
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, 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 accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was 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)

PROPOSALS FOR RE-ELECTION AND ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting (the “AGM”) of China Foods Limited (the “Company”) is scheduled to be held at Mandarin Suite, World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 4 June 2013 at 3:00 p.m. The notice of the AGM is set out on pages 14 to 18 of this circular.

Whether or not you are able to attend the AGM (or any adjournment thereof), please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person should you so wish.

Beijing, 29 April 2013

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DEFINITIONS

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

| | |
|------------------------------|--|
| “AGM” | the annual general meeting of the Company to be held at Mandarin Suite, World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 4 June 2013 at 3:00 p.m. (or any adjournment thereof) |
| “Audit Committee” | the audit committee of the Board |
| “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 |
| “Company” | China Foods Limited, a company incorporated in Bermuda with limited liability, Shares of which are listed on the Stock Exchange |
| “Controlling Shareholder(s)” | shall have the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company from time to time |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars |
| “Latest Practicable Date” | 23 April 2013, 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, as amended from time to time |
| “Nomination Committee” | the nomination committee of the Board |
| “Remuneration Committee” | the remuneration committee of the Board |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Substantial Shareholder(s)” | shall have the meaning ascribed to it under the Listing Rules |
| “Takeovers Codes” | The Codes on Takeovers and Mergers and Share Repurchases |

LETTER FROM THE BOARD



CHINA FOODS LIMITED **中國食品有限公司**

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

Chairman of the Board and Non-executive Director:
Yu Xubo

Executive Directors:
Luan Xiuju (*Managing Director*)
Ning Gaoning
Mak Chi Wing, William

Non-executive Directors:
Chi Jingtao
Liu Ding
Ma Jianping
Wu Wenting

Independent Non-executive Directors:
Stephen Edward Clark
Paul Kenneth Etchells
Li Hung Kwan, Alfred
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

29 April 2013

Dear Shareholders,

PROPOSALS FOR RE-ELECTION AND ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information in connection with, among other things, proposals to (i) adopt the audited financial statements and the reports of Directors and auditors, (ii) re-elect and elect retiring Directors and to authorise the Directors to fix their remunerations, (iii) re-appoint auditors, and (iv) grant the Directors general mandates to issue and to repurchase Shares; and the notice to convene the AGM.

LETTER FROM THE BOARD

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

The Annual Report 2012 incorporating, among other things, the audited financial statements and the reports of Directors and auditors for the year ended 31 December 2012 is sent together with this circular to Shareholders on the same date. The audited financial statements have been reviewed by the Audit Committee.

3. RE-ELECTION AND ELECTION OF RETIRING DIRECTORS AND DIRECTORS' REMUNERATION

Pursuant to bye-law 111(A) of the Bye-laws, each Director (including those appointed for specific terms) shall be subject to retirement by rotation at least once every three years. In this regard, Ms. Luan Xiuju, Mr. Ma Jianping and Ms. Wu Wenting will retire and, being eligible, offer themselves for re-election at the AGM.

Pursuant to bye-law 94 of the Bye-laws, any Director appointed by the Board either to fill a casual vacancy or as an additional director to the Board shall hold office until the first general meeting of the Company after the appointment and be subject to election at such meeting. In this regard, Mr. Paul Kenneth Etchells who was appointed as an independent non-executive Director on 9 August 2012 and Mr. Yu Xubo who was appointed as the chairman of the Board and a non-executive Director on 26 March 2013 will retire and, being eligible, offer themselves for election at the AGM.

Particulars of the retiring Directors proposed to be re-elected or elected at the AGM are set out in Appendix 1 to this circular.

A proposal will also be put forward for Shareholders to authorise the Board to fix the their remuneration.

4. 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 external auditors of the Company.

LETTER FROM THE BOARD

5. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 1 June 2012, approval was given by Shareholders for the grant 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 resolution and 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 resolution. The general mandates will lapse on 4 June 2013 upon the conclusion of the AGM. Resolutions to grant fresh general mandates to the Directors will be put forth at the AGM.

An explanatory statement providing the requisite information on the proposed share repurchase mandate under the Listing Rules is set out in Appendix 2 to this circular.

6. ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 14 to 18 of this circular.

The register of members of the Company will be closed for determining the Shareholders' eligibility to attend and vote at the AGM from Monday, 3 June 2013 to Tuesday, 4 June 2013, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates must 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, not later than 4:00 p.m. on Friday, 31 May 2013.

Pursuant to bye-law 75 of the Bye-laws, any vote of Shareholders at a general meeting must be taken by poll. The results of the voting by poll will be published on the HKExnews website of the Stock Exchange and the website of the Company as soon as possible after the conclusion of the AGM.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each Share registered in his name in the register of members. A Shareholder entitled to more than one vote need not use all votes or cast all the votes in the same way.

Whether or not you are able to attend the AGM (or any adjournment thereof), please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM (or any adjournment thereof) in person should you so wish.

LETTER FROM THE BOARD

7. 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
Luan Xiuju
Managing Director

Particulars of retiring Directors standing for re-election or election at the AGM are set out below:

Ms. Luan Xiuju

Executive Director and Managing Director

Ms. Luan, 48, was appointed as an executive Director of the Company in March 2007 and the managing director in February 2011. Ms. Luan is currently the chairman of the executive committee of the Board and a director of certain subsidiaries of the Company. Ms. Luan was the chief executive officer of COFCO Coca-Cola Beverages Limited (a 65% subsidiary of the Company) from September 2003 to August 2012. Ms. Luan joined COFCO Corporation in 1989 and is currently a senior industry executive of COFCO Corporation and a director of certain subsidiaries of COFCO Corporation. Ms. Luan has extensive experience in food and beverage production, marketing and general management. Ms. Luan graduated from Renmin University of China with a Bachelor of Arts degree in economics and a Master of Arts degree in economics.

Ms. Luan does not have any other relationship with any Directors, senior management, or Substantial Shareholders or Controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

Ms. Luan has not entered into any service contract with the Company and is not appointed for a specific term, but subject to retirement by rotation and re-election provisions in accordance with the Bye-laws. Ms. Luan's remuneration is determined by the Board based on the recommendation by the Remuneration Committee with reference to her job complexity, workload and responsibilities and the Company's remuneration policy. Ms. Luan is also entitled to discretionary bonus, benefits in kind and retirement contributions. Ms. Luan's emoluments for the year 2012 is specified in the Annual Report 2012.

As at the Latest Practicable Date, Ms. Luan had an interest in 1,300,000 underlying shares under share options of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Ms. Luan's re-election that needs to be brought to the attention of the Shareholders, nor other information which is required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. Ma Jianping***Non-executive Director***

Mr. Ma, 49, was appointed as an executive Director of the Company in March 2007 and was re-designated as a non-executive Director in March 2008. Mr. Ma was a deputy general manager of the Company from June 2003 to February 2008. Mr. Ma joined COFCO Corporation in 1986 and is currently a vice president and the director of the strategy department of COFCO Corporation and a director of certain subsidiaries of COFCO Corporation. Mr. Ma is the chairman and an executive director of The Hong Kong Parkview Group Limited and a non-executive director of China Mengniu Dairy Company Limited, both companies are listed in Hong Kong; and a director of COFCO Property (Group) Co., Ltd., a company listed in Shenzhen. Mr. Ma has extensive experience in corporate finance, investment, strategic planning and management and worked in Japan for over five years. Mr. Ma graduated from University of International Business and Economics in Beijing with a degree of Executive Master of Business Administration.

Mr. Ma does not have any other relationship with any Directors, senior management, or Substantial Shareholders or Controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

According to an appointment letter renewed on 1 March 2011 (“Mr. Ma’s Appointment Letter”), Mr. Ma is appointed for a term of three years commenced on 1 March 2011 subject to termination by giving three months’ prior written notice. Mr. Ma is also subject to retirement by rotation and re-election provisions in accordance with the Bye-laws. According to Mr. Ma’s Appointment Letter, Mr. Ma is entitled to a remuneration of HK\$100,000 per annum from the Company, such remuneration was determined by the Board based on the recommendation of the Remuneration Committee with reference to the Company’s remuneration policy. Mr. Ma’s emoluments for the year 2012 is specified in the Annual Report 2012.

As at the Latest Practicable Date, Mr. Ma had an interest in 920,000 underlying shares under share options of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Mr. Ma’s re-election that needs to be brought to the attention of the Shareholders, nor other information which is required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Ms. Wu Wenting***Non-executive Director***

Ms. Wu, 49, was appointed as a non-executive Director of the Company in March 2007. Ms. Wu joined COFCO Corporation in 1992 and is currently the director of the audit and discipline department of COFCO Corporation. Ms. Wu has extensive experience in auditing and financial management. Ms. Wu graduated from Beijing Technology and Business University with a Bachelor of Arts degree in economics and from Central University of Finance and Economics with a Master of Arts degree in professional accounting.

Ms. Wu does not have any other relationship with any Directors, senior management, or Substantial Shareholders or Controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

According to an appointment letter renewed on 21 March 2013 (“Ms. Wu’s Appointment Letter”), Ms. Wu is appointed for a term of three years commenced on 21 March 2013 subject to termination by giving three months’ prior written notice. Ms. Wu is also subject to retirement by rotation and re-election provisions in accordance with the Bye-laws. According to Ms. Wu’s Appointment Letter, Ms. Wu is not entitled to any remuneration unless otherwise shall be determined by the Board based on the recommendation of the Remuneration Committee with reference to her job complexity, workload and responsibilities with the Company. Ms. Wu’s emoluments for the year 2012 is specified in the Annual Report 2012.

As at the Latest Practicable Date, Ms. Wu had an interest in 880,000 underlying shares under share options of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Ms. Wu’s re-election that needs to be brought to the attention of the Shareholders, nor other information which is required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. Paul Kenneth Etchells***Independent Non-executive Director***

Mr. Etchells, 62, was appointed as an independent non-executive Director of the Company in August 2012 and is currently a member of each of the Audit Committee and the Remuneration Committee. Mr. Etchells is an independent non-executive director of each of Samsonite International S.A. and Swire Properties Limited, both of which are listed in Hong Kong. Mr. Etchells was employed by The Coca-Cola Company from July 1998 to June 2010, and worked in the U.S.A., Mainland China and Hong Kong. Mr. Etchells has held various positions at The Coca-Cola Company, including the deputy group president of Pacific Group of The Coca-Cola Company from 2007 to 2010 and the president of China Division of The Coca-Cola Company from 2002 to 2007. Prior to joining The Coca-Cola Company, Mr. Etchells was employed by the Swire Group in Hong Kong from 1976 to 1998. Mr. Etchells graduated from the University of Leeds in the United Kingdom with a Bachelor of Arts degree in political studies, and is a fellow of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants.

Mr. Etchells does not have any other relationship with any Directors, senior management, or Substantial Shareholders or Controlling Shareholders of the Company and has not held any directorship in other listed companies in the last three years.

According to an appointment letter dated 9 August 2012 (“Mr. Etchells’s Appointment Letter”), Mr. Etchells is appointed for a term of three years commenced on 9 August 2012 subject to termination by giving three months’ prior written notice. Mr. Etchells is also subject to retirement by rotation and re-election provisions in accordance with the Bye-laws. According to Mr. Etchells’s Appointment Letter, Mr. Etchells is entitled to a remuneration of HK\$300,000 per annum from the Company, such remuneration was determined by the Board based on the recommendation by the Remuneration Committee and with reference to the remunerations paid by other listed companies in Hong Kong to independent non-executive directors. In addition, Mr. Etchells is entitled to an additional fee of HK\$5,000 for each extra meeting or written resolution which requires Mr. Etchells’s attendance, undertaking or participation, 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 Takeovers Codes. Mr. Etchells’s emoluments for the year 2012 is specified in the Annual Report 2012.

As at the Latest Practicable Date, Mr. Etchells had a personal interest in 200,000 Shares and a deemed interest in 90,000 Shares which were beneficially owned by his spouse within the meaning of Part XV of the SFO.

On the basis that the Company has received an annual confirmation from Mr. Etchells confirming his independence in accordance with Rule 3.13 of the Listing Rules, the Board is agreed that he has the required independence.

Save as disclosed above, there is no other matter relating to Mr. Etchells’s election that needs to be brought to the attention of the Shareholders, nor other information which is required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

Mr. Yu Xubo***Chairman of the Board and Non-executive Director***

Mr. Yu, 47, was appointed as the chairman of the Board and a non-executive Director of the Company on 26 March 2013. He is currently the chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Yu is also the chairman of COFCO Coca-Cola Beverages Limited (a 65% subsidiary of the Company). Mr. Yu joined COFCO Corporation in 1988 and is currently the president of COFCO Corporation and a director of certain subsidiaries of COFCO Corporation. Mr. Yu is also the chairman of COFCO Meat Investment Company Limited and a director of COFCO (Hong Kong) Limited. Currently, he is the chairman and an executive director of China Agri-Industries Holdings Limited (“China Agri”, an associated corporation of the Company), and a vice-chairman and a non-executive director of China Mengniu Dairy Company Limited, both companies are listed in Hong Kong, and a director of Glory River Holdings Limited, convertible bonds of which are listed and quoted in Singapore. Mr. Yu holds a Bachelor’s degree in economics from University of International Business and Economics in Beijing and an Executive Master of Business Administration from China Europe International Business School.

Mr. Yu does not have any other relationship with any Directors, senior management, or Substantial Shareholders or Controlling Shareholders of the Company, and has not held any directorship in other listed companies in the last three years.

According to an appointment letter dated 26 March 2013 (“Mr. Yu’s Appointment Letter”), Mr. Yu is appointed for a term of three years commenced on 26 March 2013 subject to termination by giving three months’ prior written notice. Mr. Yu is also subject to retirement by rotation and re-election provisions in accordance with the Bye-laws. According to Mr. Yu’s Appointment Letter, Mr. Yu is not entitled to any remuneration unless otherwise shall be determined by the Board based on the recommendation of the Remuneration Committee with reference to his job complexity, workload and responsibilities with the Company.

As at the Latest Practicable Date, Mr. Yu had an interest in 1,378,000 underlying shares under share options of China Agri and a deemed interest in 235,364 shares of China Agri which are beneficially owned by his spouse within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Mr. Yu’s election that needs to be brought to the attention of the Shareholders, nor other information which is required to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) of the Listing Rules.

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:

Proposal for Share Repurchase Mandate

As at the Latest Practicable Date, there were in issue an aggregate of 2,797,223,396 Shares. Based on the number of Shares in issue as of the Latest Practicable Date (and assuming that there is no change in the number of issued Shares after the Latest Practicable Date and up to the date of the AGM), 279,722,339 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 laws and the Bye-laws or 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 be less than 25% of the issued share capital of the Company.

Reasons for Share Repurchase

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 and its Shareholders because they consider that the Shares can be purchased on favourable terms.

Funding of Share Repurchase

The Company is empowered by its memorandum of association and Bye-laws to purchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the laws of Bermuda.

On the basis of the Company's current financial position, if the proposed share repurchase mandate was exercised in full at any time during the proposed repurchase period, there could be a material adverse effect on the working capital requirements of the Company or the gearing levels as compared with the audited financial statements for the year ended 31 December 2012.

However, the Directors do not propose to exercise the share repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

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 repurchased by the Company shall be cancelled upon repurchase.

Disclosure of Interests

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.

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.

Undertaking of Directors

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, and in accordance with the provisions set out in the Memorandum of Association and the Bye-laws.

Effect of the Takeovers Codes

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Codes and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Codes.

As at the Latest Practicable Date, COFCO Corporation, through its three wholly-owned subsidiaries, COFCO (Hong Kong) Limited, COFCO (BVI) No. 108 Limited and Wide Smart Holdings Limited ("CFL Controlling Shareholders"), was beneficially interested in 2,072,688,331 Shares representing approximately 74.10% 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 CFL Controlling Shareholders in the Company would be increased to approximately 82.33% 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 Codes.

Share Repurchase Made by the Company

During the six months preceding the date of the circular, no Shares have been repurchased by the Company.

Share Prices for Previous Twelve Months

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest trading prices for Shares on the Stock Exchange were set out below:

| Month | Per Share | |
|-----------------------------|------------------|---------------|
| | Highest | Lowest |
| | <i>HK\$</i> | <i>HK\$</i> |
| 2012 | | |
| April | 8.43 | 7.31 |
| May | 8.95 | 6.91 |
| June | 7.66 | 6.50 |
| July | 8.18 | 7.00 |
| August | 7.78 | 6.60 |
| September | 8.30 | 7.04 |
| October | 8.93 | 7.52 |
| November | 8.35 | 7.62 |
| December | 7.87 | 7.11 |
| 2013 | | |
| January | 7.57 | 6.67 |
| February | 6.81 | 5.03 |
| March | 5.14 | 4.40 |
| April (up to 23 April 2013) | 4.50 | 4.00 |

NOTICE OF ANNUAL GENERAL MEETING



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 (the “AGM”) of China Foods Limited (the “Company”) will be held at Mandarin Suite, World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 4 June 2013 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements and the reports of Directors and auditors for the year ended 31 December 2012.
2. To re-elect Ms. Luan Xiuju as executive director.
3. To re-elect Mr. Ma Jianping as non-executive director.
4. To re-elect Ms. Wu Wenting as non-executive director.
5. To elect Mr. Paul Kenneth Etchells as independent non-executive director.
6. To elect Mr. Yu Xubo as non-executive director.
7. To authorise the board of directors to fix their remuneration.
8. To re-appoint Ernst & Young as auditors and to authorise the board of directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, pass, with or without amendments, the following resolutions:

AS ORDINARY RESOLUTIONS

9. “**THAT:**

- (a) subject to paragraph (b) below, 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) above, 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 a 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 11 below, an amount equal to the aggregate nominal amount of all those shares which may from time to time be purchased by the Company pursuant to the general mandate granted under Resolution 10 below and this approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 a general meeting;

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members 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 recognised regulatory body or any stock exchange).”

10. **“THAT:**

- (a) subject to paragraph (c) below, 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) above 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 Company pursuant to the approval in paragraph (a) above 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 a general meeting.”
11. “**THAT** the Directors be and are hereby given a general mandate to add all those numbers 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 10 above (the “Repurchased Shares”) to the general mandate granted under Resolution 9 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 9 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 amount of the Repurchased Shares.”

By order of the Board
China Foods Limited
Luan Xiuju
Managing Director

Beijing, 29 April 2013

Notes:

1. The register of members of the Company will be closed for determining the shareholders’ eligibility to attend and vote at the AGM from Monday, 3 June 2013 to Tuesday, 4 June 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates must 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, not later than 4:00 p.m. on Friday, 31 May 2013.
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. In order to be valid, the form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged 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 appointed for holding the AGM (or any adjournment thereof).
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 was 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.
5. Completion and return of the form of proxy will not preclude a member from attending and voting at the AGM (or any adjournment thereof) in person should he so wish. In such event, the form of proxy shall be deemed to be revoked.

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6. Pursuant to bye-law 75 of the Company's Bye-laws, the voting at the AGM will be taken by poll.
7. In this notice, reference to one gender include all genders and reference to the singular include the plural and vice versa.

As at the date of this notice, the Board comprises: Mr. Yu Xubo as the chairman of the Board and a non-executive director; Ms. Luan Xiuju, Mr. Ning Gaoning and Mr. Mak Chi Wing, William as executive directors; Mr. Chi Jingtao, Ms. Liu Ding, Mr. Ma Jianping and Ms. Wu Wenting as non-executive directors; and Messrs. Stephen Edward Clark, Paul Kenneth Etchells, Li Hung Kwan, Alfred and Yuen Tin Fan, Francis as independent non-executive directors.