



Wednesday 27 May 2009

China Food Company Plc
("China Food" or the "Company")

Annual General Meeting and Trading Update

China Food (AIM: CFC.L), manufacturer of branded consumer condiment products and animal feeds based in the Shandong province of the People's Republic of China (the "PRC"), will today hold its Annual General Meeting at 11.30am at 4 Coleman Street, London, EC2R 5TA.

Trading Update

The Board is pleased to report that the Company traded profitably in the first quarter of 2009 despite the global economic slowdown. However, both of the Company's business divisions, Consumer Condiments and Animal Feeds, were affected by the sudden contraction in the global and Chinese economy at the beginning of this year.

The Animal Feed business has been particularly affected with reduced demand, increased competition and lower prices which are expected to stretch to the end of the current year for this division.

The Company's Consumer Condiments division has also been affected by its consumers choosing lower priced products over premium products and the slowdown in its restaurants and corporate gift business. However, China's stimulus package which amounted to RMB4 trillion in November last year has to date been positive with GDP growth for 1st quarter of 6.1% (its lowest in 10 years) now expected to improve for the 2nd quarter. Accordingly, the Company is hopeful that its Consumer Condiments business will improve in the second half of the year.

Amidst the uncertain global and domestic economic environment, the Board has adopted a more conservative plan for 2009 under which it is reducing its overheads, and has already adjusted its pricing and product strategy to meet with the more sombre consumer demand.

Although the Company continues to trade profitably, the Board expects profits to be significantly lower in the first half when compared to 2008. The Board is hopeful of an improved performance in the second half as the economy starts to pick up but given current conditions does not expect results for 2009 to match those achieved in 2008.

The Company's new soya sauce production facility is still expected to be completed in the second half of 2009, subject to receiving the funds from the new bank facility which remains under discussion. Current gearing levels remain low.

Commenting, John McLean, Chairman of China Food Company, said:

"China Food has grown significantly over the last few years both leveraging and also exceeding the levels of growth seen in the China market. However, reflecting the wider Chinese economy, growth has slowed for the time being but China Food remains in a good position with its manufacturing efficiency, corporate controls and strong balance sheet to take advantage of the economic improvement, when it occurs. I remain confident of the Company's long term future."

Note to editors: www.chinafoodcompany.com

The Company comprises a group of well-established Chinese food manufacturing businesses producing a range of condiment products, including soya sauce and vinegar, under its "Fushi" and "Fushi Hao Tai Tai" brand names and a range of animal feeds covering premix, concentrate and compound feedstuffs. China Food is the 9th largest Soya sauce manufacturer in China and operates in one of the fastest growing segments within the PRC's food industry reflecting the increasing purchasing power of Chinese consumers. The Company's primary market is in Shandong, China's second largest province, as well as its neighbouring provinces. China Food sells its products via a

network of approximately 205 distributors, retailers and numerous outlets of large and medium sized supermarket chains in ten provinces and municipal cities in the north-eastern region of the PRC, including Wal Mart, Carrefour, Tesco, Shiji Lianhua and Jialejia.

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