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CHINA FOODS LIMITED
中國食品有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 506)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND ANNUAL CAPS FOR YEARS 2027/2028/2029

CONTINUING CONNECTED TRANSACTIONS

References are made to the announcement dated 7 November 2023 and the circular dated 27 November 2023 of the Company in relation to, among other things, the Existing Continuing Connected Transactions with the relevant connected persons of the Company pursuant to the Existing Framework Agreements.

The Company intends to continue the Existing Continuing Connected Transactions and to renew the relevant agreements on or before their respective expiry dates for a term of three years commencing from 1 January 2027 and expiring on 31 December 2029. Accordingly, the Board announces that on 10 November 2026 (after trading hours), (a) the Company entered into (i) the 2026 COFCO Mutual Provision Agreement with COFCO and (ii) the 2026 Concentrate Purchase Agreement with Coca-Cola (Shanghai); and (b) Tianjin Bottler and Hebei Bottler, both indirect non-wholly owned subsidiaries of the Company, entered into the 2026 Packaging Services Agreement with Zijiang.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, COFCO is the ultimate controlling shareholder of the Company and each of Coca-Cola (Shanghai) and Zijiang is an associate of the respective substantial shareholder of certain non-wholly owned subsidiaries of the Company. Therefore, each of COFCO, Coca-Cola (Shanghai) and Zijiang is a connected person of the Company. Accordingly, the transactions contemplated under each of the 2026 Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the Proposed Purchase Annual Caps in respect of the purchase of products and services by the Group from COFCO Group under the 2026 COFCO Mutual Provision Agreement are, on an annual basis, more than 5%, therefore the 2026 COFCO Mutual Provision Agreement and the relevant Proposed Purchase Annual Caps are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, the applicable percentage ratios of the Proposed Provision Annual Caps in respect of the provision of products and services by the Group to COFCO Group under the 2026 COFCO Mutual Provision Agreement are, on an annual basis, less than 0.1%, therefore the Proposed Provision Annual Caps are fully exempt from the reporting, announcement requirements and the Independent Shareholders' approval requirement pursuant to Rule 14A.76 of the Listing Rules.

As (a) Coca-Cola (Shanghai) and Zijiang are connected persons of the Company at the subsidiary level under the Listing Rules; (b) each of the Exempted Agreements have been approved by the Board; and (c) the Directors (including the independent non-executive Directors) are of the view that the terms of each of the Exempted Agreements are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, therefore the continuing connected transactions contemplated under each of the Exempted Agreements are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Rule 14A.101 of the Listing Rules.

GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps, and to advise the Independent Shareholders on how to vote at the SGM.

DL Securities has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps.

The Company will convene a SGM in order to seek approval from the Independent Shareholders in respect of the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps. China Foods (Holdings), an indirect wholly-owned subsidiary of COFCO and the substantial Shareholder of the Company which holds 2,072,688,331 Shares (representing approximately 74.1% of the total issued share capital of the Company as at the date of this announcement) will abstain from voting at the SGM on the resolutions regarding the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps.

The Company will dispatch the notice of SGM and a circular to its Shareholders according to the Listing Rules within 15 Business Days after the publication of this announcement (being 1 December 2026), which will set out, among other things, (i) details of the 2026 COFCO Mutual Provision Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders; and (iii) the letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

I. CONTINUING CONNECTED TRANSACTIONS

References are made to the announcement dated 7 November 2023 and the circular dated 27 November 2023 of the Company in relation to, among other things, the Existing Continuing Connected Transactions with the relevant connected persons of the Company pursuant to the Existing Framework Agreements.

The Company intends to continue the Existing Continuing Connected Transactions and to renew the relevant agreements on or before their respective expiry dates for a term of three years commencing from 1 January 2027 and expiring on 31 December 2029. Accordingly, the Board announces that on 10 November 2026 (after trading hours), (a) the Company entered into (i) the 2026 COFCO Mutual Provision Agreement with COFCO and (ii) the 2026 Concentrate Purchase Agreement with Coca-Cola (Shanghai); and (b) Tianjin Bottler and Hebei Bottler, both indirect non-wholly owned subsidiaries of the Company, entered into the 2026 Packaging Services Agreement with Zijiang.

The principal terms of each of the 2026 Framework Agreements are set out as follows:

A. 2026 COFCO MUTUAL PROVISION AGREEMENT

Date

10 November 2026

Parties

(a) the Company; and

(b) COFCO

Term

Three years commencing from 1 January 2027 and expiring on 31 December 2029, renewable upon mutual agreement between the parties subject to compliance by the Company with the relevant requirements under the applicable laws and the Listing Rules.

Mutual provision of products and services

Pursuant to the 2026 COFCO Mutual Provision Agreement:

(a) COFCO Group shall supply to the Group certain raw materials (including but not limited to sugar, high fructose corn syrup and corn starch) and packaging materials (including but not limited to crown caps and two-piece beverage cans);

(b) the Group shall supply to COFCO Group certain consumer products (including but not limited to sparkling beverages and still beverages) and other products manufactured, owned or resold by the Group and other services incidental to the supply of such products;

(c) COFCO Group shall provide property leasing, warehouse logistics and other services to the Group (including but not limited to property management, catering services, warehouse leasing, warehouse storage, logistics, information technology, insurance, product research and development and other related services);

(d) for the products and services to be supplied by COFCO Group to the Group, the transactions will be made on terms that are no less favourable to the Group as compared with the terms available to the Group from independent third parties; and for the products and services to be supplied by the Group to COFCO Group, the transactions will be made on terms that are no less favourable to the Group as compared with the terms available to independent third parties from the Group;

(e) either party is free to choose its counterparties in respect of the supply of raw materials, products and services, but if the terms and conditions of the supply of products, services and/or raw materials offered by one party to the other are more favourable than those offered by any independent third party, the other party shall give priority in sourcing supplies from such party;

(f) the quality of the raw materials/products to be supplied and services to be provided shall be in compliance with the agreed purpose of the parties thereto and the applicable laws and regulations of the PRC;

(g) the relevant members of COFCO Group and the relevant members of the Group will enter into separate agreements which shall set out the specific scope of provision of products, services and/or raw materials and terms and conditions of providing such products, services and/or raw materials according to the principles laid down by the 2026 COFCO Mutual Provision Agreement and comply with requirements under the Listing Rules; and

(h) the 2026 COFCO Mutual Provision Agreement is subject to and conditional upon the Company's compliance with the disclosure requirements and (if applicable) the Independent Shareholders' approval under the Listing Rules.

Pricing policy

The price for the mutual supply of products, services and/or raw materials shall be determined with reference to the Prevailing Market Price to each of the parties at the relevant time. Where any material changes in the market result in the fluctuation of the cost of such products or services, the parties shall adjust the pricing through amicable negotiations.

Pricing policies and payment terms for the purchase of products and services by the Group from COFCO Group

In particular, the following pricing policy will be primarily applicable to each different type of transactions for the purchase of products and services by the Group from COFCO Group:

- In determining the Prevailing Market Price of the raw materials, packaging materials and services to be provided by COFCO Group to the Group, the Group will seek to obtain the Prevailing Market Price through various channels including, among others, (a) comparable transactions with at least three independent third parties during the same period; (b) maintaining regular contacts with and from time to time obtain price quotations through enquiries from at least three established suppliers (including COFCO Group and its connected suppliers) through telephone enquiries, email enquiries and meetings with suppliers; and (c) conduct market price research on a daily basis through various independent market data providers such as sugar prices on the Zhengzhou Commodity Exchange (www.czce.com.cn), corn sugar prices on the Dalian Commodity Exchange (www.dce.com.cn) and aluminium prices on the Shanghai Futures Exchange (www.shfe.com.cn). Based on such market price information on the Prevailing Market Price, the Group will compare and negotiate terms of quotations with these suppliers or service providers after taking into account factors including the lowest price quotations, quality of products and services, technical advantages, ability and capacity in meeting the technical specifications and delivery schedules, qualifications and relevant experience. The contract will be awarded to the suppliers and service providers who offer the best commercial terms and technical terms to the Group after comprehensive assessment;

- For property leasing, the rent shall be determined by the contract parties at the time of entry into the relevant leasing agreements with reference to the prevailing market rent based on (a) at least three quotations obtained for comparable properties in the nearby area; or (b) the rent charged by COFCO Group to independent third parties of at least three leases in the same or comparable property. The Company will from time to time compare the rental information obtained above to ensure the property leasing provided by COFCO Group to the Group is on normal commercial terms or better; and

- For warehouse and logistics services, the service fee shall be determined by the contract parties at the time of entry into the relevant service agreements with reference to at least three quotations obtained based on the weight and type of cargo and mode of transport and type of storage space required from independent third party logistics and warehouse providers. The Company will from time to time compare the services fee information obtained above to ensure the warehouse and logistics services provided by COFCO Group to the Group are on normal commercial terms or better.

The payment terms for the purchase of products and services and the lease of the properties by the Group from COFCO Group are made with reference to the payment terms offered by independent third parties to the Group for the same or substantially similar transactions in the same period to ensure that the payment terms are no less favourable to the Group than those available to the Group from independent third parties.

Pricing policies and payment terms for the provision of products and services by the Group to COFCO Group

In particular, the following pricing policies will be primarily applicable to each different type of transactions for the provision of products and services by the Group to COFCO Group:

- In determining the Prevailing Market Price of such products and services to be provided by the Group to COFCO Group, the Group will make reference to the pricing prescribed in the existing distribution-based pricing system of the Group. Distribution-based pricing system refers to a pricing structure which aligns with expected market demand and competition strategy of the Group by reference to the designated mark-ups for different distributor customers at different channels for different types of products and customers. The mark-up rate varies depending on the category of the Group's product and the Prevailing Market Price of such category of products and it generally ranges from approximately 20% to 50%. In addition, the mark-up rate will also take into account the prevailing market conditions at the material time. The Group will mainly refer to the pricing of distributor customers in the pricing system, and consider the business reputation, financing capacity of goods or service purchasers, credit terms for payment of price of goods or services, goods delivery arrangement, overall purchasing volume or services demanded (the "**Pricing Criteria**"). The Group's sales department will conduct market research on the price of the products which are in the same category as the Group's and will analyse the information obtained in order to determine the price of each product to be provided by the Group. The Company will from time to time review the prevailing market conditions, the Pricing Criteria and conduct market research to ensure the products and services to be provided by the Group to COFCO Group are on normal commercial terms.

The payment terms for the provision of products and services by the Group to COFCO Group are made with reference to the payment terms of the same or substantially similar transactions between the Group and independent third parties to ensure that the payment terms are no less favourable to the Group than those offered by the Group to independent third parties.

Reasons and benefits for the 2026 COFCO Mutual Provision Agreement

The Company considers that the purchase of products and services from COFCO Group and the provision of products and services by the Group to COFCO Group are conducted in the Group's ordinary and usual course of business based on the commercial needs of the Group and COFCO Group.

The products and services to be purchased by the Group from COFCO Group pursuant to the 2026 COFCO Mutual Provision Agreement will be mainly used for the production and operations of the Group, while the products and services to be provided by the Group to COFCO Group are mainly end products.

The Company expects that the transactions contemplated under the 2026 COFCO Mutual Provision Agreement will contribute to the business of the Group through providing a stable supply of the raw materials and services required by the Group for its production and operations, while the products and services provided by the Group to COFCO Group, acting as a distributor, are expected to add value to the sales and distribution of beverage products of the Group.

Annual caps

Historical Transaction Values and Annual Caps

For each of the years ended 31 December 2024, 31 December 2025 and the nine months ended 30 September 2026, the aggregate value of raw materials, products, packaging materials supplied, property leasing and the provision of logistics and other related services by COFCO Group to the Group under the 2023 COFCO Mutual Provision Agreement was approximately RMB1,788 million, RMB1,420 million and RMB1,043 million, respectively. The annual caps in respect of such purchase of products and services by the Group from COFCO Group under the 2023 COFCO Mutual Provision Agreement for the years ended 31 December 2024, 31 December 2025 and the year ending 31 December 2026 are RMB2,891 million, RMB3,348 million and RMB3,852 million, respectively.

For each of the years ended 31 December 2024, 31 December 2025 and the nine months ended 30 September 2026, the aggregate value of consumer products, services and others provided by the Group to COFCO Group under the 2023 COFCO Mutual Provision Agreement was approximately RMB1.19 million, RMB2.07 million and RMB1.26 million, respectively. The annual caps in respect of such provision of products and services by the Group to COFCO Group under the 2023 COFCO Mutual Provision Agreement for the years ended 31 December 2024, 31 December 2025 and the year ending 31 December 2026 are RMB4.0 million, RMB4.5 million and RMB5.0 million, respectively.

The actual transaction value for purchase of products and services by the Group from COFCO Group for 2024 to 2026 was substantially lower than the relevant annual caps, mainly because: (i) the annual caps for 2024 to 2026 were determined based on the estimated sales volume and corresponding procurement amounts under the Group's 14th Five-Year Plan (the "**14th Five-Year Plan**"). The merger and acquisition business contemplated under the 14th Five-Year Plan did not proceed as planned, which represented approximately RMB8.6 billion shortfall in expected revenue. In addition, the overall revenue target of the 14th Five-Year Plan had not been achieved, resulting in actual procurement demand and transaction amounts being lower than originally anticipated; and (ii) CPMC Holdings Limited ("**CPMC**"), a connected supplier of cans to the Group, ceased to be a connected person of the Company from 2025. Accordingly, approximately RMB1.2 billion of connected purchases previously made from CPMC were no longer included in the amount of connected transactions, further reducing the actual connected transaction amounts for 2025 and subsequent years.

The actual transaction value for provision of products and services by the Group to COFCO Group for 2024 to 2026 was substantially lower than the relevant annual caps, was primarily due to the actual demand of products from COFCO Group was far below the Group's then estimated sales to COFCO Group.

The Company confirms that the actual transaction value of the transactions between the Group and COFCO Group from 1 January 2026 to the date of this announcement did not exceed the annual caps for 2026.

Proposed Annual Caps

(1) For the purchase of products and services by the Group from the COFCO Group

Proposed Purchase Annual Caps For the year ending 31 December		
2027	**2028**	**2029**
	(RMB million)	
2,387	2,709	2,891

In arriving at the above proposed annual caps for the supply of certain raw materials, packaging materials, services and others by COFCO Group to the Group, the Company has taken into consideration:

(a) the historical transaction values under the 2023 COFCO Mutual Provision Agreement;

(b) the expected further growth and development of the beverage business of the Group contributed by the continuous increase in production capacity through increasing investment in production lines in the next few years;

(c) the Group intends to further strengthen its control on the quality and safety of food supplies and is satisfied that COFCO Group has been supplying quality products to the Group during their long-term business relations; hence, the Group has evaluated the maximum possible transaction value of its transaction with COFCO Group when arriving at the proposed annual caps;

(d) the Group was exposed to the volatilities of commodity price movements with sudden price hikes having occurred in the past, a clear demonstration of the erratic nature of such price changes. Future commodity price movements are difficult to forecast with high levels of precision, and therefore the annual caps should be set conservatively with room to accommodate for any unexpected price increases; and

(e) future commodity price movements are difficult to forecast with a high level of precision, and therefore the annual caps comprise an annual buffer to cater for the volatility in the price of raw materials, packaging materials and other items subject to the transactions contemplated under the 2026 COFCO Mutual Provision Agreement which is set conservatively with room to accommodate any unexpected price increases.

As part of the Proposed Purchase Annual Caps, the proposed annual caps for the three years ending 31 December 2027, 2028 and 2029 in respect of the leases of the premises provided by COFCO Group are RMB40 million, RMB2.31 million and RMBnil, respectively. The proposed annual caps are set on the total value of the relevant right-of-use assets recognised according to HKFRS 16 relating to the leases and the estimated growth rate of rental for the years 2027, 2028 and 2029.

(2) For the provision of products and services by the Group to COFCO Group

Proposed Provision Annual Caps For the year ending 31 December		
2027	**2028**	**2029**
	(RMB million)	
5	5	5

In arriving at the above proposed annual caps for the supply of certain products, services and others by the Group to COFCO Group, the Company has taken the following into consideration:

(a) the historical transaction values under the 2023 COFCO Mutual Provision Agreement;

(b) the demand of COFCO Group for the products to be purchased from the Group, mainly beverages and others, is anticipated to increase steadily in the next few years as the Group is continuing to expand its product portfolio; and

(c) the overall business outlook of the Group, with incorporation of price and volume projections on a conservative basis.

B. 2026 CONCENTRATE PURCHASE AGREEMENT

Date

10 November 2026

Parties

(a) the Company; and

(b) Coca-Cola (Shanghai)

Term

Three years commencing from 1 January 2027 and expiring on 31 December 2029, renewable upon mutual agreement between the parties subject to compliance by the Company with the relevant requirements under the applicable laws and the Listing Rules.

Purchase of concentrate

Pursuant to the 2026 Concentrate Purchase Agreement:

(a) members of the Group shall purchase concentrates from Coca-Cola (Shanghai) at prices determined by Coca-Cola (Shanghai); and

(b) the quality of the concentrates to be supplied should be in compliance with the applicable laws and regulations and in accordance with specifications of Coca-Cola (Shanghai).

Pricing policy

Since The Coca-Cola Company is the sole owner of the trademarks of Coca-Cola beverages series and the formulae for Coca-Cola concentrates, Coca-Cola (Shanghai) may from time to time revise the prices of the concentrates, provided that, prior to any price revision, Coca-Cola (Shanghai) shall give a 30-day notice to, and consult with, relevant members of the Group and give appropriate consideration to the market conditions in the franchise territory of the relevant members of the Group. Should the relevant members of the Group be unwilling to pay the revised prices, they shall so notify Coca-Cola (Shanghai) within 30 days of receipt of its notice, and the relevant concentrate purchase agreements shall automatically terminate three calendar months after such notification.

Reasons and benefits for the 2026 Concentrate Purchase Agreement

The Company considers that the purchase of concentrate from Coca-Cola (Shanghai) by the Group is conducted in the Group's ordinary and usual course of business based on the commercial needs of the Group. The Company expects that the transactions contemplated under the 2026 Concentrate Purchase Agreement will contribute to the performance of the Group through providing a stable supply of concentrate required in the Group's production and operations.

Annual caps

Historical Transaction Values and Annual Caps

For each of the years ended 31 December 2024, 31 December 2025 and the nine months ended 30 September 2026, the aggregate value of the concentrates supplied by Coca-Cola (Shanghai) was approximately RMB4,658 million, RMB4,909 million and RMB4,147 million, respectively. The annual caps in respect of the purchase of concentrate under the 2023 Concentrate Purchase Agreement for the years ended 31 December 2024, 31 December 2025 and the year ending 31 December 2026 are RMB6,000 million, RMB7,200 million and RMB8,700 million, respectively. The annual caps for the years 2024 to 2026 was based on the estimated sales volumes and corresponding procurement amounts under the Group's 14th Five-Year Plan. However, the merger and acquisition business contemplated under the 14th Five-Year Plan did not proceed as planned, which represented approximately RMB8.6 billion shortfall in expected revenue.

The Company confirms that the actual transaction value of the transactions between the Group and Coca-Cola (Shanghai) from 1 January 2026 to the date of this announcement did not exceed the annual cap for 2026.

Proposed Annual Caps

For the year ending 31 December		
2027	**2028**	**2029**
	(RMB million)	
6,591	7,183	8,453

The Company believes that the beverage business of the Group will continue to grow, and the need to purchase the concentrates from Coca-Cola (Shanghai) will continue to increase. The relevant proposed annual caps are based on the above historical transaction values, and on the basis that (1) the aggregate value of the concentrates to be purchased from Coca-Cola (Shanghai) is expected to increase at a growth rate of the projected sales of sparkling beverages as boosted by the development strategies of the Group; (2) production capacity of relevant sparkling beverages has continued to increase as a result of the continuous improvement in the utilization of the bottling plants; (3) the expected increase of production lines in certain operating bottling plants in the next few years; and (4) the likelihood that the Group will supply more varieties of sparkling beverage products in the future.

C. 2026 PACKAGING SERVICES AGREEMENT

Date

10 November 2026

Parties

(a) Tianjin Bottler and Hebei Bottler, both indirect non-wholly owned subsidiaries of the Company; and

(b) Zijiang

Term

Three years commencing from 1 January 2027 and expiring on 31 December 2029, renewable upon mutual agreement between the parties subject to compliance by the Company with the relevant requirements under the applicable laws and the Listing Rules.

Provision of packaging services

Pursuant to the 2026 Packaging Services Agreement:

(a) Zijiang Group shall supply PET carbonated beverage preform blow-moulding services and other related services to Tianjin Bottler, and shall supply PET plastic preform processing services and other related services to Hebei Bottler;

(b) the commercial terms and conditions of the supply by Zijiang Group to Tianjin Bottler and Hebei Bottler shall be equal to or not be less favorable than those offered by independent third parties;

(c) either party is free to choose its counterparties in respect of the supply of the packaging services. If the terms and conditions of the packaging services offered by Zijiang Group to Tianjin Bottler and Hebei Bottler are more favorable than those offered by any independent third party, Tianjin Bottler and Hebei Bottler shall give priority to sourcing supplies from Zijiang Group;

(d) the quality of the packaging services to be provided should be in compliance with the applicable laws and regulations and in accordance with specifications of Coca-Cola (Shanghai); and

(e) as Tianjin Bottler and Hebei Bottler are the most favoured customers of Zijiang Group, Zijiang represents that the terms and conditions under the 2026 Packaging Services Agreement are the most favorable, and undertakes that should Zijiang or its associate(s) offer more favorable terms or conditions to their other customers, Zijiang or its associates shall offer equal or more favorable terms and conditions to Tianjin Bottler and Hebei Bottler in honor of the status of Tianjin Bottler and Hebei Bottler.

Pricing policy

The processing fee per bottle of Tianjin Bottler is calculated by dividing the aggregate of (i) the fixed investment return and (ii) the actual processing costs by the actual annual supply volume, where (i) the fixed investment return is calculated based on an agreed rate of return of 3.5% on the original cost of the equipment and 4.3% on its net book value, amounting to approximately RMB1.01 million per annum; and (ii) the actual processing costs include depreciation, operating costs, rental expenses and other related costs. The processing fee for PET plastic preforms of Hebei Bottler shall be charged at the prescribed rates. Such rates are determined based on factors including the weight and colour of the preforms and whether dedicated production lines are required. The unit price (inclusive of tax) ranges from RMB0.02 to RMB0.07.

Reasons and benefits for the 2026 Packaging Services Agreement

The Company considers that the purchase of packaging services by Tianjin Bottler and Hebei Bottler is conducted in the Group's ordinary and usual course of business based on the commercial needs of the Group. Tianjin Bottler and Hebei Bottler are able to maintain a stable supply of packaging services for their production and operations and are expected to contribute to the performance of the Group.

Annual caps

Historical Transaction Values and Annual Caps

For each of the years ended 31 December 2024, 31 December 2025 and the nine months ended 30 September 2026, the aggregate value of the packaging materials and related services supplied by Zijiang was approximately RMB10.88 million, RMB56.10 million and RMB41.82 million, respectively. The annual caps in respect of the 2023 Packaging Materials and Services Provision Agreement for the years ended 31 December 2024, 31 December 2025 and the year ending 31 December 2026 are RMB99 million, RMB110 million and RMB130 million, respectively. The annual caps for the years 2024 to 2026 was based on the estimated sales volumes and corresponding procurement amounts under the Group's 14th Five-Year Plan. However, the merger and acquisition business contemplated under the 14th Five-Year Plan did not proceed as planned, which represented approximately RMB8.6 billion shortfall in expected revenue.

Proposed Annual Caps

For the year ending 31 December		
2027	**2028**	**2029**
(RMB million)		
71	74	79

The Company believes that the beverage business of Tianjin Bottler and Hebei Bottler will continue to grow, and the needs for the packaging services to be purchased from Zijiang Group will continue to increase. The relevant proposed annual caps are based on the above historical transaction values, and according to the purchase plan, where Tianjin Bottler is expected to purchase more packaging services from Zijiang in the coming years.

The Company confirms that the actual transaction value of the transactions between Tianjin Bottler, Hebei Bottler and Zijiang from 1 January 2026 to the date of this announcement did not exceed the annual cap for 2026.

II. INTERNAL CONTROL MEASURES

The Company has (1) reporting, approval and, if required, selected verification procedures in place to ensure that the agreed price and terms of continuing connected transactions are no less favourable to the relevant member(s) of the Group than those available to or from (as appropriate) independent third parties and also compliance with the pricing policy; and (2) procedures and policies for identifying connected persons and monitoring the annual caps of the continuing connected transactions. The internal audit department shall conduct an audit review on the transactions contemplated under the 2026 Framework Agreements twice a year and report the audit results to the audit committee of the Board. The Group's finance department will monitor the annual caps. When the utilization rate reaches 75%, the finance department will report to the Board, which will then consider relevant measures, including a revision of the annual caps.

III. THE DIRECTORS' VIEWS

None of the Directors has a material interest in the transactions contemplated under the 2026 COFCO Mutual Provision Agreement, and none of them was required under the Listing Rules to abstain from voting on the respective Board resolution approving the 2026 COFCO Mutual Provision Agreement. However, as Mr. Qing Lijun (being a deputy general manager of COFCO), Mr. Song Liang and Ms. Guo Ying (being the full-time directors of COFCO and its specialized subsidiaries) are related to COFCO, for good corporate governance, Mr. Qing Lijun, Mr. Song Liang and Ms. Guo Ying have abstained from voting on the respective Board resolution approving the 2026 COFCO Mutual Provision Agreement.

None of the Directors has a material interest in the continuing connected transactions contemplated under the 2026 Concentrate Purchase Agreement and the 2026 Packaging Services Agreement and, therefore, none of the Directors has abstained from voting on the Board resolutions for considering and approving such transactions.

The Directors (other than the independent non-executive Directors, whose views and opinions on the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps will be included in the circular to be despatched to the Shareholders) believe that the 2026 COFCO Mutual Provision Agreement was entered into in the ordinary and usual course of business of the Group after arm's length negotiations and on normal commercial terms and, together with the Proposed Purchase Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the opinion that the 2026 Concentrate Purchase Agreement and the 2026 Packaging Services Agreement were entered into in the ordinary and usual course of business of the Group after arm's length negotiations. The terms of such agreements are on normal commercial terms and, together with each of the relevant proposed annual caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Having considered that the Company has (1) reporting, approval and, if required, selected verification procedures in place to ensure that the agreed price and the terms of continuing connected transactions are no less favourable to the relevant member(s) of the Group than those available to or from (as appropriate) independent third parties and also compliance with the pricing policy; and (2) procedures and policies for identifying connected persons and monitoring the annual caps of the continuing connected transactions, the Directors are of the view that the internal control procedures of the Company on continuing connected transactions are in place to ensure the continuing connected transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

IV. IMPLICATIONS UNDER THE LISTING RULES

COFCO is the ultimate controlling shareholder of the Company which through its indirect wholly-owned subsidiary, China Foods (Holdings) Limited, is indirectly interested in 2,072,688,331 Shares, representing approximately 74.1% of the Company's issued share capital, and thus it is a connected person of the Company.

Coca-Cola (Asia) holds a 35% interest in COFCO Coca-Cola, in which the Company holds the remaining 65% interest. The Coca-Cola Company as the ultimate holding company of Coca-Cola (Asia), and its associate including Coca-Cola (Shanghai), are connected persons at the subsidiary level under the Listing Rules.

Tianjin Bohai Light Industry Investment Group Co., Ltd. ("**Bohai Light Industry**") holds more than 10% of the equity interest in each of four non-wholly owned subsidiaries of the Company. Bohai Light Industry also holds a 40% interest in Zijiang. Bohai Light Industry and its associate, Zijiang, are connected persons of the Company at the subsidiary level under the Listing Rules. The remaining 60% interest in Zijiang is owned by Shanghai Zijiang Enterprise Group Co., Ltd.（上海紫江企業集團股份有限公司）, a company listed on the Shanghai Stock Exchange (stock code: 600210). Bohai Light Industry is indirectly controlled by Tianjin TEDA Investment Holding Co., Ltd.（天津泰達投資控股(集團)有限公司）, the ultimate beneficial owner of which is the State-owned Assets Supervision and Administration Commission of the Tianjin Municipal People's Government of the PRC（中國天津市人民政府國有資產監督管理委員會）.

Therefore, each of COFCO, Coca-Cola (Shanghai) and Zijiang is a connected person of the Company. Accordingly, the transactions contemplated under each of the 2026 Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the Proposed Purchase Annual Caps in respect of the purchase of products and services by the Group from COFCO Group under the 2026 COFCO Mutual Provision Agreement are, on an annual basis, more than 5%, therefore the 2026 COFCO Mutual Provision Agreement and the relevant Proposed Purchase Annual Caps are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, all the applicable percentage ratios of the Proposed Provision Annual Caps in respect of the provision of products and services by the Group to COFCO Group under the 2026 COFCO Mutual Provision Agreement are, on an annual basis, less than 0.1%, therefore the Proposed Provision Annual Caps are fully exempt from the reporting, announcement and the Independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

As (a) Coca-Cola (Shanghai) and Zijiang are connected persons of the Company at the subsidiary level under the Listing Rules; (b) each of the Exempted Agreements have been approved by the Board; and (c) the Directors (including the independent non-executive Directors) are of the view that the terms of each of the Exempted Agreements are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, therefore the continuing connected transactions contemplated under each of the Exempted Agreements are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Rule 14A.101 of the Listing Rules.

V. GENERAL

The Independent Board Committee has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps, and to advise the Independent Shareholders on how to vote at the SGM.

DL Securities has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps.

The Company will convene a SGM in order to seek approval from the Independent Shareholders in respect of the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps. China Foods (Holdings), an indirect wholly-owned subsidiary of COFCO and the substantial Shareholder of the Company which holds 2,072,688,331 Shares (representing approximately 74.1% of the total issued share capital of the Company as at the date of this announcement) will abstain from voting at the SGM on the resolutions regarding the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps.

The Company will dispatch the notice of SGM and a circular to its Shareholders according to the Listing Rules within 15 Business Days after the publication of this announcement (being 1 December 2026), which will set out, among other things, (i) details of the 2026 COFCO Mutual Provision Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders; and (iii) the letter of advice from Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

VI. INFORMATION ON THE PARTIES

The Company is an investment holding company. Through its subsidiaries and associated companies, it is principally engaged in the beverage, innovative, nutritional and health food business.

Tianjin Bottler is an indirect non-wholly owned subsidiary of the Company, and is engaged in the manufacturing, bottling and distribution of beverages under the trademarks of The Coca-Cola Company and/or its affiliates in the PRC.

Hebei Bottler is an indirect non-wholly owned subsidiary of the Company, and is engaged in the manufacturing, bottling and distribution of beverages under the trademarks of The Coca-Cola Company and/or its affiliates in the PRC.

Coca-Cola (Shanghai) is an indirect wholly-owned subsidiary of The Coca-Cola Company. It is principally engaged in the manufacturing and sales of concentrates for the beverages under the trademarks of The Coca-Cola Company and/or its affiliates in the PRC.

COFCO is a state-owned company established in the PRC. Currently, it is engaged in a wide array of businesses, including agricultural commodities trading and agricultural products processing, food and beverages, dairy products, real estate development, packaging materials, hotel management, logistics, native produce and animal by-products and financial services.

Zijiang is principally engaged in the production of packaging materials, and is one of the companies approved by The Coca-Cola Company to manufacture packaging materials for the beverages of The Coca-Cola Company in the PRC.

VII. DEFINITIONS

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

"2023 COFCO Mutual Provision Agreement"	the Mutual Provision of Products and Services Agreement entered into between the Company and COFCO dated 7 November 2023

"2023 Concentrate Purchase Agreement"	the Sale and Purchase of Concentrate Agreement entered into between the Company and Coca-Cola (Shanghai) dated 7 November 2023
"2023 Packaging Materials and Services Provision Agreement"	the Packaging Materials and Services Provision Agreement entered into between Tianjin Bottler and Zijiang dated 7 November 2023
"2026 COFCO Mutual Provision Agreement"	the Mutual Provision of Products and Services Agreement entered into between the Company and COFCO dated 10 November 2026
"2026 Concentrate Purchase Agreement"	the Sale and Purchase of Concentrate Agreement entered into between the Company and Coca-Cola (Shanghai) dated 10 November 2026
"2026 Framework Agreements"	the 2026 COFCO Mutual Provision Agreement, the 2026 Concentrate Purchase Agreement and the 2026 Packaging Services Agreement
"2026 Packaging Services Agreement"	the Packaging Services Provision Agreement entered into between Tianjin Bottler, Hebei Bottler and Zijiang dated 10 November 2026
"Board"	the board of Directors of the Company
"Coca-Cola (Asia)"	Coca-Cola Holdings (Asia) Limited, a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of The Coca-Cola Company and holding a 35% interest in COFCO Coca-Cola
"Coca-Cola (Shanghai)"	Coca-Cola Beverages (Shanghai) Company Limited*（可口可樂飲料（上海）有限公司）, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of The Coca-Cola Company
"COFCO"	COFCO Corporation（中糧集團有限公司）, a state-owned company established in the PRC 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 Coca-Cola"	COFCO Coca-Cola Beverages Limited, a company incorporated in Hong Kong with limited liability, in which the Company indirectly holds a 65% interest
"COFCO Group"	for the purpose of this announcement, COFCO and its subsidiaries and associates but excluding 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
"Director(s)"	the director(s) of the Company
"Exempted Agreements"	the 2026 Concentrate Purchase Agreement and the 2026 Packaging Services Agreement
"Existing Continuing Connected Transactions"	the continuing connected transactions contemplated under the Existing Framework Agreements
"Existing Framework Agreements"	the 2023 COFCO Mutual Provision Agreement, the 2023 Concentrate Purchase Agreement and the 2023 Packaging Materials and Services Provision Agreement
"Group"	the Company and its subsidiaries
"Hebei Bottler"	COFCO Coca-Cola Beverages (Hebei) Limited*(中糧可口可樂飲料(河北)有限公司), a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"independent third party(ies)"	party(ies) which is not connected with any of the Directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
"Independent Board Committee"	the independent committee of the Board, comprising all the independent non-executive Directors, established for the purpose of reviewing the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps

"Independent Financial Adviser" or "DL Securities"	DL Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 COFCO Mutual Provision Agreement and the Proposed Purchase Annual Caps
"Independent Shareholder(s)"	Shareholder(s) other than COFCO and its associates and any other Shareholder(s) materially interested in the 2026 COFCO Mutual Provision Agreement and the transactions contemplated thereunder and the Proposed Purchase Annual Caps
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"PRC"	the People's Republic of China, which for the purpose of this announcement shall not include Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Prevailing Market Price"	the price of the same or similar products or services provided by independent third party(ies) during the same period in the ordinary course of business and on normal commercial terms
"Proposed Provision Annual Caps"	the annual caps in respect of the provision of products and services by the Group to COFCO Group as set out in the table titled "Proposed Provision Annual Caps" under the section headed "Proposed Annual Caps" under "A. 2026 COFCO Mutual Provision Agreement"
"Proposed Purchase Annual Caps"	the annual caps in respect of the purchase of products and services by the Group from COFCO Group as set out in the section headed "A. 2026 COFCO Mutual Provision Agreement – Proposed Annual Caps"
"RMB"	Renminbi, the lawful currency of the PRC
"SGM"	the special general meeting to be held by the Company to consider, and if thought fit, approve the 2026 COFCO Mutual Provision Agreement and the transactions contemplated thereunder and the Proposed Purchase Annual Caps

"Share(s)"	the ordinary share(s) of the Company, being the share(s) of HK$0.1 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tianjin Bottler"	COFCO Coca-Cola Beverages (Tianjin) Limited*（中糧可口可樂飲料（天津）有限公司）, a limited liability company established in the PRC and an indirect non-wholly owned subsidiary of the Company
"Zijiang"	Tianjin Shifa Zijiang Packaging Co., Ltd.*（天津實發－紫江包裝有限公司）, a limited liability company established in the PRC and a connected person of the Company at the subsidiary level
"Zijiang Group"	Zijiang and its subsidiaries and associates

In this announcement, unless the context otherwise requires, the terms "associate(s)", "connected person(s)", "continuing connected transaction(s)", "controlling shareholder(s)", "percentage ratio(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules.

Certain amounts and percentage figures set out in this announcement have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

* *The English name is a translation of its Chinese name and is included for identification purposes only*

By Order of the Board
China Foods Limited
Qing Lijun
Chairman

Beijing, 10 November 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.