB/kg)

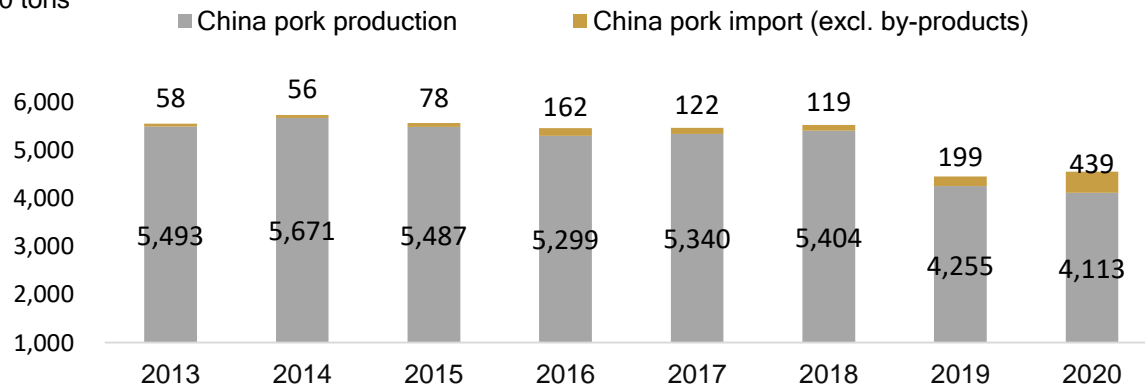
2016 2017 2018 2019 2020 2021



- As of March 12th, 2021, hog price averaged RMB 28.17/kg in 22 provinces in China, still at a relatively historical high level

China's Pork Production and Pork Import (excl. by-products)

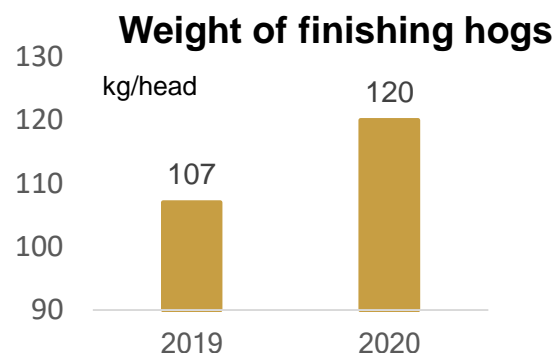
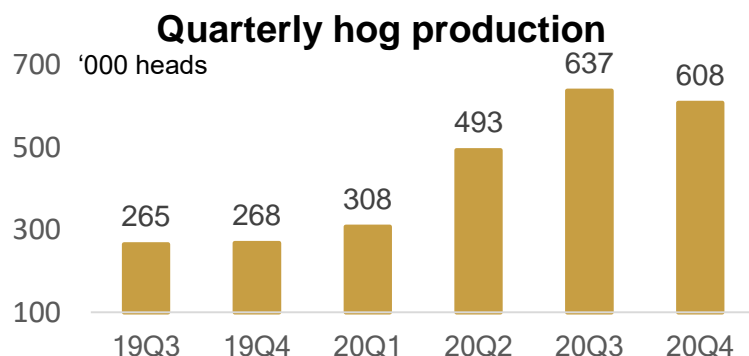
10,000 tons



- In 2020, China's pork production was 41.13MM tons, and pork import volume (excl. by-products) was 4.39MM tons

- 1 Improved hog production efficiency and reduced costs, segment result reached a record high**
- 2 Clear capacity expansion goal and high certainty on scale growth**
- 3 Product upgraded and brand impact overall strengthened**
- 4 Strong initiatives to fight against COVID-19 and made significant contributions to ensure stable market supply**

- Thanks to the successful control on African swine fever and effective employee incentives, the company has realized significant efficiency enhancement
 - Hog production volume and finishing weight continued to improve
 - PSY and MSY reached historical best level
 - Production cost was under effective control, representing an excellent level
- Segment result reaching 3.88Bn RMB and profit per head leading the market



- built high-standard decontamination and drying rooms, added ripening devices for feed plants and installed air filters for all farms
- increased testing frequency and coverage with full application of PCR detectors

Hardware upgrading

Liquidity Management

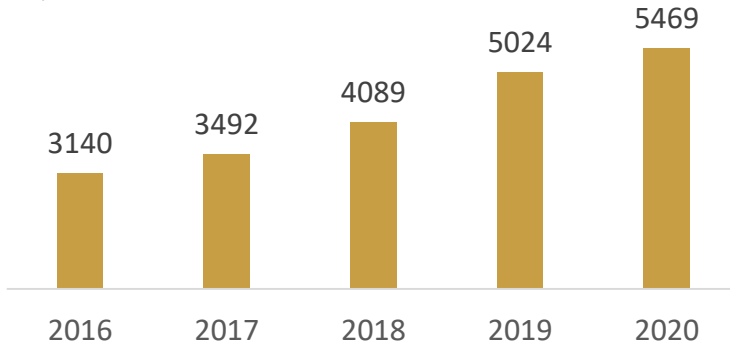
- vehicles were docked to designated hog farm after thorough decontamination and drying
- personnel must strictly implement off-site and onsite quarantine before entering the production area
- all materials are centrally delivered on site by special vehicles after concentrated disinfection in regional warehouses

- an expert panel for epidemic prevention and control was established, which collectively formulated epidemic prevention plan
- fully stimulated the enthusiasm and responsibility of the production staff through innovative assessment and incentives

Organizational guarantee and staff inspiration

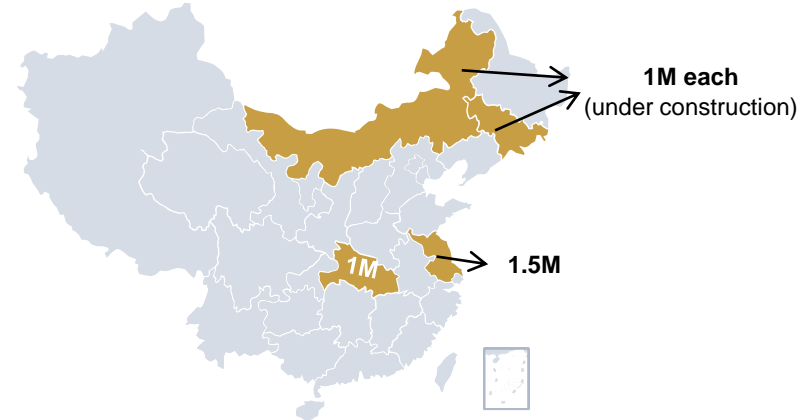
Hog production capacity (2016-2020)

('000 heads)



Geographical layout of Slaughter and Processing Facilities

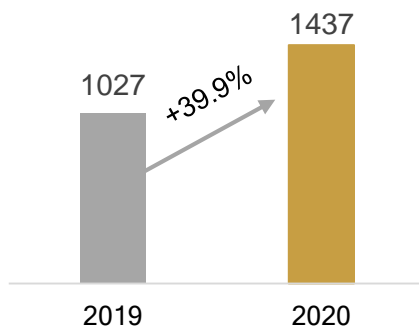
(heads)



- The sow stocks reached the designed production capacity, ensuring the growth of production volume
- In 2020, introduced 1,500 French purebred pigs, providing high quality breed to support capacity expansion
- By the end of 2020, built 5.47 million production capacity, and continued to expand new production capacity in the northern regions in 2021
- The construction of slaughtering capacity was accelerated, matching the upstream production capacity

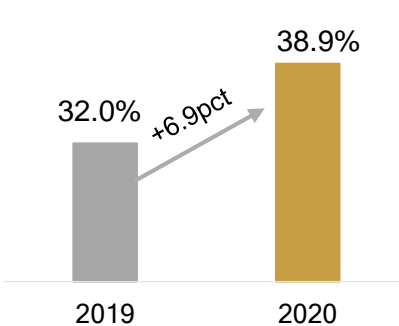
Branded Fresh Pork Revenue

(RMB MM)



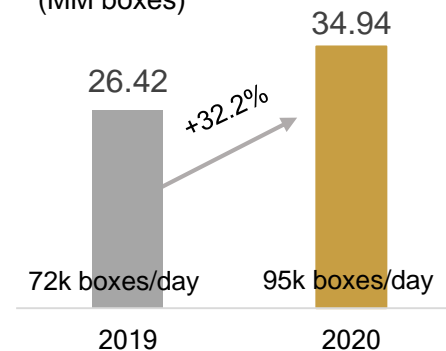
Branded business revenue % of total fresh pork business

(%)



Branded small-packed fresh pork sales volume

(MM boxes)



Built a high-end linseed fed pork product line

- COFCO Joycome took the lead to develop the group standard "α-linolenic acid-rich pork products, linseed fed pork products" at the end of 2020, marking a further upgrade of products



The promotion of linseed fed pork product



Approved by China Meat Association

Changed its name to "COFCO Joycome Foods Limited" and continued to strengthen brand impact

- Officially changed its name to "COFCO Joycome Foods Limited" in order to overall enhance brand awareness
- In June 2020, COFCO Joycome became an exclusive meat supplier for the Chinese national weightlifting team, providing "champion quality" safe meat for the weightlifting team to prepare for the Tokyo Olympic Games



Announcement—Change of company name



Signing ceremony with China's national weightlifting team

COFCO Joycome fresh pork team of Wuhan overcame various of difficulties and actively promoted the resumption of work and production to safeguard the meat supply during the special period, awarded by government departments at all levels and from upper-level units:

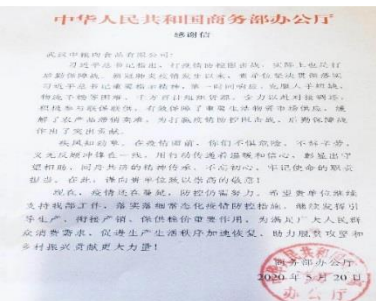
- A letter of appreciation from the General Office of the Ministry of Commerce
- The title of "Role Models in the Country's Fight Against the COVID-19 Epidemic"
- "Enterprise with outstanding contributions for safeguarding market supply during the epidemic prevention and control for the whole city"
- "Enterprise with outstanding contributions to the production and supply of 'vegetable baskets' for epidemic prevention and control in the city"
- Donated medical supplies to the People's Hospital of Huangzhou District, Huanggang City



附件

全市疫情防控市场保供作出突出贡献的企业名单

序号	行业	单 位
15	商超	湖北悦联商业管理有限公司
16	商超	武汉市丽红商业有限公司
17	商贸	武汉商贸国有控股集团有限公司
18	商贸	武汉市副食品商业储备有限公司
19	商贸	武汉中粮肉食品有限公司
20	商贸	武汉良之隆食材股份有限公司
21	商贸	湖北盐业集团有限公司武汉分公司
22	批发	武汉白沙洲农副产品大市场有限公司



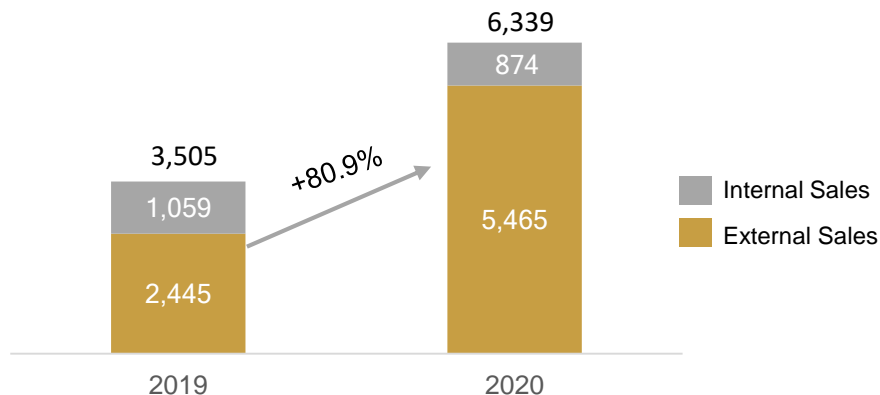
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- 1 Total operating income of RMB18.92 billion, up 70.8% year-on-year
- 2 Expense rates and inventory decrease significantly
- 3 Capital structure improved distinctly, ROE continued to increase

Hog Production

(RMB MM)

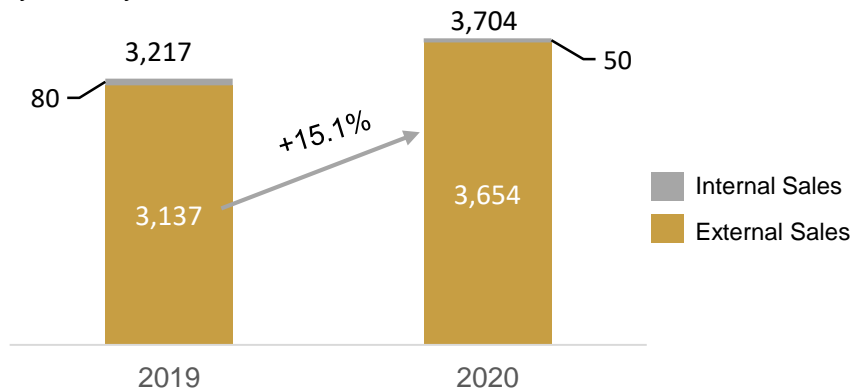
- hog prices in 2020 increased by RMB 16.17/kg, up 100.1% year-on-year



Fresh Pork

(RMB MM)

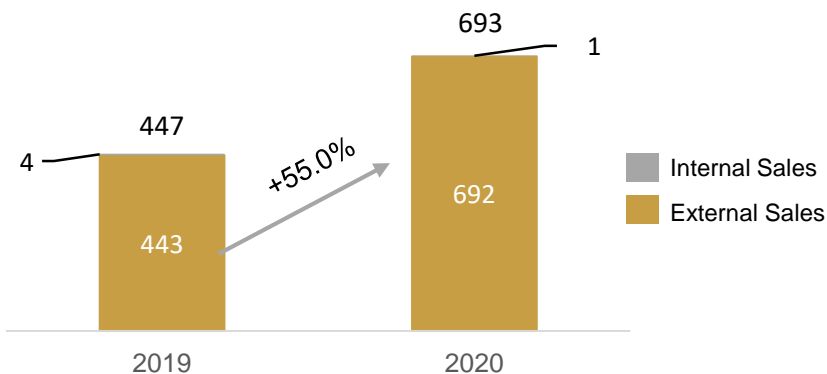
- fresh pork sales prices in 2020 increased by RMB12.4/kg, up 57% year-on-year



Processed Meat Products

(RMB MM)

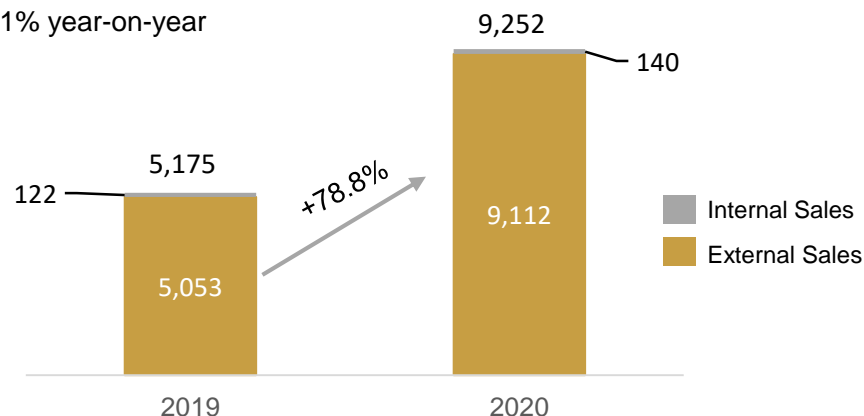
- processed meat products sales volume in 2020 was 17 thousand tons, up 18.6% year-on-year



Meat Imports

(RMB MM)

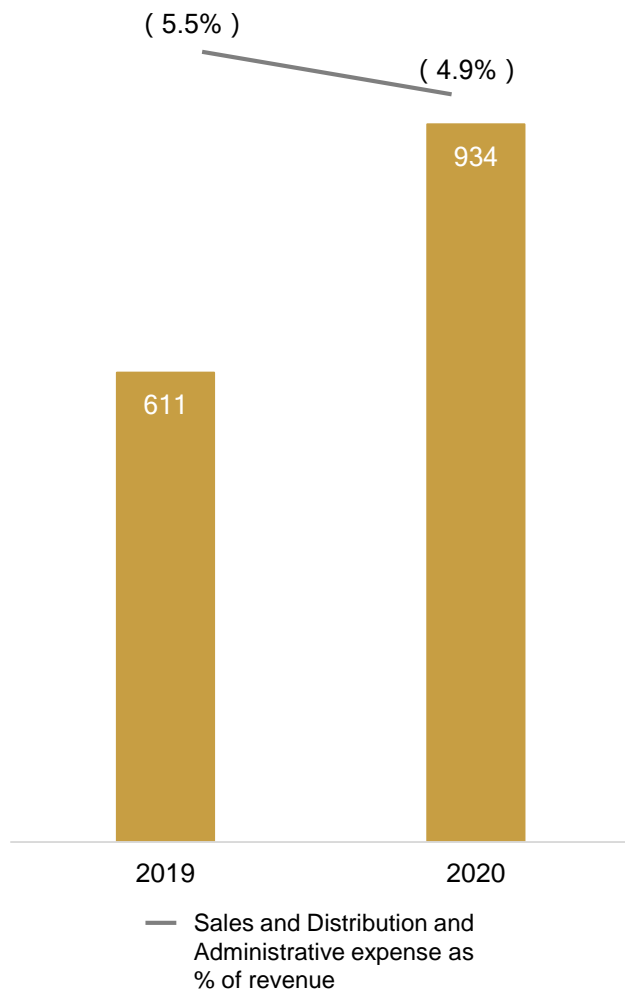
- import sales volume in 2020 was 356 thousand tons, up 99.1% year-on-year



Sales and Distribution and Administrative Expense

(RMB MM)

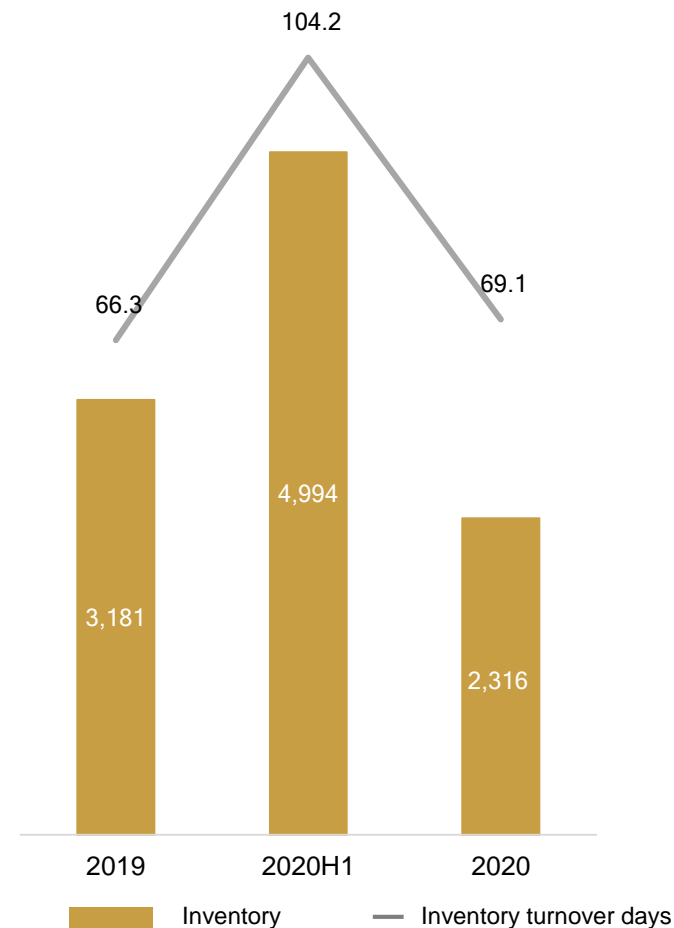
(% of revenue)



Inventory and Inventory turnover days

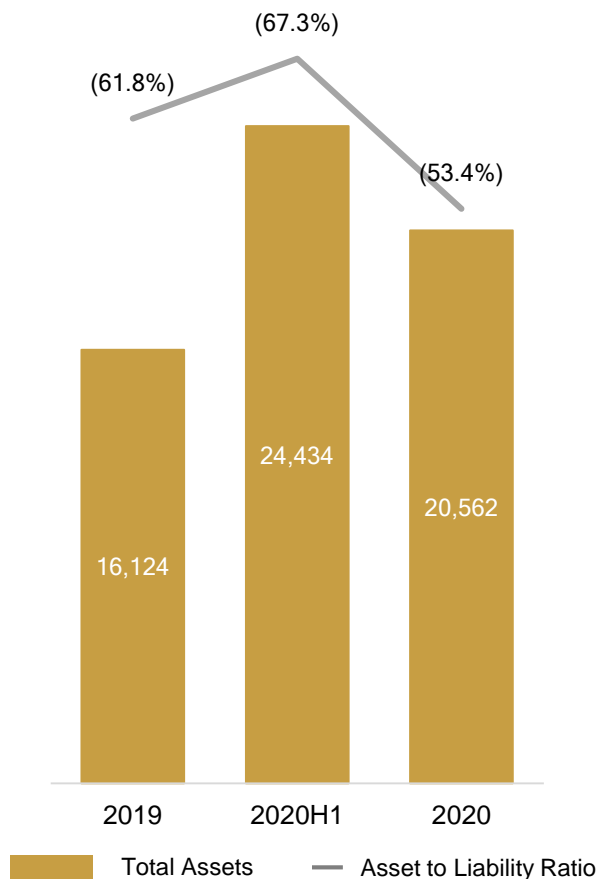
(RMB MM)

(before biological assets adjustments)



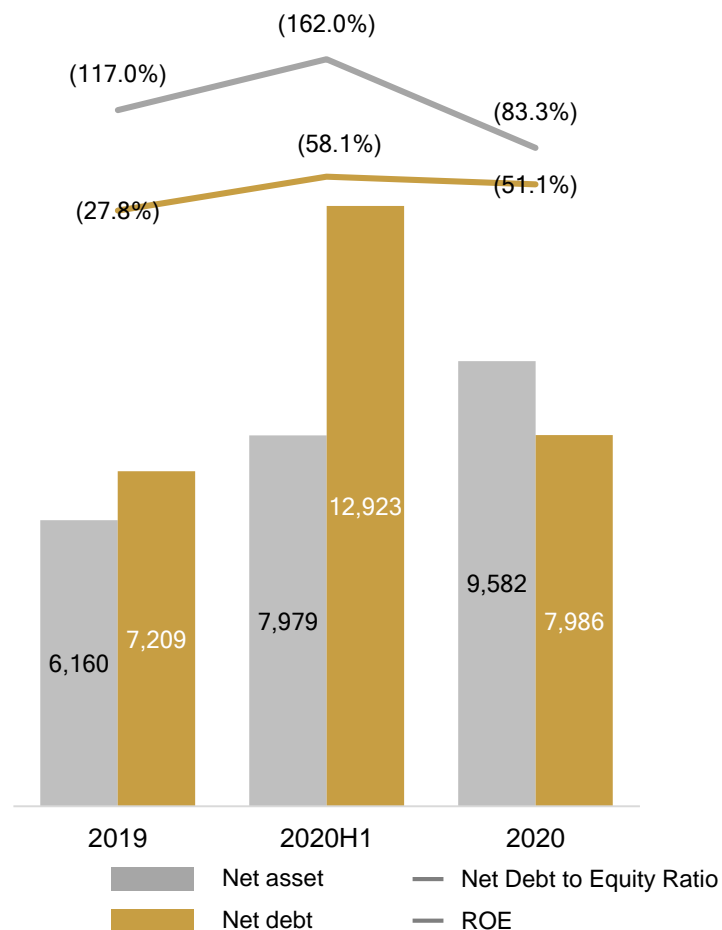
Total Assets and Asset to Liability Ratio

(RMB MM) (after biological assets adjustments)



Net Debt to Equity Ratio and ROE

(RMB MM) (after biological assets adjustments)



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1

Prevent and control the African swine fever to ensure production volume and improve production efficiency

- Strictly control and prevent African swine fever to ensure stable and orderly operation of hog production system
- Improve the hog production volume and efficiency, and establish core competitive strength

2

Speed up the production capacity expansion and improve the matching degree of upstream and downstream industries

- Speed up the building of our hog production and fresh pork capacities in northern areas
- Improve the layout of the integrated value chain and further develop the consumer market

3

Continue to differentiate fresh products and build up brand recognition and strengthen the promotion of linseed fed pork

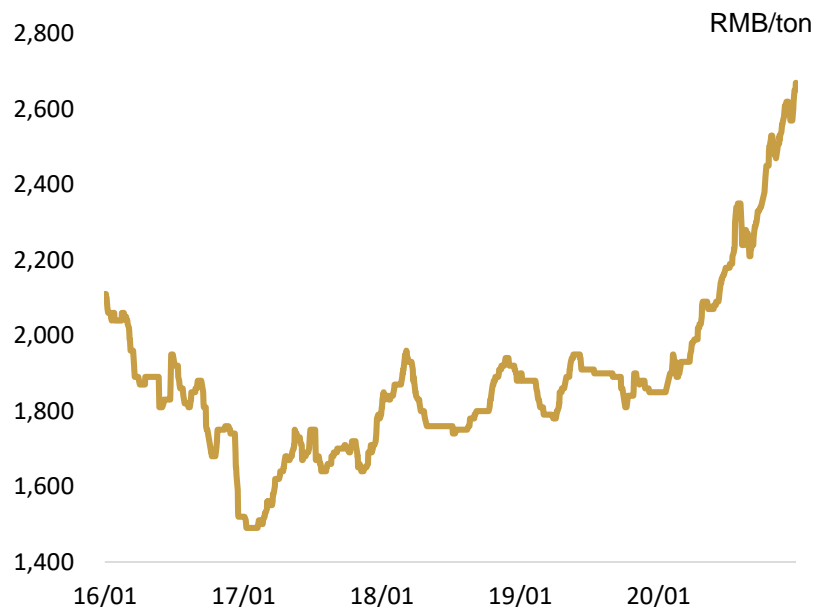
- Continuously expand new retail channels and carry out differentiated and branded operation of our fresh pork business to enhance brand impact
- Focus on the promotion of linseed fed pork and further enhance product positioning

4

Strengthen the risk control for our import business and continue to further the penetration into channel

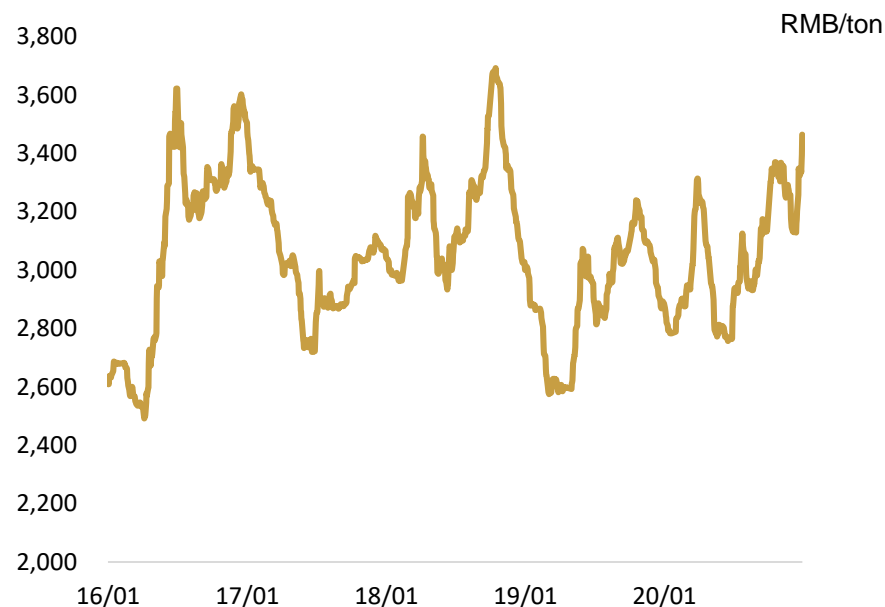
- Strengthen the risk control for our import business by increasing the proportion of back-to-back orders to accelerate inventory turnover
- Ensure the delivery of high-quality customer service and enhance the loyalty of import business customers

Closing Price of Corn in Dalian (2016-2020)



The closing price of corn in Dalian was 2,200 RMB/ton in 2020, compared with 1,872 RMB/ton in 2019, up 17.5% on a YoY basis

Spot Price of Soybean Meal (2016-2020)



- The spot price of soybean meal was 3,039 RMB/ton in 2020, compared with 2,904 RMB/ton in 2019, up 4.6% on a YoY basis