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



2023 Annual Results Presentation

March 2024



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Chapter 1 **Business Overview**

Chapter 2 **Financial Overview**

Chapter 3 **Strategy and Outlook**



2023 Key Operating Metrics



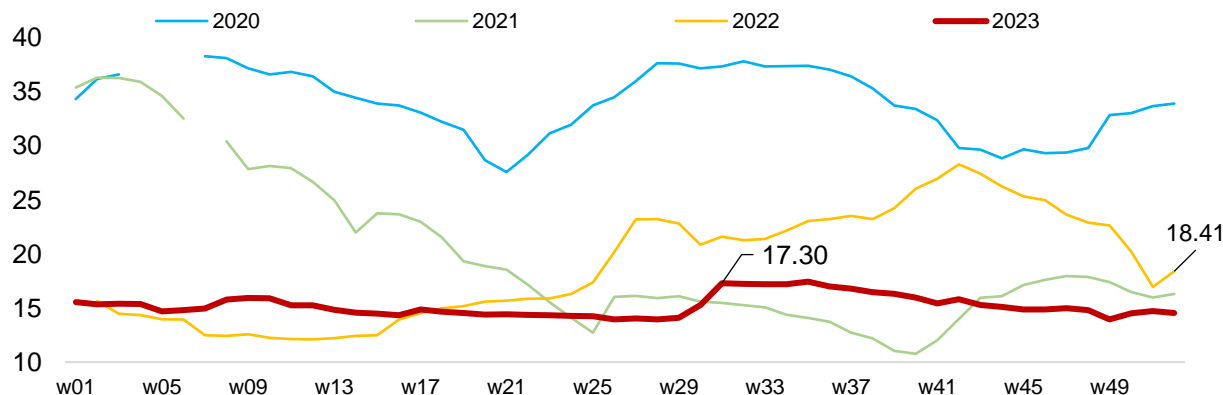
Key Operating Metrics	2023	2022	Change
Hog production volume ('000 heads)	5,200	4,103	26.7%
Average selling price of finishing hogs (RMB/kg)	14.55	17.86	-18.5%
Fresh pork sales volume ('000 tons)	245	231	6.1%
Ratio of revenue from branded business of total fresh pork business (%)	26.6%	30.4%	-3.8ppt
Meat import sales volume ('000 tons)	68	71	-4.3%



Key Financial Metrics	2023	2022	Change
Revenue (RMB MM)	11,568	12,901	-10.3%
Profit/Loss for the period (before adj.) (RMB MM)	16	-320	Up 336
Including: profit/loss attributable to the owners of the Company (before adj.) (RMB MM)	51	-320	Up 371
Profit/Loss for the period (after adj.) (RMB MM)	-171	357	Down 528
Including: profit/loss attributable to the owners of the Company (after adj.) (RMB MM)	-136	357	Down 492
Basic EPS(before adj.) (RMB)	0.0115	-0.0820	Up 0.0935

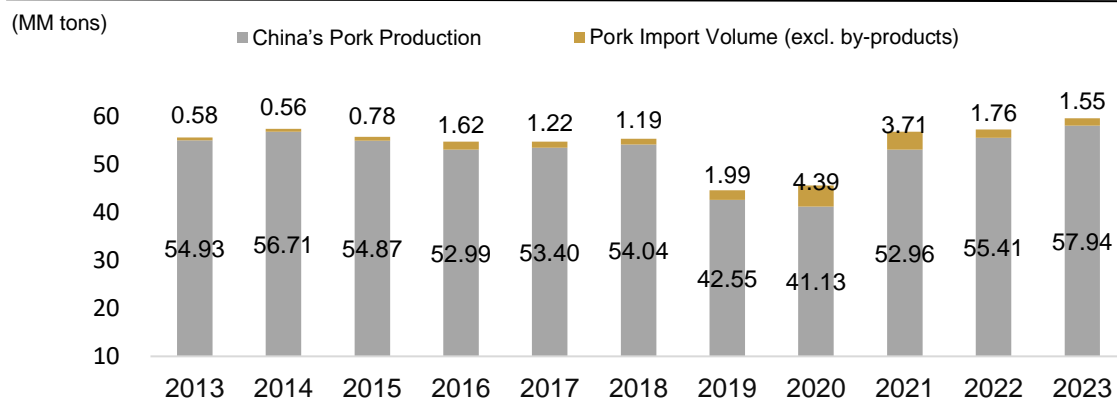
The Board has resolved not to declare any final dividend for the year ended December 31, 2023.

Chinese Hog Prices (RMB/kg)



- In 2023, due to sufficient hog supply and lower-than-expected demands, hog prices remained low in 2023, the average hog price of 22 provinces in China was RMB 15.24/kg, down 19.4% on a YoY basis. The industry endured significant losses.

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



- In 2023, China's pork production was 57.94MM tons, up 4.6% on a YoY basis, pork import volume (excl. by-products) was 1.55MM tons, down 11.7% on a YoY basis.

1

Hog Production: Focus on Refined Management, Upgrade Breeding System

2

Better Hog Production & Downstream Processing Alignment, Steady Growth in Fresh Pork Sales Volume

3

Enriching Fresh Product Portfolio, Optimizing Brand Channel Network and Further Expanding *Joycome* Influence

4

Meat Import: Strengthening Risk Control, Promoting Internal Synergy and Generated Profit given Market Headwinds

5

Fulfilling Responsibilities as Central SOE, Supporting Green Agriculture

- Facing market downturn, we remain committed to refined management.

SPOT

Production management: strengthening on-site management and conducting internal benchmarking to narrow cost gaps among regions

Feeding: optimizing feed formulas, improving raw material utilization efficiency to reduce feed costs

Team construction and Incentives: building back-up management team and implementing precise incentives to fully mobilize enthusiasm and responsibility of the staff team

Breeding: the operation of genome-based breeding platform help accelerate the improvement of herd performance

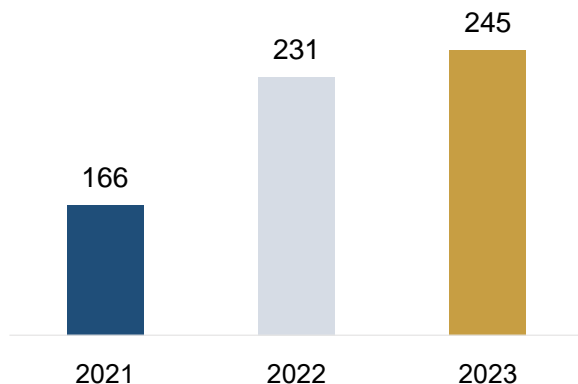
FUTURES

Combination of futures and spot commodities: reasonably apply hedging strategies to mitigate risks

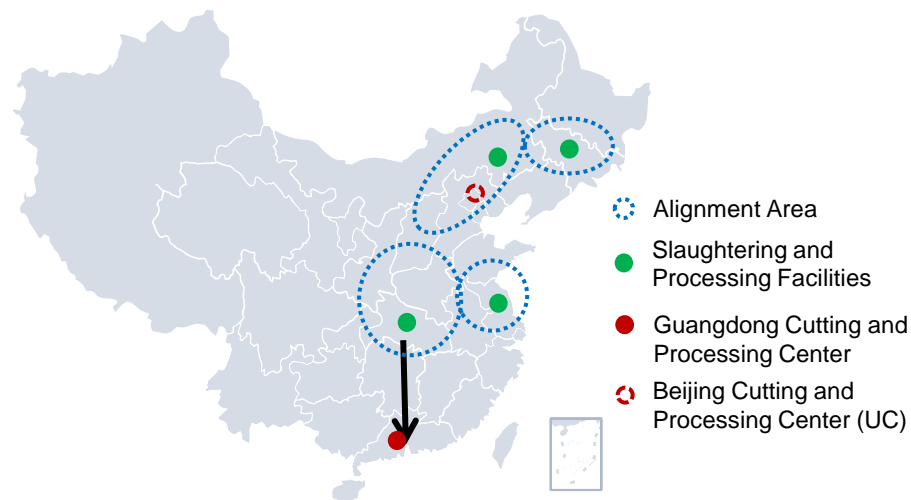
- In 2023, the hog production volume reached 5,200 thousand heads, up 26.7% YoY.

Fresh Pork Sales Volume

('000 tons)



Geographical Layout



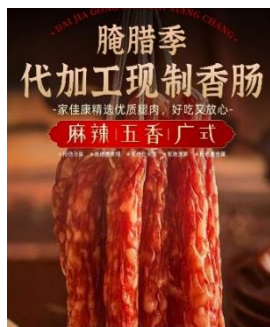
- In 2023, the sales volume of fresh pork reached 245 thousand tons, up 6.1% YoY
- Improvement in upstream and downstream alignment:
 - As the two bases in Jilin and Inner Mongolia went into production, the upstream-downstream alignment improved significantly in North and Northeast China
 - Guangdong cutting and processing center enables faster response to the regional market, and support our business development in South China.

Enriching fresh pork product portfolio, optimizing brand channel network

- **Channels:** Streamline channel network and optimize operation team
 - ✓ Upgrading of franchised stores into linseed-fed pork exclusive stores to increase the market share of linseed-fed pork products
 - ✓ In 2023, the sales volume of linseed-fed pork increased by 47.0%



- **Products:** Enrich product portfolio, enhance product convenience and added value



Further expanding Joycome brand influence

- **Focused on marketing campaigns in sports field, spanning competitive sports to nationwide fitness**
 - Being title sponsor of Beijing Half Marathon and Beijing Marathon 2023
 - Organized "Beauty Running" women's 10km store-visit event
- **Held "COFCO Joycome Linseed-fed Pork Dumplings Competition"**



Competitive sports to nationwide fitness



"COFCO Joycome Linseed-fed Pork Dumplings Competition", Wuhan

- In 2023, we continued to strictly control the import market risk, increased the proportion of order locking, and accelerated inventory turnover.



Pork Import:

- Prices of imported frozen pork products remained inverted
- We reduced pork imports and fully implemented order locking



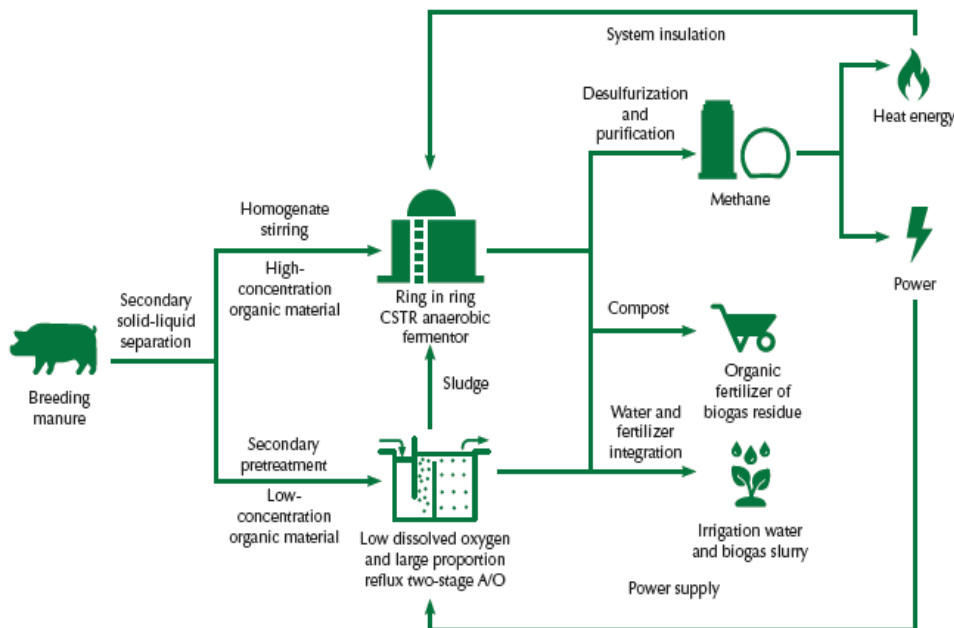
Beef Import :

- Selling prices of imported beef slide
- We enhanced the internal synergy within meat import and processed meat segments, to promote the loyalty of catering clients

- During the reporting period, the meat import segment results reached RMB 41.56MM, of which revenue from end customers (including catering, retail, processing type) accounted for 73%.

Catering	Retail
	

Pioneer Waste Treatment Technology



Promote Ecological Cycle of “Farming + Breeding”



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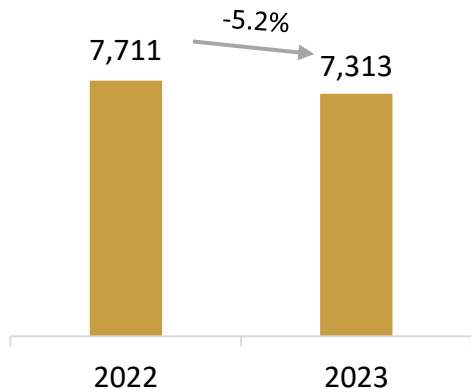
Chapter 3 **Strategy and Outlook**

- 1** Revenue amounted to RMB11,568 million, while hog production volume and sales volume of fresh pork realized year-on-year increase.
- 2** Risk management has improved, whilst turnover accelerated, and inventory and accounts receivable decreased.
- 3** Raised fund helped optimize capital structure continuously.

Hog production

(RMB MM)

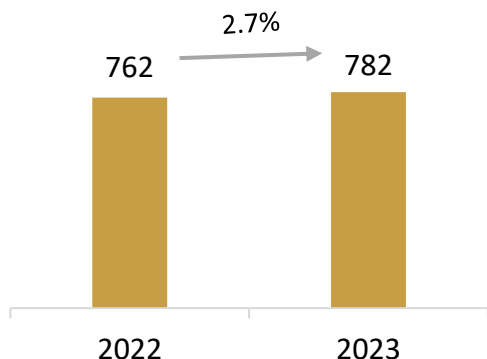
- In 2023, hog production volume was 5,200 thousand heads, representing a year-on-year increase of 26.7%.



Processed meat products

(RMB MM)

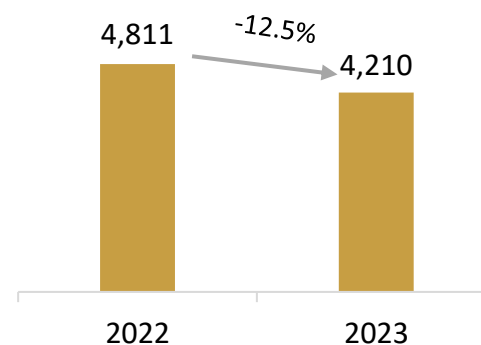
- In 2023, processed meat products segment realized revenue of RMB782 million.



Fresh pork

(RMB MM)

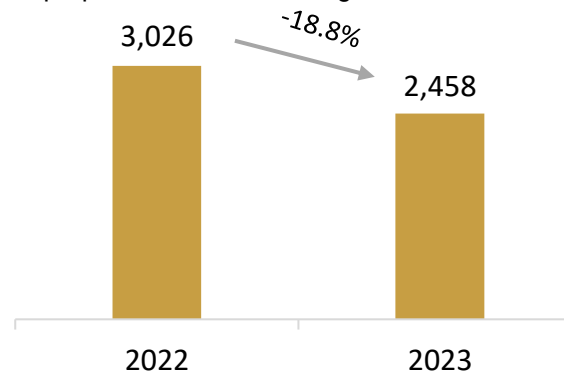
- In 2023, sales volume of fresh pork was 245 thousand tons, representing a year-on-year increase of 6.1%.



Meat import

(RMB MM)

- In 2023, meat import segment strengthened market analysis and increased the proportion of order locking.





2

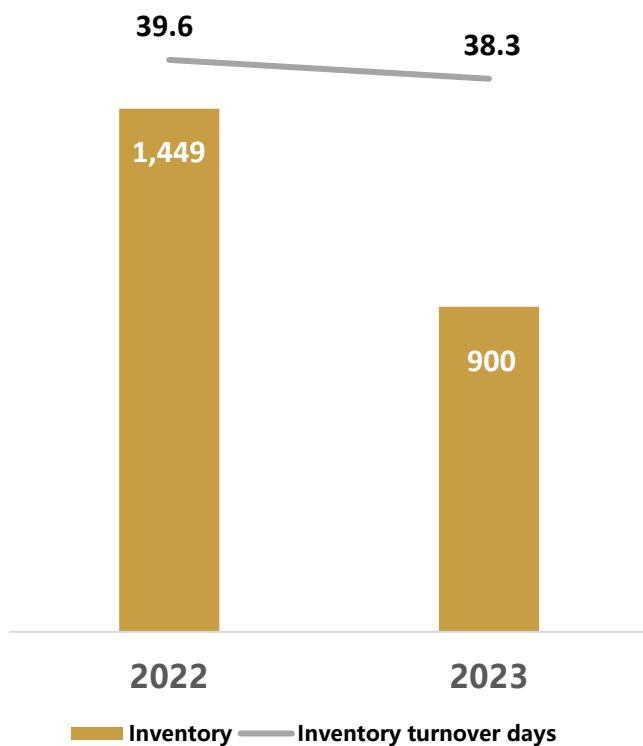
Risk management has improved, whilst turnover accelerated, inventory and accounts receivable decreased



Inventory and inventory turnover days

(RMB MM)

(days)

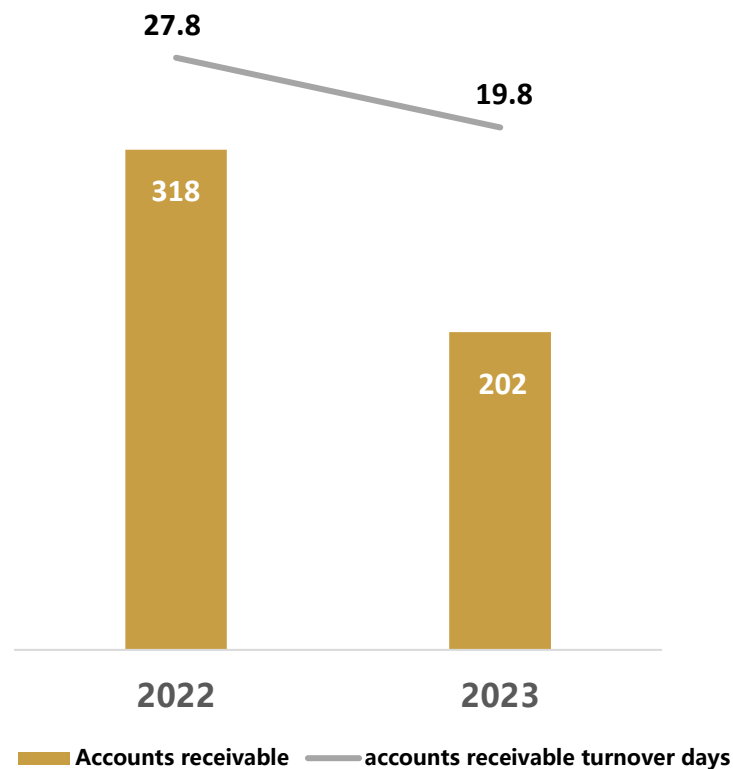


*Note: inventory refers to "inventory" in HKFRS balance sheets

Accounts receivable and accounts receivable turnover days

(RMB MM)

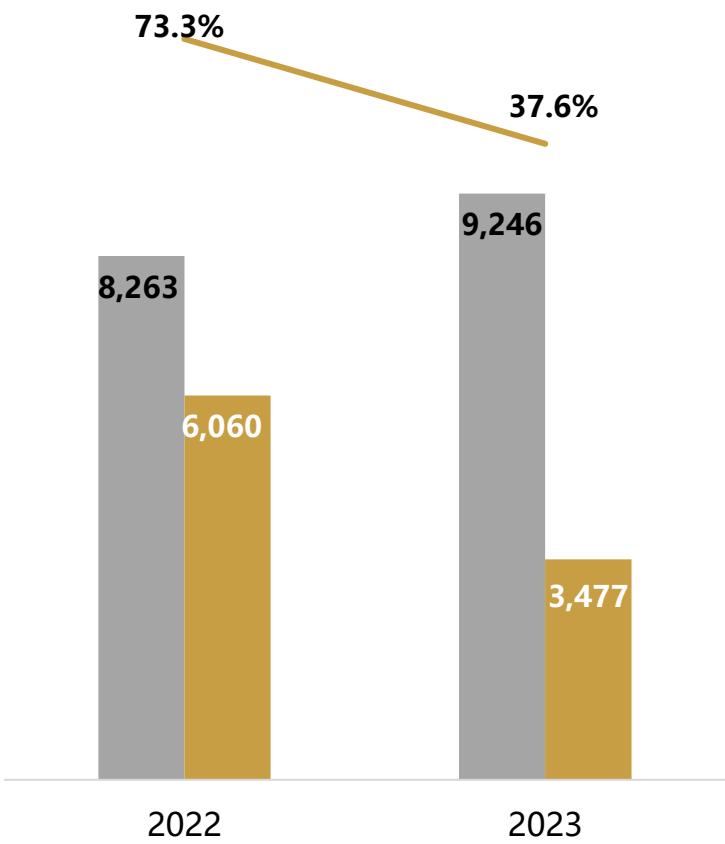
(days)



*Note: accounts receivable refers to "accounts receivable" in HKFRS balance sheets

Net debt to equity ratio

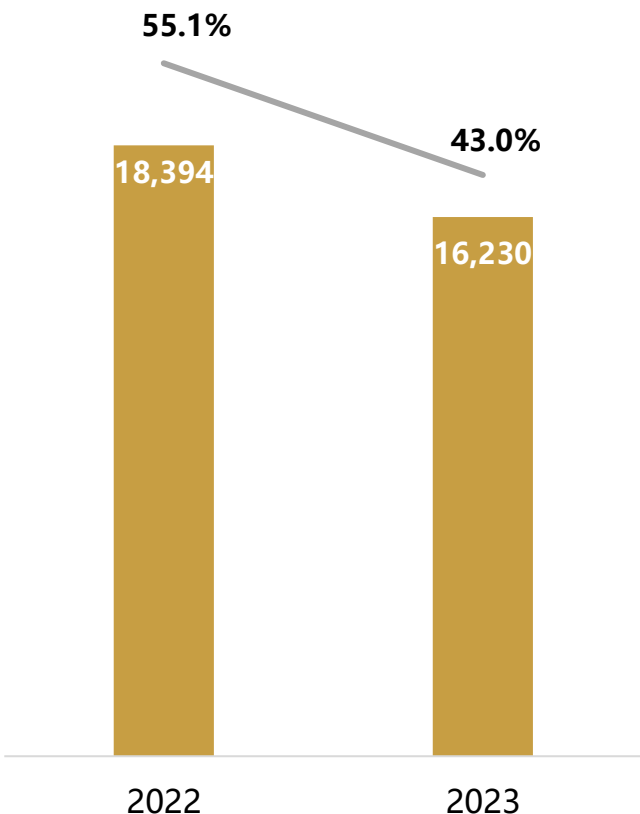
(RMB MM)



Net assets Net debts Net debt to equity ratio

Total assets and Asset-liability ratio

(RMB MM)



Total assets Asset-liability ratio

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1

Accelerate the expansion of core businesses

2

Regularize ASF prevention & control, improve refined management to consolidate core competitive edges

- Insist on the prevention and control of ASF, ensure safety and stability of production and operation
- Improve refined management and narrow internal efficiency gaps to bolster core competitive edges

3

Optimize the dynamic futures hedging strategy, to achieve organic combination of futures and spot commodities

4

Continue branding & differentiation of fresh pork, and expand brand influence

- Forward differentiated and branded operation of the fresh pork business, and gain high-value clients
- Enhance channel efficiency, enrich marketing models, to expand our brand influence

5

Improve the risk control system for the import segment, and deepen the internal cooperation, to add value for the business

- Further improve risk control, deepen terminal channels
- Steadily boost the transformation into a terminal distributor, aiming to add value to the business

Closing Price of Corn in Dalian (2016-2023)



- In 2023, the average closing price of corn in Dalian was 2,743 RMB/ton, compared with 2,787 RMB/ton of 2022, down 1.6% YoY.

Spot Price of Soybean Meal (2016-2023)



- In 2023, the average spot price of soybean meal was 4,345 RMB/ton, compared with 4,607 RMB/ton of 2022, down 5.7% YoY.