
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Foods Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer has been effected for transmission to the purchaser or transferee.

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CHINA FOODS LIMITED **中國食品有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code: 506)

PROPOSAL FOR RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND SHARE PREMIUM CANCELLATION AND NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting (the “AGM”) of China Foods Limited is scheduled to be held at Chairman Suite, World Trade Centre Club Hong Kong, 38/F. World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Monday, 19 May 2008 at 9:45 a.m.. The notice of the AGM is set out on pages 7 to 11 in this circular.

Whether or not you are able to attend the AGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of China Foods Limited in Hong Kong, Tricor Progressive Limited at 26/F. Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for holding the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

25 April 2008

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DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Chairman Suite, World Trade Centre Club Hong Kong, 38/F World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Monday, 19 May 2008 at 9:45 a.m., notice of which is set out in Appendix 1 to this circular
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye-laws”	the Bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	China Foods Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries and associates
“HK\$”	Hong Kong dollars
“Latest Practicable Date”	21 April 2008, being the latest practicable date for ascertaining certain information for inclusion in this circular before its printing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Share Premium Cancellation”	the proposed cancellation of an amount of HK\$3,660,432,312.09 standing to the credit of the share premium account of the Company as at 31 December 2007, with the credit arising therefrom being transferred to the contributed surplus account of the Company
“Shares”	shares of HK\$0.1 each in the capital of the Company
“Shareholders”	holders of Shares

DEFINITIONS

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Takeover Code”

the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



CHINA FOODS LIMITED 中國食品有限公司

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

Executive Directors:

Ning Gaoning (*Chairman*)
Qu Zhe (*Managing Director*)
Mak Chi Wing, William
Luan Xiuju
Zhang Zhentao

Non-executive Directors:

Ma Jianping
Wu Wenting

Independent Non-executive Directors:

Stephen Edward Clark
Tan Man Kou
Yuen Tin Fan, Francis

Head Office:

33rd Floor, Top Glory Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

25 April 2008

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
SHARE PREMIUM CANCELLATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in connection with: (i) the notice to Shareholders regarding the convening of the AGM; (ii) the proposal to adopt the audited financial statements and the reports of Directors and the auditors; (iii) the proposal to re-elect Directors; (iv) the proposal to declare a final dividend for the year

LETTER FROM THE BOARD

ended 31 December 2007; (v) the proposal to re-appoint auditors; (vi) the proposal to grant Directors general mandates to issue Shares and repurchase Shares; and (vii) the proposal for a share premium cancellation

2. ANNUAL GENERAL MEETING

A notice for convening the AGM is set out in Appendix 1 to this circular. At the AGM, proposals for, inter alia, the adoption of the audited financial statements and the reports of the Directors and the auditors, the declaration of a final dividend, the re-election of Directors, the re-appointment of auditors, the general mandates to issue Shares and repurchase Shares and share premium cancellation, will be put forth for Shareholders' approval.

The procedures by which Shareholders may demand a poll at any general meeting of the Company are set out in Appendix 2 to this circular.

A proxy form for your use at the AGM is enclosed. Whether or not you are able to attend the AGM, please complete the enclosed form of proxy in accordance with instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for holding the AGM. Completion and delivery of the form will not preclude you from attending and voting at the AGM should you so wish.

3. ADOPTION OF THE AUDITED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS

The 2007 annual report including the audited financial statements and the reports of the Directors and auditors for the year ended 31 December 2007 will be sent together with this circular to Shareholders on the same date. The audited financial statements have been reviewed by the audit committee of the Board.

4. DECLARATION OF FINAL DIVIDEND

The Board has recommended a final dividend of 4.5 HK cents per share for the year ended 31 December 2007 in cash and such final dividend will be paid on 11 June 2008.

The register of members will be closed from Wednesday, 14 May 2008 to Monday 19 May 2008, both days inclusive. In order to qualify for the proposed final dividend, all transfer documents should be lodged for registration with Tricor Progressive Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, by 4:00 p.m. on Tuesday, 13 May 2008.

5. RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 111(A) of the Company's Bye-laws, Mr. Ning Gaoning, Mr. Stephen Edward Clark and Mr. Tan Man Kou, having been in office for three years since their last re-election, shall retire and, being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

Particulars of the Directors who are to retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM are set out in Appendix 3 to this circular.

6. RE-APPOINTMENT OF AUDITORS

The Board (which agreed to the view of the audit committee) recommended that, subject to the approval of Shareholders at the AGM, Ernst & Young be re-appointed as the auditors of the Company for the year 2008.

7. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 22 May 2007, approval was given by Shareholders for the granting of, inter alia, the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing relevant resolutions and Shares in an amount equal to the aggregate nominal amount of the share capital repurchased under the authority to repurchase shares; and (ii) to repurchase Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing relevant resolutions. In accordance with the terms of approval, the general mandates will expire on 19 May 2008 upon the conclusion of the AGM. To keep in line with current corporate practice, the grant of fresh general mandates for the same purpose is being sought from Shareholders and a proposal for ordinary resolutions to grant these general mandates to the Directors will be put forth at the AGM.

Based on the 2,791,383,356 Shares in issue as at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of relevant resolution), the Company will be allowed under the general mandate to issue up to a maximum of 558,276,671 Shares.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed Share repurchase resolution is set out in Appendix 4 to this circular.

8. SHARE PREMIUM CANCELLATION

The Board intends to put forward a proposal in relation to a share premium cancellation to the Shareholders for approval pursuant to Section 46 of the Companies Act. As at 31 December 2007, based on the audited financial statements of the Company, the amount standing to the credit of the share premium account of the Company was HK\$3,660,432,312.09. Pursuant to the Share Premium Cancellation, it is proposed that the amount of HK\$3,660,432,312.09 standing to the credit of the share premium account of the Company as at 31 December 2007 be cancelled, with the credit arising therefrom being transferred to the contributed surplus account of the Company. As at 31 December 2007, the credit balance in the contributed surplus account amounted to HK\$1,511,409,747.5.

LETTER FROM THE BOARD

Effect of the Share Premium Cancellation

Other than the expenses to be incurred in relation to the Share Premium Cancellation, the Board considers that the implementation of the Share Premium Cancellation will not, in itself, affect the underlying assets, business operations, management or financial position of the Company or the interests of the Company and the Shareholders as a whole.

Reasons for the Share Premium Cancellation

The Board considers that the Share Premium Cancellation will give the Company more flexibility to make a distribution out of its contributed surplus account to its Shareholders when the Board considers appropriate. Currently, the Board has no intention to make any distribution out of its contributed surplus account to its Shareholders. The Board believes that the Share Premium Cancellation is beneficial to the Company and its Shareholders as a whole.

Conditions of the Share Premium Cancellation

The Share Premium Cancellation is conditional on:

- (a) the passing by the shareholders of the Company of a special resolution to approve the Share Premium Cancellation at the AGM; and
- (b) compliance with the requirements of section 46(2) of the Companies Act, including (i) publication of a notice in relation to the Share Premium Cancellation in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the date on which the Share Premium Cancellation is to have effect; and (ii) the Board being satisfied that on the date the Share Premium Reduction is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Premium Cancellation would be, unable to pay its liabilities as they become due.

Subject to the above conditions being fulfilled, it is expected that the Share Premium Cancellation will become effective on the date when the special resolution in respect of the approval of the Share Premium Cancellation is passed.

9. RECOMMENDATIONS

The Directors consider that the above proposals are in the interests of the Company and its Shareholders and accordingly recommend that all Shareholders vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
CHINA FOODS LIMITED
Qu Zhe
Managing Director



CHINA FOODS LIMITED
中國食品有限公司

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Chairman Suite, World Trade Centre Club Hong Kong, 38/F. World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Monday, 19 May 2008 at 9:45 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY BUSINESS

1. To consider and adopt the audited financial statements and the reports of the Directors and the auditors of the Company for the year ended 31 December 2007.
2. To declare a final dividend of 4.5 HK cents for the year ended 31 December 2007.
3. (a) To re-elect the following Directors:
 - (i) Ning Gaoning
 - (ii) Stephen Edward Clark
 - (iii) Tan Man Kou
- (b) and to authorise the Board to fix the Directors' remuneration for the ensuing year.
4. To re-appoint Ernst & Young as auditors for the ensuing year and to authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

AS ORDINARY RESOLUTIONS5. **“THAT:**

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to:
 - (i) a Rights Issue;
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of rights of subscription under any share option scheme or similar arrangement of the Company;
 - (iv) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company;
 - (v) any adjustment, after the date of grant or issue of any options, warrants or other securities referred to above, in the price at which shares shall be subscribed, and/or in the number of shares which shall be subscribed, on exercise of relevant rights under such options, rights to subscribe, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, warrants or other securities; or
 - (vi) a specific authority granted by Shareholders of the Company in general meeting;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and subject to the passing of Resolution 6 below, all those number of shares which may from

time to time be purchased by the Company pursuant to the general mandate granted under Resolution 5 below and this approval shall be limited accordingly; and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting;

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”

6. **“THAT:**

- (a) subject to paragraph (c), the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Shares in the capital of the Company on the terms and subject to the conditions set out in the circular to Shareholders of the Company, a copy of which has been tabled at the AGM marked “A” and signed by the Chairman of the AGM for the purpose of identification, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company;
- (c) the aggregate nominal amount of Shares of the Company to be repurchased or agreed conditionally or unconditionally to be purchased by the Directors pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”
7. “**THAT** the Directors be and are hereby given a general mandate to add all those number of Shares in the capital of the Company which may from time to time be purchased by the Company pursuant to the approval granted under Resolution 6 above (the “Repurchased Shares”) to the general mandate granted under Resolution 5 above, so that the aggregate nominal amount of share capital that may be allotted by the Directors pursuant to the said mandate granted under Resolution 5 above shall be the aggregate of (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and (ii) the aggregate nominal value of the Repurchased Shares.”

AS SPECIAL RESOLUTION

8. “**THAT:**
- (a) subject to compliance with the requirements of section 46(2) of the Companies Act 1981 of Bermuda and with effect from the date of the passing of this resolution, the entire amount of HK\$3,660,432,312.09 standing to the credit of the share premium account of the Company as at 31 December 2007 be cancelled (the “Share Premium Cancellation”) and the directors of the Company be and are hereby authorized to apply and transfer the credit arising from the Share Premium Cancellation to the contributed surplus account of the Company; and
 - (b) the directors of the Company be and are hereby authorized to do all such acts and things (including, without limitation to the generality of the foregoing, the execution of any documents, instrument or agreement) as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and/or to give effect to the Share Premium Cancellation and the application of the credit which will be released thereby in accordance with the bye-laws of the Company and applicable laws.”

By Order of the Board
China Foods Limited
Qu Zhe
Managing Director

Hong Kong, 25 April 2008

Notes:

1. The register of members of the Company will be closed from Wednesday, 14 May 2008 to Monday, 19 May 2008 with both days inclusive. In order to qualify for both the final dividend and attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong by 4:00 p.m. on Tuesday, 13 May 2008.
2. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. A form of proxy for use at the AGM is enclosed. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for holding the AGM or any adjournment of it.
4. Where there are joint holders of any Share, any one of such holders may vote at the AGM, either in person or by proxy, in respect of such Share as if he were solely entitled to vote, but if more than one of such joint holders are present at the AGM in person or by proxy, the person so present whose name stands first in the register of members of the Company in respect of such Share shall alone be entitled to vote in respect of it.
5. Completion and return of the form of proxy will not preclude a member from attending the AGM and voting in person at the AGM or any adjourned meeting if he so desires. If a member attends the AGM after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
6. For good corporate governance practice, the chairman of the Board has indicated that he will direct that each of the resolutions set out in the Notice of Annual General Meeting be voted by poll.

Set out below are the procedures by which Shareholders may demand a poll provided by Bye-law 75 of the Company's Bye-laws:

At any general meeting a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three members present in person or by proxy or by representative for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person or by proxy or by representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy or by representative and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

Particulars of retiring Directors subject to re-election at the AGM are set out below:

Mr. Ning Gaoning

Executive Director and the Chairman of the Board

Mr. Ning, aged 49, was appointed a director on 24 January 2005. Mr. Ning is currently a non-executive director and chairman of China Agri-Industries Holdings Limited (“China Agri”) and a non-executive director of Lippo China Resources Limited, both companies are listed on the Stock Exchange. Mr. Ning is also the chairman of COFCO Limited (“COFCO”), a state-owned enterprise in the PRC under the purview of the State-owned Assets Supervision and Administration Commission of the State Council and the ultimate controlling shareholder of the Company, and COFCO (Hong Kong) Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of COFCO.

Mr. Ning previously held positions in a number of companies which are listed on the Stock Exchange including the chairman of China Resources Enterprise, Limited, China Resources Land Limited, China Resources Peoples Telephone Company Limited and The Hong Kong Building and Loan Agency Limited and a director of China Resources Power Holdings Company Limited, China Resources Logic Limited and China Resources Cement Holdings Limited. Mr. Ning was also the deputy chairman of China Vanke Company Limited, a company listed in the People’s Republic of China, and a director of SABMiller plc., a company listed in London, the United Kingdom.

Mr. Ning holds a Bachelor of Arts degree in Economics from Shandong University in China and a Master of Business Administration degree in Finance from the University of Pittsburgh in the United States.

Save as disclosed above, Mr. Ning is not related to any Directors, senior management, or any other substantial or controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

Mr. Ning’s appointment does not provide for a specified length of service period, but he is subject to the provision on retirement by rotation and re-election of directors under the Bye-laws of the Company. After obtaining authorization from Shareholders at the AGM, the Board may fix Mr. Ning’s emoluments, subject to the approval of the Board remuneration committee with reference to his job complexity, workload and responsibilities with the Company and the Company’s remuneration policy. His emoluments in 2007 were HK\$200,000.

As at the Latest Practicable Date, Mr. Ning is interested within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”) in the share options being granted to him to subscribe for 880,000 Shares pursuant to a share option scheme adopted by the Company on 21 November 2006 and in the share options being granted to him by China Agri, an associate corporation of the Company, to subscribe for 700,000 shares of China Agri pursuant to its share option scheme.

Save as disclosed herein, there is no other information which needs to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h)-(v) of the Listing Rules, nor any other matters relating to Mr. Ning's re-election that need to be brought to the attention of the Shareholders.

Mr. Stephen Edward Clark

Independent Non-Executive Director and Member of Audit Committee and Remuneration Committee

Mr. Clark, aged 58, was appointed as a director on 24 January 2005. He is currently a managing director of The Anglo Chinese Investment Company, Limited. He has been active in corporate finance first in South Africa and then in Hong Kong since 1983. In 1988, he co-founded the Anglo Chinese group which has been active in a wide range of corporate finance transactions.

Mr. Clark was a member of Takeovers Committee between 1984 and 1992. Thereafter, he became and remains a member of the Takeovers Panel and Takeovers Appeals Committee. He served as an alternate member of the Listing Committee of the Stock Exchange of Hong Kong Limited in 1992 and 1993 and a director of Hong Kong Securities Institute from 1997 to 2003.

He holds first class joint honors degree of Bachelor in History and History of Art from the University of Nottingham in England and a degree of Master in Business Administration from the University of Witwatersrand, Johannesburg, South Africa. He has extensive experience in corporate finance.

Save as disclosed above, Mr. Clark is not related to any other Directors, senior management, or any other substantial or controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

Mr. Clark has entered into a letter of appointment with the Company for a term of three years, which will be terminable by either party by giving not less than three months' prior written notice or in accordance with the Bye-laws. Mr. Clark is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws. Mr. Clark is entitled to a remuneration at a rate of HK\$200,000 per annum from the Company. In addition, Mr. Clark shall be entitled to an additional fee of HK\$5,000 for each extra meeting or written resolution (other than the statutory meetings or written resolutions (as the case may be) as required under the Listing Rules) which shall require Mr. Clark's attendance, undertaking or participation, provided that such extra meeting, undertaking or participation is in relation to the notifiable transactions (as defined in Chapter 14 of the Listing Rules), connected transactions (as defined in Chapter 14A of the Listing Rules), any material matters or events discloseable under Chapter 13 of the Listing Rules or transactions falling under The Code on Takeovers and Mergers and Share Repurchases.

As at the Latest Practicable Date, Mr. Clark does not have any interest or short position in the Shares or underlying shares of the Company which is required to be disclosed under Part XV of the SFO.

Save as disclosed herein, there is no other information which needs to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h)-(v) of the Listing Rules nor any other matters relating to Mr. Clark's re-election that need to be brought to the attention of the Shareholders.

Mr. Tan Man Kou

Independent Non-Executive Director and the Chairman of Audit Committee

Mr. Tan, aged 72, was appointed as a director on 8 March 2005. He is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Tan is currently an independent non-executive director of each of The Bank of East Asia and Harbour Centre Development Limited, both listed on the Stock Exchange.

Mr. Tan has over 30 years of public accounting experience, was until 2002 a partner with Deloitte Touche Tohmatsu. As a partner, he was responsible for leading Deloitte's professional services in the areas of audit, tax, corporate finance, insolvency and listing. He had client responsibilities in China, Hong Kong, Europe and the United States.

Mr. Tan is a member of the Chinese People's Political Consultative Conference. He was a member of the Selection Committee of the Hong Kong Special Administrative Region. Mr. Tan is active in public service, and has been a member, an honorary treasurer, and a chairman of the Hong Kong Housing Society for more than 20 years. He also served as a member of the Airport Consultative Committee.

Save as disclosed above, Mr. Tan is not related to any other Directors, senior management, or any other substantial and controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

Mr. Tan has entered into a letter of appointment with the Company for a term of three years, which will be terminable by either party by giving not less than three months' prior written notice or in accordance with the Bye-laws. Mr. Tan is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws. Mr. Tan is entitled to a remuneration at a rate of HK\$200,000 per annum from the Company. In addition, Mr. Tan shall be entitled to an additional fee of HK\$5,000 for each extra meeting or written resolution (other than the statutory meetings or written resolutions (as the case may be) as required under the Listing Rules) which shall require Mr. Tan's attendance, undertaking or participation, provided that such extra meeting, undertaking or participation is in relation to the notifiable transactions (as defined in Chapter 14 of the Listing Rules), connected transactions (as defined in Chapter 14A of the Listing Rules), any material matters or events discloseable under Chapter 13 of the Listing Rules or transactions falling under The Code on Takeovers and Mergers and Share Repurchases.

As at the Latest Practicable Date, Mr. Tan does not have any interest or short position in the Shares or underlying shares of the Company which is required to be disclosed under Part XV of the SFO.

APPENDIX 3 PARTICULARS OF DIRECTORS PROPOSED TO RE-ELECTION

Save as disclosed herein, there is no other information which needs to be disclosed pursuant to any of the requirements set out in Rule 13.51(2)(h)-(v) of the Listing Rules nor any other matters relating to Mr. Tan's re-election that need to be brought to the attention of the Shareholders.

The following contains the particulars that are required by the Listing Rules to be sent to Shareholders in connection with the proposed general mandate for repurchase of Shares:

- (a) As at the Latest Practicable Date, there were in issue an aggregate of 2,791,383,356 Shares. Based on the number of Shares in issue as of the Latest Practicable Date (and assuming that there is no change in respect of the issued share of the Company after the Latest Practicable Date and up to the date of AGM), 279,138,335 Shares are proposed for repurchase. In addition, Shareholders should note that the general mandate covers purchases made or agreed to be made only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by Bermuda law and the Bye-laws and the date upon which such authority is revoked or varied. However, the Directors will ensure any such repurchase would not reduce the amount held by the public to less than 25% of the issued share capital of the Company.
- (b) The Directors have no present intention to repurchase any Shares and, whilst it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial. The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from Shareholders to enable the Company to repurchase securities of the Company on the market. Such repurchases may lead to an enhancement of the net assets and/or earnings per share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company because they consider that the Shares can be purchased on favourable terms. The Directors do not expect there to be any material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the published audited financial statements for the year ended 31 December 2007) as a result of repurchases of Shares, if the mandate were exercised in full. However, the Directors will ensure that no purchase would be made in circumstances that would have a material adverse impact on the working capital of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors consider that such purchases are in the best interests of the Company.
- (c) The Company is empowered under its Memorandum of Association to purchase its Shares pursuant to and in accordance with Section 42A of The Companies Act 1981 of Bermuda. The Bye-laws supplement the Company's Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on redemption may only be paid out of funds of the Company otherwise available for dividend or distribution or out of the share premium account of the Company.

Should the Directors consider it desirable, they would be able to finance the purchase out of funds borrowed against any of the above-mentioned accounts. In addition, under Bermuda law, no purchase may be made by the Company if, on the date on which the purchase is to be effected, there are reasonable ground for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due. The Company is required by the Listing Rules to cancel and destroy all documents of title representing the repurchased Shares as soon as reasonably practicable after settlement of any such repurchase. The listing of all Shares which are purchased by the Company shall be cancelled upon purchase.

- (d) Repurchase of shares will be funded entirely from the Company's available cash or working capital facilities and will, in any event, be made out of funds legally available for such purpose in accordance with the Company's Memorandum of Association and Bye-laws and Bermuda law.
- (e) None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates of any of the Directors have any present intention, in the event that the proposal is approved by the Shareholders, to sell Shares to the Company.
- (f) No persons who are connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make purchases of Shares. In accordance with the Listing Rules, the Company shall not knowingly purchase Shares from a connected person on the Stock Exchange.
- (g) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, the jurisdiction in which the Company is incorporated, and in accordance with the provisions set out in the Memorandum of Association and Bye-laws.
- (h) If as a result of a Share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rules 26 and 32 of the Takeovers Code.
- (i) As at the Latest Practicable Date, COFCO Limited through its three wholly-owned subsidiaries, COFCO (Hong Kong) Limited, COFCO (BVI) No. 108 Limited and Wide Smart Holdings Limited, (the "Controlling Shareholders") was beneficially interested in 2,072,688,331 Shares representing approximately 74.25% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the aggregate shareholding of the Controlling Shareholders in the

Company would be increased to approximately 82.50% of the issued share capital of the Company. Such an increase would not give rise to any obligation to make a mandatory offer under Rules 26 or 32 of the Takeovers Code.

- (j) During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.
- (k) During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as set out as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2007		
April	5.89	4.94
May	5.41	4.82
June	5.60	4.61
July	5.80	5.00
August	5.24	3.60
September	5.68	4.77
October	5.95	4.77
November	6.30	5.66
December	6.01	5.28
2008		
January	6.69	4.75
February	5.64	4.78
March	4.88	3.45
April (up to 21 April 2008)	4.76	4.20