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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

PROPOSED CHANGE OF AUDITORS

This announcement is made by the board of directors (the “**Board**”) of China Foods Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

COFCO Corporation, the ultimate controlling shareholder of the Company, is a state-owned enterprise regulated by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China (the “**SASAC**”). Pursuant to the relevant requirements issued by SASAC, if the service term of an external accounting firm to continuously undertake financial auditing work for a central state-owned enterprise exceeds the prescribed time limit, the enterprise should consider changing or pre request change such accounting firm.

In this connection, Ernst & Young, Certified Public Accounts, Hong Kong (“**Ernst & Young**”), which has been holding office as the independent auditors of the Company since 1999, will retire as the auditor of the Company with effect from the conclusion of the forthcoming annual general meeting of the Company to be held on 1 June 2018 (the “**AGM**”) and will not seek for re-appointment.

On 27 March 2018, the Board resolved, with the recommendation from the audit committee of the Company, to propose an ordinary resolution at the AGM to approve the appointment of Deloitte Touche Tohmatsu, as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company. This proposed appointment is subject to the approval of the shareholders of the Company at the AGM.

Ernst & Young has confirmed in writing that there were no matters relating to its retirement that needs to be brought to the attention of the shareholders of the Company. The Board also confirms that there is no disagreement between Ernst & Young and the Company, and there are no other matters in respect of the proposed change of auditor that need to be brought to the attention of shareholders of the Company.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for its professional and quality services rendered to the Company in the past years.

A circular containing, among other things, further details of the proposed change of auditor, together with a notice of the AGM, will be despatched to the shareholders of the Company in due course.

By Order of the Board
China Foods Limited
Ma Jianping
Chairman

Hong Kong, 27 March 2018

As at the date of this announcement, the Board comprises: Mr. Ma Jianping as the chairman of the Board and a non-executive director; Ms. Luan Xiuju and Mr. Shen Peng as executive directors; Mr. Qin Yelong and Ms. Xiao Jianping as non-executive directors; and Messrs. Stephen Edward Clark, Li Hung Kwan, Alfred and Mok Wai Bun, Ben as independent non-executive directors.