CHINA FOODS LIMITED
中國食品有限公司

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

The following table shows the comparison of the interim results for the six-month period ended 30 June 2026 (the "**interim period**") of China Foods Limited (the "**Company**" or "**China Foods**") and its subsidiaries (together the "**Group**") with the corresponding interim results for 2025:

	Six-month period ended 30 June		
	2026	2025	**Changes**
	(RMB million)	*(RMB million)*	
	(Unaudited)	(Unaudited)	
• Revenue	**12,763.4**	12,278.1	+4.0%
• Gross profit margin	**36.7%**	38.1%	-1.4ppt
• Distribution and selling expenses margin	**24.6%**	26.3%	-1.7ppt
• Administrative expenses margin	**1.8%**	1.7%	+0.1ppt
• Adjusted EBIT*	**1,432.9**	1,359.2	+5.4%
• Adjusted EBITDA^	**1,895.0**	1,787.4	+6.0%

The board of directors (the "**Board**") did not declare the payment of an interim dividend for the interim period (six-month period ended 30 June 2025: Nil).

*Adjusted EBIT represents:

	Six-month period ended 30 June	
	2026	2025
	(RMB million)	*(RMB million)*
	(Unaudited)	(Unaudited)
Profit before tax	**1,431.5**	1,357.4
Reconciliation:		
Finance costs	**1.4**	1.8
Adjusted EBIT	**1,432.9**	1,359.2

^Adjusted EBITDA represents:

	Six-month period ended 30 June	
	2026	2025
	(RMB million)	*(RMB million)*
	(Unaudited)	(Unaudited)
Adjusted EBIT	**1,432.9**	1,359.2
Reconciliation:		
Depreciation of property, plant and equipment	**421.7**	386.1
Depreciation of right-of-use assets	**30.6**	31.5
Amortisation of intangible assets	**9.8**	10.6
Adjusted EBITDA	**1,895.0**	1,787.4

INTERIM RESULTS

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the interim period together with the comparative figures of last year. The unaudited condensed consolidated interim results as at and for the six-month period ended 30 June 2026 have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	4	**12,763,435**	12,278,061
Cost of sales		**(8,083,733)**	(7,602,388)
Gross profit		**4,679,702**	4,675,673
Other income, gains and losses, net	5	**130,002**	127,007
Distribution and selling expenses		**(3,144,398)**	(3,235,163)
Administrative expenses		**(234,620)**	(211,245)
Reversal of impairment losses on financial assets, net	6	**2,323**	170
Operating profit		**1,433,009**	1,356,442
Finance costs	7	**(1,376)**	(1,822)
Share of results of associates		**(161)**	2,731
Profit before tax	8	**1,431,472**	1,357,351
Income tax expense	9	**374,761**	379,261
Profit and total comprehensive income for the period		**1,056,711**	978,090
Profit and total comprehensive income attributable to:			
– Owners of the Company		**623,082**	577,845
– Non-controlling interests		**433,629**	400,245
		1,056,711	978,090
EARNINGS PER SHARE			
Basic and diluted *(RMB cents)*	11	**22.28**	20.66

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026** *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**5,740,982**	5,607,863
Right-of-use assets		**622,967**	638,844
Intangible assets		**3,534,671**	3,541,977
Investments in associates		**10,825**	10,986
Deferred tax assets		**467,398**	455,179
Prepayments and other assets		**23,026**	23,622
		10,399,869	10,278,471
Current assets			
Inventories		**1,079,358**	1,629,561
Trade receivables	12	**660,082**	329,717
Prepayments, deposits and other receivables		**1,005,433**	1,051,182
Tax recoverable		**24,915**	39,286
Amounts due from related parties		**412,821**	507,461
Restricted bank deposits		**1,160**	200
Cash and cash equivalents		**5,898,074**	4,549,480
		9,081,843	8,106,887
Current liabilities			
Trade payables	13	**1,648,420**	1,034,708
Other payables and accruals		**4,834,760**	4,339,792
Amounts due to related parties		**980,396**	575,081
Tax liabilities		**215,077**	167,532
Lease liabilities		**31,961**	39,587
Contract liabilities		**326,186**	1,307,963
		8,036,800	7,464,663
Net current assets		**1,045,043**	642,224
Total assets less current liabilities		**11,444,912**	10,920,695

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities		
Deferred tax liabilities	**129,683**	123,118
Lease liabilities	**23,225**	28,688
Deferred income	**202,023**	207,694
	354,931	359,500
Net assets	**11,089,981**	10,561,195
Capital and reserves		
Share capital	**293,201**	293,201
Share premium and reserves	**6,795,447**	6,603,137
Equity attributable to owners of the Company	**7,088,648**	6,896,338
Non-controlling interests	**4,001,333**	3,664,857
Total equity	**11,089,981**	10,561,195

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1 GENERAL INFORMATION

China Foods Limited (the "**Company**") is a limited liability company incorporated in Bermuda. On 3 August 2026, the registered office of the Company was changed to Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, 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 established in the People's Republic of China (the "**PRC**").

During the six months ended 30 June 2026, 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 condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the Company's functional currency.

2 BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

3 MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/changes in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4 REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of goods		
Sparkling drinks	**9,581,094**	9,384,629
Juices	**1,780,518**	1,674,604
Water	**613,814**	576,189
Functional drinks	**303,592**	198,753
Others	**484,417**	443,886
Total	**12,763,435**	12,278,061
Timing of revenue recognition		
A point in time	**12,763,435**	12,278,061

Segment information

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 reportable 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.

Geographical information

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

Information about major customers

During the current and prior interim periods, there was no revenue derived from a single customer which accounted for 10% or more of the Group's revenue.

5 OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants *(note)*	**46,375**	62,720
Net income from sale of by-products and scrap items	**7,385**	8,740
Interest income	**10,216**	16,402
Others	**66,655**	58,895
	130,631	146,757
Other gains and losses, net		
Losses on disposal of property, plant and equipment	**(2,878)**	(24,559)
Foreign exchange differences, net	**840**	(2,268)
Others	**1,409**	7,077
	(629)	(19,750)
	130,002	127,007

Note: Various government grants were granted for investments in certain provinces in Chinese Mainland in which the Company's subsidiaries operate. Government grants for which related expenditure has not yet been undertaken are included in deferred income in the condensed consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to grants recognised as income.

6 REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Impairment losses reversed in respect of		
– Trade receivables	**2,320**	160
– Other receivables	**3**	10
	2,323	170

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

7 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on lease liabilities	**1,376**	1,822

8 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**421,747**	386,106
Depreciation of right-of-use assets	**30,593**	31,484
Amortisation of intangible assets	**9,767**	10,641
Wages, salaries and bonuses	**1,466,475**	1,310,048
Cost of inventories recognised as an expense (including reversal of write-down of inventories amounting to RMB12,537,000 (six months ended 30 June 2025: RMB4,043,000))	**8,083,733**	7,602,388

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("**EIT**")		
– Current tax	**356,671**	323,585
– Under-provision in prior years	**23,744**	23,481
	380,415	347,066
Deferred tax	**(5,654)**	32,195
	374,761	379,261

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 EIT 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 for certain entities of the Group in the PRC are taxed at preferential income tax rates of 9% and 15% for both current and prior interim periods.

9 INCOME TAX EXPENSE (CONTINUED)

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, the management of the Group considered the Group is not liable to top-up tax under the Pillar-Two Rules as the Group's estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate.

10 DIVIDENDS

During the current interim period, a final dividend of HK17.7 cents per share in respect of the year ended 31 December 2025 (six months ended 30 June 2025: HK16.6 cents per share in respect of the year ended 31 December 2024) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the current interim period amounted to RMB430,772,000 (six months ended 30 June 2025: RMB427,975,000).

Subsequent to the end of current interim period, the Directors have resolved that no dividend will be declared in respect of the current interim period.

11 EARNINGS PER SHARE

The calculation of basic earnings per share amount for the six months ended 30 June 2026 is based on the profit for the period attributable to owners of the Company of RMB623,082,000 (six months ended 30 June 2025: RMB577,845,000), and the weighted average number of ordinary shares of 2,797,223,396 (six months ended 30 June 2025: 2,797,223,396) in issue during the period.

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 the six months ended 30 June 2026 and 2025.

12 TRADE RECEIVABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables	**681,974**	354,552
Less: Allowance for credit losses	**(21,892)**	(24,835)
	660,082	329,717

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.

12 TRADE RECEIVABLES (CONTINUED)

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**660,004**	329,686
6 to 12 months	**78**	31
	660,082	329,717

13 TRADE PAYABLES

The following is an ageing analysis of trade payables presented based on the delivery date:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**1,503,410**	991,767
3 to 12 months	**137,243**	36,574
Over 1 year	**7,767**	6,367
	1,648,420	1,034,708

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.

In the first half of this year, the Company's sales volume and revenue continued to grow: revenue stood at RMB12.763 billion, up 4.0% year-on-year; against a backdrop of pressure on average selling prices and rising costs of key raw materials, net profit still increased by 8.0% year-on-year to RMB1.057 billion. The core bottling business progressed steadily, whilst the new retail platform "COFCO Yuexiang Club (中糧悦享會)" and the smart retail businesses "COFCO Zhishang (中糧智尚)" and "LOHAS" continued to deepen their omnichannel footprint; the scale of the non-Coca-Cola product business expanded at an accelerated pace; the nutritional and health food business completed the establishment of a full-chain framework encompassing team, product, channel and industry-academia-research collaboration, and entered a concentrated new product launch period in July. The Company has further consolidated its market-leading position in the non-alcoholic ready-to-drink (NARTD) sector and is resolutely advancing towards its vision of "becoming a world-class food and beverage group".

DEVELOPMENT STRATEGY

In 2026, China Foods has adopted the theme "Promoting Stability through Progress, Striving for the Long Term", aiming to fulfil the fundamental requirement of "stability" through proactive measures driven by "progress"; and to realise its "long-term" aspirations and objectives through "striving" and hard work. "Stability" is by no means a passive pursuit of stability or standing still; rather, it involves focusing on the core business of bottling, upholding an optimised marketing approach, and, through the optimisation of product portfolios and pricing strategies, resolving various challenges in business development with products better suited to the Chinese market, more advanced and scientific management, and more precise and outstanding execution, thereby achieving simultaneous growth in scale and profitability, progress amidst stability, and quality improvement amidst stability. "Progress" is by no means blind recklessness or a rush for quick results, but rather a proactive breakthrough towards high-quality development. Through digital and intelligent transformation, we will enhance operational efficiency and align with COFCO Corporation's strategy; we will refine our win-win ecosystem, expand into innovative business areas and cultivate new growth drivers, whilst simultaneously optimising our organisational structure to inject sustained momentum into our development. "Strive" means using hard work as our oars and determination as our sails; it involves overcoming development bottlenecks with a tenacious spirit to tackle challenges, and pursuing the Company's sustainable development through persistent dedication. Above all, it serves as the guiding principle for all employees to unite, work diligently and strive for excellence, thereby safeguarding the foundation of "stability" and achieving the goals of "progress". Furthermore, we firmly implement the business philosophy of "Improving quality, Enhancing efficiency, Innovation, System, Openness and Green", steadily advancing the coordinated development of our full-range beverage business and innovative ventures, whilst continuously upholding the corporate spirit of "Work! Work hard! Win!". We are fully committed to achieving the strategic development goals of "high-quality and sustainable" growth. The specific development principles are as follows:

- 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, driving value growth through quality improvement.

- Enhancing efficiency: Further advance the comprehensive integration of the supply chain across the Beijing-Tianjin-Hebei cluster. Perform thorough analysis of raw material price trends, broaden the scope and scale of centralised procurement, enhance the accuracy and effectiveness of resource allocation, and continuously improve full-value-chain cost management capabilities.

- 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.

- 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 institutional 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, the synergistic effects of the industrial ecosystem continue to unfold.

- Green: Adhere to sustainable high-quality development by prioritising the reduction of unit energy consumption and emissions to strive for the safety and environmental protection goals of "zero deaths, zero serious injuries, zero exceedances, zero pollution" throughout the year, fulfilling corporate social responsibility.

INDUSTRY ENVIRONMENT

In the first half of 2026, the domestic economy withstood external pressures and the challenges of internal structural adjustments, with economic performance remaining generally stable and consumer demand continuing to grow steadily. China's GDP reached RMB69.57 trillion, representing a year-on-year increase of 4.7% when adjusted for constant prices. The secondary industry contributed RMB25.05 trillion, marking an increase of 3.9%. After accounting for price changes, the national per capita consumption expenditure grew by 2.7% year-on-year. Overall sales in the non-alcoholic ready-to-drink sector remained stable, though category divergence intensified: health-conscious choices have become a basic consumer requirement, with sugar-free fizzy drinks and functional beverages maintaining relatively rapid growth; value for money and quality upgrades went hand in hand, whilst large-format packaging for meal accompaniments, cultural and tourism travel, and instant retail scenarios emerged as the core drivers of growth.

REVIEW OF RESULTS

Below is a summary comparison of 2026 and 2025 interim results:

	As of 30 June 2026 ***(RMB million)***	As of 30 June 2025 *(RMB million)*	**Change**
Revenue	**12,763.4**	12,278.1	+4.0%
Sales volume			+9.6%
Gross profit margin			-1.4ppt

During the period, the Company achieved a year-on-year increase of 9.6% in sales volume to 810 million unit cases, driven by channel expansion and structural optimisation, which in turn drove total revenue to RMB12.763 billion, representing a year-on-year increase of 4.0%. Affected by a year-on-year decline in the average selling price of products, the overall gross profit margin fell by 1.4 percentage points year-on-year to 36.7%. Management vigorously implemented cost-to-revenue ratio controls and organisational efficiency measures, resulting in a year-on-year decrease of 1.7 percentage points in the distribution and selling expense ratio to 24.6%, effectively offsetting the pressure on gross profit. Net profit for the period defied the trend, rising by 8.0% year-on-year to RMB1.057 billion, whilst the net profit margin increased by 0.3 percentage points to 8.3%, demonstrating strong financial resilience and operational efficiency.

Steadily optimising product structure

Sparkling drinks

During the period, the sparkling drinks category recorded revenue of RMB9.581 billion, representing a year-on-year increase of 2.1%, with sales volume up 8.5% year-on-year and operating profit up 8.0% year-on-year. Revenue from sugar-free Coca-Cola rising year-on-year, and a marked growth trend observed in formats.

In terms of new products and marketing, "Sprite Classic Lemon Tea (雪碧經典檸檬茶)" was launched across all channels in the first half of 2026, combining emotional appeal with an invigorating effect; Coca-Cola and Sprite "Fibre+" were comprehensively upgraded to "Prebiotic" and relaunched, with premium pricing precisely targeting the food and beverage and spicy food segments; "Coca-Cola Sugar-Free Lemon Flavour (可口可樂無糖檸檬味)" achieved rapid market penetration through a strategy centred on the convenience store (CVS) channel, combined with high-visibility point-of-sale displays and cross-category bundling. In the second half of the year, the category will continue to focus on campaigns such as Coca-Cola paired with food, sugar-free brand ambassador activities, local football leagues linked to the FIFA World Cup, Sprite Music and spicy food scenarios, to further enhance product placement, sales momentum and revenue growth.

Juices

In the first half of the year, the juices category generated revenue of RMB1.781 billion, representing a year-on-year increase of 6.3%. The primary growth stemmed from the incremental contributions of the "Qoo" brand and new functional juice products: "Qoo" revitalised the brand through graffiti-themed campaigns, IP-themed packaging and the "Goods" economy (i.e. ACGN Merchandise economy), contributing 40% of the revenue growth in the juices category.

The category actively expanded into the high-margin functional juice segment, successfully launching two new nutritionally fortified products under the "Minute Maid" brand in March, Vitamin C and Prebiotics, which contributed approximately RMB22 million in incremental revenue during the first half of the year. This move successfully capitalised on the trend towards healthy juices, establishing a second growth curve for Minute Maid. In June, the Company launched the "Double Fresh Lemon 310 ml Pull-Tab Can (雙爽檸檸310 ml拉罐)", exclusively for the foodservice sector, further optimising channel profit and operating profit. In the second half of the year, the Company will continue to consolidate its leading position in fruit-pulp juices, advance the transition to in-house production for Qoo's peach and grape varieties, as well as the 260 ml orange and apple flavours, and focus on 450 ml and 750 ml ready-to-drink packaging to ensure a strong performance during the peak season.

Water

During the period, total revenue from the water category reached RMB614 million, representing a year-on-year increase of 6.5%. "Ice Dew" continued to expand its distribution reach and reaching 700,000 retail outlets. Leveraging its extensive channel network, the brand has disrupted the dominance of competing products. "Chun Yue (純悦)" attracted outdoor consumers through online campaigns on Alipay, co-branded customised bottles for tourist attractions, and specialised distribution channels such as hotels and transport. Furthermore, in the first half of the year, the Company took the lead in testing the launch of the "Aquarius 900 ml" large-format bottle in five core markets – Beijing, Sichuan, Hebei, Shandong and Liaoning – precisely capturing the summer trend for cost-effective hydration through large-format packaging.

Functional drink

Functional drinks achieved explosive growth during the period, recording revenue of RMB304 million, a year-on-year increase over 50%. The "Monster" brand continued to lead the market, with first-half sales volume already reaching the full-year 2025 target. The new sugar-free product "Ultra Violet (超越幻紫葡萄)", launched in January, gained instant viral popularity and rapidly contributed RMB50 million in revenue, accounting for 45% of Monster's overall growth. On the distribution front, initiatives such as the "Energy Monday" digital sampling campaign, deepening engagement with CVS, and sports marketing on university campuses have significantly boosted repeat purchases among young consumers. In the second half of the year, the Company will continue to roll out category-specific refrigerated display cabinets, strengthen chilled product availability at retail outlets, and expand its brand influence among sports consumers through university basketball events.

New retail business – COFCO Yuexiang Club

COFCO Yuexiang Club (中糧悦享會) achieved a qualitative breakthrough in business scale and membership assets during the period. Sales volume for the first half of the year stood at 30.867 million unit cases, representing a year-on-year increase of 25.0%; revenue on an operational basis was RMB752 million, up 19.0% year-on-year (consolidated revenue was RMB722 million, up 16.9% year-on-year). Of this, revenue from the D2C channel achieving 111% of the budgeted target. As of the first half of the year, the membership platform's follower base reached 94.91 million, a year-on-year increase of 41%; active users totalled 24.9 million, surging by 169% year-on-year, marking the initial establishment of a membership management system characterised by "scale growth + systemic support + refined operations + ecosystem synergy".

During the period, the Company significantly expanded its non-Coca-Cola product business. Sales of non-Coca-Cola products in the first half of the year totalled RMB30.5 million, a year-on-year increase of 63%. The introduction of the new existing brand "GEO" and the acquisition of business from Tmall Supermarket and JD.com generated an incremental sales over RMB8 million. The development of the company-wide e-commerce channel was rapidly implemented from scratch; the "LOHAS Nutritional Foods Flagship Store (悅活營養食品旗艦店)" on Douyin was successfully launched; and the private-domain "Joy Club (快樂會)" mini-programme drove traffic through WeChat Pay's "Shake to Win (搖一搖)" discount feature, with the visit-to-conversion rate surging to 73% and the number of completed orders increasing by 167% year-on-year.

Smart retail business – COFCO Zhishang

COFCO Zhishang's (中糧智尚) smart retail business continues to expand, firmly maintaining its forehead position in the industry. Smart retail and new retail online channels were deeply integrated, traffic monetisation initiatives such as post-payment advertising were relaunched. In the first half of the year, deployment was expanded to 14 new cities in addition to the existing 22, with 100,000 orders dispatched, further tapping into the growth potential of combining physical and virtual goods.

Nutritional and health food business – COFCO Nutrition and Health Technology

The Company has actively responded to the trend towards upgraded health-conscious consumption, positioning the nutritional and health food business as a key strategic initiative to cultivate a new growth engine. During the period, the new company was registered and established at the COFCO Nutrition and Health Research Institute Industrial Park (中糧營養健康研究院產業園), completing the establishment of key roles in R&D, e-commerce and branding; a clear strategy of "focusing on health supplements whilst prioritising functional foods" was established. In the second half of the year, we will launch a series of probiotic products.

OUTLOOK

In the second half of 2026, the external macroeconomic environment will continue to face challenges posed by adjustments to the global trade landscape and supply chain volatility. However, as the state promotes high-quality development, deepens reforms to the domestic demand system, and implements targeted policies to boost consumption, the Chinese economy is generally expected to show a trend of steady progress and a recovery towards positive growth. On the consumer side, the mass consumer market is accelerating towards a structural divergence characterised by a "return to value" and a "health upgrade", while the emergence of new consumption patterns, driven by a pursuit of good value for money, emotional appeal and targeted wellness, will bring entirely new structural opportunities to the industry.

This year also marks a strategically crucial year for the Company as it embarks on the full implementation of its "15th Five-Year Plan". Standing at the starting line of this new era, the management will adopt "Promoting Stability through Progress, Striving for the Long Term" as its core strategic approach. Adhering to the business philosophy of "Improving quality, Enhancing efficiency, Innovation, System, Openness and Green", the Company will not only focus on the present to ensure the high-quality achievement of annual performance targets, but also look to the long term to deepen strategic reorganisation, thereby comprehensively launching the "15th Five-Year Plan" era of high-quality growth.

FINANCIAL REVIEW

Revenue

Sales volume rose significantly by 9.6% year-on-year, driving total revenue to RMB12.76 billion, a year-on-year increase of 4.0%.

Gross profit margin

Affected by a decline in the average selling price of products, the overall gross profit margin fell by 1.4 percentage points year-on-year.

Other income, gains and losses, net

Other income, gains and losses, net increased by 2.4% year-on-year. There were no significant changes.

Distribution and selling expenses ratio/administrative expenses ratio

Management vigorously implemented cost control and organisational efficiency measures, resulting in a year-on-year decrease of 1.7 percentage points in the distribution and selling expenses ratio, which effectively offset the pressure on gross profit. There was no significant change in the administrative expenses ratio.

Finance costs

There was no significant change in finance costs.

Income tax expense

Income tax expense amounted to RMB375 million. There were no significant changes.

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 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.

In the consolidated statement of financial position as at 30 June 2026, the Group's unpledged cash and cash equivalents amounted to a total of approximately RMB5,898 million (31 December 2025: approximately RMB4,549 million). Net current assets were approximately RMB1,045 million (31 December 2025: approximately RMB642 million).

CAPITAL STRUCTURE

As at and for the year ended 30 June 2026, 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 30 June 2026, the Group had no interest-bearing bank borrowings (31 December 2025: Nil).

As at 30 June 2026, the Group had no other borrowings (31 December 2025: Nil). As of 30 June 2026, net assets attributable to owners of the parent were approximately RMB7,089 million (31 December 2025: approximately RMB6,896 million), and net cash position of the Group (unpledged cash and cash equivalents less interest-bearing bank and other borrowings) was approximately RMB5,898 million and the gearing ratio was nil (31 December 2025: approximately RMB4,549 million and the gearing ratio (ratio of borrowing position of the Group to equity attributable to owners of the parent) of nil).

CONTINGENT LIABILITIES AND ASSETS PLEDGED

As at 30 June 2026, the Group has no significant contingent liabilities nor assets pledged (31 December 2025: Nil).

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). With regard to interest-bearing borrowings as at 30 June 2026, all bank borrowings are denominated in Renminbi and recorded in the accounts of subsidiaries operating in Mainland China.

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 30 June 2026, the Group employed 18,571 staff in Mainland China and Hong Kong (31 December 2025: 18,349). 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.

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. During the reporting period, the Group finalised the "15th Five-Year Talent Development Plan (2026–2030)" (《「十五五」人才發展規劃(2026–2030年)》). Centred on building three key talent pools, "business decision-making, operational management and professional skills", the Group implemented a talent development programme focused on "specialisation, digitalisation and youth", with a view to increasing talent density, optimising the succession structure and fostering dynamic mechanisms. Appropriate management and professional skills training was provided to staff at all levels to enhance their knowledge and skills, thereby ensuring the mutual development of the Group and its employees.

The Group also continues to refine its performance appraisal and recognition system, establishing multi-tiered, multi-dimensional awards such as the "Best Talent Engine Award" to promptly recognise outstanding teams and individuals who have excelled in business expansion, management innovation and overcoming challenges. This enhances employees' sense of achievement and organisational commitment, whilst guiding all staff to focus on value creation and achieving shared growth within an environment that ensures fair and compliant incentives.

The Company and its subsidiaries have no share option scheme.

For the interim period, total staff cost incurred by the Group was approximately RMB1,466 million, representing a year-on-year increase of approximately 12%.

INTERIM DIVIDEND

The Board did not declare the payment of an interim dividend for the interim period (30 June 2025: Nil).

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 (the "**CG 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 six months ended 30 June 2026.

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 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 interim period.

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 interim period.

REVIEW OF INTERIM RESULTS

The condensed consolidated interim financial information as at and for the six-month period ended 30 June 2026 have been reviewed by the Group's auditor, Baker Tilly Hong Kong Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants, and the audit committee of the Company.

SUBSEQUENT EVENTS

As of the date of this announcement, no significant subsequent events happened.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the HKExnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.chinafoodsltd.com). The 2026 interim report of the Company will be published on the above websites and dispatched to shareholders of the Company in due course.

By order of the Board
China Foods Limited
Qing Lijun
Chairman

Hong Kong, 25 August 2026

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. Song Liang and Ms. Guo Ying 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.