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CHINA FOODS LIMITED 中國食品有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 506)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

The following table shows the comparison of the final results for the year ended 31 December 2024 (the “**year**”) of China Foods Limited (the “**Company**” or “**China Foods**”) and its subsidiaries (together as the “**Group**”) with the corresponding results for 2023:

	For the year ended 31 December 2024 (RMB million)	For the year ended 31 December 2023 (RMB million)	Changes
• Revenue	21,492	21,446	+0.2%
• Gross profit margin	37.8%	35.2%	+2.6ppt
• Adjusted EBIT*	1,865.9	1,757.4	+6.2%
• Adjusted EBITDA^	2,722.4	2,607.1	+4.4%

The board of directors (the “**Board**”) of the Company has resolved to recommend to shareholders the payment of final dividend of RMB0.153 for the year (2023: RMB0.148).

Adjusted EBIT* represents:

	For the year ended 31 December 2024 (RMB million)	For the year ended 31 December 2023 (RMB million)
Profit before tax	1,866.4	1,844.0
Reconciliation:		
Finance costs	4.7	5.0
Share of results of associates	(5.2)	—
Gains on disposal of investments in associates	—	(91.6)
Adjusted EBIT*	1,865.9	1,757.4

Adjusted EBITDA^ represents:

	For the year ended 31 December 2024 (RMB million)	For the year ended 31 December 2023 (RMB million)
Adjusted EBIT*	1,865.9	1,757.4
Reconciliation		
Depreciation of property, plant and equipment	769.1	756.6
Depreciation of right-of-use assets	70.0	78.9
Amortisation of intangible assets	17.4	14.2
Adjusted EBITDA^	2,722.4	2,607.1

CONSOLIDATED RESULTS

The Board is pleased to announce the consolidated results of the Group as at and for the year, together with the comparative figures as at and for the year ended 31 December 2023 (the “**financial information**”). The financial information has been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	21,491,811	21,446,436
Cost of sales		<u>(13,370,967)</u>	<u>(13,902,630)</u>
Gross profit		8,120,844	7,543,806
Distribution and selling expenses		(5,871,192)	(5,469,877)
Administrative expenses		(537,598)	(530,444)
Net impairment losses on financial assets		(8,070)	(22,938)
Other income, gains and losses, net	6	<u>161,915</u>	<u>328,414</u>
Operating profit		1,865,899	1,848,961
Finance costs	7	(4,747)	(4,971)
Share of results of associates		<u>5,252</u>	<u>—</u>
Profit before tax		1,866,404	1,843,990
Income tax expense	8	<u>(443,827)</u>	<u>(458,428)</u>
Profit for the year	9	<u><u>1,422,577</u></u>	<u><u>1,385,562</u></u>
Profit for the year is attributable to:			
– Owners of the Company		860,535	832,577
– Non-controlling interests		<u>562,042</u>	<u>552,985</u>
		<u><u>1,422,577</u></u>	<u><u>1,385,562</u></u>
Earnings per share:			
Basic and diluted (<i>RMB cents</i>)	10	<u><u>30.76</u></u>	<u><u>29.76</u></u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
ENDED 31 DECEMBER 2024**

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit and other comprehensive income for the year	<u>1,422,577</u>	<u>1,385,562</u>
Total comprehensive income for the year attributable to:		
– Owners of the Company	860,535	832,577
– Non-controlling interests	<u>562,042</u>	<u>552,985</u>
	<u>1,422,577</u>	<u>1,385,562</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		2024	2023
	Notes	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		5,450,960	5,592,815
Right-of-use assets		653,044	568,581
Intangible assets		3,544,591	3,543,729
Interests in associates	11	194,623	252,371
Prepayments and other assets		23,731	14,991
Deferred tax assets		458,192	277,940
		<u>10,325,141</u>	<u>10,250,427</u>
Current assets			
Inventories		1,443,480	1,736,729
Trade receivables	12	339,410	369,973
Prepayments, deposits and other receivables		1,096,624	1,073,175
Financial assets at fair value through other comprehensive income		6,581	8,314
Amounts due from related parties		354,166	427,065
Tax recoverable		14,428	55,634
Pledged bank deposits		4,133	11,275
Cash and cash equivalents		4,014,404	2,293,015
		<u>7,273,226</u>	<u>5,975,180</u>
Current liabilities			
Trade and bills payables	13	804,247	774,354
Other payables and accruals		4,827,521	3,528,879
Lease liabilities		39,339	39,768
Contract liabilities		865,961	1,284,413
Amounts due to related parties		331,614	222,252
Income tax payable		168,278	109,915
		<u>7,036,960</u>	<u>5,959,581</u>
Net current assets		<u>236,266</u>	<u>15,599</u>
Total assets less current liabilities		<u>10,561,407</u>	<u>10,266,026</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(CONTINUED)**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current liabilities		
Lease liabilities	46,246	39,609
Deferred tax liabilities	97,937	127,074
Deferred income	<u>219,008</u>	<u>412,387</u>
	<u>363,191</u>	<u>579,070</u>
Net assets	<u><u>10,198,216</u></u>	<u><u>9,686,956</u></u>
Capital and reserves		
Share capital	293,201	293,201
Share premium and reserves	<u>6,168,777</u>	<u>5,722,231</u>
Equity attributable to owners of the Company	<u>6,461,978</u>	<u>6,015,432</u>
Non-controlling interests	<u>3,736,238</u>	<u>3,671,524</u>
Total equity	<u><u>10,198,216</u></u>	<u><u>9,686,956</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

China Foods Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company is a subsidiary of China Foods (Holdings) Limited, a company incorporated in the British Virgin Islands. In the opinion of the directors of the Company (the “**Directors**”), the ultimate holding company is COFCO Corporation, which is a state-owned enterprise registered in the People’s Republic of China (the “**PRC**”).

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in processing, bottling and distribution of sparkling beverage products and still beverage products.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the Company’s functional currency.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (“**HKFRSs**”)

2.1 Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (“HKFRSs”) (CONTINUED)

2.2 New and amendments to HKFRSs issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”)

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 “Presentation of Financial Statements” (“HKAS 1”) and this new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

4. REVENUE

Disaggregation of revenue from contracts with customers

	2024 RMB'000	2023 RMB'000
Types of goods		
Sparkling drinks	16,372,978	15,973,126
Juices	3,133,670	3,386,144
Water	890,668	1,246,932
Others	1,094,495	840,234
Total	21,491,811	21,446,436
Timing of revenue recognition		
A point in time	21,491,811	21,446,436

The Group sells sparkling and still beverage products to its customers. Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods and has the primary responsibility for selling the goods and bears the risks of obsolescence and loss in relation to the goods. Payment in advance or payment on delivery is typically required from customers, except for certain customers granted with credit.

All of the Group's contracts for sale of goods are for periods of one year or less, as permitted under HKFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed.

5. SEGMENT REPORTING

The Group's revenue and consolidated results are mainly derived from processing, bottling and distribution of sparkling and still beverages, which is regarded as a single operating segment in a manner consistent with the nature of the products and production process, the types of customers for their products, the methods used to distribute their products, and the nature of the regulatory environment. Accordingly, no segment information is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. SEGMENT REPORTING (CONTINUED)

Geographical information

All revenue of the Group is derived from customers operating in Mainland China and the Group's non-current assets, other than deferred tax assets, are primarily situated in Mainland China, hence no geographical information is presented in accordance with HKFRS 8 "Operating Segments".

Information about major customers

During both years, there was no revenue derived from a single customer which accounted for 10% or more of the Group's revenue.

6. OTHER INCOME, GAINS AND LOSSES, NET

An analysis of other income, gains and losses, net, is as follows:

	2024 RMB'000	2023 RMB'000
Other income:		
Government grants (<i>note</i>)	90,640	175,737
Net income of sale of by-products and scrap items	27,931	16,863
Interest income	35,071	24,085
Others	31,565	47,673
	<u>185,207</u>	<u>264,358</u>
Other gains and losses, net:		
Losses on disposal of property, plant and equipment	(10,916)	(6,927)
Gains on disposal of investments in associates (<i>note 15</i>)	—	91,606
Impairment loss recognised on property, plant and equipment	(162)	—
Donations	(9,500)	(6,000)
Foreign exchange differences, net	(1,588)	(7,639)
Others	(1,126)	(6,984)
	<u>(23,292)</u>	<u>64,056</u>
	<u><u>161,915</u></u>	<u><u>328,414</u></u>

Note: Various government grants were granted for investments in certain provinces in Mainland China in which the Company's subsidiaries operate. Government grants for which related expenditure has not yet been undertaken are included in deferred income (non-current portion) and other payables and accruals (current portion) in the consolidated statement of financial position, respectively. There are no unfulfilled conditions or contingencies relating to grants recognised as income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on lease liabilities	<u>4,747</u>	<u>4,971</u>

8. INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax	653,216	377,206
Deferred tax (credit)/charge	<u>(209,389)</u>	<u>81,222</u>
Income tax expense	<u>443,827</u>	<u>458,428</u>

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

The provision for PRC current income tax is based on a statutory income tax rate of 25% of the assessable income of the Group as determined in accordance with the relevant income tax rules and regulations of the PRC, except that certain entities of the Group in the PRC are taxed at preferential income tax rate of 9% and 15%.

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories recognised as an expense (including reversal of write-down of inventories amounting to HK\$11,910,000 (2023: RMB25,757,000))	13,370,967	13,902,630
Wages, salaries and bonuses	2,774,066	2,975,345
Depreciation of property, plant and equipment	769,131	756,615
Depreciation of right-of-use assets	69,962	78,873
Amortisation of intangible assets	17,442	14,276
Auditors' remuneration	3,850	4,250
Net impairment losses on financial assets	<u>8,070</u>	<u>22,938</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings		
Profit for the year attributable to owners of the Company	<u>860,535</u>	<u>832,577</u>
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	<u>2,797,223,396</u>	<u>2,797,223,396</u>
Basic earnings per share (<i>RMB cents</i>)	<u>30.76</u>	<u>29.76</u>

There is no dilutive instrument held or issued by the Group, diluted earnings per share is therefore the same as basic earnings per share for both years.

11. INTERESTS IN ASSOCIATES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Share of net assets	<u>194,623</u>	<u>252,371</u>

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of entity	Country of incorporation/ registration	Proportion of ownership interest/voting rights held by the Group		Principal activities
		2024	2023	
Coca-Cola Bottlers Manufacturing Holdings Limited ("CCBMH")	Hong Kong	21.0%	21.0%	Inactive
CBPC Limited	Hong Kong	33.3%	33.3%	Price negotiation service

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. INTERESTS IN ASSOCIATES (CONTINUED)

The Group is able to exercise significant influence over the associates as the boards of these companies comprise representatives of the Group, who participate in the decision-making process. Accordingly, they are accounted for as associates of the Group. All of the above associates are indirectly held through a 65% owned subsidiary of the Company.

Summarised financial information and reconciliation to their carrying amounts in respect of the Group's material associate:

CCBMH

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current assets	1,574,668	1,860,437
Non-current assets	—	—
Current liabilities	(673,560)	(684,338)
Non-current liabilities	—	—
	<hr/>	<hr/>
Net assets	901,108	1,176,099
Net assets attributable to owners of the company	901,108	1,176,099
The Group's share of net assets from CCBMH	194,623	252,371
Carrying amount of Group's interests in CCBMH	194,623	252,371
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Summarised statement of comprehensive income:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	—	364,608
Profit for the year	25,009	4,591
Total comprehensive income	25,009	4,591
Dividends received from CCBMH during the year	63,000	—
Share of net profit of CCBMH	5,252	—
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. TRADE RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables	361,976	404,506
Allowance for credit loss	<u>(22,566)</u>	<u>(34,533)</u>
	<u>339,410</u>	<u>369,973</u>

The Group gives credit term to key customers, which granted with credit term ranging from 7 to 90 days upon delivery. While for other customers, payment in advance or payment on delivery is normally required. The Group seeks to maintain strict control over its outstanding receivables and has credit control commissioners to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The following is an aging analysis of trade receivables, presented based on the date of the delivery of goods:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 6 months	338,566	368,653
6 to 12 months	<u>844</u>	<u>1,320</u>
	<u>339,410</u>	<u>369,973</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. TRADE AND BILLS PAYABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade payables	802,896	751,893
Bills payable	<u>1,351</u>	<u>22,461</u>
	<u>804,247</u>	<u>774,354</u>

The following is an aging analysis of trade and bills payables, presented based on the delivery date.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 3 months	774,157	666,019
3 to 12 months	27,096	107,891
Over 1 year	<u>2,994</u>	<u>444</u>
	<u>804,247</u>	<u>774,354</u>

Certain of the Group's bills payable are secured by the pledge of the Group's bank deposits amounting to RMB4,133,000 (2023: RMB11,275,000).

14. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2023 final – HK15.9 cents (2023: final – HK13.3 cents in respect of the year ended 31 December 2022) per ordinary share	<u>413,989</u>	<u>337,361</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB0.153 per ordinary share, has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements for the year ended 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. BUSINESS COMBINATION

On 1 January 2023, the Group completed a restructuring with CCBMH, an associate, and other shareholders of associates CCBMH, in which equity interests in eleven beverage production and oriental-equipment-manufacture subsidiaries held by CCBMH were disposed of and the Group acquired equity interests in five of these subsidiaries, namely Coca-Cola Bottlers Manufacturing (Chengdu) Company Limited, Coca-Cola Bottlers Manufacturing (Changsha) Company Limited, Coca-Cola Bottlers Manufacturing (Jinan) Company Limited, Coca-Cola Bottlers Manufacturing (Shijiazhuang) Company Limited and Coca-Cola Bottlers Manufacturing (Yingkou) Company Limited (collectively named as the **“Five Acquired Subsidiaries”**) at a fair value of RMB554,179,000. The Group was entitled to a cash payment of RMB124,843,000 from such restructuring, which was included in amounts due from related parties as at 31 December 2024 and 2023.

As a result of this restructuring, certain of the Group’s investments in associates with a fair value of RMB587,416,000 were derecognised on 1 January 2023 and gains on disposal of investments in associates of RMB91,606,000 was recorded in profit or loss during the year ended 31 December 2023.

Details of the purchase consideration and the net identifiable assets acquired were as follows:

	As at 1 January 2023 RMB'000
Purchase consideration	554,179
Cash and cash equivalents	51,064
Trade receivables	44,883
Prepayments, deposits and other receivables	18,498
Inventories	15,155
Property, plant and equipment	541,535
Right-of-use assets	1,467
Intangible assets	3,990
Deferred tax assets	2,432
Prepayments and other assets	67
Trade and bills payables	(70,375)
Other payables and accruals	(46,606)
Current income tax liabilities	(1,137)
Lease liabilities	(1,039)
Deferred tax liabilities	(5,755)
Net identifiable assets acquired	554,179

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. BUSINESS COMBINATION (CONTINUED)

Cash inflow in the acquisition was as follows:

RMB'000

Cash paid in the acquisition

—

Cash and cash equivalents in the Five Acquired Subsidiaries

51,064

Net cash inflow during the year ended 31 December 2023

51,064

The fair value of trade receivables was RMB44,883,000. The gross contractual amount for trade receivables due was RMB44,883,000, none of which was expected to be uncollectible.

The revenue and net profit included in the consolidated statement of profit or loss contributed by the Five Acquired Subsidiaries from 1 January 2023 to 31 December 2023 amounted to RMB32,000 and RMB15,290,000, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT STATUS

China Foods exclusive franchise to manufacture, market and distribute products under the Coca-Cola series encompasses 19 provincial-level administrative regions. The Company provides consumers with 10 major types of beverages namely sparkling drinks, juices, water, milk drinks, energy drinks, tea, coffee, functional nutrition drinks, sports drinks and plant-based protein drinks under 25 brands.

The Company has approximately 10,000 salespersons, with the controllable business, being customer orders served directly by our sales representatives, accounting for nearly 90% of the overall business.

Apart from operating the Coca-Cola bottling business, the smart retail business also achieved satisfactory results during the year, with revenue maintaining rapid growth and the number of equipment units ranking among the best in the industry. Another innovative business, COFCO Yuexiang Club (中糧悅享會), also saw a year-on-year increase in revenue during the year, with the average product price continuing to improve. In the future, our vision is to become a world-class food and beverage group.

DEVELOPMENT STRATEGY

In 2024, China Foods focused on “restructuring” as its key task, aiming to achieve better customer experience, superior operational efficiency, and higher profitability through the restructuring of product brands, marketing networks, value chains, supply systems, organisational structures, and execution culture, thereby ensuring sustainable high-quality development for the Company. We will remain focused on the business concept of “Improving quality, Enhancing efficiency, Innovation, System, Openness and Green”, continue to implement the strategic layout of developing a full-service beverage business while promoting innovative business and give full commitment to the entrepreneurial spirit of “Work! Work hard! Win!”, and promote the realisation of the development goals of “High Quality and Sustainability”. The details of operation concepts are set out below:

- Improving quality: Actively promote the sales of key products, new products and products with high prices and high gross profit. Focus on optimising the channel structure, strengthening the development and establishment of new retail, catering and tourism channels. Continuously refine the supply chain layout to enhance overall supply chain management efficiency.
- Enhancing efficiency: Further advance the comprehensive integration of the supply chain across the region. Perform thorough analysis of raw material price trends, broaden the scope and scale of centralised procurement, and enhance the accuracy and effectiveness of resource allocation to maximise returns.
- Innovation: Foster improvements across all areas of technology. Continuously enhance digital marketing, digital supply chain and governance capabilities in digital initiatives, and persistently drive results through the effective utilisation of data to empower decision-making and innovation.

MANAGEMENT DISCUSSION AND ANALYSIS

DEVELOPMENT STRATEGY (CONTINUED)

- System: Adhere to corporate governance standards as mandated by law, and focus on continuously improving compliance across all operational aspects. Persistently optimising the organisational structure and salary incentive mechanism based on the contributor-oriented principle to ensure a solid foundation for the rapid, healthy and sustainable development of the business.
- Openness: Strive to foster the development of the ecosystem by actively sharing information, inventory, and spare parts resources with upstream suppliers, so as to collectively lower costs and enhance efficiency. On the downstream side, leverage digitalised marketing tools to streamline the B2B2C chain. By partnering closely with customers, we can work together to serve consumers more effectively and efficiently.
- Green: Adhere to sustainable high-quality development by prioritising the reduction of unit energy consumption and emissions to strive for “zero deaths, zero serious injuries, zero exceedances, zero pollution” throughout the year.

INDUSTRY ENVIRONMENT

In 2024, China’s economy demonstrated steady performance with notable advancements amid a stable environment, achieving new developments in high-quality growth. Notably, the government introduced a package of incremental policies, effectively boosting social confidence and significantly reviving the economy. Gross domestic product was RMB134.90 trillion, representing a year-on-year increase of 5.0% when adjusted for constant prices. The secondary industry contributed RMB49.20 trillion, marking an increase of 5.3%. Furthermore, after accounting for price changes, the national per capita consumption expenditure grew by 5.1% year-on-year, which played a crucial role in sustaining overall sales in the non-alcoholic ready-to-drink sector.

REVIEW OF RESULTS

Below is a summary comparison of 2024 and 2023 results:

	For the year ended 31 December 2024 (RMB million)	For the year ended 31 December 2023 (RMB million)	Change
Revenue	21,491.8	21,446.4	+0.2%
Sales volume			-9.7%
Gross profit margin			+2.6ppt

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS (CONTINUED)

In 2024, the overall sales volume of China Foods recorded a year-on-year decrease, due to the transformation and upgrading process of water category leading to a decline in sales volume. However, under the Company's strategy of actively raising prices and improving product structure, the significant increase in average product prices effectively offset the impact of reduced sales volume, resulting in revenue remaining largely unchanged year-on-year. During the year, except for the procurement price of white sugar which increased due to reduced production, the procurement prices of other major raw materials decreased year-on-year, resulting in a year-on-year increase in the Company's gross profit margin. Additionally, the Company maintained a strong emphasis on managing capital expenditure and operating cash flow to mitigate risks effectively.

Steadily optimizing product structure

Sparkling drinks

In the context of a decline in overall market sales revenue for the category, the increase in product distribution led to a sales revenue growth rate that outperformed the market, maintaining the first place in the industry in terms of market share. During the year, a new 248 ml pocket bottle packaging was introduced for the sparkling drink category, offering consumers a refreshing experience with a "grab-and-go" convenience. The Coca-Cola Dragon Year theme and Sprite Sofa Film Festival packaging were launched, which were well received by consumers. Fanta used the theme of "High Scores Must Achieve" to convey encouragement and positive energy to students and parents.

During the year, "Coca-Cola Creations" ("樂創無界"), the global creative platform of Coca-Cola, engaged in a cross-industry collaboration with the Oreo brand to launch a limited-edition sparkling beverage. The product combines Coca-Cola's refreshing bubbles with the rich chocolate flavor of classic Oreo, offering a dual enjoyment in every sip and delivering an unprecedented taste experience. The bottle design integrates the classic black and white color scheme of Oreo with the Coca-Cola logo, exuding a stylish and exquisite personality that continues to attract Generation Z youth.

Juices

In 2024, the juice category focused on profit packaging development, striving to enhance the profitability of juice, with improvement in the average price, gross profit margin and profit margin of the category.

During the year, the "Minute Maid" brand was reshaped, introducing a unified brand strategy, visual identity, and consumer activities to strengthen connections with consumers. It re-engages Chinese consumers with a refreshed brand image and updated product packaging.

The recent update to the "Minute Maid" brand label has resulted in a more streamlined and refreshed appearance. This redesign preserves the brand's original quality while emphasising its youth and vitality.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS (CONTINUED)

Steadily optimizing product structure (Continued)

Water

In 2024, we introduced the “Chun Yue pH9.0+ White Peach Flavoured Soda Water”, characterised by its elevated pH level and clear alkalinity. This beverage offers a rich white peach flavour and a smooth, refreshing taste. Notably, it is sugar-free, sparkling-free and fat-free. During the year our self-owned water brand “LOHAS” launched “LOHAS Natural Soda Water”. The product is sourced from a natural ecological reserve, boasting a superior geographical location, naturally pristine, pure and pollution-free. The water is naturally weakly alkaline and has a clear and smooth taste, with no additives.

In the future, we will continue to focus on the water category, adhering to high-quality development, actively exploring high-end water products, leveraging the health advantages of soda water to expand the category structure of soda water, and improving the profitability of the water category by altering the category structure to drive overall profit.

Ready-to-drink coffee

During the year, two new flavoured products, Vanilla Cheesecake Latte and Hazelnut White Chocolate Latte under the Velvet Latte series, were introduced. They were developed from two consumers’ favourite flavours – vanilla and hazelnut. They use milk imported from New Zealand and the same coffee beans as those in “Costa Coffee” stores to meet consumers’ demand for high-quality ready-to-drink coffee. The sales of the new Velvet Latte products lead in the China region, delivering satisfactory results.

Functional drink

During the year, the newly launched energy drink brand “Predator (獵獸)” is packaged in plastic bottles and is non-carbonated, catering effectively to the preferences of its target customers. Meanwhile, the “Monster (魔爪)” brand has launched a new product featuring a passion fruit guava flavour, which artfully blends premium passion fruit with guava to deliver a delightful sweet and tangy experience. The striking pink can is designed to captivate both the taste buds and visual senses of consumers. 2024 was the year when the “Monster (魔爪)” brand achieved its highest revenue and sales since its launch, with all key channel revenues recording double-digit growth, a remarkable achievement.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS (CONTINUED)

Promoting the expansion of channel resources

The Company continuously optimised its client structure, reshaped its marketing network, and has achieved significant growth in the number of direct service clients, with the proportion of controllable business revenue remaining at approximately 90% of the overall business.

Modern channel: Optimised product category and packaging structure, increased the sales share of other categories, enhanced in-store visibility, vigorously developed multi-packaging, and gradually improved the gross profit margin and profitability of categories by adjusting promotional efforts;

Traditional channel: With the promotion of the “Coke GO” platform, customer self-activity has increased, the amount of self-directed orders continued to reach new highs, and overall sales efficiency has improved;

School channel: Launched the Next Singer TMEX Sprite Campus Music Competition, utilizing the theme of “High Scores Must Achieve”; conducted sample tasting on campus; engaged in in-depth interactive marketing activities on campus before exams, to cultivate stable consumption habits among Generation Z consumer groups.

Eating and drinking channel: In line with the development trends of catering and fast food, continuously developed high-quality catering clients and leading chain catering clients, targeting chain fast food clients.

New Retail Business – COFCO Yuexiang Club (中糧悅享會)

COFCO Yuexiang Club (中糧悅享會) engages in the online channel sales of beverage and food products, with its business covering all provinces, municipalities and autonomous regions nationwide. During the year, the number of members, purchasing users, repurchase rate and order volume of the “Joy Club (快樂會)” app all increased.

The Company continued to enhance the digitalisation and intelligence level of its online business by establishing a membership database through the “Joy Club (快樂會)” app and D2C channel platforms. This enabled precise marketing to members, strengthened the supply of popular products, reinforced non-price marketing strategies, optimised the structure of online products, and reshaped the value chain, effectively improving conversion rates and boosting sales revenue, achieving double-digit growth year-on-year.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS (CONTINUED)

Promoting the expansion of channel resources (Continued)

Smart Retail Business

During the year, the scale of the smart retail business (number of devices) saw further growth, with the number of devices firmly establishing itself as a leader in the industry. The network achieved nationwide coverage across 31 provinces and extended its reach to over 280 cities. Additionally, year-on-year revenue continued to experience rapid growth.

The advantages of vending machines are that they are not restricted by time or location, allowing them to fill the sales vacant areas not covered by retail stores, where they can continue to provide services to consumers even after shops have closed for the day. Thus, the vending machine business has great development potential. In the future, we aim to not only expand our business scale but also to enhance the diversity of our product offerings, so as to provide consumers with a wider array of high-quality choices. Leveraging our existing scale advantages, we will continue to developing profitability strategies, that deliver improved returns to our shareholders.

Outlook

It is expected that the adverse impact brought by changes in the external environment in 2025 may deepen, but China's economic fundamentals are stable, with many advantages, strong resilience, and great potential. The supporting conditions and basic trend of long-term positive development have not changed, nor has the general trend of high-quality economic development. Favorable conditions outweigh unfavorable factors. China is a mega-sized economy with a large economic scale and market capacity, a comprehensive industrial system, strong supporting capabilities, and both supply and demand that can sustain the domestic economic cycle. The policies proposed by the government will effectively stimulate the potential of domestic demand, boost consumer spending, and provide stronger demand momentum for stable economic operation and positive development.

It is expected that the cost of aluminum will rise in 2025 due to a reduction in raw material supply, leading to an increase in the price of aluminum cans, while the prices of other major raw materials will remain stable. Management will continue to actively promote key strategies such as product structure upgrade and business portfolio optimisation to improve the gross profit margin. It is believed that through restructuring efforts, the Company can establish a competitive advantage in the new consumption model, develop the capability to adapt to the future's volatile and complex market environment, enhance profitability that meets the requirements of sustainable high-quality development, and further improve the overall profit margin.

FINANCIAL REVIEW

REVENUE

In 2024, the overall sales volume recorded a year-on-year decrease, but revenue remaining largely unchanged year-on-year due to the increase in average product prices.

FINANCIAL REVIEW

GROSS PROFIT MARGIN

During the year, except for the procurement price of white sugar which increased due to reduced production, the procurement prices of other major raw materials decreased year-on-year, resulting in a year-on-year increase in the Company's gross profit margin.

OTHER INCOME, GAINS AND LOSSES, NET

Other income, gains and losses, net decreased by 51% year-on-year from RMB328.4 million in 2023 to RMB161.9 million in 2024, which is mainly due to one-off gain on disposal of investments in associates RMB91.6 million recorded in last year and decrease in government grants of RMB85.1 million in 2024 as compared to 2023.

DISTRIBUTION AND SELLING EXPENSES RATIO/ADMINISTRATIVE EXPENSES RATIO

During the year, more marketing expenses was incurred due to keen competition. As a result, the distribution and selling expenses ratio increased, while there was no significant change in the administrative expenses ratio compared with that of the previous year.

FINANCE COSTS

Finance costs dropped by 4.5% from RMB 5.0 million to RMB4.7 million. There was no significant change in finance costs.

INCOME TAX EXPENSE

Income tax expense amounted to RMB444 million, representing a decrease of 3% as compared to 2023. There was no significant change in income tax expense.

LIQUIDITY AND FINANCIAL RESOURCES

The Company's treasury function operates as a centralised service for:

- Reallocating financial resources within the Group;
- Procuring cost-efficient funding for the Group;
- Managing financial risks, including interest rate and foreign exchange rate risks; and
- Targeting yield enhancement opportunities.

The treasury function regularly and closely monitors its overall cash and debt positions, reviews its funding costs and maturity profiles to facilitate timely refinancing. Cash pooling is applied in Mainland China for the more efficient utilisation of cash. Also, the treasury function formulated financial risk management procedures, which are subject to periodic review by the senior management of the Company.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES (CONTINUED)

In the consolidated statement of financial position as at 31 December 2024, the Group's unpledged cash and cash equivalents totaled approximately RMB4,014 million (31 December 2023: approximately RMB2,293 million). Net current asset were approximately RMB236 million (31 December 2023: approximately RMB16 million).

CAPITAL STRUCTURE

As at and for the year ended 31 December 2024, the total number of issued shares of the Company remained unchanged at 2,797,223,396. In the consolidated statement of financial position as at 31 December 2024, the Group had no interest-bearing bank borrowings (31 December 2023: Nil).

As at 31 December 2024, the Group had no other borrowings (31 December 2023: Nil). As of 31 December 2024, net assets attributable to owners of the parent were approximately RMB6,462 million (31 December 2023: approximately RMB6,015 million), and net cash position of the Group (unpledged cash and cash equivalents less interest-bearing bank and other borrowings) was approximately RMB4,014 million and the gearing ratio (ratio of borrowing position of the Group to equity attributable to owners of the parent) was nil (31 December 2023: approximately RMB2,293 million and the gearing ratio of nil).

CONTINGENT LIABILITIES AND ASSETS PLEDGED

As at 31 December 2024, the Group has no significant contingent liabilities nor assets pledged (other than certain bills payable) (31 December 2023: Nil (other than certain bills payable)).

FOREIGN EXCHANGE MANAGEMENT

Majority of monetary assets, monetary liabilities and transactions of the Group were principally denominated in Renminbi and recorded in the books of subsidiaries operating in Mainland China (functional currency as Renminbi).

Although the Group has not used any financial instruments for hedging purposes, the treasury function of the Group actively and closely monitors foreign exchange rate exposure. The foreign exchange risk exposure at the operational level is not significant.

HUMAN RESOURCES

As at 31 December 2024, the Group employed 17,533 staff in Mainland China and Hong Kong (31 December 2023: 18,889). Employees are paid according to their positions, performance, experience and prevailing market practices, and are provided with management and professional training.

Employees in Hong Kong are provided with retirement benefits, either under a Mandatory Provident Fund exempted ORSO scheme or under the Mandatory Provident Fund scheme, as well as life insurance and medical insurance. Employees in Mainland China are provided with pension insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance and housing fund contributions in compliance with the requirements of the laws of China.

HUMAN RESOURCES (CONTINUED)

The Group firmly believe that talent is the most valuable asset and the basis for its sustainable development of a corporation. The Group has established comprehensive policies and systems for employee recruitment, labour contracts, remuneration and benefits, attendance management, training and development, performance appraisal, disciplinary policies, protection of employee interests, etc, in order to protect the basic interests of employees, eliminate discrimination by nationality, age and gender, etc, and prohibit the employment of child labour and any form of forced labour.

The Group emphasizes a “contributor-oriented” talent development concept and provides employees with a robust career development platform and a comprehensive training system. The Group continuously enhance the personnel training mechanism and training course system to ensure the knowledge and skills of employees are enhanced, leading to the mutual development of the Group and its employees.

The Company and its subsidiaries have no share option scheme.

FINAL DIVIDEND

On 25 March 2025, the Board recommended the payment of a final dividend of RMB0.153 (2023: RMB0.148) per ordinary share for the year ended 31 December 2024, subject to the approval obtained at the annual general meeting to be held on Wednesday, 11 June 2025 (the “**2025 AGM**”). The proposed final dividend for the year ended 31 December 2024 will be distributed on or around Wednesday, 9 July 2025 to shareholders of the Company (the “**Shareholders**”) whose names appear on the Shareholders’ register of the Company on Friday, 20 June 2025 (the “**Record Date**”).

The implementation of the “Notice Regarding Matters on Determination of Tax Residence Status of Chinese-controlled Offshore Incorporated Enterprises under Rules of Effective Management” issued by the State Administration of Taxation of PRC (the “**SAT**”) on 22 April 2009 (the “**Notice**”) commenced on 1 January 2008 and in the first half of 2013, the Company received the SAT approvals which confirmed that (i) the Company is regarded as a Chinese Resident Enterprise; and (ii) relevant enterprise income tax policies shall be applicable to the Company starting from 1 January 2013. Pursuant to the Notice, the “Enterprise Income Tax Law of the People’s Republic of China” (the “**Enterprise Income Tax Law**”) and the “Detailed Rules for the Implementation of the Enterprise Income Tax Law of the People’s Republic of China” (the “**Implementation Rules**”), both implemented in 2008, the Company is required under the laws of the PRC to withhold and pay enterprise income tax for its non-resident enterprise Shareholders to whom the Company pays the final dividend for 2024. The withholding and payment obligation lies with the Company.

FINAL DIVIDEND (CONTINUED)

Pursuant to (i) the Notice, (ii) the Enterprise Income Tax Law and the Implementation Rules, and (iii) the SAT approvals, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for 2024 to its non-resident enterprise shareholders. In respect of all Shareholders whose names appear on the Company's register of members as at the Record Date who are not individuals (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organisations, which are all considered as non-resident enterprise shareholders), the Company will distribute the final dividend for 2024 after deducting enterprise income tax of 10%. The Company will not withhold and pay the enterprise income tax in respect of the final dividend for 2024 payable to any natural person Shareholders whose names appear on the Company's register of members on the Record Date.

If any resident enterprise (as defined in the PRC's Enterprise Income Tax Law) listed on the Company's register of members which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not desire to have the Company withhold the said 10% enterprise income tax, it should lodge with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, documents from its governing tax authority confirming that the Company is not required to withhold and pay enterprise income tax in respect of the dividend that it is entitled at or before 4:30 p.m. on Wednesday, 18 June 2025.

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD READ THE ABOVE CAREFULLY. IF THE STATUS OF THE SHAREHOLDERS IN THE REGISTER OF MEMBERS NEEDS TO BE AMENDED ACCORDINGLY, PLEASE ENQUIRE ABOUT THE RELEVANT PROCEDURES WITH THE RESPECTIVE NOMINEES OR TRUSTEES IMMEDIATELY. THE COMPANY WILL STRICTLY WITHHOLD AND PAY THE ENTERPRISE INCOME TAX FOR ITS NON-RESIDENT ENTERPRISE SHAREHOLDERS IN ACCORDANCE WITH THE APPLICABLE LAWS AND REQUIREMENTS OF THE RELEVANT GOVERNMENT DEPARTMENTS IN THE PRC, BASED ON THE INFORMATION SET OUT IN THE COMPANY'S REGISTER OF MEMBERS ON THE RECORD DATE. THE COMPANY ASSUMES NO LIABILITY WHATSOEVER AND WILL NOT ENTERTAIN ANY CLAIMS ARISING FROM ANY INACCURATE INFORMATION OR DELAY IN AMENDMENT OF THE RELEVANT INFORMATION OR THE STATUS OF THE SHAREHOLDERS OR DISPUTES REGARDING THE MECHANISM OF WITHHOLDING.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' eligibility to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Thursday, 5 June 2025 to Wednesday, 11 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2025 AGM, all transfer documents, accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 4 June 2025.

CLOSURE OF REGISTER OF MEMBERS (CONTINUED)

For determining the Shareholders' entitlement to the proposed final dividend for 2024, the register of members of the Company will be closed from Thursday, 19 June 2025 to Friday, 20 June 2025, both days inclusive, during which period no transfer of shares will be registered. The ex-dividend date will be Tuesday, 17 June 2025. In order to qualify for the proposed final dividend for 2024, all transfer documents, accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 18 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the applicable code provisions (the "**Code Provisions**") of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the year, save and except for the deviation from Code Provision C.2.1 which stipulated that the role of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Qing Lijun (the "**Mr. Qing**") has assumed the roles of both the chairman of the Board and the managing director since 29 September 2022. Effective from 6 January 2025, Mr. Zhan Zaizhong was appointed by the Board as the executive director and the Managing Director. Following the appointment of Mr. Zhan Zaizhong, the Company has re-complied with code provision C.2.1 of the Corporate Governance Code. Throughout the year, the Board believes that it is in the interest of the Company and its shareholders for Mr. Qing to assume the responsibilities of such positions, given that Mr. Qing has extensive experience and management of the Group as an executive director and managing Director, and it will facilitate the execution of the Group's business and boost effectiveness of its operations. The Board also considers that such arrangement will not impair the balance of power and authority between the Board and the management as the Board comprises six other experienced individuals including one executive director, two non-executive directors and three independent non-executive directors. In addition, for major transactions of the Group, the Company will consult Board committees and senior management as and when appropriate.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Following specific enquiries by the Company, all directors of the Company confirmed that they have complied with the required standards set out in the Model Code throughout the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the consolidated financial statements for the year ended 31 December 2024 and has discussed with the Company's auditor, about auditing, internal control and financial reporting matters including the review of the accounting practices and principles adopted by the Group.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2024 as set out in this announcement of final results have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on this announcement.

PUBLICATION OF THE FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.chinafoodsltd.com). The 2024 Annual Report of the Company will be published on the above websites and dispatched to the Shareholders in due course.

By order of the Board
China Foods Limited
Qing Lijun
Chairman

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises: Mr. Qing Lijun as the chairman of the Board and a non-executive director; Mr. Zhan Zaizhong and Mr. Shen Xinwen as executive directors; Mr. Cao Gaofeng 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.