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CHINA YURUN FOOD GROUP LIMITED

中國雨潤食品集團有限公司*

(Incorporated in the Bermuda with limited liability)

(Stock Code : 1068)

INSIDE INFORMATION UPDATE ON CONSOLIDATED RESTRUCTURING

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

Introduction

Reference is made to the announcements of the Company dated February 23, 2021 and April 30, 2021 (the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. As disclosed in the Announcements, the Company was informed that the administrator of Nanjing Yurun (the “**Administrator**”) had submitted the Consolidated Restructuring Application in relation to Nanjing Yurun and Anhui Furun as well as the Companies to the Court and the Court has decided to commence the consolidated restructuring of Nanjing Yurun and Anhui Furun as well as the Companies (the “**Relevant Subsidiaries**”).

Update on the progress of the Consolidated Restructuring of the Relevant Subsidiaries

As indicated by the Administrator, for the purpose of discharging its duties under the Enterprise Bankruptcy Law of the People’s Republic of China (企業破產法) (the “**Enterprise Bankruptcy Law**”), the Administrator will commence taking over of the Relevant Subsidiaries’ property, seals, account books and documents on May 25, 2021 according to the laws and expects to complete the relevant work within one week therefrom. The Administrator can discharge its duties and exercise its rights in relation to the restructuring in accordance with the domestic laws of the People’s Republic of China during the Consolidated Restructuring period, which include, taking over the property of the Relevant Subsidiaries, representing the Relevant Subsidiaries in litigations and making decisions on internal management matters.

Impact on the Group’s financial position and business operations upon the completion of the takeover by the Administrator

As 44 Relevant Subsidiaries will be taken over by the Administrator, the Company is currently seeking advice from its PRC legal advisor and accountants in relation to the impact on the Group’s financial position and business operations upon the completion of the takeover by the Manger.

As at the date of this announcement, no restructuring plan in relation to the Relevant Subsidiaries is formulated. The Relevant Subsidiaries will communicate with the Administrator and creditors so as to pursue the formulation of the restructuring plan. Further announcement(s) will be made by the Company as and when required under the Listing Rules in due course to update the Shareholders and potential investors on the progress of the Consolidated Restructuring, and its impact on the Group’s financial position and business operations.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Zhu Yuan
Chairman

Hong Kong, May 25, 2021

As at the date of this announcement, the executive Directors of the Company are Zhu Yuan and Yang Linwei; the independent non-executive directors are Gao Hui, Chen Jianguo and Miao Yelian.

**For identification purposes only*