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CHINA FOODS LIMITED
中國食品有限公司

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

INSIDE INFORMATION ANNOUNCEMENT
POTENTIAL DISPOSAL OF INTERESTS IN CERTAIN COMPANIES ENGAGING
IN BOTTLING OPERATIONS IN THE PRC THROUGH PUBLIC SALE

Reference is made to the announcement of the Company dated 10 February 2016 in which the Company announced that the Company, The Coca-Cola Company and Swire Beverages Holdings Limited entered into a letter of intent which includes an expression of intent to negotiate the refranchising of the existing bottling operations of The Coca-Cola Company to its existing partners, including a subsidiary of the Company.

The board of directors of the Company (the “**Board**”) announces that the Company is currently considering the Potential Disposal by way of public sale through the China Beijing Equity Exchange. The Pre-Listing Disclosure will be made on the website of the China Beijing Equity Exchange at <http://www.cbex.com.cn> on 23 August 2016 in compliance with the relevant regulatory requirements in the PRC.

This announcement is made by China Foods Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Potential Disposal of the Sale Interests

Reference is made to the announcement of the Company dated 10 February 2016 in which the Company announced that the Company, The Coca-Cola Company and Swire Beverages Holdings Limited entered into a letter of intent which includes an expression of intent to negotiate the refranchising of the existing bottling operations of The Coca-Cola Company to its existing partners, including a subsidiary of the Company.

As part of such re-franchising, the Company is currently considering the disposal (the “**Potential Disposal**”) of the interests (the “**Sale Interests**”) held by its subsidiaries in certain companies and unit (together, the “**Sale Companies**”) engaging in bottling operations in the People’s Republic of China (the “**PRC**”) as set out in the table below:

	Relevant subsidiary of the Company being the seller of the Sale Interests	Sale Company	Sale Interests
1.	COFCO Beverages Hainan (HK) Limited (中糧飲料海南(香港)有限公司)	Hainan COFCO Coca-Cola Beverages Limited (海南中糧可口可樂飲料有限公司)	62.5%
2.	COFCO Coca-Cola Beverages (China) Investment Limited (中糧可口可樂飲料(中國)投資有限公司)	Hainan COFCO Coca-Cola Beverages Limited (海南中糧可口可樂飲料有限公司)	37.5%
3.	COFCO Beverages (Jiangxi) Limited (中糧飲料(江西)有限公司)	COFCO Coca-Cola Beverages (Jiangxi) Limited (中糧可口可樂飲料(江西)有限公司)	100%
4.	COFCO Coca-Cola Beverages (China) Investment Limited (中糧可口可樂飲料(中國)投資有限公司)	Zhanjiang COFCO Coca-Cola Beverages Limited (湛江中糧可口可樂飲料有限公司)	100%
5.	COFCO Beverages (Nanjing) Limited (中糧飲料(南京)有限公司)	Swire Coca-Cola Beverages Jiangsu Limited (江蘇太古可口可樂飲料有限公司)	20%
6.	COFCO Beverages (Hangzhou) Limited (中糧飲料(杭州)有限公司)	Swire Coca-Cola Beverages Zhejiang Limited (浙江太古可口可樂飲料有限公司)	20%
7.	COFCO Beverages (Guangzhou) Limited (中糧飲料(廣州)有限公司)	Swire Guangdong Coca-Cola Limited (廣東太古可口可樂有限公司)	19%
8.	COFCO Beverages (Guangzhou) Limited (中糧飲料(廣州)有限公司)	Swire Guangdong Coca-Cola Huizhou Limited (廣東太古可口可樂惠州有限公司)	7.6%
9.	COFCO Beverages (Hangzhou) Limited (中糧飲料(杭州)有限公司)	Swire Coca-Cola Beverages Wenzhou Limited (溫州太古可口可樂飲料有限公司)	7.15%
10.	COFCO Beverages Limited (中糧飲料有限公司)	Shanghai Shen-Mei Beverages Food Co., Ltd Coca-Cola Bottling Unit (上海申美飲料食品有限公司可口可樂裝瓶部) (“ Shanghai Shen-Mei ”)	14% (<i>Note</i>)

Note: Shanghai Shen-Mei is a contractual joint venture. COFCO Beverages Limited (中糧飲料有限公司) owns the rights and interests in the Coca-Cola bottling unit of such contractual joint venture corresponding to its 14% capital contribution in accordance with the relevant joint venture contract (as amended).

If the Company decides to proceed with the Potential Disposal, the Potential Disposal will be conducted publicly through the China Beijing Equity Exchange (the “**Public Sale**”) in compliance with the requirements under the “*Measures for Supervision and Administration of Enterprise State-owned Assets Transactions*” [No. 32 Decree of the Ministry of Finance, State-owned Assets Supervision and Administration Commission of the State Council] (《企業國有資產交易監督管理辦法》(國務院國資委財政部令第 32 號)) (the “**No. 32 Decree**”).

Pre-Listing Disclosure

According to the requirements under No. 32 Decree, preliminary disclosure of information relating to the Potential Disposal is required to be made to the public (the “**Pre-Listing Disclosure**”) for not less than 20 working days prior to the commencement of the formal disclosure of the Public Sale. In compliance with such requirements, the Pre-Listing Disclosure will be made on 23 August 2016 on the website of the China Beijing Equity Exchange at <http://www.cbex.com.cn>.

The Potential Disposal, if materialised, may constitute a notifiable transaction of the Company. The Board wishes to emphasise that as at the date of this announcement, neither the Company nor any of its subsidiaries is under any obligation to proceed with the Public Sale and the Public Sale may or may not happen. No binding agreement with respect to the Potential Disposal has been entered into by the Company or any of its subsidiaries as at the date of this announcement and there is no assurance that any definitive transaction will materialise. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate or required.

As the Company may or may not proceed with the Public Sale and it may or may not enter into a binding agreement with respect to the Potential Disposal, and even if it decides to do so, the Potential Disposal may or may not proceed to completion for various reasons and accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Foods Limited
Jiang Guojin
Managing Director

Hong Kong, 23 August 2016

As at the date of this announcement, the Board comprises: Mr. Ma Jianping as the chairman of the Board and a non-executive director; Mr. Jiang Guojin and Ms. Wu Wenting as executive directors; Ms. Liu Ding and Mr. Wang Zhiying 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.