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CHINA FOODS LIMITED
中國食品有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 506)

**COMPLETION OF
DISCLOSEABLE AND CONNECTED TRANSACTION
IN RESPECT OF
ACQUISITIONS OF EQUITY INTERESTS
IN THE CBL TARGET COMPANIES**

Reference is made to the announcement of China Foods Limited (the “**Company**”) dated 15 July 2022 (the “**Announcement**”) in relation to, amongst other matters, the acquisition by the CBL Purchaser of the CBL Equity Interests from CCBMH. Unless the context hereof otherwise requires, capitalised but not otherwise defined terms used in this announcement have the same meanings as those defined in the Announcement.

The Company is pleased to announce that the completion of the CBL Transactions took place on 1 January 2023. Following the completion of the CBL Transactions, each of the CBL Target Companies has become a subsidiary of the Company and their financial results will be consolidated into the financial statements of the Group.

To facilitate the smooth transition of the CBL Target Companies’ operations, pursuant to the high-level principles (including as to scope and price) set out in the Master Agreement, on 23 November 2022, the CBL Purchaser (as the parent of the transitional services recipients), a wholly-owned subsidiary of CCBMH (as the transitional services provider) and the other party named therein entered into a transitional services master agreement (the “**Transitional Services Master Agreement**”), which sets out the detailed transitional services (together with the corresponding service term and the service charges) to be provided to the designated subsidiary of the CBL Purchaser and/or the other subsidiaries of the CBL Purchaser as the CBL Purchaser may from time to time designate, each being a subsidiary of the Company (the “**Group Recipients**”). Based on the agreed scope of the transitional services, the service term as well as the service charges under the Transitional Services Master Agreement, on 29 December 2022, a subsidiary of the CBL Purchaser (as the transitional services recipient and a member of the Group Recipients) and a wholly-owned subsidiary of CCBMH (as the transitional services provider) entered into a transitional services agreement (together with the Transitional Services Master Agreement, collectively, the “**Transitional Services Agreements**”), pursuant to which the wholly-owned subsidiary of CCBMH (as the transitional services provider) will provide the designated transitional services after the Completion Date.

Since each of CCBMH and its subsidiaries is a connected person of the Company at the subsidiary level under the Listing Rules, the transactions contemplated under the Transitional Services Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Transitional Services Agreements calculated on an aggregate basis are less than 1%, the transactions under the Transitional Services Agreements are fully exempt from the shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1)(b) of the Listing Rules.

To facilitate the sale and purchase of the inventories and/or the transfer of certain raw materials procurement contracts in connection with the CBL Target Companies, on 1 January 2023, a subsidiary of the CBL Purchaser (as purchaser or transferee), a wholly-owned subsidiary of CCBMH (as seller or transferor) and the other party named therein entered into an inventory purchase agreement (the "**Inventory Purchase Agreement**"). Pursuant to the Inventory Purchase Agreement, the subsidiary of the CBL Purchaser (as purchaser or transferee) will purchase certain raw materials at weighted average cost as recorded in the books, records and other relevant information of the wholly-owned subsidiary of CCBMH (as seller or transferor) on 31 December 2022, the exact purchase price of which will be made available to the subsidiary of the CBL Purchaser (as purchaser or transferee) on or prior to 4 January 2023. Since each of CCBMH and its subsidiaries is a connected person of the Company at the subsidiary level under the Listing Rules, the transaction contemplated under the Inventory Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. When the purchase price payable is determined, the Company will comply with the applicable requirements under the Listing Rules.

By Order of the Board
China Foods Limited
Qing Lijun
Chairman

Beijing, 2 January 2023

As at the date of this announcement, the Board comprises: Mr. Qing Lijun as the chairman of the Board and an executive director; Mr. Shen Xinwen as an executive director; Mr. Chen Zhigang and Mr. Chen Gang as non-executive directors; and Mr. Li Hung Kwan, Alfred, Mr. Mok Wai Bun, Ben and Ms. Leung Ka Lai, Ada, SBS as independent non-executive directors.