

Stock Code: 002714

Stock Short Name: Muyuan Foods

Announcement No.: 2025-019

Bond Code: 127045

Bond Short Name: Muyuan Convertible Bond

Summary of 2024 Annual Report of Muyuan Foods Co., Ltd.

I. Important Notes

This summary is abstracted from the 2024 Annual Report of Muyuan Foods Co., Ltd. Investors may refer to the full text of the report through the media designated by the China Securities Regulatory Commission (CSRC) for further details of the business performance, financial situation and future development plans of Muyuan Foods Co., Ltd. (hereinafter referred to as the “Company”).

This summary has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail

All directors attended the board meeting on which this report was reviewed.

Notes on non-standard audit opinion

Applicable Not Applicable

Preliminary plan for profit distribution or capitalization of reserves in the reporting period as deliberated by the board

Applicable Not Applicable

Capitalization of reserves or not

Yes No

The preliminary plan for profit distribution, as approved by the Company’s board of directors, decides to distribute a cash dividend of 5.72yuan (tax included) for every 10 shares to all shareholders, on the basis of the total share capital on the date of equity registration when the distribution plan is implemented in the future, with a total dividend of 3,082,880,394.31yuan (tax included), 0 bonus shares (tax included), and no capitalization of reserves. The shares of the Company held by the Company through a dedicated account for repurchase enjoy no right to participate in profit distribution. If the total share capital of the Company changes before the implementation of this distribution plan due to share repurchases, convertible bond conversions, or the listing of new shares through refinancing, the profit distribution ratio will be adjusted while keeping the total distribution amount unchanged.

Profit distribution plan of preferred shares during the reporting period as approved through the resolution of the board of directors

Applicable Not Applicable

II. Basic Information of the Company

1. Company Profile

Stock Short Name	Muyuan Foods	Stock Code	002714
Stock Exchange for stock listing	Shenzhen Stock Exchange		
Stock short name before change (if any)	None		
Contact information	Secretary of the Board	Securities Affairs Representative	
Name	Qin Jun	Cao Fang	
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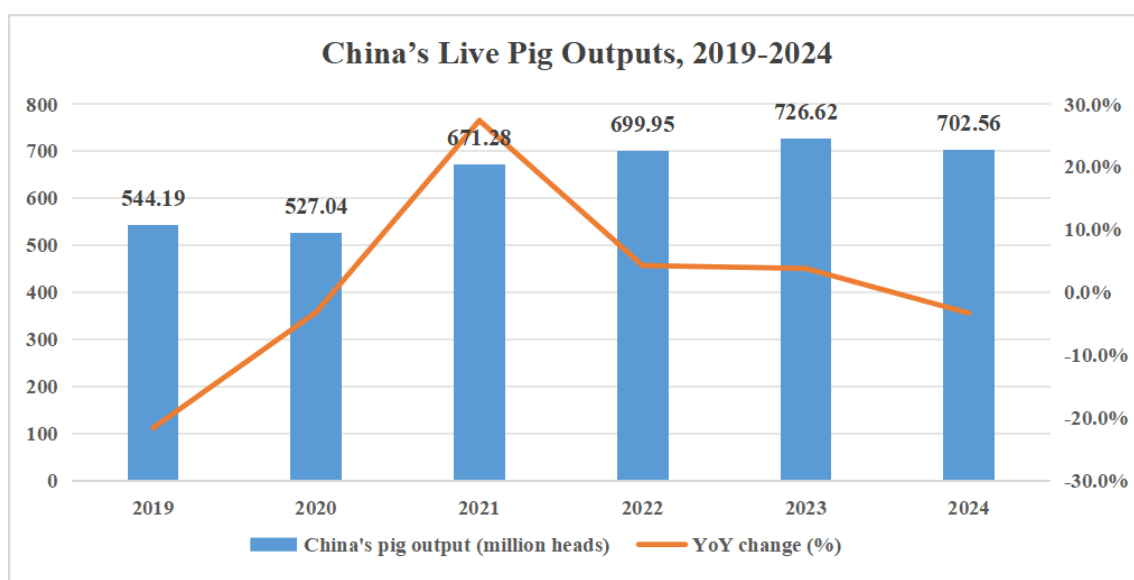
2. Introduction to Main Businesses or Products during the Reporting Period

I. Industry situations during the reporting period

(I) Pig farming

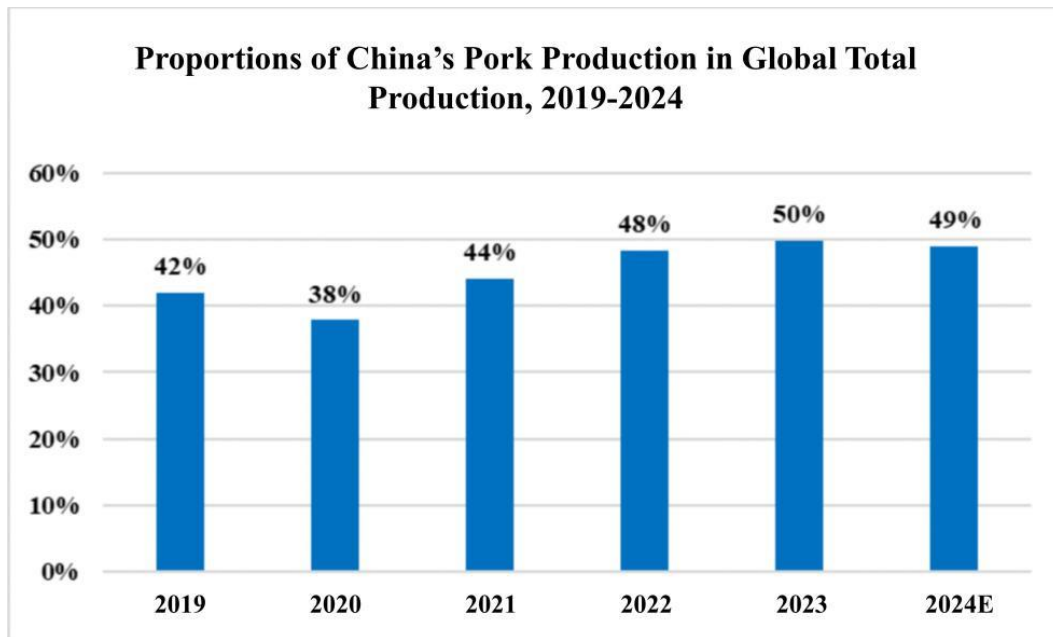
1. China is the largest pork production and consumption country in the world

Data from the National Bureau of Statistics of China (NBSC) shows that China's live pig output was 702.56 million heads in 2024, decreased by 3.3% compared to the previous year. As of the end of 2024, the national inventory of reproductive sows and live pigs were 40.78 million heads and 427.43 million heads, a decrease of 1.6% and 1.5% from the previous year, respectively.



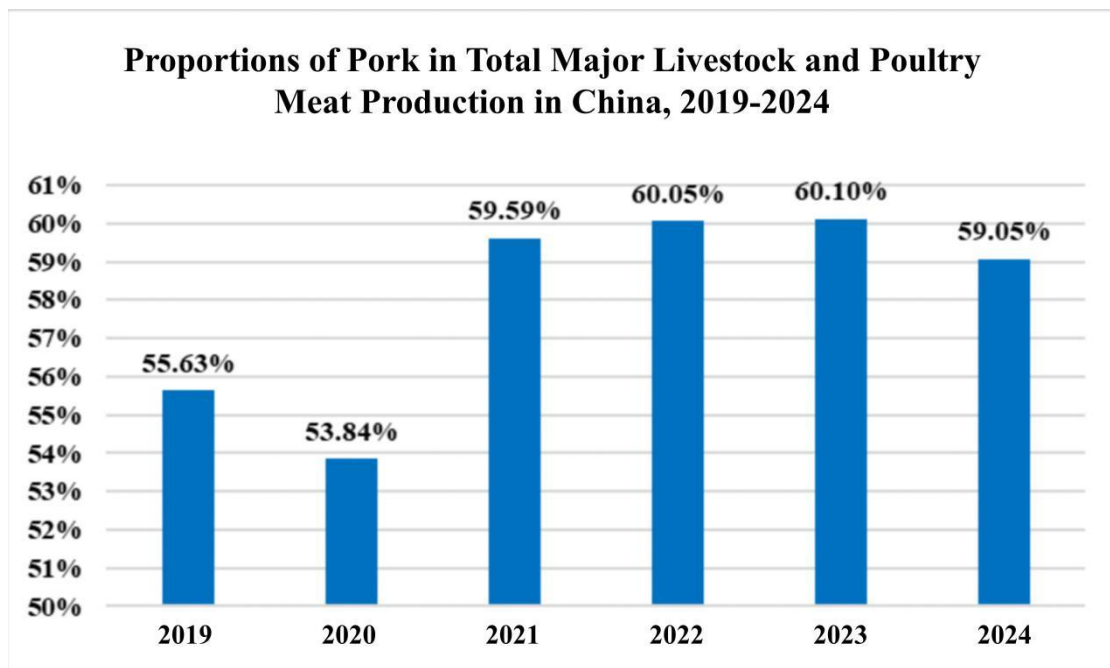
(Data source: NBSC)

China is the largest pork producer in the world. It's estimated, based on the data released by the U.S. Department of Agriculture (USDA), that China's pork production in 2024 accounted for 49% of global production, ranking first in the world.



(Data source: USDA)

China is also the largest pork consumption country in the world. Pork is the most important source of animal protein for Chinese people, and has long been dominant in meat consumption in China. According to data from the NBSC, China's pork production in 2024 was 57.06 million tons, accounting for 59.05% of the main livestock and poultry meat production.

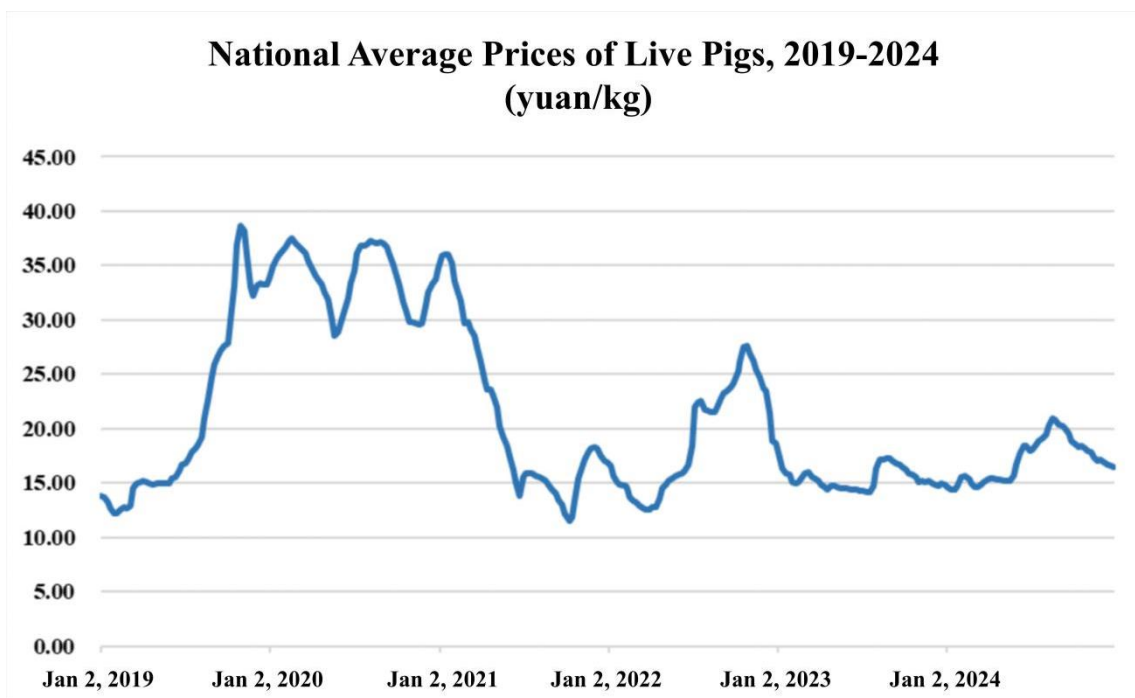


(Data source: NBSC)

2. Pig price trend

The fluctuation of pig supply is the main factor affecting pig price. As a result of the continuous

removal of excessive production capacity in the early stage, pig supply in 2024 decreased year-on-year, and the price of live pigs went up first and then fell. In the first quarter of 2024, pig price stayed low in the Chinese market, keeping the industry in loss. However, with the removal of excessive production capacity since the second quarter, an improvement of the supply-demand relation achieved, which led to a continuous increase of pig price. In August, the pig price reached a high point for the year, but then fluctuated downwards. Looking at the whole year, the average price of live pigs in 2024 experienced a year-on-year increase and was above the cost line of the industry, turning losses into profits for the pig industry. The data from the Ministry of Agriculture and Rural Affairs of the People's Republic of China (MARA) shows that the profit from marketed pigs in 2024 was 214 yuan per head, an increase of 290 yuan compared to 2023.



(Data source: MARA)

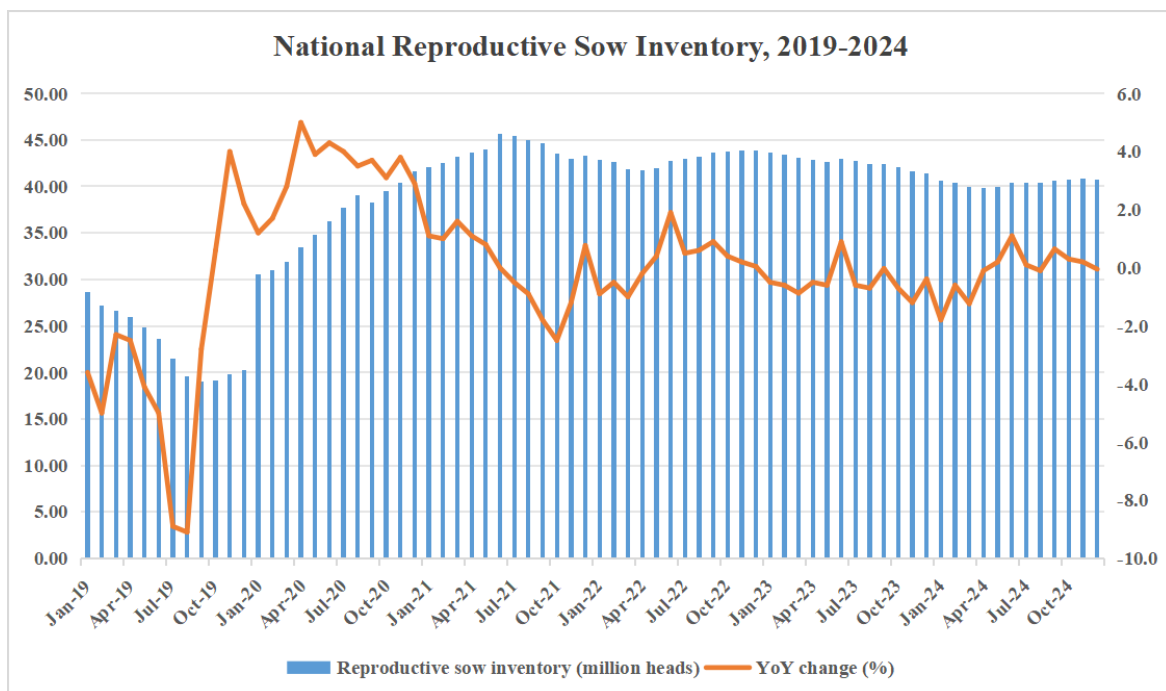
3. Revision of capacity regulation policy

The stable production and supply of pigs must be supported by a solid fundamental production capacity. Since the issuance of the “Implementation Plan for the Regulation and Control of Hog Production Capacity (Interim)” in September 2021, various regulations had been implemented steadily and relevant response mechanisms had gradually been established and applied. With the continuous improvement of pig production efficiency, pork consumption tended to be stable. The normal sow inventory and its fluctuation range, as well as the measures for regulating capacity

downward, set in the previous regulation scheme were further modified.

In March 2024, MARA released the “Implementation Plan for the Regulation and Control of Hog Production Capacity (2024 Revision)”, which adjusted the national target of the normal inventory of reproductive sows from 41 million heads to 39 million heads and adjusted the lower limit for normal fluctuation of the reproductive sow inventory from 95% to 92% of the normal inventory. To guide the orderly reduction of pig production capacity, the MARA also guided provinces to revise their regulation and control plans accordingly and fully implement the relevant measures.

Guided by such clear regulatory signals, the pig production capacity received an effective control. As of the end of April, the national inventory of reproductive sows dropped to 39.86 million heads, 1.56 million heads less than the inventory at the end of 2023, bringing the capacity back to the green and reasonable range. In the second half of 2024, producers, facing good profitability, generally remain prudent and rational, and the national inventory of reproductive sows were still kept in the green and reasonable range. As of the end of December 2024, the national inventory of reproductive sows was 40.78 million heads, which is close to 105%, the upper limit of the green and reasonable range of capacity regulation.



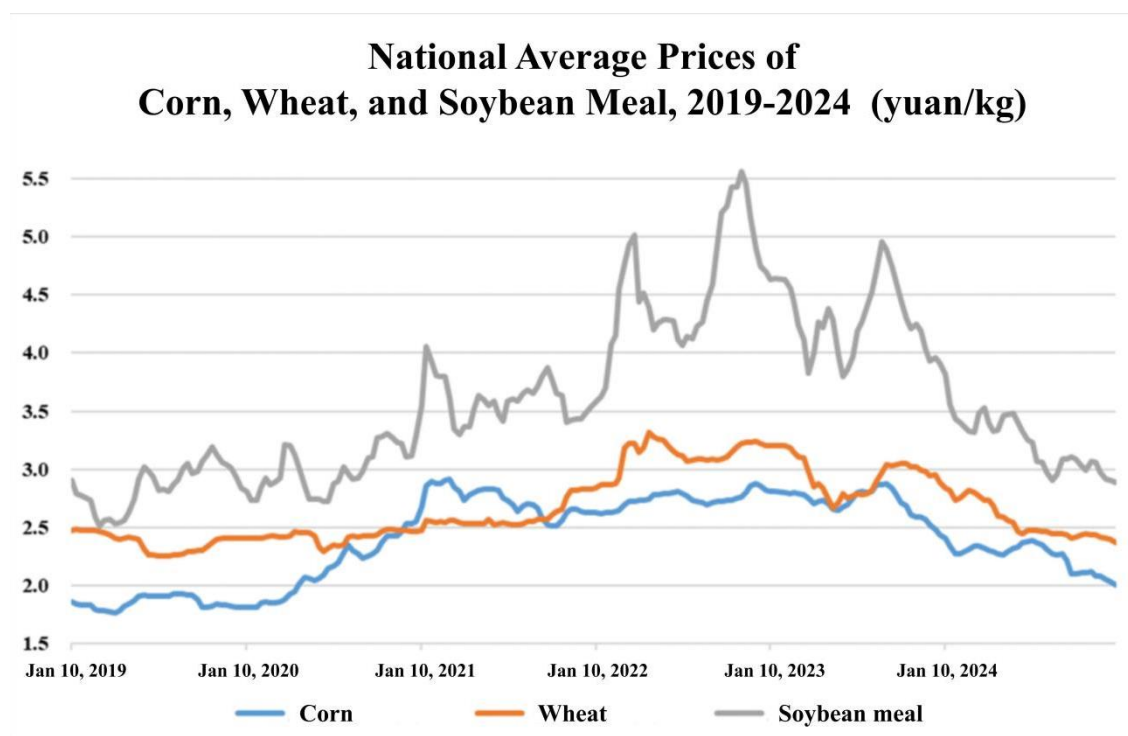
(Data source: MARA)

4. Continuously improved pig farming scale

China's pig farming industry has long been dominated by scatter feeding production, with a low industry concentration. There are a large number of backyard households and small- and medium-sized farms. In recent years, intensive pig farming and the industry concentration ratio in China have been in the rise. The industry is moving towards high-quality development to better satisfy people's increasing demands for high-quality pork. In 2024, large-scale pig farming in China continued to improve. The application of advanced technologies and equipment for standardized and intelligent production was sped up, driving the overall quality improvement of the industry. The MARA estimated that the proportion of large-scale pig farming (with an annual hog output of over 500 heads) in China exceeded 70% in 2024, an increase of approximately 2 percentage points year-on-year. According to the current available public data, China's top 10 listed pig farming companies provided about 155.77 million pigs in total in 2024, accounting for about 22% of the total national output, showing an increase over 2023.

5. Cost reduction and efficiency improvement have been the main development trends of the industry

In 2024, the industry costs continuously decreased. One driving factor was the price of feed ingredients. The proportion of feed cost in pig farming costs is about 55% - 65%. In 2024, the prices of corn, wheat, and soybean meal overall showed a downward trend, driving down the production costs for practitioners.



(Data source: NBSC)

Another driving factor is that, with the continuous improvement of pig farming technology and intensive production, the production efficiency of the industry was gradually increasing. In recent years, the industry has shifted from a high-speed development stage driven by capital to a high-quality development stage driven by cost. The cost leadership has become the core competitiveness of development in the industry. In 2024, with increased pig prices and profits, the production and operation conditions of practitioners gradually improved. Against this backdrop, capacity expansion slowed down and emphasis was placed on improving production efficiency. Cost reduction and efficiency improvement were made through technological innovation and improving internal management, which enhanced the ability to resist the risks of pig price fluctuations.

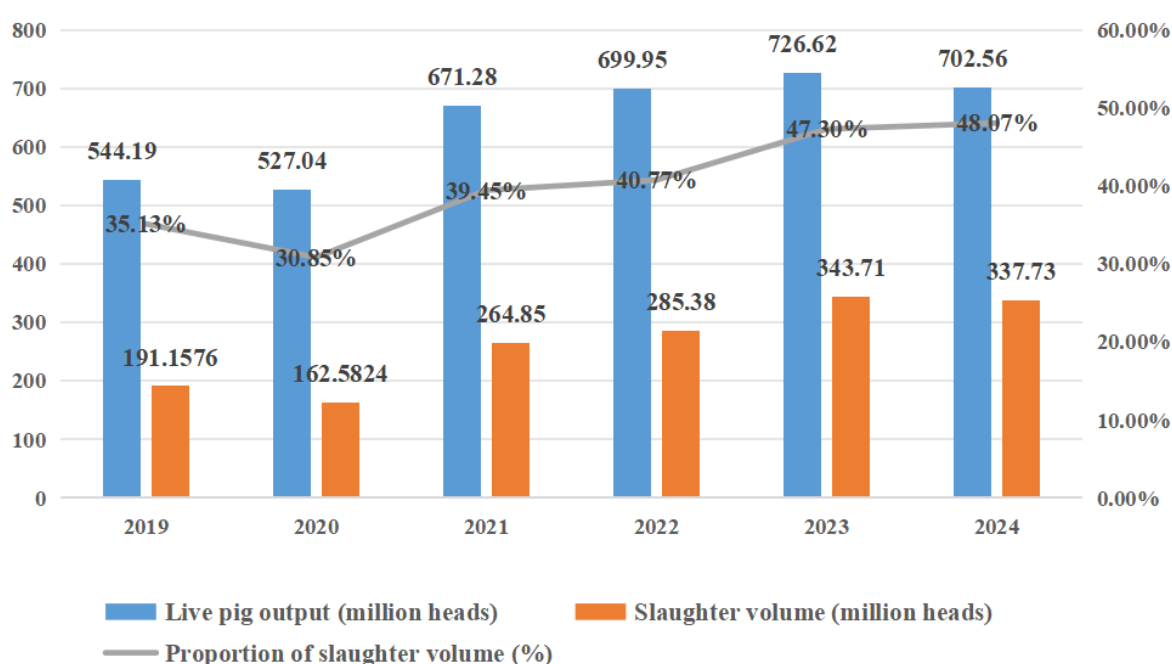
(II) Pig slaughtering

As an indispensable and important link of the pork industry chain, the pig slaughtering sector involves purchasing live pigs and selling pork products such as carcasses and pork cuts that yielded from slaughtering to the downstream. At present, the actual utilization rate of slaughter capacity in large-scale Chinese enterprises is not saturated, and the overall market concentration of pig slaughtering is relatively low. To strengthen the management of pig slaughtering and ensure food safety, relevant departments of Chinese government have taken various measures to promote the transformation and upgrading of the industry. In 2023, the MARA released the "Three-Year Action Plan for Strict

Standard Conformance, Promoted Improvement, and Ensured Safety in Livestock and Poultry Slaughtering", which stated that "By implementing the three-year action plan, it aims to, by 2025, further optimize the layout of livestock and poultry slaughtering in China, make slaughtering capacity concentrated in the main farming areas, ensure a much higher matching degree between slaughtering and farming capacities, have the utilization rate of slaughtering capacity and industry concentration steadily increased, and significantly improve the level of standardization, mechanization, and intelligentization of livestock and poultry slaughtering. To accelerate industry transformation and upgrading, MARA issued the "Quality Management Standards for Pig Slaughtering" on January 1, 2024, which clarified specific requirements for designated pig slaughterhouses.

Driven by relevant policies and technological advancements in the industry, China's slaughtering industry is in a stage of rapid integration and development. According to data from the MARA, the slaughter volume of designated pig slaughtering enterprises of designated size in China increased from 191.16 million heads (accounting for 35.13%) in 2019 to 337.73 million heads (accounting for 48.07%) in 2024, indicating a continuous increase in industry concentration. With the improvement of consumer standards and increasing demand for meat products, China's pig slaughtering industry will embrace large-scale, automatic, and intelligent development.

Proportions of Slaughter Volume of Designated Slaughtering Enterprises of Designated Size in China, 2019-2024



(Data source: MARA)

II. Main Businesses of the Company during the Reporting Period

(I) Summary of the Company's operation

In 2024, the Company sold 71.602 million heads of pigs, including 65.477 million heads of commercial pigs (of which, 12.565 million heads were sold to the wholly-owned subsidiary Muyuan Meat Co., Ltd. and its subsidiaries), 5.659 million heads of piglets, and 465 thousand heads of breeding pigs. It also slaughtered 12.5244 million heads of pigs and sold fresh and chilled pork products of 1.4159 million tons.

As a result, the Company achieved an operating revenue of 137.947 billion yuan in 2024, a YoY increase of 24.43%; with the revenue attributable to slaughtering and meat processing was 24.274 billion yuan, a YoY increase of 11.03%; and the net profit was 18.925 billion yuan, a YoY increase of 554.07%. As of the end of 2024, the Company has 312 wholly-owned and holding subsidiaries, which are distributed in 25 provincial-level administrative regions across China.

The year 2024 witnessed the Company's persistence in high-quality development. It continuously promoted the construction of supporting facilities for pig farms, improved the infrastructures for biosecurity, and strengthened the cost-control ability of pig farming. The Company made continuous efforts in pig health and production management for implementing more refined management and improving pig farming performance. Under the combined effect of improved production performance and decreased feed prices, the full cost of pig farming in the Company decreased to around 13 yuan/kg by the end of 2024, and the whole-year full cost of pig farming was about 14 yuan/kg. In the future, with further investment in fields including disease prevention and control, nutritional formula, pig breeding, intelligentization, informatization, and talent development, as well as continuous optimization in all links of production and management, the Company's production efficiency will be gradually improved, and the full cost of pig farming is expected to be further reduced.

In 2024, the Company actively expanded its sales channels for slaughtering and meat business and continued to build a nationwide pork distribution network. As of the end of 2024, more than 70 service stations for slaughtering and meat business were established in 20 provincial-level administrative regions across China. The Company also continuously optimized its customer and product structure,

and improved its production efficiency and operational capability by increasing R&D investment in digitization and intelligentization. As a result, it's meat business made a profit in December. In 2025, for the slaughtering and meat processing businesses, the Company will continuously improve its operation efficiency and rate of capacity utilization of slaughterhouses that have been put into operation, and make efforts in fields including market development, channel building, talent development, and internal management, to enhance the profitability.

In 2024, the company kept pace with the times. It took technology as its wings to break down the boundaries of industries and disciplines, integrated knowledge and technology from different fields, and continuously updated and iterated in intelligent equipment, breeding, nutrition, energy management, and other aspects. It continuously explored new technologies and processes to support the main business. In 2024, the Company invested 1.747 billion yuan in R&D and granted 1,764 patents in total, to effectively play the role of scientific and technological innovation and cultivate and develop new quality productivity.

In 2024, the Company adhered to the principle of green development. It took active actions such as reducing fossil energy consumption and developing new energies like solar photovoltaic (PV) power to promote energy structure transformation and achieve the peak carbon and neutrality goals. The Company utilized the roofs of farms and slaughterhouses to construct distributed PV facilities. Where the power demand of each farm or slaughterhouse satisfied, the extra power was supplied to the grid. Through the development and utilization of green energy, the production cost was reduced. In 2024, the Company received 205 million kW h of electricity by investing in PV facilities. In the future, the Company will further optimize its energy structure, increase the usage of green power, and achieve low-carbon production and sustainable development.

In 2024, the Company actively explored new environmental protection technologies and models for livestock and poultry production. The Company's ammonia reduction and deodorization technology has been promoted by the Ministry of Ecology and Environment of the People's Republic of China (MEE). Muyuan participated a program "Key Technology System and Application for Accounting and Control of Ammonia Emissions from Livestock and Poultry Production", which supports the construction of a national mechanism for reducing ammonia emissions from livestock and poultry production and seeks the organic unity of economic and ecological benefits. This program won the

second prize of the 2024 Environmental Protection Science and Technology Progress Award. The Company actively integrates into the national rural revitalization strategy and contributes the wisdom and strength of Muyuan to rural revitalization. By utilizing manure resources, it has established a circular economy model features “nourishing farmland by pig wastes and feeding pigs by crop planting”. By implementing the crop-livestock cycle model, it helped reduce investment and increase income for farmers and promoted common prosperity.

In 2024, to build a talent team that is younger, internationalized, and more professional, the HR Department of the Company carried out various activities to attract talent from colleges domestically and actively organized several overseas special recruitment activities for international students. It established well an assessment mechanism to select and use talents and a talent pool cultivation mechanism to empower talents precisely and improve their professional competence and qualities continuously. Through innovative mechanisms and optimized salary plans, it did well in managing employee interests and stimulating employee vitality, to promote standardization measures. It's personnel administration mechanism provided employees with clear promotion channels. By doing so, it aims to give the right people full play in the right positions and meet the talent needs during the Company's high-quality development.

(II) Main businesses, products and their uses

The Company's main businesses are the farming, sales, and slaughter of pigs. Its main products include finished pigs, piglets, and breeding pigs, as well as pork products such as pork carcasses and pork cuts. As of the end of 2024, the Company's annual pig farming capacity was about 81 million heads. It currently has 10 slaughterhouses put into operation, with an annual slaughtering capacity of 29 million heads. All slaughtered pigs were sourced from the Company's own farms.

The Company adopts a vertically integrated business model and has formed a pork industrial chain that integrates feed processing, pig breeding, pig raising, pig slaughtering, and meat processing, which covers the whole pig industrial value chain. The vertically integrated business model is helpful for the Company to carry out more strict control of costs and quality and ensure business results in an all-round way. The Company also follows the business model of independent pig farming and slaughtering, making the whole production process transparent, controllable and traceable, to ensure food quality and safety and provide more high-quality pork products to customers.

The Company has its own feed mills to independently develop nutrition formulas and produce feeds to meet the needs of pigs of all stages, where feed formulas can be adjusted timely in accordance with the changes in the raw grain market. A low-soybean diet technology has been applied to reduce the usage of soybean meals to control the feeding costs.

The Company adopts the two-breed rotational crossbreeding system to select continuously and independently and build its own nucleus herds, which is helpful to reduce the production costs and disease risks. At the same time, the Company's breeding pigs can satisfy both breeding use and finishing use in terms of reproductive performance, growth rate, lean meat percentage, and carcass quality, which lays a foundation for the rapid development of the Company.

The Company adheres to R&D innovations and the application of smart equipment. It has independently developed the fresh air filtration system, independent ventilation system, intelligent environment control system, intelligent feeding system, etc. A series of intelligent equipment operate in a collaborative manner. It aims to improve pig farming efficiency, lower pig farming costs, and promote the transformation and upgrading of the industry through technology-led and innovation-driven development.

3. Main accounting data and financial indicators

(1) Main accounting data and financial indicators in the past three years

Whether the Company needs to make retroactive adjustments or restate the accounting data of previous years or not

Yes No

Unit : yuan

	End of 2024	End of 2023	YoY change	End of 2022
Total assets	187,648,723,830.92	195,404,553,902.24	-3.97%	192,947,611,799.00
Net assets attributable to shareholders of the Company	72,031,777,857.01	62,828,051,373.10	14.65%	71,783,350,329.31
	2024	2023	YoY change	2022
Operating revenue	137,946,892,076.87	110,860,727,714.40	24.43%	124,826,212,177.74
Net profits attributable to shareholders of the Company	17,881,260,485.27	-4,263,280,820.31	519.42%	13,266,156,512.39
Net profits attributable to shareholders of the Company after deduction of non-recurring profit or loss	18,746,855,671.39	-4,026,262,919.48	565.61%	13,029,323,049.56

Net cash flow from operations	37,543,066,214.49	9,892,816,863.72	279.50%	23,010,550,801.93
Basic EPS (yuan/share)	3.30	-0.79	517.72%	2.49
Diluted EPS (yuan/share)	3.24	-0.79	510.13%	2.45
Weighted average ROE	25.10%	-6.38%	31.48%	21.01%

(2) Main accounting data by quarter

Unit : yuan

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating revenue	26,272,049,758.43	30,594,060,331.40	39,909,015,476.48	41,171,766,510.56
Net profits attributable to shareholders of the Company	-2,378,911,751.33	3,208,199,959.77	9,651,780,244.34	7,400,192,032.49
Net profits attributable to shareholders of the Company after deduction of non-recurring profit or loss	-2,386,836,453.46	3,265,360,699.63	10,342,086,934.22	7,526,244,491.00
Net cash flow from operations	5,066,779,306.59	10,407,050,973.78	13,704,043,671.45	8,365,192,262.67

Whether the above financial indicators or their total amount are significantly different from the related financial indicators disclosed in the Company's quarterly or semi-annual reports.

Yes No

4. Share Capital and Shareholders**(1) The number of common shareholders and preferred shareholders with resumed voting rights and the shareholding of the top 10 shareholders**

Unit: share

Total number of common shareholders at the end of the reporting period	260,903	Total number of common shareholders at the end of the month before the disclosure date of the annual report	299,486	Total number of preferred shareholders with resumed voting rights at the end of the reporting period	0	Total number of preferred shareholders with resumed voting rights at the end of the month before the disclosure date of the annual report	0
Shareholding of the top 10 shareholders (excluding shares lent through refinancing)							
Shareholder name	Shareholder nature	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged, marked or frozen shares		
					Share status	Quantity	
Qin Yinglin	Domestic natural	38.19%	2,086,287,906	1564715929	Pledged	158,660,000	

	person					
Muyuan Industrial Group Co., Ltd.	Domestic non-state-owned corporation	15.29%	835,198,006	0	Pledged	267,248,000
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Overseas corporation	2.88%	157,523,467	0	Not Applicable	0
Sun Huigang	Domestic natural person	1.57%	85,683,509	0	Not Applicable	0
Repurchase dedicated securities account of Muyuan Foods Co., Ltd.	Others	1.21%	66,316,138	0	Not Applicable	0
Qian Ying	Domestic natural person	1.18%	64,445,240	48333929	Not Applicable	0
Muyuan Foods Co., Ltd. – Phase II Employee Stock Ownership Plan	Others	1.03%	56,443,800	0	Not Applicable	0
Industrial and Commercial Bank of China Limited - Huatai-Pinebridge CSI 300 Exchange Traded Open-End Index Securities Investment Fund	Others	0.86%	47,138,411	0	Not Applicable	0
China Securities Co., Ltd.	State-owned corporation	0.68%	36,972,428	0	Not Applicable	0
China Construction Bank Corporation - E Fund CSI 300 Exchange Traded Open-End Index Initiated Securities Investment Fund	Others	0.60%	32,537,724	0	Not Applicable	0
Industrial and Commercial	Others	0.44%	24,160,667	0	Not Applicable	0

Bank of China Limited -- CSI Major Consumer Exchange Traded Open-End Index Securities Investment Fund						
Description of affiliated relations or concerted actions among the above shareholders	Mr. Qin Yinglin and Mrs. Qian Ying are the actual controllers of the Company. Mr. Qin Yinglin and Mrs. Qian Ying jointly hold 100% equity of Muyuan Group. It is unknown whether other shareholders have affiliated relations or act in concert.					
Description of shareholders participating in Securities Margin Trading (if any)	Sun Huigang holds 6,000,000 shares of the Company through his common securities account, and 79,683,509 shares through his collateral securities account for margin trading, representing a total holding of 85,683,509 shares.					

Participation of shareholders holding more than 5% of the shares, top 10 shareholders, and top 10 shareholders of unlimited floating stocks in share lending for refinancing

Applicable Not Applicable

Changes over the previous period due to the share lending/returning for refinancing of top 10 shareholders and top 10 shareholders of unlimited floating stocks

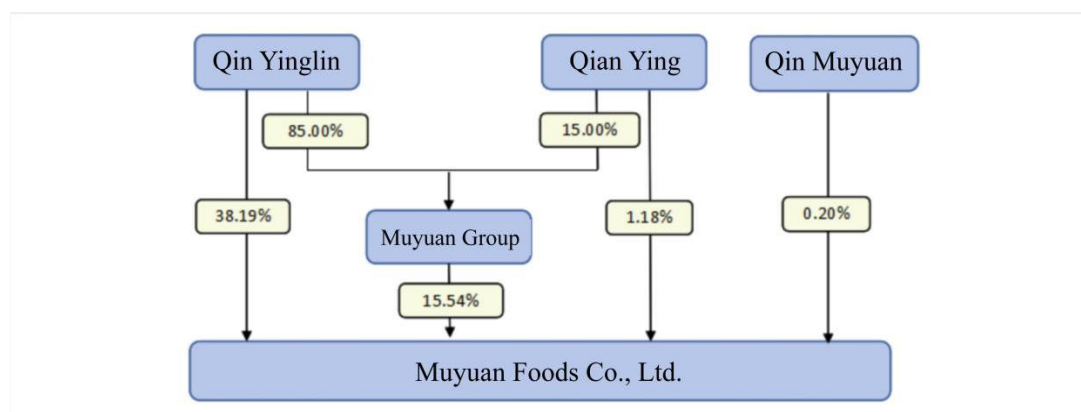
Applicable Not Applicable

(2) Total number of preferred shareholders and the shareholdings of the top 10 preferred shareholders of the Company

Applicable Not Applicable

There were no preferred shareholders holding shares of the Company during the reporting period.

(3) Ownership and control relations between the Company and the actual controllers



Note: Muyuan Group and its entrusted trust plan hold a total of 848,762,153 shares of the Company.

5. Bonds in existence as of the approval date of the annual report

Applicable Not Applicable

(1) Basic information of bonds

Bond Name	Bond Short	Bond Code	Issue Date	Due Date	Bond Balance	Interest Rate
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	Name				(10,000 yuan)	
Convertible Bond of Muyuan Foods Co., Ltd.	Muyuan Convertible Bond	127045	August 16, 2021	August 15, 2027	954,319.35	1st year: 0.20%; 2nd year: 0.40%; 3rd year: 0.80%; 4th year: 1.20%; 5th year: 1.50%; and 6th year: 2.00%.
Interest payment and cashing of corporate bonds during the reporting period	Muyuan Convertible Bond paid the third-year interest at par on August 16, 2024 for the period from August 16, 2023 to August 15, 2024, with a coupon rate of 0.80% and the interest was 8 yuan (tax included) for every 10 Muyuan Convertible Bonds (par value: 1,000 yuan).					

(2) Latest tracking bond ratings and changes

China Chengxin International Credit Rating Co., Ltd. (CCXI) issued the 2024 Tracking and Rating Report on Muyuan Foods Co., Ltd. (Credit Rating Entrustment Letter [2024] Tracking No. 1532) on June 26, 2024. It maintained the Company's entity rating as AA+, rating outlook as Stable, and maintained the debt rating of "Muyuan Convertible Bond" as AA+.

(3) Main accounting data and financial indicators in the past two years as of the end of the reporting period

Unit: 10,000 yuan

Item	2024	2023	YoY change
Liabilities to assets ratio	58.68%	62.11%	Decrease by 3.43 percentage points
Net profit after deduction of non-recurring profit or loss	1,979,064.01	-393,085.11	603.47%
Total debt to EBITDA ratio	45.83%	15.02%	Increase by 30.81 percentage points
Interest coverage ratio	6.95	-0.29	2,496.55%

III. Significant Matters

Not Applicable.