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If you have sold or transferred all your shares in **COFCO Joycome Foods Limited**, you should at once pass this circular together with the enclosed form of proxy to the purchaser, the transferee, the bank, the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



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)

REVISION OF REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS; RE-ELECTION OF NON-EXECUTIVE DIRECTORS; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on page 18 of this circular. A letter from Oriental Patron containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 29 of this circular.

A notice convening the EGM to be held at 10:00 a.m. on Wednesday, 15 September 2021 at Conference Room Joycome, 8/F, COFCO Fortune Plaza, No. 8 Chao Yang Men South Street, Chaoyang District, Beijing, PRC is set out on pages 36 to 38 of this circular. A form of proxy for the use at the EGM is enclosed herewith. If you are unable to attend the EGM in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time scheduled for the holding of the EGM (i.e. before 10:00 a.m. on Monday, 13 September 2021) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. **The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the EGM in person.**

25 August 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2018 Financial Services Agreement”	the financial services agreement entered into between the Company and COFCO Finance, a subsidiary of COFCO, on 23 November 2018
“2018 Mutual Supply Agreement”	the mutual supply agreement entered into between the Company and COFCO on 23 November 2018 (as supplemented by 2019 Supplemental Mutual Supply Agreement)
“2019 Supplemental Mutual Supply Agreement”	the supplemental agreement dated 9 September 2019 in respect of Revised Annual Caps and New Continuing Connected Transaction, entered into between the Company and COFCO
“2021 Supplemental Financial Services Agreement”	the supplemental agreement entered into between the Company and COFCO Finance, a subsidiary of COFCO, on 9 July 2021 in relation to revision of annual caps
“2021 Supplemental Mutual Supply Agreement”	the supplemental agreement entered into between the Company and COFCO on 9 July 2021 in relation to revision of annual caps
“Articles”	the memorandum and articles of association of the Company (as amended from time to time)
“associates”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“COFCO”	COFCO Corporation (中糧集團有限公司), a wholly state-owned company established in the PRC in September 1952 which is currently under the purview of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and a substantial Shareholder of the Company holding approximately 29.10% of the issued share capital of the Company as at the Latest Practicable Date
“COFCO Finance”	COFCO Finance Corporation Limited* (中糧財務有限責任公司), a non-banking financial institution established with limited liability in the PRC on 24 September 2002, and a subsidiary of COFCO

DEFINITIONS

“COFCO Group”	COFCO and its subsidiaries other than the Group
“Company”	COFCO Joycome Foods Limited (中糧家佳康食品有限公司) (formerly known as COFCO Meat Holdings Limited (中糧肉食控股有限公司) and Charm Thrive Investments Limited (燦旺投資有限公司)), a company incorporated in the BVI with limited liability on 11 March 2014 and re-domiciled to the Cayman Islands as an exempted company with limited liability on 4 May 2016, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Deposit Services”	provision of deposit services by COFCO Finance to the Group as stipulated under the 2018 Financial Services Agreement (as supplemented by the 2021 Supplemental Financial Services Agreement)
“Directors”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others, the Revised Annual Caps of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement; and the re-election of Mr. Ma Dewei and Dr. Zhao Wei as non-executive Directors
“Entrustment Loan Services”	provision of entrustment loan services by COFCO Finance to the Group as stipulated under the 2018 Financial Services Agreement (as supplemented by the 2021 Supplemental Financial Services Agreement)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, which has been established for the purpose of advising the Independent Shareholders in respect of the Revised Annual Caps of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement

DEFINITIONS

“Independent Financial Adviser” or “Oriental Patron”	Oriental Patron Asia Limited, a corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) licensed to carry on Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activity, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Revised Annual Caps of the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement
“Independent Shareholders”	the Shareholders other than COFCO and its associates
“Independent Third Party(ies)”	To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, individual(s) or company(ies) and its/their respective ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected persons
“Latest Practicable Date”	18 August 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Major PRC Commercial Banks”	Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications, China Merchants Bank, China CITIC Bank and Agricultural Development Bank of China
”PBOC”	People’s Bank of China (中國人民銀行)
“PRC”	the People’s Republic of China, which, for the purpose of this circular only, does not include Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan Region
“Relevant Transactions”	Transactions Regarding Purchase of Poultry Products, Deposit Services and Entrustment Loan Services
“Revised Annual Caps”	the revised annual caps for the Relevant Transactions for the financial year ending 31 December 2021

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Listing Rules
“substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Transactions Regarding Purchase of Poultry Products”	purchase of poultry products by the Group from COFCO Group as stipulated under the 2018 Mutual Supply Agreement (as supplemented by the 2021 Supplemental Mutual Supply Agreement)
“%”	per cent.

LETTER FROM THE BOARD



中糧
COFCO

自然之源 重塑你我

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)

Chairman of the Board and Executive Director:
Mr. Jiang Guojin

Executive Director:
Mr. Xu Jianong

Non-Executive Directors:
Mr. Ma Dewei
Dr. Zhao Wei

Independent Non-Executive Directors:
Mr. Fu Tingmei
Mr. Li Michael Hankin
Dr. Ju Jiandong

Registered Office:
Second Floor, Century Yard,
Cricket Square, P.O. Box 902,
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262 Gloucester Road
Causeway Bay
Hong Kong

Head Office in the PRC:
COFCO Fortune Plaza,
No. 8 Chao Yang Men South Street,
Chaoyang District,
Beijing,
PRC

25 August 2021

To the Shareholders

Dear Sir or Madam,

REVISION OF REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS AND RE-ELECTION OF NON-EXECUTIVE DIRECTORS

REVISION OF REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement dated 23 November 2018 and the circular dated 4 February 2019 of the Company in relation to that the Company entered into the 2018 Mutual Supply Agreement with COFCO, and the 2018 Financial Services Agreement with COFCO Finance. The 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement are both for a term of three years from 1 January 2019 to 31 December 2021. Pursuant to the Listing Rules, the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement constitute continuing connected transactions of the Company.

LETTER FROM THE BOARD

As the annual caps for the year ending 31 December 2021 for the Relevant Transactions under the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement may not be sufficient to meet the needs of the Group's business growth in the future, on 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, and the 2021 Supplemental Financial Services Agreement with COFCO Finance, for the purpose of revising the existing annual caps for the Relevant Transactions for the year ending 31 December 2021 to the Revised Annual Caps.

Reference is made to announcement of the Company dated 30 July 2021 in relation to, among other things, change of non-executive Directors. Mr. Ma Dewei and Dr. Zhao Wei have been appointed as non-executive Directors of the Company with effect from 30 July 2021. According to Article 16.2 of the articles of association of the Company, Mr. Ma Dewei and Dr. Zhao Wei shall hold office until the EGM, and shall be eligible for re-election at the EGM.

The purpose of this circular is to provide you with, among other things, (i) further details of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement; (ii) the letter from Oriental Patron containing its advice to the Independent Board Committee and the Independent Shareholders on the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement; (iii) recommendation from the Independent Board Committee to the Independent Shareholders; (iv) details of Mr. Ma Dewei and Dr. Zhao Wei; and (v) the notice of the EGM.

Revised Annual Caps of the Continuing Connected Transactions Contemplated under the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement

As the annual caps for the year ending 31 December 2021 for the Relevant Transactions under the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement may not be sufficient to meet the needs of the Group's business growth in the future, on 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, and the 2021 Supplemental Financial Services Agreement with COFCO Finance, for the purpose of revising the existing annual caps for the Relevant Transactions for the year ending 31 December 2021 to the Revised Annual Caps.

From 1 January 2021 and up to the Latest Practicable Date, none of the actual transaction amounts under the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement had exceeded the relevant annual caps for the financial year ending 31 December 2021 under the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement.

LETTER FROM THE BOARD

Principal Terms of the 2021 Supplemental Mutual Supply Agreement

Set out below are the principal terms of the 2021 Supplemental Mutual Supply Agreement:

Date : 9 July 2021

Parties : (i) the Company; and
(ii) COFCO

Pursuant to the 2021 Supplemental Mutual Supply Agreement, certain adjustments will be made to the annual caps of the Transactions Regarding Purchase of Poultry Products between the Group and COFCO Group for the financial year ending 31 December 2021.

Given the adjustments made to the annual caps of the Transactions Regarding Purchase of Poultry Products for the financial year ending 31 December 2021, the aggregate transaction amount payable under the 2018 Mutual Supply Agreement (together with the 2019 Supplemental Mutual Supply Agreement and the 2021 Supplemental Mutual Supply Agreement) will be adjusted accordingly. According to Rule 14A.81 of the Listing Rules, the aggregate transaction amount payable under the 2018 Mutual Supply Agreement (together with the 2019 Supplemental Mutual Supply Agreement and the 2021 Supplemental Mutual Supply Agreement) for the year ending 31 December 2021 is expected to be RMB6,080,200,000, which is equivalent to the sum of the transaction amount payable to COFCO Group by the Group and the amount receivables from COFCO Group by the Group, before being offset between the amount payables and the amount receivables. As such, the highest applicable percentage ratio calculated on an annual basis under Chapter 14A of the Listing Rules will exceed 5%. The 2021 Supplemental Mutual Supply Agreement is therefore subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for the revision of the existing annual caps of the Relevant Transactions under the 2021 Supplemental Mutual Supply Agreement for the year ending 31 December 2021, other terms of the 2018 Mutual Supply Agreement (together with the 2019 Supplemental Mutual Supply Agreement) shall remain unchanged.

As required under the Listing Rules, the commencement of the 2021 Supplemental Mutual Supply Agreement and the relevant Revised Annual Caps is subject to approval of the Independent Shareholders.

LETTER FROM THE BOARD

Revised Annual Caps of the 2021 Supplemental Mutual Supply Agreement

Set out below are (i) the existing and Revised Annual Caps amounts for the Relevant Transactions contemplated under the 2018 Mutual Supply Agreement for the following periods; and (ii) the historical transaction amounts for the period from 1 January 2021 to 31 May 2021.

Transactions Regarding Purchase of Poultry Products

Historical transaction amount (RMB'000)	The period from 1 January 2021 to 31 May 2021	Transactions Regarding Purchase of Poultry Products	3,335
Existing annual cap (RMB'000)	The financial year ending 31 December 2021	Transactions Regarding Purchase of Poultry Products	9,320
Revised Annual Cap (RMB'000)	The financial year ending 31 December 2021	Transactions Regarding Purchase of Poultry Products	70,000

Pricing

The prices of the Relevant Transactions under the 2021 Supplemental Mutual Supply Agreement will be agreed upon by the Company and COFCO through arm's length negotiation, and will be determined on a fair and reasonable basis based on the prevailing market prices for the provision or purchase of the same or similar transactions by Independent Third Parties on normal commercial terms in the ordinary course of business. The Company will adopt following measures to determine the purchase price of poultry products:

- (a) conduct comparison between recent comparable transactions conducted between independent qualified suppliers and the Group;
- (b) make enquiries with the independent qualified suppliers concerning prices and obtain at least three quotations from independent qualified suppliers; and
- (c) compare the quotations, product quality, technical skill level, delivery speed, qualifications and relevant experiences etc., and conduct negotiation on the quotation clauses with the suppliers.

After comprehensive assessment, the Company will contract with the suppliers who provide the best commercial terms.

LETTER FROM THE BOARD

Internal control system for the continuing connected transactions contemplated under the 2021 Supplemental Mutual Supply Agreement

The Company has (1) reporting, approval and, if required, selected verification procedures in place to ensure that the agreed price and terms of continuing connected transactions are no less favorable to the relevant member(s) of the Group than those available to or from (as appropriate) Independent Third Parties and also compliance with the pricing policy; and (2) procedures and policies for identifying connected persons and monitoring the annual caps of the continuing connected transactions.

According to the 2021 Supplemental Mutual Supply Agreement, at any time during the term of the 2021 Supplemental Mutual Supply Agreement, if the total amount of accumulated transactions in the relevant accounting year under the 2021 Supplemental Mutual Supply Agreement may exceed the respective annual caps for each of the individual continuing connected transactions, both parties agree that the Company shall notify the Stock Exchange as soon as possible and perform all applicable and mandatory regulatory obligations under the Listing Rules. Before all relevant regulatory requirements are met, the parties to the 2021 Supplemental Mutual Supply Agreement agreed to endeavour to control the total amount of the transaction for the relevant years. Should any of the relevant annual caps be exceeded, the 2021 Supplemental Mutual Supply Agreement shall be terminated.

The legal department of the Group is responsible for identifying connected persons of the Group from new customers or suppliers on a monthly basis and update the connected persons list. The finance department of the Group will then monitor the actual transaction amounts with the connected persons to ensure that such amounts do not exceed the relevant annual caps. Should the actual transaction amounts almost reach the permitted annual caps, the finance department will inform all relevant departments and, if necessary, report to the Board for its consideration of revising the annual caps in order to comply with the relevant provisions of the Listing Rules and the Group's internal policies.

In order to ensure that the actual transaction amounts under the 2021 Supplemental Mutual Supply Agreement during the period from the date of signing the 2021 Supplemental Mutual Supply Agreement to the date of the EGM will not exceed the existing annual caps, the Group will adopt the following monitoring measures:

- (a) The legal department of the Group will provide a timely list of connected persons from time to time for each department to identify connected transactions;
- (b) The business department of the Group will submit the agreements to the legal department and the finance department of the Group before signing on the agreements with the connected person;

LETTER FROM THE BOARD

- (c) The finance department of the Group calculates the amounts under the agreements. If the accumulated transaction amounts are kept below the existing annual caps, the relevant agreements may be signed. If the accumulated transaction amounts will exceed the existing annual caps, the relevant business department of the Group will be notified to adjust the transaction amounts or cease the transaction in a timely manner; and
- (d) The finance department of the Group will designate a person to conduct statistical analysis on the accumulated transaction amounts and circulate the results to various departments on monthly basis to ensure that the actual transaction amounts for the continuing connected transaction will not exceed the existing annual caps.

Principal Terms of the 2021 Supplemental Financial Services Agreement

Set out below are the principal terms of the 2021 Supplemental Financial Services Agreement:

- Date : 9 July 2021
- Parties : (i) the Company; and
(ii) COFCO Finance

Pursuant to the 2021 Supplemental Financial Services Agreement, certain adjustments will be made to the annual caps of transactions of the Deposit Services and Entrustment Loan Services between the Group and COFCO Finance for the financial year ending 31 December 2021.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Deposit Services (including the proposed deposit cap thereof) contemplated under the 2021 Supplemental Financial Services Agreement exceed 5%, the Deposit Services (including the proposed deposit cap thereof) contemplated under the 2021 Supplemental Financial Services Agreement will be subject to, among others, Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) in respect of the handling fees of the Entrustment Loan Services contemplated under the 2021 Supplemental Financial Services Agreement calculated on an annual basis is lower than 0.1%, the Entrustment Loan Services are therefore exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save for the revision of the existing annual caps of the Relevant Transactions under the 2021 Supplemental Financial Services Agreement for the year ending 31 December 2021, other terms of the 2018 Financial Services Agreement shall remain unchanged.

LETTER FROM THE BOARD

As required under the Listing Rules, the commencement of the 2021 Supplemental Financial Services Agreement and the relevant Revised Annual Caps is subject to approval of the Independent Shareholders.

Revised Annual Caps of the 2021 Supplemental Financial Services Agreement

Set out below are (i) the existing and Revised Annual Cap amounts for the Relevant Transactions contemplated under the 2018 Financial Services Agreement for the following periods; and (ii) the historical transaction amounts for the period from 1 January 2021 to 31 May 2021.

A. Deposit Services

Historical transaction amounts (RMB'000)	The period from 1 January 2021 to 31 May 2021	Deposit amount Interests on deposits	950,003 3,359
Existing annual cap (RMB'000)	The financial year ending 31 December 2021	Deposit amount Interests on deposits	1,000,000 7,000
Revised Annual Cap (RMB'000)	The financial year ending 31 December 2021	Deposit amount Interests on deposits	1,500,000 19,400

B. Entrustment Loan Services

Historical transaction amount (RMB'000)	The period from 1 January 2021 to 31 May 2021	Handling fees on Entrustment Loan Services	115
Existing annual cap (RMB'000)	The financial year ending 31 December 2021	Handling fees on Entrustment Loan Services	420
Revised Annual Cap (RMB'000)	The financial year ending 31 December 2021	Handling fees on Entrustment Loan Services	750

Pricing

For the Deposit Services under the 2021 Supplemental Financial Services Agreement, the interest rate offered by COFCO Finance will not be less favorable than the benchmark interest rate published by the PBOC or interest rates offered by the Major PRC Commercial Banks for the same type of deposit services of the same period.

LETTER FROM THE BOARD

For the Entrustment Loan Services under the 2021 Supplemental Financial Services Agreement, COFCO Finance, as an agent of the Group for entrustment loans, will not require the Group to provide any type of guarantees or securities with respect to the Entrustment Loans Services provided to the Group (for internal uses within the Group only). The handling fees in connection with entrustment loans will not be higher than those offered by Major PRC Commercial Banks operating similar businesses. Upon arising of demands for new entrustment loan business, the finance department of the Company will solicit and compare quotations from COFCO Finance and other commercial banks, and then select the best financial institution to carry out the entrustment loan business. Based on preliminary quotations, the fees for entrustment loans charged by COFCO Finance are far lower than those charged by other commercial banks for the same period.

Internal control system for the continuing connected transactions contemplated under the 2021 Supplemental Financial Services Agreement

In order to ensure that the actual transaction amounts of the Deposit Services under the 2021 Supplemental Financial Services Agreement during the period from the date of signing the 2021 Supplemental Financial Services Agreement to the date of the EGM will not exceed the existing annual caps, the Group will adopt the following regulatory measures:

- (a) funds daily report will be issued every morning by the treasury cashiers on the amount of deposits and the situation of change in funds. The head of treasury and the financial manager can adjust the funds strategy according to the funds daily report;
- (b) the head of treasury will compile 20-calendar-day rolling capital forecast every week which could reduce the incidence of liquidity excess;
- (c) the fund manager will compile the monthly fund plan at the beginning of each month to arrange the monthly fund balance in advance and make arrangements for the Group's deposits, loans and entrustment loans, to make sure that the annual caps will not be exceeded;
- (d) internal control reports on the risks management issued by COFCO Finance quarterly will be reviewed by the Company; and
- (e) in order to ensure that the annual cap set for Other Financial Services are not exceeded, the treasury division of finance department of the Company will follow up and pay attention to the records of relevant transaction data with COFCO Finance on the Enterprise Resourcing Planning system at the beginning of each month and pay attention to the relevant costs, make predictions on businesses that may generate relevant costs in each month and ensure the implementation of annual cap set for Other Financial Services. The treasury division of finance department of the

LETTER FROM THE BOARD

Company will also plan for the possible related transactions with COFCO Finance and suspend the relevant transactions which may possibly exceed the annual cap set for Other Financial Services.

GENERAL INFORMATION

Information on the Company

The Company is principally engaged in feeds production, hog breeding, slaughtering, the production, distribution and sale of fresh pork and meat products and the import and sale of frozen meat products in the PRC.

Information on COFCO

COFCO is a wholly state-owned company established in the PRC in September 1952 currently under the purview of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and a substantial Shareholder of the Company. COFCO is principally engaged in grain purchase, wholesale of prepackaged food and edible agricultural products, overseas futures business, import and export business, provision of external consulting services, product, exhibition and technical exchange business, hotel investment management, real estate development and management, property management and agency and leasing of self-owned houses.

Information on COFCO Finance

COFCO Finance is a non-banking financial institution and a subsidiary of COFCO established in the PRC since 2002 with the approval of PBOC. It is subject to the supervision of CBIRC. According to its business licence, it is authorised to provide for the Group all services set out in the 2018 Financial Services Agreement. According to its business licence, COFCO Finance is authorised to provide services such as (a) the provision of financial and financing consultation services, credit appraisal and relevant consulting services and agency business services; (b) assisting implementation of payables and receivables of the transaction amounts; (c) handling of deposits, loans and bills acceptance and discounting; (d) conducting settlements and other relevant settlements; and (e) the provision of loans and financing leases. The ultimate beneficial owner of COFCO Finance is COFCO.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENTS

Reasons for and Benefits of Entering into the 2021 Supplemental Mutual Supply Agreement

The Company and COFCO entered into the 2018 Mutual Supply Agreement in relation to mutual supply of products and services between the Group and COFCO Group with a term from 1 January 2019 to 31 December 2021. The series of transactions contemplated under the 2018 Mutual Supply Agreement (including these transactions) are entered into in the ordinary and usual business course of the Group and on normal commercial terms which are fair and reasonable.

The Group plans to increase sales volume of meat product, and will vigorously develop the sales of meat products on e-commerce systems and convenient store systems in the second half of the year with a key focus on cooked poultry products alongside self-produced ham, sausage and other products. For the year ended 31 December 2020 and the first half of the year 2021, the number of customers of the Group's poultry products experienced an upward trend where the monthly number of customers grew significantly during the first half of the year 2021. The Group expects that the number of customers of poultry products will increase significantly in the second half of the year. With the penetration of the channels, the average monthly transaction amount per customer for poultry products increased by approximately 220% from January 2021 to June 2021. Meanwhile, the Group will promote the sales of cooked poultry products based on the needs of existing and newly-developed customers. As such, the demand for the Transactions Regarding Purchase of Poultry Products of the Group may exceed the previous estimations.

Taking into account the reasons set out above, the Board expects that the annual caps of the Relevant Transactions under the 2018 Mutual Supply Agreement for the year ending 31 December 2021 may not be sufficient to meet the needs of the Group's business growth in the future. Accordingly, on 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, for the purpose of revising the existing annual caps of the Relevant Transactions for the year ending 31 December 2021 to the Revised Annual Caps.

Reasons for and Benefits of Entering into the 2021 Supplemental Financial Services Agreement

The Company and COFCO Finance entered into the 2018 Financial Services Agreement in relation to provision of deposit, loan and other financial services by COFCO Finance to the Group with a term from 1 January 2019 to 31 December 2021. The series of transactions contemplated under the 2018 Financial Services Agreement are entered into on normal commercial terms which are fair and reasonable.

LETTER FROM THE BOARD

The Board noticed that, as of 31 May 2021, the transaction amount of the Deposit Services under the 2018 Financial Services Agreement had reached approximately RMB950,003,000, representing approximately 95% of the existing annual caps. In addition, as the business and operation scale of the Group continued to expand, the Company's revenue increased by 70.8% year-on-year and its net profit increased by 164.4% year-on-year in 2020. Accordingly, its need for cash management grew substantially, resulting in an increase in the Company's deposit amounts. Therefore, the annual caps for deposit must be adjusted. The amount of internal entrustment loans will also increase with the expansion of business scale, which may lead to the demand for Entrustment Loan Services of the Group exceeding the previous estimations.

The terms and conditions of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement are determined after arm's length negotiations between the parties and the Relevant Transactions have been and will be concluded on terms no less favorable than those offered to Independent Third Parties.

Directors are of the opinion that, the terms and the Revised Annual Caps of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement are also fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. Jiang Guojin, the chairman of the Board and an executive Director of the Company, is a senior industry executive of COFCO, he is deemed to be materially interested in the 2021 Supplemental Mutual Supply Agreement, the 2021 Supplemental Financial Services Agreement and the transactions contemplated thereunder. Mr. Jiang Guojin has abstained from voting on the resolutions in relation to considering and approving the 2021 Supplemental Mutual Supply Agreement, the 2021 Supplemental Financial Services Agreement and the transactions contemplated thereunder at the Board meeting.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, COFCO is a substantial Shareholder of the Company interested in approximately 29.10% of the total issued share capital of the Company. Therefore, COFCO together with its subsidiaries are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. The transactions between the Group and/or such parties constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules and other than the profits ratio) in respect of the annual caps for the 2021 Supplemental Mutual Supply Agreement and the transactions contemplated thereunder exceed 5%, according to Chapter 14A of the Listing Rules, the 2021 Supplemental Mutual Supply Agreement and the transactions contemplated thereunder will be subject to, among others, the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Deposit Services (including the proposed deposit cap thereof) contemplated under the 2021 Supplemental Financial Services Agreement exceed 5%, the Deposit Services (including the proposed deposit cap thereof) contemplated under the 2021 Supplemental Financial Services Agreement will be subject to, among others, Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules. In addition, as one or more of the applicable percentage ratios in respect of the Deposit Services (including the proposed deposit cap thereof) are higher than 5% but lower than 25%, the Deposit Services contemplated under the 2021 Supplemental Financial Services Agreement (including the proposed deposit cap thereof) also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

As each of the applicable percentage ratios (other than the profits ratio) in respect of the handling fees of the Entrustment Loan Services contemplated under the 2021 Supplemental Financial Services Agreement calculated on an annual basis is lower than 0.1%, the Entrustment Loan Services is therefore exempt from the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, COFCO holds 1,135,392,782 ordinary Shares of the Company, representing approximately 29.10% of the issued share capital of the Company. COFCO Group and its respective associates will abstain from voting at the EGM in respect of the resolutions on the Revised Annual Caps of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement as a result of having material interest therein. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed in this circular, no other Shareholder is required to abstain from voting at the EGM.

The Company will disclose the information in relation to the Relevant Transactions in its subsequent published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong, being all of the independent non-executive Directors, has been established to advise the Independent Shareholders on the fairness and reasonableness of the terms of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement, after taking into account the recommendations of the Independent Financial Adviser. Oriental Patron has been appointed as the Independent Financial Adviser to the Company to provide the Independent Board Committee and the Independent Shareholders with independent advice in connection with the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement.

RE-ELECTION OF NON-EXECUTIVE DIRECTORS

Reference is made to announcement of the Company dated 30 July 2021 in relation to, among other things, change of non-executive Directors. Mr. Ma Dewei and Dr. Zhao Wei have been appointed as non-executive Directors of the Company with effect from 30 July 2021.

LETTER FROM THE BOARD

According to Article 16.2 of the Articles, Directors appointed by the Board shall only hold office until the convening of the next general meeting of the Company, and shall then be eligible for re-election. Accordingly, Mr. Ma Dewei and Dr. Zhao Wei shall hold office until the EGM, and shall be eligible for re-election at the EGM. The abovementioned Directors will offer themselves for re-appointment at the EGM. Details of Mr. Ma Dewei and Dr. Zhao Wei are set out in Appendix II of this circular.

GENERAL INFORMATION

A notice convening the EGM to be held at 10:00 a.m. on 15 September 2021 at Conference Room Joycome, 8/F, COFCO Fortune Plaza, No. 8 Chao Yang Men South Street, Chaoyang District, Beijing, PRC is set out on pages 36 to 38 in this circular. Resolution will be proposed at the EGM to consider and if thought fit, approve the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement, and the re-election of Mr. Ma Dewei and Dr. Zhao Wei as non-executive Directors.

A form of proxy for use at the EGM is enclosed with this circular. If you are unable to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

Taking into account the reasons set out above, the Directors (including the independent non-executive Directors) consider that the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement are entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms thereof together with the Revised Annual Caps are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole, and therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement. The Directors also consider that the re-election of non-executive Directors is in the best interests of the Company and the Shareholders as a whole, and therefore recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the re-election of non-executive Directors.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on page 18 of this circular, and the letter from Oriental Patron to the Independent Board Committee and Independent Shareholders set out on pages 19 to 29 and the information set out in the appendix to this circular.

Yours faithfully
By order of the Board
COFCO Joycome Foods Limited
Jiang Guojin
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

25 August 2021

To the Independent Shareholders

Dear Sir or Madam,

REVISION OF REVISED ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 25 August 2021 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall bear the same meanings when used herein unless the context requires otherwise.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders on whether the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement is in the interests of the Company and the Shareholders as a whole. Oriental Patron has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement.

Your attention is drawn to the letter from the Board and the letter from Oriental Patron containing its advice to us and the Independent Shareholders as set out in this Circular respectively.

Having considered, among other things, the factors and reasons considered by, and the opinion of Oriental Patron, we are of the opinion that the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement is in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM.

Yours faithfully

Mr. Fu Tingmei

Mr. Li Michael Hankin
Independent Board Committee

Dr. Ju Jiandong

LETTER FROM ORIENTAL PATRON

The following is the full text of a letter of advice from Oriental Patron Asia Limited to the Independent Board Committee and the Independent Shareholders in respect of the proposed revision of annual caps of certain continuing connected transactions, which has been prepared for the purpose of inclusion in this circular:



Oriental Patron Asia Limited
27/F, Two Exchange Square,
8 Connaught Place,
Hong Kong

25 August 2021

*To the Independent Board Committee and the Independent Shareholders of
COFCO Joycome Foods Limited*

Dear Sirs,

REVISION OF REVISED ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in this circular issued by the Company to the Shareholders dated 25 August 2021 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, and the 2021 Supplemental Financial Services Agreement with COFCO Finance, in relation to (among other things) the Relevant Transactions, for a term from 1 January 2021 to 31 December 2021.

As the annual caps for the year ending 31 December 2021 for the Relevant Transactions under the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement may not be sufficient to meet the needs of the Group’s business growth in the future, on 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, and the 2021 Supplemental Financial Services Agreement with COFCO Finance, for the purpose of revising the existing annual caps for the Relevant Transactions for the year ending 31 December 2021 to the Revised Annual Caps.

LETTER FROM ORIENTAL PATRON

COFCO is a substantial shareholder of the Company interested in approximately 29.10% of the total issued share capital of the Company, therefore COFCO together with its subsidiaries are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. The transactions between the Group and/or such parties constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Given the adjustments made to the annual caps of the Transactions Regarding Purchase of Poultry Products for the financial year ending 31 December 2021, the aggregate transaction amount payable under the 2018 Mutual Supply Agreement (together with the 2019 Supplemental Mutual Supply Agreement and the 2021 Supplemental Mutual Supply Agreement) will be adjusted accordingly. According to Rule 14A.81 of the Listing Rules, the aggregate transaction amount payable under the 2018 Mutual Supply Agreement (together with the 2019 Supplemental Mutual Supply Agreement and the 2021 Supplemental Mutual Supply Agreement) for the year ending 31 December 2021 is expected to be RMB6,080,200,000, which is equivalent to the sum of the transaction amount payable to COFCO Group by the Group and the amount receivables from COFCO Group by the Group, before being offset between the amount payables and the amount receivables. As such, the highest applicable percentage ratio calculated on an annual basis under Chapter 14A of the Listing Rules will exceed 5%. The 2021 Supplemental Mutual Supply Agreement is therefore subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Deposit Services (including only the proposed deposit cap thereof) contemplated under the 2021 Supplemental Financial Services Agreement exceed 5%, the Deposit Services (including only the proposed deposit cap thereof) contemplated under the 2021 Supplemental Financial Services Agreement will be subject to, among others, Independent Shareholders' approval, reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Fu Tingmei, Mr. Li Michael Hankin, and Dr. Ju Jiandong has been established to advise the Independent Shareholders on the fairness and reasonableness of the terms of the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement including the Revised Annual Caps. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide you with an independent opinion as to whether the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement were agreed on normal commercial terms or better, in the ordinary and usual course of business of the Company, and fair and reasonable so far as the Independent Shareholders are concerned and that the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement are in the interests of the Company and the Independent Shareholders as a whole.

During the past two years, we have acted as independent financial adviser to the Company in relation to the 2019 Supplemental Mutual Supply Agreement (details of which were set out in the circular of the Company dated 29 October 2019).

LETTER FROM ORIENTAL PATRON

Apart from normal professional fees paid or payable to us in connection with the abovementioned appointments as independent financial adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our advice and recommendations, we have relied on the accuracy of the information and facts supplied, and the opinions expressed, by the Company, its Directors and the management of the Group to us. We have assumed that all information, facts, representations and opinions made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the Latest Practicable Date and that all expectations and intentions of the Company, its Directors and the management of the Group, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Company, its directors and the management of the Group, and have been advised by the Company, its directors and the management of the Group that no material facts have been omitted from the information provided and opinion expressed in and referred to in the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted any form of in-depth investigation into the business and affairs, financial position or future prospect of the Group, nor carried out any independent verification of the information supplied, representations made or opinion expressed by the Company, the Directors and the management of the Group.

BACKGROUND OF THE CONTINUING CONNECTED TRANSACTIONS

On 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, and the 2021 Supplemental Financial Services Agreement with COFCO Finance, in relation to (among other things) the Relevant Transactions, for a term from 1 January 2021 to 31 December 2021. The 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

LETTER FROM ORIENTAL PATRON

As set out in the Board Letter, as the annual caps for the year ending 31 December 2021 for the Relevant Transactions under the 2018 Mutual Supply Agreement and the 2018 Financial Services Agreement may not be sufficient to meet the needs of the Group's business growth in the future, the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, and the 2021 Supplemental Financial Services Agreement with COFCO Finance, for the purpose of revising the existing annual caps for the Relevant Transactions for the year ending 31 December 2021 to the Revised Annual Caps.

As advised by the management of the Company, the Company is under no obligation to purchase or supply any specific amount of products or services from or to COFCO Group and has the right to purchase or supply such products or services from or to other Independent Third Parties as it deems fit.

2021 SUPPLEMENTAL MUTUAL SUPPLY AGREEMENT

Principal factors and reasons considered

We set out below the principal factors and considerations that we have taken into account in relation to the 2021 Supplemental Mutual Supply Agreement in arriving at our advice to the Independent Board Committee and the Independent Shareholders.

1. Information on COFCO

COFCO is a wholly state-owned company established in the PRC in September 1952 currently under the purview of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC, and a substantial shareholder of the Company. COFCO is principally engaged in grain purchase, wholesale of prepackaged food and edible agricultural products, overseas futures business, import and export business, provision of external consulting services, product, exhibition and technical exchange business, hotel investment management, real estate development and management, property management and agency and leasing of self-owned houses.

2. Reasons for and benefits of entering into the 2021 Supplemental Mutual Supply Agreement

As set out in the Board Letter, the Company and COFCO entered into the 2018 Mutual Supply Agreement in relation to mutual supply of products and services between the Group and COFCO Group with a term from 1 January 2019 to 31 December 2021. The series of transactions contemplated under the 2018 Mutual Supply Agreement (including the transactions contemplated under the 2021 Supplemental Mutual Supply Agreement) are entered into in the ordinary and usual course of business of the Group and on normal commercial terms which are fair and reasonable.

LETTER FROM ORIENTAL PATRON

As set out in the Board Letter, the Group plans to increase sales volume of meat product, and will vigorously develop the sales of meat products on e-commerce systems and convenient store systems in the second half of the year with a key focus on cooked poultry products alongside self-produced ham, sausage and other products. For the year ended 31 December 2020 and the first half of the year 2021, the number of customers of the Group's poultry products experienced an upward trend where the monthly number of customers grew significantly during the first half of the year 2021. The Group expects that the number of customers of poultry products will increase significantly in the second half of the year. With the penetration of the channels, the average monthly transaction amount per customer for poultry products also increased by approximately 220% from January 2021 to June 2021. Meanwhile, the Group will promote the sales of cooked poultry products based on the needs of existing and newly-developed customers. As such, the demand for the Transactions Regarding Purchase of Poultry Products of the Group may exceed the previous estimations.

Taking into account the reasons set out above, the Board expects that the annual caps of the Relevant Transactions under the 2018 Mutual Supply Agreement for the year ending 31 December 2021 may not be sufficient to meet the needs of the Group's business growth in the future. Accordingly, on 9 July 2021 (after trading hours), the Company entered into the 2021 Supplemental Mutual Supply Agreement with COFCO, for the purpose of revising the existing annual caps of the Relevant Transactions for the year ending 31 December 2021 to the Revised Annual Caps.

As set out in the Board Letter, the terms and conditions of the 2021 Supplemental Mutual Supply Agreement are determined after arm's-length negotiations between the parties and the Relevant Transactions have been and will be concluded on terms no less favorable than those offered to Independent Third Parties.

3. Terms of the 2021 Supplemental Mutual Supply Agreement

The term of the 2021 Supplemental Mutual Supply Agreement is from 1 January 2021 to 31 December 2021.

We noted from the 2019 annual report and the 2020 annual report of the Company respectively that the independent non-executive Directors had reviewed the continuing connected transactions contemplated under the 2018 Mutual Supply Agreement and confirmed in both years that the transactions had been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in compliance with fair and reasonable terms regulating various agreements of the above continuing connected transactions and in the interest of the Company and its shareholders as a whole.

LETTER FROM ORIENTAL PATRON

We also noted from these annual reports that in both years the Directors had received a letter by Deloitte which was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules". Deloitte has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

4. Major content of Transactions Regarding Purchase of Poultry Products under the 2021 Supplemental Mutual Supply Agreement

Revised Annual Caps of the Transactions Regarding Purchase of Poultry Products

As stated in the Board Letter, set out below are (i) the existing and Revised Annual Caps amounts for the Relevant Transactions contemplated under the 2018 Mutual Supply Agreement for the following periods; and (ii) the historical transaction amounts for the period from 1 January 2021 to 31 May 2021.

Transactions Regarding Purchase of Poultry Products

Historical transaction amount (RMB'000)	The period from 1 January 2021 to 31 May 2021	Transactions Regarding Purchase of Poultry Products	3,335
Existing annual cap (RMB'000)	The financial year ending 31 December 2021	Transactions Regarding Purchase of Poultry Products	9,320
Revised Annual Cap (RMB'000)	The financial year ending 31 December 2021	Transactions Regarding Purchase of Poultry Products	70,000

As set out in the Board Letter, as at the Latest Practicable Date, the aggregate transaction amount of the Transactions Regarding Purchase of Poultry Products has not exceeded the RMB9,320,000 existing annual cap. The Group has closely monitored the transaction amount under the Transactions Regarding Purchase of Poultry Products to ensure the amount is in compliance with the relevant regulations. In respect of that, the Company does not expect that the existing annual cap will be exceeded before the EGM.

In order to assess the fairness and reasonableness of the above annual caps, we have obtained their underlying calculations, discussed the bases and assumptions adopted in such calculations with the management of the Group, and obtained supporting documents where appropriate and available.

LETTER FROM ORIENTAL PATRON

We have (i) obtained sample transaction documents of similar transactions and noted that the expected purchase unit price of poultry products under the Transactions Regarding Purchase of Poultry Products is comparable to the unit price of these similar transactions; and (ii) reviewed and analyzed the underlying reasons and intentions of the Company to increase the sales volume of meat products to its customers leading to an increased purchase quantity, which we consider reasonable in the calculations of the relevant revised annual caps for the year ending 31 December 2021. Having carried out the above work done, we concur with the view of the management of the Company that the relevant proposed annual cap (including the basis and assumptions/projections applied in the relevant calculations) for the Transactions Regarding Purchase of Poultry Products is fair and reasonable.

Pricing policy of the Transactions Regarding Purchase of Poultry Products

As stated in the Board Letter, the prices of the Transactions Regarding Purchase of Poultry Products contemplated under the 2021 Supplemental Mutual Supply Agreement will be agreed upon by the Company and COFCO through arm's length negotiation and will be determined on a fair and reasonable basis based on the prevailing market prices for the provision or purchase of the same or similar transactions by Independent Third Parties on normal commercial terms in the ordinary course of business.

We concur with the view of the management of the Company that the pricing policy of the Transactions Regarding Purchase of Poultry Products under the 2021 Supplemental Mutual Supply Agreement is (i) agreed on normal commercial terms or on terms no less favourable to those provided by Independent Third Parties and (ii) fair and reasonable.

5. *Price determination procedures and internal control system for the 2021 Supplemental Mutual Supply Agreement*

As advised by the management of the Company, the price determination procedures and internal control system (as set out in the Board Letter) for the Transactions Regarding Purchase of Poultry Products under the 2021 Supplemental Mutual Supply Agreement shall be the same as those adopted under the 2018 Mutual Supply Agreement which we consider to be (i) agreed on normal commercial terms or on terms no less favourable to those provided by Independent Third Parties and (ii) fair and reasonable.

2021 SUPPLEMENTAL FINANCIAL SERVICES AGREEMENT

Principal factors and reasons considered

We set out below the principal factors and considerations that we have taken into account in relation to the 2021 Supplemental Financial Services Agreement in arriving at our advice to the Independent Board Committee and the Independent Shareholders.

LETTER FROM ORIENTAL PATRON

1. Information on COFCO Finance

COFCO Finance is a non-banking financial institution and a subsidiary of COFCO established in the PRC since 2002 with the approval of PBC. It is subject to the supervision of CBIRC. According to its business licence, it is authorised to provide to the Group all services set out in the 2018 Financial Services Agreement. According to its business licence, COFCO Finance is authorised to provide services such as (a) the provision of financial and financing consultation services, credit appraisal and relevant consulting services and agency business services; (b) assisting implementation of payables and receivables of the transaction amounts; (c) handling of deposits, loans and bills acceptance and discounting; (d) conducting settlements and other relevant settlements; and (e) the provision of loans and financing leases. The ultimate beneficial owner of COFCO Finance is COFCO.

2. Reasons for and benefits of entering into the 2021 Supplemental Financial Services Agreement

As set out in the Board Letter, the Company and COFCO Finance entered into the 2018 Financial Services Agreement in relation to provision of deposit, loan and other financial services by COFCO Finance to the Group with a term from 1 January 2019 to 31 December 2021. The series of transactions contemplated under the 2018 Financial Services Agreement are entered into on normal commercial terms which are fair and reasonable.

The Board noticed that, as of 31 May 2021, the transaction amount of the Deposit Services under the 2018 Financial Services Agreement had reached approximately RMB950,003,000, representing approximately 95% of the existing annual caps. In addition, as the Group's business scale grows, its deposit amount will continue to increase, and so will the deposit interest. As such, the transaction amount of Deposit Services of the Group may exceed the previous estimations.

As set out in the Board Letter, the terms and conditions of the 2021 Supplemental Financial Services Agreement are determined after arm's-length negotiations between the parties and the Relevant Transactions have been and will be concluded on terms no less favorable than those offered to Independent Third Parties.

3. Terms of the 2021 Supplemental Financial Services Agreement

The term of the 2021 Supplemental Financial Services Agreement is from 1 January 2021 to 31 December 2021.

We noted from the 2019 annual report and the 2020 annual report of the Company respectively that the independent non-executive Directors had reviewed the continuing connected transactions contemplated under the 2018 Financial Services Agreement and confirmed in both years that the transactions had been entered into:

- (i) in the ordinary and usual course of business of the Group;

LETTER FROM ORIENTAL PATRON

- (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from Independent Third Parties; and
- (iii) in compliance with fair and reasonable terms regulating various agreements of the above continuing connected transactions and in the interest of the Company and its shareholders as a whole.

We also noted from these annual reports that in both years the Directors had received a letter by Deloitte Touch Tohmatsu (“**Deloitte**”) which was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules”. Deloitte has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

4. Major content of Deposit Services under the 2021 Supplemental Financial Services Agreement

Revised Annual Caps of the Deposit Services

As stated in the Board Letter, set out below are (i) the existing and Revised Annual Caps amounts for the Relevant Transactions contemplated under the 2018 Financial Services Agreement for the following periods; and (ii) the historical transaction amounts for the period from 1 January 2021 to 31 May 2021.

Deposit Services

Historical transaction amount (RMB’000)	The period from 1 January 2021 to 31 May 2021	Deposit cap	950,003
Existing annual cap (RMB’000)	The financial year ending 31 December 2021	Deposit cap	1,000,000
Revised Annual Cap (RMB’000)	The financial year ending 31 December 2021	Deposit cap	1,500,000

LETTER FROM ORIENTAL PATRON

As set out in the Board Letter, as at the Latest Practicable Date, the aggregate transaction amount of the deposit cap under the Deposit Services has not exceeded the RMB1 billion existing annual cap. The Group has closely monitored the transaction amount of the deposit cap under the Deposit Services to ensure the amount is in compliance with the relevant regulations. In respect of that, the Company does not expect that the existing annual cap will be exceeded before the EGM.

In order to assess the fairness and reasonableness of the above proposed deposit cap, we have obtained their underlying calculations, discussed the bases and assumptions adopted in such calculations with the management of the Group, and obtained supporting documents where appropriate and available.

We have (i) reviewed the underlying records showing that the Company's account with COFCO Finance has reached an approximate 95% level of the RMB1 billion existing deposit cap, (ii) reviewed the underlying historical records of the maximum total daily amount of deposit (including the amount both placed with COFCO Finance and other Independent Third Parties) of the Group in the first half of 2021 enabling us to concur with the view of the management of the Company that the implied demand for the Deposit Services could sufficiently justify the proposed annual cap for the Deposit Services and (iii) reviewed the Company's audited financial statements for the year ended 31 December 2019 and the year ended 31 December 2020, which shows that there is a significant year-on-year growth of the revenue of the Company for the financial year ended 31 December 2019 and for the financial year ended 31 December 2020 of approximately 54.5% and 70.8% respectively, a turnaround from net loss to net profit of the Company for the financial year ended 31 December 2019 and a significant year-on-year growth of the net profit of the Company for the financial year ended 31 December 2020 of 164.4%, which are in line with our discussion with the management of the Company that a growing demand for cash management is expected due to the expansion of business and operations. Having carried out the above work done, we concur with the view of the management of the Company that the proposed deposit cap (including the basis and assumptions/projections applied in the relevant calculations) for the Deposit Services is fair and reasonable.

Pricing policy of the Deposit Services

For the Deposit Services under the 2021 Supplemental Financial Services Agreement, the interest rate offered by COFCO Finance will not be less favorable than the benchmark interest rate published by the PBOC or interest rates offered by the Major PRC Commercial Banks for the same type of deposit services of the same period.

5. *Price determination procedures and internal control system for the 2021 Supplemental Financial Services Agreement*

As advised by the management of the Company, the price determination procedures and internal control system for the Deposit Services (including the proposed deposit cap thereunder) under the 2021 Supplemental Financial Services Agreement shall be the same as those adopted under the 2018 Financial Services Agreement which we consider to be (i) agreed on normal commercial terms or on terms no less favourable to those provided by Independent Third Parties and (ii) fair and reasonable.

LETTER FROM ORIENTAL PATRON

RECOMMENDATION

Having taken into account the above factors and reasons, we consider that (1) both the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement are entered into in the ordinary and usual course of business of the Group; and (2) the terms of the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement (including the Revised Annual Caps) are of normal commercial terms or better, are in the interests of the Company and the Independent Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant resolutions at the EGM to approve the 2021 Supplemental Mutual Supply Agreement and the Deposit Services under the 2021 Supplemental Financial Services Agreement (including the Revised Annual Caps).

Yours faithfully,

For and on behalf of

Oriental Patron Asia Limited

Joseph Chan Benson Chan

Director

Director

Mr. Joseph Chan and Mr. Benson Chan are licensed persons under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Oriental Patron Asia Limited. Mr. Joseph Chan and Mr. Benson Chan have over 15 and 10 years of experience in corporate finance industry, respectively.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, is published in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or this circular misleading.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests of the Directors and chief executive in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares or underlying Shares of the Company

Name of Director	Capacity/Nature of interests	Number of Shares held	Percentage of the Company's issued share capital
Xu Jianong	Beneficial owner	1,014,320 (Long position)	0.03%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had registered an interest or a short position in the shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates is or was interested in any business, apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business.

DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the businesses of the Group.

LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the Directors pending or threatened by or against any member of the Group.

EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions contained in and referred to in this circular:

Name	Qualification
Oriental Patron Asia Limited	A licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities

The Independent Financial Adviser has given and has not withdrawn its consent to the issue of this circular with inclusion of its letter and reference to its name in the form and context in which they appear respectively.

As at the Latest Practicable Date, the Independent Financial Adviser had no shareholding in the Company or any other member of the Group or right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities of the Company or any other member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser had no direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2020 (the date to which the latest published audited consolidated financial statements of the Company were made up) or proposed to be so acquired, disposed of or leased to.

The letter and recommendations from the Independent Financial Adviser are set out on pages 19 to 29 of this circular and are given for incorporation in this circular.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading positions of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

MISCELLANEOUS

- (a) The Company's registered office is at Second Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.
- (b) The joint secretaries of the Company are Dr. Zhang Nan and Ms. Chau Hing Ling. Ms. Chau is a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries).
- (c) The Company's branch share registrar in Hong Kong is Tricor Investor Services Limited, whose business address is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English texts of this circular and the accompanying proxy form shall prevail over the Chinese texts.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 33rd Floor, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) this circular;
- (b) the 2018 Mutual Supply Agreement and 2018 Financial Services Agreement;
- (c) the 2019 Supplemental Mutual Supply Agreement;
- (d) the 2021 Supplemental Mutual Supply Agreement and the 2021 Supplemental Financial Services Agreement;
- (e) the letter from the Board, the text of which is set out on pages 5 to 17 of this circular;
- (f) the letter from the Independent Board Committee, the text of which is set out on page 18 of this circular; and
- (g) the letter from the Independent Financial Adviser, the text of which is set out on pages 19 to 29 of this circular.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

The following are the particulars of Mr. Ma Dewei and Dr. Zhao Wei, the non-executive Directors proposed to be re-elected at the EGM:

PARTICULARS OF MR. MA DEWEI

Mr. Ma Dewei (馬德偉), aged 57, started to work in July 1987 and served as the legal counsel of Beijing International Hotel, the deputy general manager of Beijing Yitong Dance Art Service Company, the director of the Cultural and Legal Affairs Department of Beijing Huaxin Law Firm, and a lawyer of Beijing Jiangchuan Law Firm. Mr. Ma joined COFCO in December 1998 and had served in various positions, including staff of the Legal and Trademark Affairs Department, general manager of the Legal Consulting Department, deputy director of the Legal Department and general manager of the Contract and Corporate Law Department, and director of the Legal Department of COFCO. He has served as the general counsel of COFCO since February 2013. He is a director of Grandjoy Holdings Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange (Stock Code: 000031)) since March 2019, a director of Joy City Property Limited (a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 00207)) since October 2020, and a director of COFCO Meat Investments Co., Ltd. since July 2021.

Mr. Ma obtained a master's degree in law from China University of Political Science and Law in July 1987.

PARTICULARS OF DR. ZHAO WEI

Dr. Zhao Wei (趙璋), aged 46, joined COFCO in April 2001 and had served in various positions, including staff of the Accounting and Taxation Division under the Finance Department, staff of the Operation and Management Division under the Finance Department, assistant to the general manager of the Operation and Management Division under the Finance Department, director, chief accountant and general manager of the Finance Department of COFCO Tunhe Sugar Co., Ltd. (中糧屯河糖業股份有限公司, formerly known as COFCO Tunhe Co., Ltd. (中糧屯河股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600737)), leader of the IT Working Group of COFCO, etc. He has served as the director of the Information Management Department of COFCO since April 2021, and a director of COFCO Meat Investments Co., Ltd. since July 2021. Dr. Zhao holds the qualification of Certified Public Accountant in China.

Dr. Zhao obtained a doctorate in management from Central University of Finance and Economics in June 2005.

As at the Latest Practicable Date, Mr. Ma and Dr. Zhao do not have any other relationship with any Directors, senior management or substantial Shareholders or controlling Shareholders of the Company, and have not held any positions in the Company or any of its subsidiaries. Save as disclosed above, they have not held any directorship in any listed companies in Hong Kong or overseas in the last three years, nor do they have any other major appointments or professional qualifications.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

According to the engagement letters entered into between the Company and Mr. Ma and Dr. Zhao, Mr. Ma and Dr. Zhao are appointed for a term of three years commencing from 30 July 2021, subject to termination by them giving the Company three months' prior written notice. Mr. Ma and Dr. Zhao receive no remuneration from the Company. Mr. Ma and Dr. Zhao are also subject to the provisions on retirement by rotation and re-election of directors in accordance with the Articles.

As at the Latest Practicable Date, Mr. Ma and Dr. Zhao do not have any interest in Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)).

Save as disclosed above, there is no other matter relating to the appointment of Mr. Ma and Dr. Zhao that needs to be brought to the attention of the Shareholders of the Company and the Stock Exchange, nor is there any other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF EGM



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of COFCO Joycome Foods Limited (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 15 September 2021 at Conference Room Joycome, 8/F, COFCO Fortune Plaza, No.8 Chao Yang Men South Street, Chaoyang District, Beijing, PRC, for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions:

1. “**THAT**

- (a) the 2021 Supplemental Mutual Supply Agreement (“**2021 Supplemental Mutual Supply Agreement**”) dated 9 July 2021 entered into between the Company and COFCO Corporation in relation to the revised annual caps (a copy of which has been produced to the EGM marked “A” and initialled by the chairman of the EGM for identification purpose) be and is hereby confirmed and approved;
- (b) the revised annual cap for the year ending 31 December 2021 of RMB70,000,000 in relation to the Transactions Regarding Purchase of Poultry Products contemplated under the 2021 Supplemental Mutual Supply Agreement be and is hereby confirmed and approved;
- (c) the directors of the Company be and are hereby authorised to execute such other documents, do all other acts and things and take such action as they may consider necessary, desirable or expedient to implement and/or give effect to or otherwise in connection with the 2021 Supplemental Mutual Supply Agreement and any or all the matters contemplated under the 2021 Supplemental Mutual Supply Agreement.”

NOTICE OF EGM

2. **“THAT**
- (a) the 2021 Supplemental Financial Services Agreement (“**2021 Supplemental Financial Services Agreement**”) dated 9 July 2021 entered into between the Company and COFCO Finance Corporation Limited (中糧財務有限責任公司) in relation to the revised annual caps of the Deposit Services and Entrustment Loan Services (a copy of which has been produced to the EGM marked “A” and initialled by the chairman of the EGM for identification purpose) be and is hereby confirmed and approved;
 - (b) the revised annual cap for the year ending 31 December 2021 of RMB1,500,000,000 (and the revised annual cap for deposit interest for the year ending 31 December 2021 of RMB19,400,000) in relation to the Deposit Services contemplated under the 2021 Supplemental Financial Services Agreement be and are hereby confirmed and approved;
 - (c) the directors of the Company be and are hereby authorised to execute such other documents, do all other acts and things and take such action as they may consider necessary, desirable or expedient to implement and/or give effect to or otherwise in connection with the 2021 Supplemental Financial Services Agreement and any or all the matters contemplated under the 2021 Supplemental Financial Services Agreement.”
3. Re-election of Mr. Ma Dewei as a non-executive Director of the Company.
4. Re-election of Dr. Zhao Wei as a non-executive Director of the Company.

By order of the Board
COFCO Joycome Foods Limited
Jiang Guojin
Chairman and executive Director

Beijing, the PRC, 25 August 2021

NOTICE OF EGM

Notes:

1. The register of members of the Company will be closed from Friday, 10 September 2021 to Wednesday, 15 September 2021, both days inclusive, during which no transfers of shares will be registered. In order to qualify for attendance and voting at the EGM, all transfer documents should be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Thursday, 9 September 2021.
2. The resolution set out in this Notice of EGM will be voted on by poll.
3. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote for him/her. A proxy need not be a member of the Company. The Company strongly recommends you to monitor the development of the situation with the COVID-19 and to assess, based on the social distancing policies, the necessity for attending the above meeting in person, and the board of directors of the Company respectfully requests that, for the same reason, the shareholders to appoint the chairman of the above meeting as their proxy rather than a third party to attend and vote on their behalf at the above meeting (or any adjournment thereof).
4. A form of proxy for use at the EGM is enclosed. To be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for holding the EGM (i.e. before 10:00 a.m. on Monday, 13 September 2021) or any adjournment of it.
5. Where there are joint holders of any share, any one of such holders may vote at the EGM, either in person or by proxy, in respect of such shares as if he/she were solely entitled to vote. But if more than one of such joint holders are present at the EGM in person or by proxy, the person so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it.
6. Completion and return of the form of proxy will not preclude a member from attending the EGM and voting in person at the EGM or any adjourned meeting if he/she so desires. If a member attends the EGM after having deposited the form of proxy, his/her form of proxy will be deemed to have been revoked.
7. Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the above meeting against the epidemic to protect the Shareholders of the Company from the risk of infection:
 - (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be permitted to access to the meeting venue;
 - (ii) every Shareholder or proxy is required to wear surgical face mask throughout the meeting;
 - (iii) no souvenirs will be provided; and
 - (iv) no refreshments will be served.
8. The EGM is expected to last for no more than half a day. Shareholders who attend the EGM shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board of Directors of the Company comprises Mr. Jiang Guojin as the chairman of the Board and the executive Director, Mr. Xu Jianong as the executive Director, Mr. Ma Dewei and Dr. Zhao Wei as non-executive Directors, and Mr. Fu Tingmei, Mr. Li Michael Hankin and Dr. Ju Jiandong as independent non-executive Directors.