

Registered number: 07761084

ABF HK Finance Limited

Annual Report and Unaudited Financial Statements

17 September 2022

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Strategic Report for the Period from 19 September 2021 to 17 September 2022

The directors present their strategic report on ABF HK Finance Limited (the “company”) for the period from 19 September 2021 to 17 September 2022.

Review of the company's business

The principal activity of the company is that of a finance company and holding company within the Associated British Foods plc group (the “group”).

During the period, the main activities of the company remained unchanged and the directors anticipate that the company will continue to operate on the same basis.

Principal risks and uncertainties

A full description of the principal risks and uncertainties applicable to the Associated British Foods plc group, of which this company is a wholly owned subsidiary, are disclosed on pages 94 to 101 of the 2022 Annual Report, which is available at www.abf.co.uk.

Trading results and transfer to reserves

The company's profit for the year is reflected in the Statement of Total Comprehensive Income on page 5. The profit on ordinary activities after taxation amounted to RMB 6 million (2021: RMB 31 million). No dividend was declared and paid in the period (2021: nil).

Engaging with our stakeholders - Section 172 Statement

The directors are required to act in a way which they consider, in good faith, is most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

The company is a subsidiary of Associated British Foods plc and, as such, the company has adopted and directors have due regard to applicable group policies and procedures which impact on the company's stakeholders, including those referred to on page 71 of the Associated British Foods plc Annual Report and Accounts 2022. Please also see the Associated British Foods plc section 172 statement on pages 64 to 68 of that document.

Stakeholders and engagement

The key stakeholders with whom engagement is fundamental to the company's ongoing success are:

- subsidiaries of the company
- its shareholder

Subsidiaries of the company

The company forms part of the group of companies headed by Associated British Foods plc and the company's accounts are consolidated into the Associated British Foods plc accounts. Group companies can provide financial and other support to the company and the sharing of best practice and know-how between the businesses within the broader group is actively encouraged. The company is kept up to date on key businesses activities and decisions of its subsidiaries and provides all necessary support.

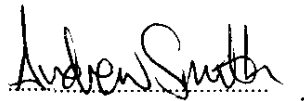
**Strategic Report for the Period from 19 September 2021 to 17 September 2022
(continued)**

Engaging with our stakeholders - Section 172 Statement

Shareholder

The company takes appropriate steps to ensure that its shareholder is kept up to date on key business activities and decisions.

Approved by the Board on 26 May 2023 and signed on its behalf by:



AA Smith
Director

Registered office Weston Centre
10 Grosvenor Street
London
W1K 4QY

Directors' Report for the Period from 19 September 2021 to 17 September 2022

The directors present their annual report and the unaudited financial statements on ABF HK Finance Limited (the "Company") for the period from 19 September 2021 to 17 September 2022.

Dividends

No dividend was paid in the current period (2021: nil). The directors do not recommend the payment of a further dividend in the current period.

Going concern

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of twelve months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

Directors of the company

The directors who held office during the period and as at the date of approval of this directors' report were:

AA Smith

RG Cahill

**Directors' Report for the Period from 19 September 2021 to 17 September 2022
(continued)**

Directors' indemnities

The directors have benefited from the Associated British Foods plc group Directors and Officers Insurance policy.

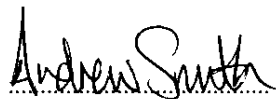
Health and safety

The company, and the broader group of which it forms part, keeps its health, safety and environmental performance and levels of legal compliance under regular review and ensures that its risk management controls are appropriate and effective.

Auditor

The company is exempt from the requirements of the Companies Act 2006 (the 'Act') relating to the audit of individual accounts pursuant to section 479A of the Act.

Approved by the Board on 26 May 2023 and signed on its behalf by:



AA Smith
Director

Registered office Weston Centre
10 Grosvenor Street
London
W1K 4QY

Statement of Total Comprehensive Income
for the Period from 19 September 2021 to 17 September 2022

| | Note | 2022 RMB'M | 2021 RMB'M |
|--|------|---------------|---------------|
| Other gains and losses | 4 | - | 33 |
| Interest receivable and similar income | | 7 | 5 |
| Interest payable and similar charges | 5 | - | (3) |
| Profit before tax | | 7 | 35 |
| Taxation | 6 | (1) | (4) |
| Profit for the period | | 6 | 31 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 6 | 31 |

The notes on pages 8 to 13 form an integral part of these financial statements.

Balance Sheet
at 17 September 2022

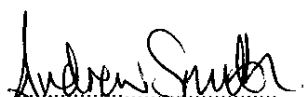
| | Note | 2022 RMB'M | 2021 RMB'M |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 7 | 85 | 74 |
| Current assets | | | |
| Debtors | 8 | 1,521 | 1,514 |
| Cash at bank and in hand | | 37 | 48 |
| Net current assets | | 1,558 | 1,562 |
| Creditors: Amounts falling due within one year | | (1) | - |
| Net current assets | | 1,557 | 1,562 |
| Net assets | | 1,642 | 1,636 |
| Capital and reserves | | | |
| Share capital | 9 | 1,450 | 1,450 |
| Profit and loss account | | 192 | 186 |
| Shareholders' funds | | 1,642 | 1,636 |

For the financial period ending 17 September 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 26 May 2023 and signed on its behalf by:



AA Smith
Director

Registered number: 07761084

The notes on pages 8 to 13 form an integral part of these financial statements.

Statement of Changes in Equity

for the Period from 19 September 2021 to 17 September 2022

| | Share capital RMB'M | Profit and loss account RMB'M | Total RMB'M |
|----------------------------|------------------------|-------------------------------------|----------------|
| At 13 September 2020 | 1,450 | 155 | 1,605 |
| Profit for the period | - | 31 | 31 |
| Total comprehensive income | - | 31 | 31 |
| At 18 September 2021 | 1,450 | 186 | 1,636 |
| | Share capital RMB'M | Profit and loss account RMB'M | Total RMB'M |
| At 19 September 2021 | 1,450 | 186 | 1,636 |
| Profit for the period | - | 6 | 6 |
| Total comprehensive income | - | 6 | 6 |
| At 17 September 2022 | 1,450 | 192 | 1,642 |

The notes on pages 8 to 13 form an integral part of these financial statements.

Notes to the Unaudited Financial Statements

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of ABF HK Finance Limited (the “company”) for the 52 week period ended 17 September 2022 were authorised for issue by the board of directors on *26 May 2023*.

The company’s financial statements are presented in Chinese Renminbi, rounded to the nearest million, except where otherwise indicated. They are prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”) and the Companies Act 2006.

The company has taken advantage of the disclosure exemptions permitted by FRS 101 in relation to financial instruments, capital management, presentation of a cash flow statement, standards not yet effective, impairment of assets and certain related party transactions. Where required, equivalent disclosures are given in the consolidated financial statements of Associated British Foods plc.

The company has also taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Associated British Foods plc and its results are included in the parent company’s consolidated financial statements. These consolidated financial statements are available to the public and may be obtained from Associated British Foods plc, Weston Centre, 10 Grosvenor Street, London, W1K 4QY. They are also available for download on the group’s website at www.abf.co.uk.

The company is a private limited company incorporated in Great Britain and domiciled in England and Wales.

These accounts have been prepared for the 52 week period ended 17 September 2022.

Going concern

As set out in note 10, the smallest group in which the results of the company are consolidated is that headed by Associated British Foods plc, which confirmed in the Interim Results Announcement dated 25 April 2023 that its directors have a reasonable expectation that the Associated British Foods plc group has adequate resources to continue in operational existence for the foreseeable future.

The Company has received a letter of support from its intermediate parent company, ABF Investments plc, indicating that it will receive the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements.

After making enquiries and considering the support available from the intermediate parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for 12 months from the date of signing of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

Notes to the Unaudited Financial Statements (continued)

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Finance income and costs

Interest on financial assets held at amortised cost is recognised in the statement of total comprehensive income using the effective interest method.

Foreign currency transactions and balances

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The directors consider the Chinese Renminbi to be the company's functional and presentational currency as assets and income derived from these assets are denominated in Chinese Renminbi ("RMB").

Dividends

Dividends, both payable and receivable, are recognised in the period in which they are paid or received.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Investments

The company values its investments in subsidiaries at cost less any provision for impairment.

Notes to the Unaudited Financial Statements (continued)

2 Accounting policies (continued)

Financial assets and liabilities

Financial assets are measured initially at fair value plus directly attributable transaction costs and thereafter at amortised cost. Where financial assets are non-interest bearing these are repayable on demand.

Allowance for doubtful debts is recognised based on management's expectation of losses without regard to whether an impairment trigger happened or not (an "expected credit loss" model).

Interest-bearing loans

All loans are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the effective interest method.

3 Directors' remuneration

Key management, which is limited to the named directors of the company, received no emoluments in respect of their services to this company in either the current or the prior period, as those services were inconsequential to the company.

Notes to the Unaudited Financial Statements (continued)

4 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

| | 2022 RMB'M | 2021 RMB'M |
|------------------------------------|---------------|---------------|
| Gain from disposals of investments | - | 33 |

5 Interest payable and similar charges

| | 2022 RMB'M | 2021 RMB'M |
|-------------------------|---------------|---------------|
| Foreign exchange losses | - | 3 |

6 Taxation

Tax charged in the profit and loss account

| | 2022 RMB'M | 2021 RMB'M |
|-------------------------|---------------|---------------|
| Current taxation | | |
| Current tax | 1 | 4 |

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK of 19% (2021: lower than the standard rate of corporation tax in the UK of 19%).

The differences are reconciled below:

| | 2022 RMB'M | 2021 RMB'M |
|---|---------------|---------------|
| Profit before tax | 7 | 35 |
| Corporation tax at standard rate | 1 | 7 |
| Decrease (increase) from effect of revenues exempt from taxation | - | (6) |
| Group relief not paid for | (1) | - |
| (Decrease) increase arising from overseas tax suffered (expensed) | - | 3 |
| Total tax charge | - | 4 |

The UK corporation tax rate increased from 19% to 25% from 1 April 2023. The legislation to effect these changes was enacted before the balance sheet date and UK deferred tax has been calculated accordingly.

Notes to the Unaudited Financial Statements (continued)

7 Investments

| Subsidiaries | RMB'M |
|----------------------|--------------|
| At 18 September 2021 | 74 |
| Additions | 11 |
| At 17 September 2022 | 85 |

A list of the related undertakings of the company as at 17 September 2022 is given below:

| SUBSIDIARY UNDERTAKINGS | % effective holding if not 100% |
|--|--|
| China | |
| Chuangxin Road, Tonggu Industry Zone, Sandu Town, Tonggu County, Jiangxi Province | |
| AB Agri Pumeixin Tech (Jiangxi) Co., Ltd. | |
| Shu Shan Modern Industrial Zone of Shou County, Huainan City, Anhui Province | |
| ABNA Feed (Anhui) Co., Ltd. | |
| No 28, South Shunjin Road, Yintai District, Tongchuan, Shaanxi Province | |
| AB Agri Animal Nutrition (Shaanxi) Co., Ltd | |

All subsidiary undertakings are directly owned by the company.

In the opinion of the directors the investments in subsidiaries are worth at least the amount at which they are stated in the balance sheet.

8 Debtors

| | 2022 | 2021 |
|--|--------------|--------------|
| | RMB'M | RMB'M |
| Debtors from group undertakings | 1,356 | 1,354 |
| Loan from intermediate holding company | 165 | 160 |
| | <u>1,521</u> | <u>1,514</u> |

Amounts due from group undertakings include amounts which are both interest-bearing and not interest-bearing.

Notes to the Unaudited Financial Statements (continued)

9 Share capital

| | 17 September 2022 | | 18 September 2021 | |
|-----------------------------------|-------------------|-------|-------------------|-------|
| | Number | RMB'M | Number | RMB'M |
| Issued and fully paid | | | | |
| Ordinary shares of RMB 0.60000000 | 2,417,049,262 | 1,450 | 2,417,049,262 | 1,450 |
| Ordinary share of £1 each | 1 | - | 1 | - |

10 Holding company

The immediate holding company is ABF Overseas Limited, a company registered in England and Wales. The ultimate holding company is Wittington Investments Limited which is incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Wittington Investments Limited. The smallest group in which they are consolidated is that headed by Associated British Foods plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from Weston Centre, 10 Grosvenor Street, London, W1K 4QY, which is the registered office of each of these companies. The consolidated accounts of Associated British Foods plc are also available for download on the group's website at www.abf.co.uk.