



CHINA FOODS LIMITED
中國食品有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 00506)

Terms of Reference of the Executive Committee

Adopted in March 2011
1st updated in March 2012
2nd update in March 2013

CONTENT

	Page No.
Constitution	1
Membership	1
Responsibility	1
Quorum	1
Frequency of meetings	2
Notice of meetings	2
Committee secretary	2
Minutes of meetings	2
Authority	3
Reporting procedures	4

Constitution

1. The board of directors (the “**Board**”) of China Foods Limited (the “**Company**”) resolved on 28 March 2011 to establish a committee known as the Executive Committee (the “**Committee**”) to assist the Board to deal with and supervise the day-to-day business operations, management and administration of the Company and its subsidiaries (together the “**Group**”).

Membership

2. The Committee shall comprise all the executive directors of the Company from time to time and shall function and discharge its duties in accordance with these terms of reference, which are approved by the Board subject to the variation, amendments or modifications that the Board may approve from time to time.
3. The Managing Director shall be the chairman of the Committee (the “**Chairman**”).
4. The office of a Committee member shall be vacated:-
 - i) if he/she gives the Board notice in writing that he/she resigns his/her office of Committee member;
 - ii) if his/her office of director is vacated for any reason; or
 - iii) if his/her role as an executive director changes to that of a non-executive director.

Responsibility

5. The primary responsibility of the Committee is to deal with and supervise the day-to-day business operations, management and administration of the Group.

Quorum

6. A quorum shall be two members and one of them must be the Chairman.

Frequency of meetings

7. The Committee members may meet at any time for the discharge of business, adjourn and otherwise regulate their meetings as they think fit.
8. Matters considered at the Committee meetings shall be decided by a majority of votes of those Committee members present at the meetings. In case of an equality of votes, the Chairman shall have a casting vote which shall be final and conclusive.
9. A resolution in writing signed by all the Committee members except for those who are absent from Hong Kong and China or temporarily unable to act due to ill-health or disability shall be valid and effective as if it had been passed at a meeting of the Committee, provided that in any event the minimum number of signatories shall not be less than two and one of them must be that of the Chairman.

Notice of meetings

10. A Committee member may at any time call a meeting of the Committee or authorize the company secretary to call a meeting of the Committee.
11. Notice of a meeting of the Committee may be verbal or in writing or in any other form approved by the Committee.

Committee Secretary

12. The company secretary shall be the secretary of the Committee. The secretary of the Committee or, in his/her absence, the assistant company secretary or a representative of the company secretary shall be the secretary of the meetings of the Committee.

Minutes of meetings

13. The company secretary shall cause all minutes, resolutions and proceedings at all meetings of the Committee to be kept in the Directors' minutes book and such documents shall be open for inspection at any time during office hours on reasonable notice by any Committee member or other director.

Authority

14. The Committee shall have all the powers of the Board contained, authorised and/or regulated in the bye-laws of the Company. However, the Committee shall not have the power:
- i) to declare an interim dividend or to recommend the final dividend and any other distributions;
 - ii) to grant options in respect of the share option scheme adopted by the Company from time to time;
 - iii) to change the memorandum and bye-laws of the Company;
 - iv) to approve (a) any transaction which constitutes a connected transaction or a continuing connected transaction as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (except the de minimis transactions and the issue of new securities to a connected person who receives a pro rata entitlement to securities in its/his/her capacity as a shareholder as referred to therein); and (b) any transaction which constitutes one of the notifiable transactions as referred to in Chapter 14 of the Listing Rules;
 - v) to approve any disclosure to be made by the Company pursuant to the Listing Rules;
 - vi) to approve the adoption of and amendments to the share option schemes of the Company and/or its subsidiaries;
 - vii) to approve capital restructuring (except repurchase of shares pursuant to the general mandate granted or to be granted by shareholders from time to time);
 - viii) to approve financial statements;
 - ix) to approve appointment and remuneration (including bonus) of the directors and auditors of the Company; and
 - x) to recommend to the members of the Company for winding up the Company.

Reporting

15. The Committee shall, with the assistance of the secretary of the Committee, report to the Board at each regular Board meeting any key decisions made by the Committee since the last regular Board meeting.