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CHINA FOODS LIMITED
中國食品有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00506)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of 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 Friday, 1 June 2012 at 3:30 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 of the Company for the year ended 31 December 2011.
2. To declare a final dividend of HK4.25 cents per share for the year ended 31 December 2011.
3. To re-elect Mr. Mak Chi Wing, William as executive director.
4. To re-elect Mr. Yuen Tin Fan, Francis as independent non-executive director.
5. To authorise the Board to fix the Directors' remuneration.
6. To re-appoint Ernst & Young as auditors for the year ending 31 December 2012 and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

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

AS ORDINARY RESOLUTIONS

7. “**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 9 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 8 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 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).”

8. **“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;

(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.”

9. “**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 8 above (the “Repurchased Shares”) to the general mandate granted under Resolution 7 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 7 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, 26 April 2012

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 Thursday, 31 May 2012 to Friday, 1 June 2012, both days inclusive, and for determining the shareholders’ entitlement to the proposed final dividend from Friday, 15 June 2012 to Monday, 18 June 2012, both days inclusive. In order to qualify for attending and voting at the AGM and the proposed final dividend respectively, 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, no later than 4:00 p.m. on Wednesday, 30 May 2012 (in case of qualifying for attending and voting at the AGM) and not later than 4:00 p.m. on Thursday, 14 June 2012 (in case of qualifying for the proposed final dividend).
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. 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 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.

5. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the AGM (or any adjournment thereof) should he so wish. If a member attends the AGM after having returned the form of proxy, his form of proxy will be deemed to have been revoked.
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, our executive directors are Mr. Chi Jingtao, Ms. Luan Xiuju, Mr. Ning Gaoning, Mr. Mak Chi Wing, William and Mr. Zhang Zhentao; our non-executive directors are Ms. Liu Ding, Mr. Ma Jianping and Ms. Wu Wenting; and our independent non-executive directors are Messrs. Stephen Edward Clark, Li Hung Kwan, Alfred and Yuen Tin Fan, Francis.