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## CHINA FOODS LIMITED 中國食品有限公司

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

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### FINANCIAL HIGHLIGHTS

The following table shows the comparison of the interim results for the six-month period ended 30 June 2025 (the “**interim period**”) of China Foods Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) with the corresponding interim results for 2024:

	Six-month period ended 30 June		Changes
	2025 (RMB million) (Unaudited)	2024 (RMB million) (Unaudited)	
• Revenue	12,278.1	11,335.1	+8.3%
• Gross profit margin	38.1%	34.6%	+3.5ppt
• Distribution and selling expenses margin	26.3%	22.5%	+3.8ppt
• Administrative expenses margin	1.7%	1.9%	-0.2ppt
• Adjusted EBIT*	1,359.2	1,271.9	+6.9%
• Adjusted EBITDA^	1,787.4	1,682.5	+6.2%

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 2024: Nil).

Adjusted EBIT\* represents:

	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit before tax	<b>1,357.4</b>	1,269.3
Reconciliation:		
Finance costs	<b>1.8</b>	2.6
Adjusted EBIT*	<b>1,359.2</b>	1,271.9

Adjusted EBITDA^ represents:

	<b>Six-month period ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Adjusted EBIT*	<b>1,359.2</b>	1,271.9
Reconciliation:		
Depreciation of property, plant and equipment	<b>386.1</b>	368.6
Depreciation of right-of-use assets	<b>31.5</b>	33.9
Amortisation of intangible assets	<b>10.6</b>	8.1
Adjusted EBITDA^	<b>1,787.4</b>	1,682.5

## 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 2025 have been reviewed by the audit committee of the Company.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2025

		Six-month period ended 30 June	
	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
<b>Revenue</b>	4	<b>12,278,061</b>	11,335,111
Cost of sales		<u>(7,602,388)</u>	<u>(7,417,286)</u>
<b>Gross profit</b>		<b>4,675,673</b>	3,917,825
Other income, gains and losses, net	5	<b>127,007</b>	125,499
Distribution and selling expenses		<b>(3,235,163)</b>	(2,555,538)
Administrative expenses		<b>(211,245)</b>	(217,881)
Impairment losses under expected credit loss model, net of reversal		<u><b>170</b></u>	<u>(960)</u>
<b>Operating profit</b>		<b>1,356,442</b>	1,268,945
Finance costs	6	<b>(1,822)</b>	(2,572)
Share of results of associates		<u><b>2,731</b></u>	<u>2,924</u>
<b>Profit before tax</b>	7	<b>1,357,351</b>	1,269,297
Income tax expense	8	<u><b>379,261</b></u>	<u>(303,757)</u>
<b>Profit and total comprehensive income for the period</b>		<u><b>978,090</b></u>	<u>965,540</u>
<b>Profit and total comprehensive income attributable to:</b>			
– Owners of the Company		<b>577,845</b>	565,232
– Non-controlling interests		<u><b>400,245</b></u>	<u>400,308</u>
		<u><b>978,090</b></u>	<u>965,540</u>
<b>EARNINGS PER SHARE</b>			
– Basic and diluted earnings per share (RMB cents)	10	<u><b>20.66</b></u>	<u>20.21</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	31 December 2024
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>5,659,578</b>	5,450,960
Right-of-use assets		<b>630,402</b>	653,044
Intangible assets		<b>3,552,296</b>	3,544,591
Investments in associates		<b>167,954</b>	194,623
Prepayments and other assets		<b>30,282</b>	23,731
Deferred tax assets		<b>449,189</b>	458,192
		<b>10,489,701</b>	10,325,141
<b>CURRENT ASSETS</b>			
Inventories		<b>971,523</b>	1,443,480
Trade receivables	<i>11</i>	<b>649,713</b>	339,410
Prepayments, deposits and other receivables		<b>1,163,195</b>	1,096,624
Financial assets at fair value through other comprehensive income		<b>18,058</b>	6,581
Amounts due from related parties		<b>382,089</b>	354,166
Tax recoverable		<b>23,868</b>	14,428
Pledged bank deposits		<b>4,184</b>	4,133
Cash and cash equivalents		<b>5,046,875</b>	4,014,404
		<b>8,259,505</b>	7,273,226

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(CONTINUED)**

*As at 30 June 2025*

		<b>30 June 2025</b>	31 December 2024
	<i>Note</i>	<b><i>RMB'000</i></b> <b>(Unaudited)</b>	<b><i>RMB'000</i></b> <b>(Audited)</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	12	1,312,778	804,247
Other payables and accruals		5,725,337	4,827,521
Lease liabilities		37,473	39,339
Contract liabilities		180,419	865,961
Amounts due to related parties		745,580	331,614
Current income tax liabilities		221,658	168,278
		<u>8,223,245</u>	<u>7,036,960</u>
<b>NET CURRENT ASSETS</b>		<u>36,260</u>	<u>236,266</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>10,525,961</u></u>	<u><u>10,561,407</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		293,201	293,201
Share premium and reserves		6,318,647	6,168,777
<b>Equity attributable to owners of the Company</b>		<u>6,611,848</u>	<u>6,461,978</u>
Non-controlling interests		<u>3,538,080</u>	<u>3,736,238</u>
<b>TOTAL EQUITY</b>		<u><u>10,149,928</u></u>	<u><u>10,198,216</u></u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		40,864	46,246
Deferred tax liabilities		121,129	97,937
Deferred income		214,040	219,008
		<u>376,033</u>	<u>363,191</u>
<b>NET ASSETS</b>		<u><u>10,149,928</u></u>	<u><u>10,198,216</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six-month period ended 30 June 2025*

## 1 GENERAL INFORMATION

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

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

During the six months ended 30 June 2025, 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 Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” 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, except for certain financial instruments which are measured at fair value, as appropriate.

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 2025 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

### Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendment to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

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	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Types of goods</b>		
Sparkling drinks	9,384,629	8,577,161
Juices	1,674,604	1,661,095
Water	576,189	532,392
Others	642,639	564,463
	<hr/>	<hr/>
<b>Total</b>	<b>12,278,061</b>	<b>11,335,111</b>
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
A point in time	12,278,061	11,335,111
	<hr/>	<hr/>

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

### *Information about major customers*

During the current interim period, there was no revenue derived from a single customer which amounted for 10% or more of the Group's revenue (six months ended 30 June 2024: Nil).

## 5 OTHER INCOME, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Other income</b>		
Government grants ( <i>note</i> )	62,720	73,993
Net income from sale of by-products and scrap items	8,740	3,443
Interest income	16,402	17,281
Others	58,895	40,129
	<u>146,757</u>	<u>134,846</u>
<b>Other gains and losses</b>		
Losses on disposal of property, plant and equipment	(24,559)	(3,760)
Foreign exchange differences, net	(2,268)	(1,915)
Others	7,077	(3,672)
	<u>(19,750)</u>	<u>(9,347)</u>
Total	<u><u>127,007</u></u>	<u><u>125,499</u></u>

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

## 6 FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	<u><u>1,822</u></u>	<u><u>2,572</u></u>



## 7 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Impairment losses (reversed)/recognised in respect of:		
– Trade receivables	(160)	927
– Other receivables	(10)	33
	<u>(170)</u>	<u>960</u>
Amortisation of intangible assets	10,641	8,136
Cost of inventories recognised as an expense (including reversal of write-down of inventories amounting to RMB4,043,000 (six months ended 30 June 2024: RMB5,966,000))	7,606,431	7,423,252
Depreciation		
– Property, plant and equipment	386,106	368,539
– Right-of-use assets	31,484	33,932
Wages, salaries and bonuses	<u>1,094,248</u>	<u>1,027,389</u>

## 8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax		
– Current tax	323,585	357,167
– Under-provision in prior years	<u>23,481</u>	<u>–</u>
	347,066	357,167
Deferred tax	<u>32,195</u>	<u>(53,410)</u>
Income tax expense	<u>379,261</u>	<u>303,757</u>

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

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

## 9 DIVIDENDS

During the current interim period, a final dividend of HK16.6 cents per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HK15.9 cents per share in respect of the year ended 31 December 2023) was declared to the owners of the Company. The aggregate amount of the final dividend declared in the current interim period amounted to RMB427,975,000 (six months ended 30 June 2024: RMB413,989,000).

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.

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share amount for the six months ended 30 June 2025 is based on the profit for the period attributable to owners of the Company of RMB577,845,000 (six months ended 30 June 2024: RMB565,232,000), and the weighted average number of ordinary shares of 2,797,223,396 (six months ended 30 June 2024: 2,797,223,396) in issue during the period.

### (b) Diluted earnings per share

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 2025 and 2024.

## 11 TRADE RECEIVABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	671,821	361,976
Less: Allowance for credit loss	(22,108)	(22,566)
	<hr/>	<hr/>
Total	<b>649,713</b>	339,410

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

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Within 6 months	649,700	338,566
6 to 12 months	13	844
	<hr/>	<hr/>
Total	<b>649,713</b>	339,410

## 12 TRADE AND BILLS PAYABLES

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Trade payables	1,311,257	802,896
Bills payables	1,521	1,351
	<hr/>	<hr/>
Total	<u>1,312,778</u>	<u>804,247</u>

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

	30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	1,248,657	774,157
3 to 12 months	59,715	27,096
Over 1 year	4,406	2,994
	<hr/>	<hr/>
Total	<u>1,312,778</u>	<u>804,247</u>

Certain of the Group's bills payables are secured by the pledge of the Group's bank deposits amounting to RMB4,184,000 (31 December 2024: RMB4,133,000).

## 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, sales of the Company's products under the Coca-Cola series have maintained at a growth trajectory, with market performance being notably impressive. Compared to the overall market situation in Mainland China, the Company has not only maintained stable increase in its sales volume, but also significantly accelerated the growth in revenue. This positive trend has further solidified the Company's market-leading position, demonstrating strong competitiveness and development momentum. Apart from the Coca-Cola bottling business, the smart retail business has witnessed the rapid expansion of its equipment scale during the period, with its industry-leading position being firmly maintained. Another innovative business, COFCO Yuexiang Club (中糧悅享會) has achieved a year-on-year increase in revenue during the year as it focused on elevating product pricing and prioritised the development of non-Coca-Cola product businesses. Looking ahead, our vision is to be committed to becoming a world-class food and beverage group.

### DEVELOPMENT STRATEGY

In 2025, China Foods continued to advance its strategic transformation centered on “restructuring,” aiming to further optimise customer experience, enhance operational efficiency and profitability through the comprehensive implementation of restructuring of product brands, marketing networks, value chains, supply systems, organisational structures and execution culture, thereby laying a solid foundation for sustainable high-quality development. We are committed to implementing the business concept of “Improving quality, Enhancing efficiency, Innovation, System, Openness and Green”, while steadily promoting the coordinated development of our full-service beverage business and innovative business segments. By consistently championing the corporate spirit of “Work! Work hard! Win,” we are fully committed to achieving the strategic development goals of “High Quality and Sustainability.” The details of operation concepts are set out below:

- Improving quality: Actively promote the sales of key products, new products and products with high prices and high gross profit. Focus on optimising the channel structure, strengthening the development and establishment of new retail, catering and tourism channels. Continuously refine the supply chain layout to enhance overall supply chain management efficiency.
- Enhancing efficiency: Further advance the comprehensive integration of the supply chain across the region. Perform thorough analysis of raw material price trends, broaden the scope and scale of centralised procurement, and enhance the accuracy and effectiveness of resource allocation to maximise returns.

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

## INDUSTRY ENVIRONMENT

In the first half of 2025, all regions in the PRC strictly implemented the decisions made by the government. As a result, the national economy withstood pressure and made steady improvement despite challenges, helping ensure overall social stability. China’s GDP reached RMB66.05 trillion, representing a year-on-year increase of 5.3% when adjusted for constant prices. The secondary industry contributed RMB23.90 trillion, marking an increase of 5.3%. After accounting for price changes, the national per capita consumption expenditure grew by 5.3% year-on-year, which played a crucial role in sustaining overall sales in the non-alcoholic ready-to-drink sector.

## REVIEW OF RESULTS

Below is a summary comparison of 2025 and 2024 interim results:

	<b>As of 30 June 2025 (RMB million)</b>	<b>As of 30 June 2024 (RMB million)</b>	<b>Change</b>
Revenue	<b>12,278.1</b>	11,335.1	+8.3%
Sales volume			+5.5%
Gross profit margin			+3.5ppt

In the first half of 2025, benefiting from the steady growth of domestic economy and the unleashed consumer demand, China Foods achieved synergistic growth in both sales volume and revenue through the precise implementation of strategies to optimise its pricing system, upgrade its product structure and expand channel resources.

During the period, the gross profit margin of the Company improved year-on-year, benefiting from the favorable effect of declining procurement prices for most raw materials, which partially offset the cost pressures from persistently high aluminum prices. Concurrently, the Company has strengthened capital expenditure controls and refined operating cash flow management, continuously optimising resource allocation efficiency to ensure financial resilience.

## **Steadily optimising product structure**

### ***Sparkling drinks***

During the period, the sugar-free drinks have been driven by robust double-digit growth in both volume and revenue, effectively propelling the sparkling drink category to achieve growth that outpaced the broader market, which helped to consolidate the Company's leading position with its market share of sparkling drink category exceeding 50% within its operating regions. Sales volume of the sparkling drink category significantly increased year-on-year, and combined with the successful implementation of product price enhancement strategies, revenue has been boosted by 9% year-on-year, with corresponding growth in gross profit margin.

The new product “Sprite Cool Berry Zero Sugar Ice Lemon (雪碧無糖冰檸酷莓)” has been launched, featuring a refreshing blend of zesty lemon and sweet-tart berry flavors, with an effervescent aroma and powerful bubbles, enhanced by cutting-edge chilling technology. This delivers a triple impact of sparkling fizz, icy coolness, and tangy refreshment, coursing from the tongue through the entire body for a long-lasting, exhilarating chill. Through flavor innovation in the Sprite category, the product has successfully targeted the 20-39 age group, including students, young professionals and millennial consumers, achieving goals of boosting brand image, reinforcing Sprite's refreshing edge, and attracting consumers from competing categories.

The Coca-Cola Sharing Bottle has been reintroduced with an upgraded approach, with product and marketing innovations continuously rolled out to closely align with consumer needs, particularly the evolving social preferences of younger demographics.

### ***Juices***

Despite challenges faced by the domestic low-concentration juice market due to the trend of consumption upgrading, the Company's juice category has achieved a growth of 1% in overall revenue, driven by the strategic implementation of product price increases.

During the period, the Company has continued to solidify the market foundation for its core orange-flavored product, which contributed to a steady growth trajectory. “Qoo” has been relaunched and has gained the favor from consumer by leveraging its distinctive 260ml spherical packaging design, which combines portability with a novel appearance. A new growth engine has been effectively created by the Company through the successful return of “Qoo,” which made a significant contribution to the category's revenue growth.

The category has actively pursued the coordinated development of multiple flavors. In the non-orange flavor segment, a specification upgrade plan has been implemented, with specification changed from 420ml to 450ml while maintaining the same price, thereby stimulating market demand. The four niche flavors, namely “Minute Maid Peach Juice”, “Green Grape (青提葡萄)”, “Red Grape (紅提葡萄)” and “Tropical Fruit Bits (熱帶果粒)”, have enriched the category’s flavor matrix, satisfying the diverse drinking needs of consumers.

The juice category has focused on developing profitable packaging, with a particular emphasis on promoting the 1.25L large-format packaging suitable for family consumption in the sharing pack market. The market share of this packaging format has been increased, hence becoming a key driver of category revenue growth and significantly supporting the improvement of the category’s profitability.

### ***Water***

During the period, adjustments to the water category strategy have led to enhanced execution of “Ice Dew”, with the distribution network for “Ice Dew” experiencing rapid growth as compared with the same period of last year. The sales volume of the water category has increased by over 20% year-on-year, driving revenue growth in the high single digits.

Benefiting from strategically targeting the natural soda water segment in 2025, “LOHAS” has stood out in a highly competitive market by leveraging a “no additives” differentiation. The brand logo has been upgraded with a streamlined, minimalist design, breaking away from the leaf motif, adopting approachable and natural color tones, and embedding deeper brand values. The natural mineral water packaging has removed water source information to emphasize the category and its core rare elements. The natural soda water has introduced an upgraded “mountain and ripple” inspired bottle design, with labels featuring silver foil stamping to enhance perceived value. In the first half of the year, a platform-exclusive product was launched in collaboration with JD.com, with the bottle design inspired by black diamonds to highlight product exclusivity and capture high-end consumption scenarios. Sports marketing has capitalised on events like the Beijing Half Marathon to penetrate the fitness community, while media efforts on RedNote have driven high exposure and penetration, strengthening category education and boosting e-commerce traffic.

Moving forward, we will continue to focus on the water category, adhering to high-quality development strategy and actively expanding into premium water products. Leveraging the extensive channel network advantage of “Ice Dew” and capitalising on the health-conscious trend in soda water consumption, the Company will expand the product portfolio for soda water and improve the profitability of the water category by restructuring the category composition, so as to drive the overall profit growth.

### ***Ready-to-drink coffee***

During the period, the Company has introduced the new product “COSTA Light Black Coffee (COSTA 輕爽黑咖)”, featuring the same coffee beans used in COSTA stores, a light zero-fat profile, and a balanced fruity flavor, successfully attracting health-conscious and weight-loss-focused consumers.



Moving forward, the Company will continue to focus on core flavors and new products, deepening penetration in convenience stores and traditional channels. In order to capitalise on the summer window, the Company will enhance product chilling efforts to rapidly boost coffee sales through under the cap (“UTC”) and in-store promotions.

### ***Functional drink***

During the period, the core brand “Monster (魔爪)” has achieved a significant breakthrough in sales volume, recording nearly 50% year-on-year growth, continuing to lead among same-brand distributors in Mainland China. Another brand, “Predator (獵獸)”, is positioned as a vitamin energy drink, differentiated from “Monster (魔爪)” by emphasising “functionality”. It targets a broader consumer base, including office workers and blue-collar groups, and focuses on high-traffic service areas and industrial and mining channels.

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

COFCO Yuexiang Club (中糧悅享會) engages in the online channel sales of beverage and food products, with its business covering all provinces, municipalities and autonomous regions nationwide. During the period, the Company has focused on channel optimisation and core product price elevation, effectively mitigating price competition through differentiated online and offline packaging strategies, which helped to ensure orderly development across all channels. Meanwhile, significant efforts have been committed to the expansion of non-Cola product business through deeply engaging in public platform agency and distribution models, and systematically introducing high-quality new brand partnerships. Currently, collaborations with 18 brands have been established, effectively increasing the market share of non Coca-Cola products.

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

### ***Smart Retail Business – COFCO Zhishang (中糧智尚)***

During the year, the scale of the smart retail business (number of devices) of COFCO Zhishang (中糧智尚) saw rapid growth, with the number of devices maintaining its leadership in the industry. The network achieved nationwide coverage across 31 provinces and extended its reach to over 350 cities, contributing to the remarkable year-on-year growth in revenue.

The advantages of vending machines are that they are not restricted by time or location, allowing them to fill the sales vacant areas not covered by retail stores, where they can continue to provide services to consumers even after shops have closed for the day. Beyond physical products, the sales capability of virtual goods has further demonstrated the vast development potential of vending machines. The Company has continuously optimised traffic monetisation products such as post-payment advertisements, and successfully integrated stable monetisation channels like “Weixin Reading.” Additionally, a virtual product sales model has been introduced, creating a new revenue stream that does not occupy physical inventory space.



Moving forward, we aim to not only expand our business scale but also to enhance the diversity of our product offerings, so as to provide consumers with a wider array of high-quality choices. In the future, the Company will expand the deployment of smart devices beyond vending machines based on its proprietary “Lan Jing Ling (藍京靈)” core system, and develop an integrated platform solution for smart suites, thereby further enhancing profitability and delivering improved returns to our shareholders.

## **Outlook**

Looking at the second half of the year, despite considerable uncertainties in the external environment and significant pressure from internal structural adjustments, the steady and progressive economic development trend and achievements in the first half have laid a solid foundation for achieving full-year targets. Years of focus on high-quality development have not only fostered consensus and accumulated new momentum but also advanced economic rebalancing, enhancing the sustainability of economic growth. Coupled with the coordinated implementation of macroeconomic policies, this will provide strong support for stable economic performance. Therefore, a comprehensive assessment suggests that China’s economy is well-positioned to maintain stable growth in the second half of the year. On the consumption market front, the first half showed increasing activity, and with the impetus of consumption policies, this positive development trend is expected to continue in the second half.

It is expected that the prices of major raw materials will remain stable in the second half of 2025, though the possibility of a trade war adversely impacting raw material supply and leading to increased costs of major raw materials cannot be ruled out. Management will continue to actively promote key strategies such as product structure upgrade and business portfolio optimisation to improve the gross profit margin. It is believed that through restructuring efforts, the Company can establish a competitive advantage in the new consumption model, develop the capability to adapt to the future’s volatile and complex market environment, enhance profitability that meets the requirements of sustainable high-quality development, and further improve the overall profit margin.

## **FINANCIAL REVIEW**

### **REVENUE**

Both the sales volume and the revenue recorded a year-on-year increase, of 5.5% and 8.3%, respectively. The rise in revenue was driven by the increase in both sales volume and average product prices.

### **GROSS PROFIT MARGIN**

During the period, the gross profit margin of the Company improved year-on-year, benefiting from the favorable effect of declining procurement prices for most raw materials, which partially offset the cost pressures from persistently high aluminum prices.

### **OTHER INCOME AND GAINS**

Other income and gains mainly include interest income and government subsidies, with no significant change year-on-year.

## **DISTRIBUTION AND SELLING EXPENSES RATIO/ADMINISTRATIVE EXPENSES RATIO**

During the interim period, more marketing expenses was incurred due to keen competition. As a result, the distribution and selling expenses ratio increased, while there was no significant change in the administrative expenses ratio.

## **FINANCE COSTS**

Finance costs, mainly representing the interests on lease liabilities, with no significant change year-on-year.

## **INCOME TAX EXPENSE**

Income tax expense amounted to RMB379 million, representing a increase of 24.9%. During the interim period, certain subsidiaries of the Company (collectively, the “**Subsidiaries**”) conducted self-inspections in response to notifications from their local tax bureaus. Following completion of these self-inspections and confirmation with the local tax bureaus, the Subsidiaries have paid back income tax totaling approximately RMB23,481,000 for the period from 2021 to 2023.

## **LIQUIDITY AND FINANCIAL RESOURCES**

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

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

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

In the condensed consolidated statement of financial position as at 30 June 2025, the Group’s unpledged cash and cash equivalents amounted to a total of approximately RMB5,047 million (31 December 2024: approximately RMB4,014 million). Net current assets were approximately RMB36 million (31 December 2024: approximately RMB236 million).

## **CAPITAL STRUCTURE**

As at and for the six-month period ended 30 June 2025, the total number of issued shares of the Company remained unchanged at 2,797,223,396. In the condensed consolidated statement of financial position as at 30 June 2025, the Group had no interest-bearing bank borrowings (31 December 2024: nil).

As at 30 June 2025, net assets attributable to owners of the parent were approximately RMB6,612 million (31 December 2024: approximately RMB6,462 million), and the Group's net cash position (unpledged cash and cash equivalents less interest-bearing bank and other borrowings) was approximately RMB5,047 million (31 December 2024: approximately RMB4,014 million) and gearing ratio (ratio of borrowing position of the Group to equity attributable to owners of the parent) was nil (31 December 2024: nil).

## **CONTINGENT LIABILITIES AND ASSETS PLEDGED**

As at 30 June 2025 and 31 December 2024, the Group had no significant contingent liabilities nor assets pledged (other than certain bills payable).

## **FOREIGN EXCHANGE MANAGEMENT**

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

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

## **HUMAN RESOURCES**

As at 30 June 2025, the Group employed 17,675 staff in Mainland China and Hong Kong (31 December 2024: 17,533). 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 to ensure the knowledge and skills of employees are enhanced, leading to the mutual development of the Group and its employees.

The Company and its subsidiaries have no share option scheme or share award scheme.

## **INTERIM DIVIDEND**

The Board did not declare the payment of an interim dividend for the interim period (30 June 2024: 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 2025, save and except for Code Provisions C.2.1.

Code Provision C.2.1 of the CG Code stipulates that the role of chairman and chief executive should not be performed by the same individual. During the interim period, the roles of both chairman of the Board (“**Chairman**”) and the managing director of the Company (“**Managing Director**”, being the chief executive of the Company) were vested in same person, namely Mr. Qing Liun, prior to 6 January 2025, as the Board believes that it was in the interest of the Company and its shareholders for Mr. Qing Lijun to assume the responsibilities of such positions, given that Mr. Qing Lijun has extensive experience and management of the Group as an executive director and Managing Director, and it would facilitate the execution of the Group’s business and boost effectiveness of its operations during the relevant times. The Board also considered that such arrangement would not impair the balance of power and authority between the Board and the management as, from 1 January 2025 to 6 January 2025, the Board comprised six other experienced individuals including one executive director, two non-executive directors and three independent non-executive directors. In addition, for major transactions of the Group, the Company would consult Board committees and senior management as and when appropriate.

Following the appointment of Mr. Zhan Zaizhong as the executive director and the Managing Director on 6 January 2025, the roles of chairman and chief executive have been separated, and the Company has been in compliance with Code provision C.2.1 of the CG Code since 6 January 2025.

## 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 2025 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](http://www.hkexnews.hk)) and the website of the Company ([www.chinafoodsltd.com](http://www.chinafoodsltd.com)). The 2025 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, 26 August 2025

*As at the date of this announcement, the Board comprises: Mr. Qing Lijun as the chairman of the Board and a non-executive director; Mr. Zhan Zaizhong as an executive director; Mr. Cao Gaofeng, Mr. Chen Gang and Mr. Song Liang as non-executive directors; and Mr. Li Hung Kwan, Alfred, Mr. Mok Wai Bun, Ben and Ms. Leung Ka Lai, Ada, SBS as independent non-executive directors.*