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# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 RE-ELECTION OF DIRECTOR AND GENERAL MANDATES TO ISSUE AND TO BUY-BACK SHARES AND NOTICE OF ANNUAL GENERAL MEETING

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The annual general meeting (the "AGM") of China Foods Limited (the "Company") is scheduled to be held at Mandarin's Suite, World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 7 June 2022 at 4:00 p.m.. The notice of the AGM is set out on pages 16 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 Level 54, Hopewell Centre, 183 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.

#### PRECAUTIONARY MEASURES FOR THE AGM

In view of the ongoing epidemic caused by novel coronavirus pneumonia (COVID-19), precautionary measures will be taken to prevent and control the spread of the disease at the AGM, including:

- Compulsory temperature checks for all attendees;
- prohibition from attendance at the AGM if the attendee has a fever. Persons exhibiting flu-like symptom may also be refused admittance to the venue of the AGM;
- Compulsory wearing of surgical face masks throughout the AGM;
- maintaining proper distance between seats; and
- No refreshment will be served and no souvenirs will be distributed.

Any person who does not comply with the precautionary measures will be denied entry into the AGM venue. **Shareholders are reminded that they may consider appointing the chairman of the AGM as his/her proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.**

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## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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In view of the ongoing epidemic caused by novel coronavirus pneumonia (COVID-19) and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the AGM against the epidemic to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will be denied entry into the AGM venue or be required to leave the AGM venue;
- (ii) Prohibition from attendance at the AGM if the attendee has a fever. Persons exhibiting flu-like symptom may also be refused admittance to the venue of the AGM;
- (iii) Every attendee is required to wear a surgical facial mask before he/she is permitted to attend, and throughout his/her attendance of the AGM at all times;
- (iv) Appropriate distance between seats will be maintained. Attendees are advised to maintain appropriate social distance with each other at all times when attending the AGM; and
- (v) No refreshment will be served, and no souvenirs will be distributed.

To the extent permitted under the laws, regulations and Listing Rules, the Company reserves the right to deny entry into the AGM venue or require any person, who does not comply with the precautionary measures, to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of Shareholder's health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may consider appointing the chairman of the AGM as his/her proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person. If any Shareholder wishes to attend the AGM in person, the Shareholder is advised to pay attention to the latest epidemic-control and protection arrangements implemented by Hong Kong Government.

**Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change or adopt contingency plans for the AGM arrangements at short notice. Shareholders are advised to check the latest announcement published by the Company for future updates on the AGM arrangements.**

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## DEFINITIONS

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*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’s Suite, World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 7 June 2022 at 4:00 p.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
“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”	26 April 2022, 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

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## DEFINITIONS

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“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;
“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 Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“%”	per cent

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## LETTER FROM THE BOARD

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### 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:*

Chen Lang

*Executive Directors:*

Qing Lijun (*Managing Director*)

Shen Peng

*Non-executive Directors:*

Chen Zhigang

Chen Gang

*Independent Non-executive Directors:*

Stephen Edward Clark

Li Hung Kwan, Alfred

Mok Wai Bun, Ben

*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

29 April 2022

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR RE-ELECTION OF DIRECTOR  
AND  
GENERAL MANDATES TO ISSUE AND TO BUY-BACK 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 consolidated financial statements and the reports of Directors and auditor, (ii) declare a final dividend for the year ended 31 December 2021,

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## **LETTER FROM THE BOARD**

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(iii) re-elect of retiring Director and to authorise the Directors to fix their remunerations, (iv) re-appoint auditor, and (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 the notice to convene 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 2021 (the “Annual Report 2021”) is sent together with this circular to Shareholders on the same date. The audited consolidated financial statements have been reviewed by the Audit Committee.

### **3. DECLARATION OF FINAL DIVIDEND**

The Board recommended the payment of a final dividend of RMB0.102, equivalent to HK12.5 cents, per share for the year ended 31 December 2021, subject to the approval obtained at the AGM. The proposed final dividend for the year ended 31 December 2021 will be distributed on or around Friday, 8 July 2022 to the Shareholders whose names appear on the register of members of the Company on Friday, 17 June 2022.

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 2021 to non-resident enterprise Shareholders. Shareholders may reference to the Company’s announcement dated 29 March 2022 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, 16 June 2022 to Friday, 17 June 2022, both days inclusive, during which period no transfer of Shares will be registered. The ex-dividend date will be Tuesday, 14 June 2022. 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 Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 15 June 2022.

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## LETTER FROM THE BOARD

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### **4. RE-ELECTION OF RETIRING DIRECTOR 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, Mr. Chen Lang ("Mr. Chen"), a non-executive Director ("Retiring Director"), will retire and, being eligible, offer himself for re-election at the AGM.

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

The Nomination Committee had evaluated the performance of the Retiring Director for the year ended 31 December 2021 based on the nomination policy of the Company and found his performance satisfactory. The Nomination Committee also reviewed his respective skills, knowledge and experience having regard to the board diversity policy of the Company and believes that he will continue to bring valuable contributions to the Board. Therefore, the Nomination Committee has recommended him to the Board to stand for re-election at the AGM pursuant to the Bye-Laws. The Board believes that the re-election of the Retiring Director would be in the best interest of the Company and its Shareholders as a whole.

Accordingly, resolution will be put forwarded to the Shareholders in relation to the proposed re-election of the Retiring Director at the AGM.

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

### **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 1 June 2021, 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 7 June 2022 upon the conclusion of the AGM.

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## LETTER FROM THE BOARD

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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 aggregate nominal amount of the share capital of the Company in issue 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 aggregate nominal amount of Shares to be bought back shall not exceed 10% of the aggregate nominal amount of the capital of the Company in issue 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 authorised to issue up to 559,444,679 Shares representing 20% of the aggregate nominal amount of issued share capital of the Company and buy-back up to 279,722,339 Shares representing 10% of the aggregate nominal amount of issued share capital of the Company 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 of this circular.

### **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 authorising 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 aggregate nominal amount of the capital in issue of the Company on the date of passing of the resolution numbered 8 of the notice of AGM.

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## LETTER FROM THE BOARD

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### 8. ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 16 to 22 of this circular.

For determining the entitlement to attend and vote at the AGM to be held on Tuesday, 7 June 2022, the register of members of the Company will be closed from Thursday, 2 June 2022 to Tuesday, 7 June 2022, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1 June 2022.

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](http://www.hkexnews.hk)) and the website of the Company ([www.chinafoodsltd.com](http://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.

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 Level 54, Hopewell Centre, 183 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.

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](mailto: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  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

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## LETTER FROM THE BOARD

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### 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**  
**Chen Lang**  
*Chairman*

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

**Mr. Chen Lang**

***Chairman of the Board and Non-executive Director, Chairman of Nomination Committee and Member of Remuneration Committee***

Mr. Chen, 56, was appointed in April 2019 as a non-executive Director and the chairman of the Board. Mr. Chen joined COFCO Corporation in April 2019 and is currently an executive vice president of COFCO Corporation and a director of certain subsidiaries of COFCO Corporation, including a director of China Foods (Holdings) Limited and the chairman of COFCO WOMAI.COM Investment Limited (中糧我買網投資有限公司). Mr. Chen is also a director of COFCO Beverages Limited, a wholly-owned subsidiary of the Company, and a director and the chairman of the board of directors of each of COFCO Coca-Cola Beverages Limited and COFCO Coca-Cola Beverages (China) Investment Ltd., both of which are 65%-owned subsidiaries of the Company. Currently, Mr. Chen is also a non-executive director and the chairman of the board of directors of China Mengniu Dairy Company Limited, a company listed in Hong Kong. In the past, Mr. Chen has served as a director and the chairman of the board of directors of China Resources Enterprise, Limited, an executive vice president of China Resources (Holdings) Company Limited, a director of CRH (Beer) Limited, the chairman of China Resources Snow Breweries (China) Investment Co., Ltd., a director of China Resources Company Limited (formerly known as China Resources National Corporation), the chief executive officer and the chairman of the board of directors of China Resources Vanguard Co., Ltd., the chairman of China Resources Ng Fung Limited and China Resources C'estbon Beverage (China) Investment Co., Ltd. and a vice chairman and the chief executive officer of China Resources Logic Limited (now renamed as China Resources Gas Group Limited). Mr. Chen was a vice chairman of the board of directors and a member of strategy committee of Shanxi Xinghuacun Fen Wine Factory Co., Limited (山西杏花村汾酒廠股份有限公司), a company listed in Shanghai, until June 2019; and an executive director and the chairman of the board of directors of China Resources Beer (Holdings) Company Limited, a company listed in Hong Kong, until July 2019.

Mr. Chen holds a Bachelor of Economics degree from Anhui University, China and a Master of Business Administration degree from the University of San Francisco, USA.

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 at the Latest Practicable Date, pursuant to the relevant letter of appointment, Mr. Chen was appointed for a term of three years commencing from 26 April 2022 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. In addition, Mr. Chen is not entitled to any remuneration as a non-executive Director of the Company according to the appointment letter 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 at the Latest Practicable Date, Mr. Chen does not have any interest in any shares, 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 any 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 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 2021.

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.

The Company is required by the Listing Rules to cancel and destroy all documents of title representing the Shares which are bought back by the Company as soon as reasonably practicable after settlement of any such buy backs. The listing of all Shares which are bought back by the Company shall be automatically cancelled upon buy-backs.

**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:

<b>Month</b>	<b>Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2021</b>		
April	3.36	3.03
May	3.36	3.01
June	3.22	2.81
July	2.86	2.45
August	2.78	2.48
September	2.86	2.60
October	3.25	2.74
November	3.10	2.75
December	3.06	2.76
<b>2022</b>		
January	3.21	2.95
February	3.53	3.16
March	3.69	2.61
April (Up to 26 April 2022)	2.94	2.66

**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.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **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’s Suite, World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 7 June 2022 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

#### **ORDINARY BUSINESS**

1. To consider and adopt the audited consolidated financial statements and the reports of directors of the Company and auditor for the year ended 31 December 2021.
2. To declare a final dividend of RMB0.102, equivalent to HK12.5 cents, per share for the year ended 31 December 2021.
3. To re-elect Mr. Chen Lang as a non-executive director of the Company.
4. To authorise the board of directors (the “Board”) to fix the directors’ remuneration.
5. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

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

#### AS ORDINARY RESOLUTIONS

6. **“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 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 nominal amount of share capital 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”);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 aggregate nominal amount of the share capital of the Company 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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. **“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 aggregate nominal amount of the 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 aggregate nominal amount of the share capital 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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT** conditional upon the passing of the resolutions numbered 6 and 7 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 6 set out above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the ordinary share capital of the Company bought back under the authority granted pursuant to resolution numbered 7 set out above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of passing this resolution.”

By order of the Board  
**China Foods Limited**  
**Chen Lang**  
*Chairman*

Beijing, 29 April 2022

*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. In light of the epidemic situation of novel coronavirus pneumonia (COVID-19), Shareholders are reminded that they may consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.
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 notarially certified copy thereof, must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, at Level 54, Hopewell Centre, 183 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).
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.

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5. For determining the Shareholders' eligibility to attend and vote at the AGM to be held on Tuesday, 7 June 2022, the register of members of the Company will be closed from Thursday, 2 June 2022 to Tuesday, 7 June 2022, 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 1 June 2022.
6. For determining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 16 June 2022 to Friday, 17 June 2022, both days inclusive, during which period no transfer of shares will be registered. The ex-dividend date will be Tuesday, 14 June 2022. 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 15 June 2022.
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 2:00 p.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](http://www.chinafoodsltd.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://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 view of the ongoing epidemic caused by novel coronavirus pneumonia (COVID-19) and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the AGM against the epidemic to protect attending Shareholders, staff and other stakeholders from the risk of infection:
  - (i) Compulsory body temperature checks will be conducted on every Shareholder and proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will be denied entry into the AGM venue or be required to leave the AGM venue;
  - (ii) Prohibition from attendance at the AGM if the attendee has a fever. Persons exhibiting flu-like symptom may also be refused admittance to the venue of the AGM;
  - (iii) Every attendee is required to wear a surgical facial mask before he/she is permitted to attend, and throughout his/her attendance of the AGM at all times;
  - (iv) Appropriate distance between seats will be maintained. Attendees are advised to maintain appropriate social distance with each other at all times when attending the AGM; and
  - (v) No refreshment will be served, and no souvenirs will be distributed.

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## NOTICE OF ANNUAL GENERAL MEETING

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To the extent permitted under the laws, regulations and Listing Rules, the Company reserves the right to deny entry into the AGM venue or require any person, who does not comply with the precautionary measures, to leave the AGM venue in order to ensure the safety of the attendees at the AGM.

In the interest of Shareholder's health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may consider appointing the chairman of the AGM as his/her proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person. If any Shareholder wishes to attend the AGM in person, the Shareholder is advised to pay attention to the latest epidemic-control and protection arrangements implemented by Hong Kong Government.

10. 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. Chen Lang as the chairman of the Board and a non-executive director; Mr. Qing Lijun and Mr. Shen Peng as executive directors; Mr. Chen Zhigang and Mr. Chen Gang as non-executive directors; and Messrs. Stephen Edward Clark, Li Hung Kwan, Alfred and Mok Wai Bun, Ben as independent non-executive directors.*