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CHINA FOODS LIMITED
中國食品有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 506)

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE CASH POOLING MANAGEMENT AGREEMENT

Cash Pooling Management Agreement

In order to optimise financial management, improve fund utilisation efficiency, reduce financing costs and risks, and utilise fund more efficiently within the Group, the Company and COFCO Finance (HK) entered into the Cash Pooling Management Agreement on 10 November 2025. Pursuant to the Cash Pooling Management Agreement, COFCO Finance (HK) shall provide the Cash Pooling Management Services to the Company.

Listing Rules Implications

As at the date of this announcement, COFCO Finance (HK) is a direct wholly-owned subsidiary of COFCO, the ultimate controlling shareholder of the Company. Therefore, COFCO Finance (HK) is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Cash Pooling Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The provision of the Cash Pooling Management Services to the Group under the Cash Pooling Management Agreement also constitute the provision of financial assistance by the Group to COFCO Finance (HK) under Rule 14.04(1)(e) of the Listing Rules. Since the highest applicable percentage ratio for the Proposed Daily Cap under the provision of the Cash Pooling Management Services exceeds 1% but is less than 5%, the Cash Pooling Management Services are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Cash Pooling Management Agreement

Background

In order to optimise financial management, improve fund utilisation efficiency, reduce financing costs and risks, and utilize fund more efficiently within the Group, the Company and COFCO Finance (HK) entered into the Cash Pooling Management Agreement on 10 November 2025. Pursuant to the Cash Pooling Management Agreement, COFCO Finance (HK) shall provide the Cash Pooling Management Services to the Company.

The principal terms of the Cash Pooling Management Agreement are as follows:

1. Date

10 November 2025

2. Effective Date and the Term

The Cash Pooling Management Agreement shall be for a term of three years commencing from 10 November 2025 and expiring on 9 November 2028.

3. Parties

(a) The Company; and

(b) COFCO Finance (HK)

4. Major Terms

(a) Cash Pooling Management Services

Pursuant to the Cash Pooling Management Agreement, COFCO Finance (HK) is entrusted by the Company to provide centralised management of the funds of the Company during the term of the Cash Pooling Management Agreement. Pursuant to the Cash Pooling Management Agreement, the Company shall entrust COFCO Finance (HK) to gain access to the account balance information of the Company and to give instructions to transfer the Company's funds from its account to COFCO Finance (HK) from time to time. COFCO Finance (HK), serving as a financial agent, shall then place such funds transferred from the Company's account in the account of COFCO Finance (HK) maintained with BOCHK for centralised management. In return, COFCO Finance (HK) shall pay interest to the Company for the funds deposited by the Company with COFCO Finance (HK). The funds of the Company to be transferred to COFCO Finance (HK) shall be regarded as loans to COFCO Finance (HK) and are categorised into (i) Demand Loan and (ii) Term Loan.

(1) Demand Loans

The Company shall prepare in advance a Cash Pooling Weekly Plan for each coming week for (1) the transfer of the Company's account funds into COFCO Finance (HK)'s account through the BOCHK Cash Pooling System Channel and (2) the transfer of funds back to the Company from COFCO Finance (HK)'s account. The Company shall have the right to request COFCO Finance (HK) to return all or part of the collected funds under the Demand Loans to the Company upon the

Company's request in accordance with the Cash Pooling Weekly Plan.

(2) Term Loans

The Company and COFCO Finance (HK) may from time to time enter into Cash Pooling Confirmation Form or in other forms agreed by both parties for the transfer of funds from the Company's account to COFCO Finance (HK)'s account. The Term Loans shall be for a term of at least 30 days.

(b) Interest Rates and Repayment

The interest rates for the Demand Loan shall be determined based on the prevailing current deposit interest rate of BOCHK. The interest shall be settled in a quarterly basis. COFCO Finance (HK) shall return the collected Demand Loan through the BOCHK Cash Pooling System Channel in accordance with the return schedule in the Cash Pooling Weekly Plan.

The interest rates for the Term Loan shall be determined between the Company and COFCO Finance (HK) making reference to the Hong Kong Interbank Offered Rate and the prevailing market conditions, and the Company shall ensure in any event no less favorable than the interest rates offered by independent third parties. COFCO Finance (HK) shall settle and transfer the interest rates together with the principal amount at the end of the subject term loan agreement to the account of the Company.

(c) Liability for Breach of Contract

Any party breaching the Cash Pooling Management Agreement shall be liable for breach of the Cash Pooling Management Agreement. The breaching party shall be liable for all the losses caused to the other party and the expenses incurred in asserting the other party's rights (including reasonable attorney fees).

Reasons for and benefits of entering into the Cash Pooling Management Agreement

The Cash Pooling Management Agreement facilitates the centralised management of funds of the Group outside the PRC through COFCO Finance (HK). By entrusting COFCO Finance (HK) to provide the fund management services, the Company benefits from professional financial management services provided from COFCO that can optimise cash flow and enhance liquidity of the Group. Additionally, the Cash Pooling Management Agreement ensures that the funds deposited with COFCO Finance (HK) will accrue interest, providing a return on funds that might otherwise remain idle.

In particular, the Company considers that the transactions under the Cash Pooling Management Agreement (collectively the "**Arrangements**") have the following benefits:

(a) the Company believes that COFCO Finance (HK) may provide more flexible cash pooling management services to the Group compared with a single or a small number of third-party commercial banks;

(b) the Arrangements will allow the greater utilisation of available funds and optimise the efficiency of the Group's funds; and

(c) the Arrangements will allow a prompt and accurate monitoring and regulation of the application of funds of the Group.

Risk Management

In order to safeguard the interests of the shareholders of the Company, the Group will adopt the following guidelines and principles in monitoring the Arrangements:

(a) specifically designated personnel from the finance department of the Company will be responsible for the regular monitoring of the Arrangements, and reporting to the general manager of the finance department and the management of the Company on a regular basis;

(b) the finance department of the Company will report to the independent non-executive Directors twice a year in relation to the Arrangements;

(c) the clients of COFCO Finance (HK) are restricted to those COFCO Group companies (including the Company and the subsidiaries of the Company) which meet the prerequisite standards according to the relevant internal policy of the COFCO. COFCO Finance (HK) is hence exposed to a lower level of potential risk than, if its clients include, external entities;

(d) the audit and supervision department of the Group will review the appropriateness of the system of internal controls relating to the operation of the Arrangements and report the results of the review to the management and the audit committee/independent non-executive Directors twice a year; and

(e) where COFCO Finance (HK) in breach of any provisions of the Cash Pooling Management Agreement, COFCO Finance (HK) shall be liable for all losses incurred by the Company and the costs incurred in asserting the Company's right.

Proposed Daily Cap for the Cash Pooling Management Agreement and the basis thereof

The Board proposed the Proposed Daily Cap in the amount of RMB400 million (including the corresponding interest accrued therein) on a daily basis after considering the maximum daily outstanding balance of deposits (including the corresponding interest accrued thereon) to be placed by the Group with COFCO Finance (HK) pursuant to the Cash Pooling Management Agreement.

In arriving the Proposed Daily Cap for the Term, the Company has taken into account the following factors:

(a) as at 31 October 2025, the Group maintained a high level of cash and cash equivalents which amounted to approximately RMB4.66 billion and the funds located outside the PRC of approximately RMB810 million;

(b) the business development plans and the financial needs of each of the subsidiaries of the Company during the Term;

(c) the historical cash position of the Group, the historical transaction value and the expected growth of the business operation of the Group;

(d) the control of financial risks in selecting financial services providers; and

(e) the benefits to the Group and the shareholders of the Company as a whole as set out in the paragraph headed "Reasons for and benefits of entering into the Cash Pooling Management Agreement".

In order to ensure that the Proposed Daily Cap will not be exceeded, the Group will adopt the following measures to monitor the daily balance of the deposits (including the Demand Loans and the Term Loans) made by the Company:

(a) the finance department of the Company will monitor the daily balance of the deposit (including the Demand Loans and the Term Loans) made by the Company with all financial institutions, and those with COFCO Finance (HK), and will report on the Company's overall cash flow position to the relevant senior management of the Company for review and consideration of the overall funding position of the Company; and

(b) the Company will have the discretion to request for the withdrawal of all or part of the Demand Loans placed with COFCO Finance (HK) to ensure the liquidity and safety of the deposited fund.

Listing Rules Implications

As at the date of this announcement, COFCO Finance (HK) is a direct wholly-owned subsidiary of COFCO, the ultimate controlling shareholder of the Company. Therefore, COFCO Finance (HK) is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Cash Pooling Management Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The provision of the Cash Pooling Management Services to the Group under the Cash Pooling Management Agreement also constitute the provision of financial assistance by the Group to COFCO Finance (HK) under Rule 14.04(1)(e) of the Listing Rules. Since the highest applicable percentage ratio for the Proposed Daily Cap under the provision of the Cash Pooling Management exceeds 1% but is less than 5%, the Cash Pooling Management Services are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Directors' Views

The Directors (including the independent non-executive Directors) consider that the terms of the Cash Pooling Management Agreement have been negotiated on an arm's length basis and on normal commercial terms, the transactions contemplated thereunder and the Proposed Daily Cap are fair and reasonable and in the interests of the Company and its Shareholders as a whole. In addition, the Group has effective risk management measures and internal controls in place to monitor the Arrangements under the Cash Pooling Management Agreement.

The Directors (including the independent non-executive Directors) also believe that the risk profile of COFCO Finance (HK), as a financial services provider to the Group, is not greater than that of independent commercial banks in Hong Kong. As far as the Directors are aware, COFCO Finance (HK) has established stringent internal control measures to ensure effective risk management and compliance with laws and regulations.

None of the Directors has a material interest in the transactions contemplated under the Cash Pooling Management Agreement. However, as Mr. Qing Lijun (being a deputy general manager of COFCO), Mr. Chen Gang (being the assistant general manager and director of the cooperation and development (brand management) department of COFCO) and Mr. Song Liang (being the full-time director of COFCO Group's specialized companies) are related to COFCO, for good corporate governance, Mr. Qing Lijun, Mr. Chen Gang and Mr. Song Liang have abstained from voting on the Board resolution approving the Cash Pooling Management Agreement.

Information on the Parties

The Company is an investment holding company incorporated in Bermuda. Through its subsidiaries and associated companies, it is principally engaged in beverage business.

COFCO Finance (HK) is a direct wholly-owned subsidiary of COFCO. The principal business of COFCO Finance (HK) is provision of cash pooling management services within COFCO Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"Board"	the board of Directors
"BOCHK"	the Bank of China (Hong Kong) Limited (中國銀行（香港）有限公司)

"BOCHK Cash Polling System Channel"	the online banking channel for the centralised management of COFCO Group's offshore funds through BOCHK Cash Pooling System
"Business Day(s)"	day(s) (other than Saturday or Sunday) on which banking institutions are open for general business in Hong Kong
Cash Pooling Confirmation Form	the written confirmation in which COFCO Finance (HK) and the Company agree, through consultation, that the Company will provide a term loan to COFCO Finance (HK) in accordance with the terms and conditions set out therein by pooling funds from the Company's account(s) into COFCO Finance (HK)'s account(s) through channel(s) outside the BOCHK Cash Pooling System Channel.
"Cash Pooling Management Agreement"	the Cash Pooling Management Agreement in relation to the Cash Pooling Management Services entered into by and among the Company and COFCO Finance (HK) on 10 November 2025
"Cash Pooling Management Services"	COFCO Finance (HK) serves as a financial agent for loans advanced from the Company to COFCO Finance (HK) through entrustment loan arrangements under the Cash Pooling Management Agreement
Cash Pooling Weekly Plan	the plan prepared in advance by the Company for each forthcoming week for (1) pooling the funds from the Company's account(s) to COFCO Finance (HK)'s account(s) through the BOCHK Cash Pooling System Channel and (2) applying to the Company for the allocation of COFCO Finance (Hong Kong)'s already pooled funds back to COFCO Finance (Hong Kong)'s account(s)
"COFCO"	COFCO Corporation (中糧集團有限公司), a state-owned company established in the PRC which is currently under the purview of the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會) and the ultimate controlling shareholder of the Company
"COFCO Finance (HK)"	COFCO Finance Limited (中良財務有限公司), a limited liability company established in Hong Kong and a direct wholly-owned subsidiary of COFCO
"COFCO Group"	COFCO and its subsidiaries (including the Group)
"Company"	China Foods Limited (中國食品有限公司), a limited liability company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange

"Demand Loan"	Funds from the Company collected into the account of COFCO Finance (HK) through BOCHK Cash Pooling System Channel are deemed to be the demand loan of the Company to the COFCO Finance (HK)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Proposed Daily Cap"	the proposed maximum daily outstanding balance of deposits (including the corresponding interest accrued thereon) placed by the Group with COFCO Finance (HK) in the amount of RMB400 million (including the corresponding interest accrued therein)
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Term"	the term commencing from 10 November 2025 and expiring on 9 November 2028
"Term Loan"	A term loan provided by the Company to COFCO Finance (HK) pursuant to an agreement specifically agreed in writing between the Company and COFCO Finance (HK), including but not limited to arrangements whereby funds are disbursed from the Company's account(s) as agreed upon through the Cash Pooling Confirmation Form, and whereby the funds from the Company are transferred to COFCO Finance (HK)'s account(s) through channel(s) outside the BOCHK Cash Pooling System Channel.
"US$"	United States dollars, the lawful currency of the United States of America

In this announcement, the English names of certain PRC entities are translation of their Chinese names and included for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

By Order of the Board
China Foods Limited
Qing Lijun
Chairman

Beijing, 10 November 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. Tang Qiang as executive directors; Mr. Chen Gang and Mr. Song Liang 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.