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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)

PROPOSAL FOR ELECTION AND RE-ELECTION OF DIRECTORS AND GENERAL MANDATES TO ISSUE AND TO BUY-BACK 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 Forum Room I, Basement 2, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Tuesday, 11 June 2024 at 10 a.m.. A notice of the AGM is set out on pages 17 to 22 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 17/F, Far East Finance Centre, 16 Harcourt Road, 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 and in such event, the form of proxy shall be deemed to be revoked. For the avoidance of doubt, holders of treasury Shares (if any) shall abstain from voting at the AGM.

Beijing, 9 May 2024

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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 Forum Room I, Basement 2, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Tuesday, 11 June 2024 at 10 a.m. (or any adjournment thereof)
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“CCASS”	Central Clearing and Settlement System
“CG Code”	the Corporate Governance Code in Appendix 14 to the Listing Rules
“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
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars
“Latest Practicable Date”	30 April 2024, 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

DEFINITIONS

“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
“Share Buy-back Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to buy back Shares
“Share Issue Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares (including any sale or transfer of treasury Shares out of treasury)
“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
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules which will come into effect on 11 June 2024
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	per cent

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
Executive Director:*
Qing Lijun (*Managing Director*)

Executive Director:
Shen Xinwen

Non-executive Directors:
Cao Gaofeng
Chen Gang

Independent Non-executive Directors:
Li Hung Kwan, Alfred
Mok Wai Bun, Ben
Leung Ka Lai, Ada, *SBS*

Principal Office in Hong Kong:
33rd Floor, COFCO Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

9 May 2024

To the Shareholders
Dear Sir or Madam,

**PROPOSAL FOR ELECTION AND RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND TO BUY-BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

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 consolidated financial statements and the reports of Directors and auditor, (ii) declare a final dividend for the year ended 31 December 2023, (iii) elect and re-elect of retiring Directors and to authorise the Directors to fix their remunerations, (iv) re-appoint auditor, (v) grant the Share Issue Mandate and Share Buy-back Mandate to the Directors to issue Shares and buy-back Shares, respectively and (vi) grant an extension of the Share Issue Mandate, and a notice for convening the AGM.

2. ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF DIRECTORS AND AUDITOR

An annual report which incorporating, among other things, the audited consolidated financial statements and the reports of Directors and auditor for the year ended 31 December 2023 (the “**Annual Report 2023**”) was sent to Shareholders on 26 April 2024. The audited consolidated financial statements have been reviewed by the Audit Committee.

3. DECLARATION OF FINAL DIVIDEND

The Board has recommended the payment of a final dividend of RMB0.148 per Share for the year ended 31 December 2023, subject to the approval obtained at the AGM. The proposed final dividend for the year ended 31 December 2023 will be distributed on or around Wednesday, 10 July 2023 to the Shareholders whose names appear on the register of members of the Company on Friday, 21 June 2024.

As disclosed in the Company’s announcement made on 9 June 2013, the Company received the approvals of State Administration of Taxation of the People’s Republic of China which confirmed that (i) the Company is regarded as a Chinese resident enterprise; and (ii) relevant enterprise income tax policies shall be applicable to the Company starting from 1 January 2013. Thus, the Company is required to withhold 10% enterprise income tax when it distributes the final dividend for the year ended 31 December 2023 to non-resident enterprise Shareholders. Shareholders may reference to the Company’s announcement dated 19 March 2024 for further details.

For determining the Shareholders’ entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 20 June 2023 to Friday, 21 June 2024, both days inclusive, during which period no transfer of Shares will be registered. The ex-dividend date will be Tuesday, 18 June 2024. In order to qualify for the proposed final dividend, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 19 June 2024.

LETTER FROM THE BOARD

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

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 only until the first general meeting of the Company after the appointment and be subject to election at such meeting. In this regard, Mr. Cao Gaofeng (“**Mr. Cao**”) who was appointed as a non-executive Director on 26 April 2024 will retire and, being eligible, offer himself for election at the AGM.

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, Mr. Chen Gang (“**Mr. Chen**”), a non-executive Director, and Mr. Mok Wai Bun, Ben (“**Mr. Mok**”), an independent non-executive Director, will retire and, being eligible, offer themselves for re-election at the AGM.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination criteria set out in the nomination policy and measurable objectives set out in the Company's board diversity policy, and the independence of all independent non-executive Directors. The Nomination Committee and the Board are of the view that each of the retiring Director will continue to provide valuable contributions and balanced views to the Board and, having considered the depth and breadth of their professional experience, educational background and knowledge, is satisfied that each of the retiring Directors will continue to contribute to the diversity of the Board. In assessing the independence of each of the independent non-executive Directors, the Nomination Committee and the Board considered the annual confirmation of independence giving by each of them and noted that they have met the independence guidelines set out in Rule 3.13 to the Listing Rules and is independent in accordance with the terms of the guidelines.

In view of the above, the Board has agreed with the Nomination Committee's recommendation for the election of Mr. Cao as a non-executive Director, re-election of Mr. Chen as a non-executive Director and Mr. Mok as an independent non-executive Director. The Board believes that the election and re-election of the retiring Directors would be in the best interest of the Company and its Shareholders as a whole. Accordingly, resolutions will be put forwarded to the Shareholders in relation to the proposed election and re-election of the retiring Directors at the AGM.

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

A proposal will also be put forwarded for the Shareholders to authorise the Board to fix the Directors' remuneration.

LETTER FROM THE BOARD

5. RE-APPOINTMENT OF AUDITOR

The Board (which agreed to the view of the Audit Committee) recommended that, subject to the approval of the Shareholders at the AGM, PricewaterhouseCoopers be re-appointed as the external auditor of the Company.

6. SHARE ISSUE MANDATE AND SHARE BUY-BACK MANDATE

At the last annual general meeting of the Company held on 6 June 2023, approval was given by the 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 the relevant resolution and an amount equal to the aggregate nominal amount of the share capital bought back under the authority to buy back Shares; and (ii) to buy back 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 the relevant resolution. The general mandates will lapse on 11 June 2024 upon the conclusion of the AGM.

The Directors now seek the approval of the Shareholders at the AGM by way of passing ordinary resolutions for the granting of:

- (a) the Share Issue Mandate to allot, issue and deal with Shares, provided that the number of Share allotted, issued or dealt with shall not exceed 20% of the total number of issued Shares (including any sale or transfer of the treasury Shares out of treasury) as at the date of passing of the relevant resolution; and
- (b) the Share Buy-back Mandate to buy-back Shares on the Stock Exchange, provided that the total number of Shares to be bought back shall not exceed 10% of the total number of Shares (excluding any treasury Shares) in issue as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the number of Shares of the Company in issue was 2,797,223,396 Shares. Subject to the passing of the ordinary resolutions approving the Share Issue Mandate and the Share Buy-back Mandate and on the basis that no further Shares are issued or bought back following the Latest Practicable Date and up to the date of passing of such resolutions, the Directors would be authorizing to issue up to 559,444,679 new Shares and buy-back up to 279,722,339 Shares during the period up to the next annual general meeting of the Company following the AGM or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held or the revocation or variation of the Share Issue Mandate and the Share Buy-back Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

An explanatory statement providing the requisite Information as required by the Listing Rules in relation to the Share Buy-back Mandate is set out in Appendix 2 to this circular.

LETTER FROM THE BOARD

As at the date of this circular, the proposed amendments to the Listing Rules in relation to treasury shares have not become effective. The Company will only use the Share Issuance Mandate to sell or transfer the treasury Shares held by the Company from time to time (if any) according to the needs of the Company after the relevant amendments to the Listing Rules relating to treasury Shares come into effect.

7. EXTENSION OF THE SHARE ISSUE MANDATE

A resolution as set out in resolution numbered 8 of the notice of AGM forming part of this circular will also be proposed at the AGM authorizing the Directors to extend the Share Issue Mandate by the addition of an amount representing the aggregate number of any Shares bought back by the Company pursuant to the Share Buy-back Mandate provided that such extended amount shall not exceed 10% of the total number of Shares (excluding any treasury Shares) in issue as at the date of passing of the resolution numbered 8 of the notice of AGM.

8. ANNUAL GENERAL MEETING

A notice for convening the AGM is set out on pages 17 to 22 of this circular.

For determining the entitlement to attend and vote at the AGM to be held on Tuesday, 11 June 2024, the register of members of the Company will be closed from Wednesday, 5 June 2024 to Tuesday, 11 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of the Shares should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 4 June 2024.

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 website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.chinafoodsltd.com) 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.

LETTER FROM THE BOARD

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 17/F, Far East Finance Centre, 16 Harcourt Road, 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.

If Shareholders choosing not to attend the AGM in person have any questions about the relevant resolution(s), or about the Company or any matters for communication with the Board, they are welcome to contact the Company in writing to our email at CBL@hq.cofcoko.com.

If Shareholders have any questions relating to the AGM, please contact Tricor Progressive Limited, the Company's branch share registrar and transfer office in Hong Kong as follows:

Tricor Progressive Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

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 the Board
China Foods Limited
Qing Lijun
Chairman

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

Mr. Cao Gaoneng

Non-Executive Director and Member of Environmental, Social and Governance Committee

Mr. Cao, age 50, was appointed as a non-executive director of the Company on 26 April 2024. Mr. Cao is currently the director of the quality and safety management department of COFCO Corporation. Mr. Cao is currently also a director of COFCO Coca-Cola Beverages Limited which is a 65%-owned subsidiary of the Company. Mr. Cao joined COFCO Corporation in 2009 and has held various positions, including the assistant general manager of the quality and safety department, the deputy general manager (in charge of work) of the quality and safety department, the general manager of the quality and safety department, the deputy director of the quality and safety management department.

Mr. Cao graduated from Henan University of Technology (formerly known as Zhengzhou Foods College) with a major in food science and engineering, with a Bachelor of Engineering degree. Mr. Cao has extensive experience in quality and safety management.

Save as disclosed above, Mr. Cao does not have any other relationship with any directors, senior management, or substantial shareholders or controlling shareholders of the Company, and have not held any directorship in other listed companies in the last three years.

As of the Latest Practicable Date, pursuant to the relevant letter of appointment, Mr. Cao was appointed for a term of three years commencing from 26 April 2024 and subject to termination by giving three months' prior written notice. Mr. Cao is also subject to the provisions on retirement by rotation and re-election of directors in accordance with the Bye-laws. Mr. Cao is not entitled to any remuneration as a non-executive director of the Company unless otherwise shall be determined by the Board based on the recommendation of the Remuneration Committee with reference to the Company's remuneration policy.

As of the Latest Practicable Date, Mr. Cao does not have interest in shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Mr. Cao'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. Chen Gang*Non-Executive Director*

Mr. Chen Gang, 52, was appointed as a non-executive director of the Company in August 2021. Mr. Chen is currently a director of each of COFCO Coca-Cola Beverages Limited and COFCO Coca-Cola Beverages (China) Investment Limited, both of which are 65%-owned subsidiaries of the Company. Mr. Chen joined COFCO Corporation in 1994 and is currently the director of the Cooperation and Development Department and the general manager of the Supply Assurance Department of COFCO Corporation and a director of each of COFCO Oils & Fats Company Limited and COFCO Wine & Spirit (Investment) Limited (both subsidiaries of COFCO Corporation). Mr. Chen has been the executive deputy general manager of COFCO Yellowsea Grain and Oil Industries (Shandong) Co., Ltd., and the general manager of COFCO Northsea Grain and Oil Industries (Tianjin) Co., Ltd.. Mr. Chen has also held various management positions of the Group during the period from 2008 to 2016, including a deputy general manager, an assistant general manager, the chief legal counsel, the general manager of each of the confectionery business unit, kitchen food business unit and procurement department of the Company. From October 2016 to April 2019, he served as the deputy general manager of China Agri-Industries Holdings Limited, once a company listed in Hong Kong, and a director of the preparatory office of the COFCO Yingkou Lingang Grain, Oil and Food Industrial Park.

Mr. Chen has extensive experience in the research and practices of operating management of national policies, industrial development, international trade, production and processing, brand marketing and technological innovation in the field of grain, oil and food. Mr. Chen also serves as the Vice President of the China National Vegetable Oil Association, the Vice President of the Oil Chapter of the Chinese Cereals and Oils Association, and a member of the National Cereals and Oils Standardisation Technical Committee.

Mr. Chen graduated from Peking University with a Bachelor of Arts degree in law, and from Tsinghua University with a degree of Executive Master of Business Administration. Mr. Chen also held a PhD degree in Economics from Institute of Population and Labour Economics, Chinese Academy of Social Sciences.

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

As of the Latest Practicable Date, pursuant to the relevant letter of appointment, Mr. Chen was appointed for a term of three years commencing from 25 August 2021 and subject to termination by giving three months' prior written notice. Mr. Chen is also subject to the provisions on retirement by rotation and re-election of directors in accordance with the Bye-laws. Mr. Chen is not entitled to any remuneration as a non-executive Director of the Company unless otherwise shall be determined by the Board based on the recommendation of the Remuneration Committee with reference to the Company's remuneration policy.

As of the Latest Practicable Date, Mr. Chen does not have any interest in any Shares or, underlying Shares or debenture of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Mr. Chen'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. Mok Wai Bun, Ben

Independent Non-executive Director, Chairman of Remuneration Committee and Member of each of Audit Committee, Nomination Committee and Environmental, Social and Governance Committee

Mr. Mok Wai Bun, Ben, 75, was appointed as an independent non-executive director of the Company in August 2017. Mr. Mok was an independent non-executive director of Yashili International Holdings Ltd., until the company withdrew its listing in the Stock Exchange of Hong Kong on 5 July 2023. Mr. Mok served as a senior consultant for COFCO Coca-Cola Beverages Limited, a 65%-owned subsidiary of the Company, in 2012 and also served as the general manager of Beijing Coca-Cola Beverage Co., Ltd. from 2002 to 2011. From 1993 to 2001, Mr. Mok was the general manager of Hangzhou BC Foods Company Limited and Nanjing BC Foods Company Limited and also served as the general manager of Swire Beverages Limited responsible for overseeing bottling plants of Swire Beverages Limited in China.

Mr. Mok was awarded a Bachelor's degree of economics from McGill University, Canada in 1975. Mr. Mok has extensive experience in beverage production, marketing and general management.

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

As at the Latest Practicable Date, pursuant to the relevant letter of appointment, Mr. Mok was appointed for a term of three years commencing from 29 August 2023 and subject to termination by giving three months' prior written notice. Mr. Mok is also subject to the provisions on retirement by rotation and re-election of directors in accordance with the Bye-laws. Mr. Mok is entitled to a remuneration of HK\$375,000 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. Mok is entitled to an additional fee of HK\$5,000 for each extra meeting or written resolution which requires Mr. Mok'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. Mok's emolument for the year 2023 is specified in the Annual Report 2023.

As at the Latest Practicable Date, Mr. Mok does not have any interest in any shares or, underlying shares or debenture of the Company or its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other matter relating to Mr. Mok'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.

The following contains the particulars that are required by the Listing Rules to be sent to Shareholders in connection with the proposed Share Buy-back Mandate:

Proposal for Share Buy-back Mandate

As at the Latest Practicable Date, the number of Shares in the issued share capital of the Company was 2,797,223,396 Shares.

Subject to the passing of the proposed ordinary resolution approving the grant of the Share Buy-back Mandate and assuming that no further Shares are issued or bought back following the Latest Practicable Date and up to the date of the AGM, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 279,722,339 Shares, being 10% of the issued Shares (excluding any treasury Shares) as at the date of passing of the relevant resolution.

The Share Buy-back Mandate will expire on the earlier of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Bye-laws or any applicable laws; and (c) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Reasons for Share Buy-backs

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 buy back its Shares on the market. Such buy-backs, depending on the market conditions and funding arrangement at the time, may lead to an enhancement of the net assets value if the Company and/or earnings per Share. Shareholders can be assured that the Directors would only make such buy-backs 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 bought back on favourable terms.

Funding of Share Buy-backs

The Company is empowered by its memorandum of association of the Company and the Bye-laws to purchase its Shares. In buying back its Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-laws and the Companies Act 1981 of Bermuda (the “Companies Act”). The Companies Act provides that such buy-back of its own shares may only be effected out of the capital paid up on the bought back shares, or the funds of the Company that would otherwise be available for dividend or distribution, or the proceeds of a fresh issue of shares made for the purpose. The amount of premium, if any, payable on a purchase over the par value of the Shares to be bought back may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

Impact of Share Buy-backs

On the basis of the Company's current financial position, if the proposed Share Buy-back Mandate was exercised in full at any time during the proposed buy-back period, there would not be a material adverse effect on the working capital requirements of the Company or the gearing levels as compared with the audited consolidated financial statements for the year ended 31 December 2023.

However, the Directors do not propose to exercise the Share Buy-back 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.

Disclosure of Interests

To the best of the knowledge and belief of the Directors, having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention, in the event that the proposed Share Buy-back Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

Undertaking of Directors

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make buy-backs pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and all applicable laws and regulations of Hong Kong and Bermuda, and the memorandum of association of the Company and the Bye-laws.

Effect of the Takeovers Codes

If as a result of a buy-back of Shares 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, to the best knowledge and belief of the Directors, COFCO Corporation, through its indirectly wholly-owned subsidiary, China Foods (Holdings) Limited ("CF Holdings"), was beneficially interested in 2,072,688,331 Shares representing approximately 74.10% of the issued share capital of the Company, was the only Substantial Shareholder holding 10% or more of the issued share capital of the Company. In the event that the Directors exercise in full the power to buy-back Shares which is proposed to be granted pursuant to the Share Buy-back Mandate and assuming the present shareholding structure of the Company remains the same, the shareholding of CF Holdings in the Company would be increased to approximately 82.33% of the issued share capital of the Company. The Directors believe that 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 Prices for Previous Twelve Months

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

Month	Per Share	
	Highest HK\$	Lowest HK\$
2023		
April	2.93	2.81
May	2.89	2.50
June	2.78	2.49
July	2.95	2.80
August	3.00	2.73
September	2.87	2.58
October	2.83	2.63
November	2.98	2.63
December	2.94	2.68
2024		
January	3.07	2.81
February	2.99	2.92
March	3.03	2.90
April (Up to 30 April 2024)	3.00	2.91

Buy-backs of Shares Made by the Company

The Company has not bought back any Shares during the six months preceding the date of the Last Practicable Date (whether on the Stock Exchange or otherwise).

General

The Listing Rules prohibit a company from making buy-back on the Stock Exchange if the result of the buy-back would be that less than 25% (or such other prescribed percentage as determined by the Stock Exchange) of the company's issued share capital would be in public hands. The Directors do not intend to buy back Shares which would result the number of Shares held in the public hands falling below the prescribed limited as approved by the Stock Exchange.

The Company may cancel such repurchased Shares or hold them as treasury Shares (subject to the relevant Listing Rules relating to treasury Shares coming into effect), subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

For any treasury Shares deposited with CCASS pending resale on the Stock Exchange, the Company shall (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions, or take any other measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury Shares.

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 Forum Room I, Basement 2, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Tuesday, 11 June 2024 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY BUSINESS

1. To consider and adopt the audited consolidated financial statements and the reports of directors of the Company and auditor for the year ended 31 December 2023.
2. To declare a final dividend of RMB0.148 per share for the year ended 31 December 2023.
3. To elect Mr. Cao Gaofeng as a non-executive director of the Company.
4. To re-elect Mr. Chen Gang as a non-executive director of the Company.
5. To re-elect Mr. Mok Wai Bun, Ben as an independent non-executive director of the Company.
6. To authorise the board of directors (the “Board”) to fix the directors’ remuneration.
7. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix its remuneration.

SPECIAL BUSINESSES

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

NOTICE OF ANNUAL GENERAL MEETING

AS ORDINARY RESOLUTIONS

8. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Director(s)**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares (including any sale or transfer of treasury shares (which shall have the meaning ascribed to it under the Listing Rules coming into effect on 11 June 2024) out of treasury) of HK\$0.10 each in the capital of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (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;
 - (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 (the “**Bye-laws**”);

NOTICE OF ANNUAL GENERAL MEETING

- (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 (“Shareholders”) in a general meeting;

shall not exceed 20% of the total number of Shares (excluding any treasury shares) in issue on the date of passing of this resolution and this approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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 the Bye-laws or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of an ordinary resolution passed by the Shareholders in a general meeting of the Company;

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company 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, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

9. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back its own Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognized by the Securities and Future Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations of Hong Kong and Bermuda, the memorandum and association of the Company, the Bye-laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) in this resolution shall be in addition to any other authorisation given to the Directors;
- (c) the total number of Shares which the Company is authorised to buy back pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of Shares (excluding any treasury shares) of the Company in issue on the date of the passing of this resolution and this 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 the Bye-laws or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the Shareholders in a general meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** conditional upon the passing of the resolutions numbered 8 and 9 as set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue and otherwise deal with additional Shares pursuant to resolution numbered 8 set out above be and is hereby extended by the addition thereto of the number of Share of the Company bought back under the authority granted pursuant to resolution numbered 9 set out above, provided that such extended number shall not exceed 10% of the total number of Shares (excluding any treasury shares) in issue at the date of passing this resolution.”

By order of the Board
China Foods Limited
Qing Lijun
Chairman

Beijing, 9 May 2024

Notes:

1. 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.
2. 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 notorially certified copy thereof, must be lodged at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, 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).
3. 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.
4. 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.
5. For determining the Shareholders’ eligibility to attend and vote at the AGM to be held on Tuesday, 11 June 2024, the register of members of the Company will be closed from Wednesday, 5 June 2023 to Tuesday, 11 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 4 June 2024.

NOTICE OF ANNUAL GENERAL MEETING

6. For determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 20 June 2024 to Friday, 21 June 2024, both days inclusive, during which period no transfer of Shares will be registered. The ex-dividend date will be Tuesday, 18 June 2024. In order to qualify for the proposed final dividend, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 19 June 2024.
7. Pursuant to bye-law 75 of the Company's Bye-laws, the voting at the AGM will be taken by poll.
8. If a black rainstorm warning signal, or a tropical cyclone warning signal no.8 or above or "extreme conditions" caused by super typhoons is in force at or at any time after 8:00 a.m. on the date of the AGM, the AGM will be automatically postponed. The Company will publish an announcement on the Company's website at www.chinafoodsltd.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.

The AGM will be held as scheduled when an amber or a red rainstorm warning is in force. Shareholders should decide on their own whether they would attend the AGM under bad weather condition bearing in mind their own situations.

9. 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. Qing Lijun as the chairman of the Board and an executive director; Mr. Shen Xinwen as an executive director; Mr. Caofeng and Mr. Chen Gang as non-executive directors; and Mr. Li Hung Kwan, Alfred, Mok Wai Bun, Ben and Ms. Leung Ka Lai, Ada, SBS as independent non-executive directors.