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CHINA YURUN FOOD GROUP LIMITED

中國雨潤食品集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1068)

CONTINUING CONNECTED TRANSACTIONS HOGS PURCHASE FRAMEWORK AGREEMENT AND RAW PORK SUPPLY FRAMEWORK AGREEMENT

THE HOGS PURCHASE FRAMEWORK AGREEMENT

As the Existing Purchase Framework Agreement will expire on 31 December 2024, the Company entered into the Hogs Purchase Framework Agreement with the Selling Entity on 12 December 2024 for the continual sourcing of hogs from the Selling Entity and/or its subsidiaries and/or associates pursuant to the terms thereof upon expiry of the Existing Purchase Framework Agreement.

THE RAW PORK SUPPLY FRAMEWORK AGREEMENT

As the Existing Raw Pork Supply Framework Agreement will expire on 31 December 2024, the Company entered into the Raw Pork Supply Framework Agreement with the Raw Pork Purchasing Entities on 12 December 2024 for the continual supply of raw pork to the Raw Pork Purchasing Entities and/or their respective subsidiaries and/or associates pursuant to the terms thereof upon expiry of the Existing Raw Pork Supply Framework Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Mr. Zhu is a substantial shareholder of the Company who is indirectly interested in approximately 25.82% of the issued shares of the Company, and is therefore a connected person of the Company under the Listing Rules. The Selling Entity and the Raw Pork Purchasing Entities, being entities owned and/or controlled by Jiangsu Yurun Delicacies. As Jiangsu Yurun Delicacies is held as to approximately 33.00% by Mr. Zhu, the Selling Entity and the Raw Pork Purchasing Entities have respectively become connected persons of the Company under the Listing Rules. The transactions contemplated under each of the Hogs Purchase Framework Agreement and the Raw Pork Supply Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual caps under each of the Hogs Purchase Framework Agreement and the Raw Pork Supply Framework Agreement are, on an annual basis, more than 0.1% but are less than 5%, the transactions contemplated under each of the Hogs Purchase Framework Agreement and the Raw Pork Supply Framework Agreement are respectively subject to the reporting, annual review and announcement requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. THE HOGS PURCHASE FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 21 December 2021 regarding its sourcing of hogs from the then selling entities for a period from 1 January 2022 to 31 December 2024 pursuant to the Existing Purchase Framework Agreement.

As the Existing Purchase Framework Agreement will expire on 31 December 2024, the Company entered into the Hogs Purchase Framework Agreement with the Selling Entity on 12 December 2024 for the continual sourcing of hogs from the Selling Entity upon expiry of the Existing Purchase Framework Agreement.

The principal terms of the Hogs Purchase Framework Agreement are described below:

- Date** : 12 December 2024
- Parties** : (i) the Company (for and on behalf of the members of the Group), as the buyer; and
(ii) the Selling Entity, as the seller.
- Term** : Commencing on 1 January 2025 and ending on 31 December 2027.
- Principal terms** : The Selling Entity shall and shall procure its subsidiaries and/or associates to supply hogs to the Group for its production use.
- Pricing** : The price for the sourcing of hogs shall be determined on an arm's length basis, and negotiated between the parties to the Hogs Purchase Framework Agreement with reference to the market price at the time the purchase order is placed, provided that such price shall not be higher than the average price paid by the Group to other independent third parties on an arm's length basis and normal commercial terms for the same type of products during the six months immediately before the order is placed.
- The Group may, before it places any purchase order with the Selling Entity pursuant to the Hogs Purchase Framework Agreement, obtain price quotations from or transaction information from other suppliers who are independent third parties for the supply of the same or similar type of products required by the Group. If the Group proceeds to place a purchase order with the Selling Entity for hogs, the price and other conditions at which such products are to be offered by the Selling Entity shall be no less favorable than those offered by the independent third parties to the Group.
- Delivery and payment arrangements** : The relevant buyer (being a member of the Group) shall send a purchase order to the seller specifying the quantity and types of hogs required for the coming month not less than seven days prior to the end of month. The relevant buyer (being a member of the Group) shall settle the payment within seven days after the weight of hogs has been determined. The relevant buyer (being a member of the Group) shall notify the seller two days prior to the intended date of delivery in respect of the delivery arrangement.

Proposed annual caps

The historical purchase amounts of hogs paid by the Group to the then selling entities in respect of the transactions contemplated under the Existing Purchase Framework Agreement and the proposed annual caps for the continuing connected transactions pursuant to the Hogs Purchase Framework Agreement are set out below:

Historical transaction amounts (financial year ended/period ended)	RMB	HK\$ (Equivalent approximate)
31 December 2022	2,930,000	3,390,000 (<i>Note</i>)
31 December 2023	330,000	370,000 (<i>Note</i>)
31 October 2024 (unaudited, based on the Group's management accounts)	nil	nil
Proposed annual caps (financial year ending)		
31 December 2025	2,000,000	2,165,000
31 December 2026	4,000,000	4,329,000
31 December 2027	6,000,000	6,494,000

Note: the conversion of RMB into HK\$ is based on the exchange rate used in the annual report of the Company for the years 2022 and 2023, respectively.

There has been no transaction under the Existing Purchase Framework Agreement for the ten months ended 31 October 2024 due to weak consumer demand in the end market leading to a decrease in hog slaughter volumes. However, the annual caps under the Hogs Purchase Framework Agreement are mainly determined by the Group's anticipated demand for hogs, the variety of products that the Group offers, its business development and the anticipated inflation, with reference to the actual purchase amount by the Group under the Existing Purchase Framework Agreement.

REASONS FOR ENTERING INTO THE HOGS PURCHASE FRAMEWORK AGREEMENT

The Group is one of the leading meat product suppliers in the PRC which offers a wide range of raw pork (chilled and frozen) and processed meat with a particular focus on pork products. The Group is more prudent as to the sourcing of hogs due to the outbreak of African Swine Fever in the PRC in recent years. The Directors believe that sourcing hogs directly from large-scale hog breeding companies is more reliable, particularly with respect to quality control and epidemic prevention, and therefore the purchase from quality hog suppliers in the market (such as the Seller Entity) is beneficial to the Group. The Group has decided to extend the existing arrangements and proceed with sourcing hogs from the Selling Entity, as the Selling Entity is a stable and trustworthy supplier of quality raw poultry meat, and the Directors believe it is cost-effective and efficient to source such products from the Selling Entity.

INTERNAL CONTROL PROCEDURES

Regarding the Hogs Purchase Framework Agreement, the Directors are of the view that the Company has implemented adequate internal control procedures and steps when carrying out the continuing connected transactions contemplated under the agreement.

To protect the interests of the Company and the shareholders of the Company as a whole, the Company has adopted and will continue to carry out the following internal control measures:

- (a) the fresh meat department will consider the Group's brand image, product positioning, brand image of agency channels and target customers so as to select the suitable suppliers;
- (b) the procurement and management departments of the Group will conduct survey on information regarding local markets of the Group, including comparison of quotations obtained from various suppliers, regular review of sourcing price of products, and corresponding adjustments, as and when appropriate, upon change in market price;
- (c) the staff of the fresh meat department will compare the purchase price payable to other similar type of suppliers who sell similar products, and be responsible to negotiate the purchase price on an arm's length basis. The purchase price will then be approved by the person-in-charge of such department to ensure that the purchase price payable to the connected persons through this channel of procurement is not higher than the purchase price payable to independent third parties which sell same type of products to the Group based on normal commercial terms after arm's length negotiation during the relevant period;
- (d) the Group will continuously monitor the continuing connected transactions on a monthly basis to ensure that the total transaction amount will not exceed the proposed annual cap. If the accumulated transaction amount is close to the proposed annual cap, the management of the Company will renew the proposed annual cap or suspend the transaction, as appropriate;
- (e) the Company's external auditors will conduct an annual review of the transactions contemplated under the Hogs Purchase Framework Agreement to ensure that the transaction amounts fall within the proposed annual cap and that such transactions are conducted in accordance with the terms set out in the agreement;
- (f) the independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the Hogs Purchase Framework Agreement to ensure that the Company has complied with the internal approval procedures, the terms of the Hogs Purchase Framework Agreement and the relevant requirements under the Listing Rules; and
- (g) the internal audit function of the Group will, from time to time, review and conduct sample checks on the relevant transaction documents, and ensure that the pricing basis and internal control procedures are complied with.

DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the opinion that the continuing connected transactions under the Hogs Purchase Framework Agreement will be carried out in the ordinary and usual course of business of the Group, and on normal commercial terms, which (including the annual caps) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Ms. Zhu Yuan, an executive Director of the Company, is the daughter of Mr. Zhu, and she is therefore an associate of Mr. Zhu who has a material interest in the Hogs Purchase Framework Agreement. Since Ms. Zhu Yuan has a material interest in the transactions contemplated under the Hogs Purchase Framework Agreement, she has abstained from voting on the Board meeting approving such transactions.

Save as disclosed above, none of the Directors has a material interest in the Hogs Purchase Framework Agreement and has abstained from voting on the Board meeting approving the aforesaid transactions.

INFORMATION ON THE PARTIES

The Company

The principal activity of the Company is investment holding, and the Group is one of the leading meat product suppliers in the PRC primarily engaging in the slaughtering, production, and sale of chilled and frozen pork and processed meat products which focuses on the business of production of products under the “Haroulian” family of brands and the business of production of low-temperature and high-temperature meat products.

The Selling Entity

Jiangsu Yurun Meat Group

Jiangsu Yurun Meat Group is an entity established under the laws of the PRC with limited liability which is principally engaged in the business of breeding and/or sales of hogs. As at the date of this announcement, Jiangsu Yurun Meat Group is wholly-owned subsidiary of Jiangsu Yurun Delicacies, which is a company established under the laws of the PRC to undertake the food and agricultural products logistics business under the two separate restructuring cases, namely, the Restructuring Case of 44 Companies and the Restructuring Case of 78 Companies, details of which have been disclosed in the announcement of the Company dated 30 January 2022. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the equity interests in Jiangsu Yurun Delicacies upon completion of the implementation of the Restructuring Plan are ultimately owned by (a) Mr. Zhu through China YH and other entities as to approximately 33.00%. Mr. Zhu is a substantial shareholder of the Company interested in approximately 25.82% of the issued shares of the Company and is a connected person of the Company; (b) Nanjing Jiuhua Food Development Centre (Limited Partnership) (南京久華食品產業發展中心(有限合夥)) as to approximately 7.00%, and Huarong Capital Management Co., Ltd. (華融資本管理有限公司) being its managing partner; (c) creditors of the Restructuring Case of 44 Companies and the Restructuring Case of 78 Companies who would convert their debts to equity interests in Jiangsu Yurun Delicacies, as to an aggregate approximately 37.29%; and (d) Specialized Limited Partnership 1 and Specialized Limited Partnership 2 as to approximately 7.15% and 15.56%, respectively, representing the pool of equity interests reserved, which according to the Restructuring Memorandum and the PRC Legal Opinion, the ultimate beneficial owner of such pool of equity interests will and can only be determined pursuant to the allocation based on the future business performance of Jiangsu Yurun Delicacies. As at the date of this announcement, Specialized Limited Partnership 1 and Specialized Limited Partnership 2 do not have an ultimate beneficial owner. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, such creditors who would convert their debts to equity interests in Jiangsu Yurun Delicacies mainly include approximately 150 creditors which are financial institutions in the PRC, business partners of the 44 Restructuring Companies and 78 China YH Restructuring Companies, which are independent third parties.

For details of the consolidated restructuring and the defined terms used in the section headed “Information on the Parties – The Selling Entity – Jiangsu Yurun Meat Group” in this announcement, please refer to the announcement of the Company dated 30 January 2022 in relation to the Restructuring Case of 44 Companies. Save as disclosed herein, to the best knowledge, information and belief of the Directors having made all reasonable enquiry, the abovementioned ultimate beneficial owners of Jiangsu Yurun Meat Group are independent third parties.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Mr. Zhu is a substantial shareholder of the Company who is indirectly interested in approximately 25.82% of the issued shares of the Company, and is therefore a connected person of the Company under the Listing Rules. The Selling Entity, being an entity owned and/or controlled by Jiangsu Yurun Delicacies. As Jiangsu Yurun Delicacies is held as to approximately 33.00% by Mr. Zhu, the Selling Entity has become a connected person of the Company under the Listing Rules. The transactions contemplated under the Hogs Purchase Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the annual caps under the Hogs Purchase Framework Agreement are, on an annual basis, more than 0.1% but are less than 5%, the transactions contemplated under the Hogs Purchase Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

2. THE RAW PORK SUPPLY FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 18 August 2022 regarding its supply of raw pork to the then raw pork purchasing entities for a period from 18 August 2022 to 31 December 2024 pursuant to the Existing Raw Pork Supply Framework Agreement.

As the Existing Raw Pork Supply Framework Agreement will expire on 31 December 2024, the Company entered into the Raw Pork Supply Framework Agreement with the Raw Pork Purchasing Entities on 12 December 2024 for the continual supply of raw pork to the Raw Pork Purchasing Entities and/or their respective subsidiaries and/or associates upon expiry of the Existing Raw Pork Supply Framework Agreement.

The principal terms of the Raw Pork Supply Framework Agreement are described below:

Date	:	12 December 2024
Parties	:	(i) the Company (for and on behalf of the members of the Group), as the supplier; and (ii) the Raw Pork Purchasing Entities, as the buyer.
Term	:	Commencing on 1 January 2025 and ending on 31 December 2027.
Principal Terms	:	The Company shall supply raw pork to the Raw Pork Purchasing Entities and/or their respective subsidiaries and/or associates for their business use.
Pricing basis	:	The sales price for the raw pork shall be determined on an arm's length basis, and negotiated between the parties to the Raw Pork Supply Framework Agreement with reference to the market price at the time the purchase order is placed, provided that such price shall not be lower than the average price sold by the Group to other independent third parties on an arm's length basis and normal commercial terms for the same type of products in the same site area during the six months immediately before the order is placed.

The Group may from time to time as it considers appropriate provide to the Raw Pork Purchasing Entities the sales records of the raw pork it offered to other independent third parties or other price quotations for the supply of raw pork obtained from the independent third parties as the market reference price of such products. If the Group proceeds to enter into a purchase order with the Raw Pork Purchasing Entities, the price and other conditions at which such products are to be offered by the Group shall be no more favourable than those offered to the independent third parties by the Group.

Delivery and payment arrangements : The buyer shall send a purchase order to the supplier specifying the quantity and types of raw pork required for the coming month not less than seven days prior to the end of the month. The sales price of the raw pork shall be determined when the purchase order is submitted. The buyer shall settle the payment within seven days after the quantity and types of raw pork to be delivered are confirmed. The buyer shall notify the supplier two days prior to the intended date of delivery in respect of the delivery arrangement.

HISTORICAL TRANSACTION AMOUNT AND THE PROPOSED ANNUAL CAPS

The historical sales amounts of raw pork supplied by the Group to the then raw pork purchasing entities in respect of the transactions contemplated under the Existing Raw Pork Supply Framework Agreement and the proposed annual caps for the continuing connected transactions pursuant to the Raw Pork Supply Framework Agreement are set out below:

Historical transaction amounts (financial year ended/period ended)	RMB	HK\$ (Equivalent approximate)
31 December 2022	30,260,000	35,070,000 (<i>Note</i>)
31 December 2023	1,890,000	2,090,000 (<i>Note</i>)
31 October 2024 (unaudited, based on the Group's management accounts)	533,700	578,000
Proposed annual caps (financial year ending)		
31 December 2025	2,500,000	2,706,000
31 December 2026	4,500,000	4,871,000
31 December 2027	6,000,000	6,494,000

Note: the conversion of RMB into HK\$ is based on the exchange rate used in the annual report of the Company for the years 2022 and 2023, respectively.

There has been a substantial decrease in sales amounts of raw pork under the Existing Raw Pork Supply Framework Agreement for the ten months ended 31 October 2024 due to the impact of the domestic macroeconomic market and the overall decline in pork consumption. However, The proposed annual caps under the Raw Pork Supply Framework Agreement are determined with reference to the historical transaction amount and anticipated demand for raw pork by the Raw Pork Purchasing Entities and the production level and supply of raw pork of the Group's production plants, the anticipated inflation and increase in the market price of raw pork during the term of the Raw Pork Supply Framework Agreement.

REASONS FOR ENTERING INTO THE RAW PORK SUPPLY FRAMEWORK AGREEMENT

The Group is one of the leading meat product suppliers in the PRC which offers a wide range of raw pork (chilled and frozen) and processed meat with a particular focus on pork products. The Raw Pork Purchasing Entities are principally engaged in the business of meat processing, sales of meat products and retail businesses. It is expected that the Raw Pork Supply Framework Agreement would allow the Group to continue to supply quality raw pork to the Raw Pork Purchasing Entities. The Directors believe that the Raw Pork Supply Framework Agreement provides a cost-effective and efficient arrangement to supply raw pork to the Raw Pork Purchasing Entities which will generate steady revenue and profit and beneficial to the shareholders of the Group as a whole.

INTERNAL CONTROL PROCEDURES

To protect the interests of the Company and the shareholders as a whole, the Company has adopted and will continue to carry out the following internal control measures when carrying out the continuing connected transactions contemplated under the Raw Pork Supply Framework Agreement:

- (a) the fresh meat department will consider the Group's brand image, product positioning, brand image of target customers so as to select the suitable buyers;
- (b) the staff of the fresh meat department will regularly compare the sales price offered to other similar type of buyers who buy similar products, and be responsible to negotiate the sales price on an arm's length basis. The sales price will then be approved by the person-in-charge of such department to ensure that the sales price offered to the connected persons through this supply channel is not lower than the sales price offered to independent third parties which buy same type of products from the Group based on normal commercial terms after arm's length negotiation during the relevant period;
- (c) the Group will continue to monitor the continuing connected transactions on a monthly basis to ensure that the total transaction amounts will not exceed the proposed annual caps. If the accumulated transaction amount is close to the proposed annual caps, the management of the Company will renew the proposed annual caps or suspend the transaction, as appropriate;
- (d) the Company's external auditors will conduct an annual review of the transactions contemplated under the Raw Pork Supply Framework Agreement to ensure that the transaction amounts fall within the annual caps and that such transactions are conducted in accordance with the terms set out in the Raw Pork Supply Framework Agreement;
- (e) the independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the Raw Pork Supply Framework Agreement to ensure that the Company has complied with the internal approval procedures, the terms of the Raw Pork Supply Framework Agreement and the relevant requirements under the Listing Rules; and
- (f) the internal audit function of the Group will, from time to time, review and conduct sample checks on the relevant transaction documents, and ensure that the pricing basis and internal control procedures have been observed and complied with.

DIRECTORS' CONFIRMATION

The Directors (including the independent non-executive Directors) are of the opinion that the continuing connected transactions under the Raw Pork Supply Framework Agreement will be carried out in the ordinary and usual course of business of the Group, and on normal commercial terms which (including the annual caps) are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

Ms. Zhu Yuan, an executive Director of the Company, is the daughter of Mr. Zhu. Ms. Zhu is therefore an associate of Mr. Zhu who has a material interest in the Raw Pork Supply Framework Agreement. Since Ms. Zhu Yuan has a material interest in the transactions contemplated under the Raw Pork Supply Framework Agreement, she has abstained from voting at the Board meeting approving such transactions.

Save as disclosed above, none of the Directors has a material interest in the Raw Pork Supply Framework Agreement and has abstained from voting at the Board meeting approving such transactions.

INFORMATION ON THE PARTIES

The Company

The principal activity of the Company is investment holding, and the Group is one of the leading meat product suppliers in the PRC primarily engaging in the slaughtering, production, and sale of chilled and frozen pork and processed meat products which focuses on the business of production of products under the “Haroulian” family of brands and the business of production of low-temperature and high-temperature meat products.

The Raw Pork Purchasing Entities

Jiangsu Yurun Meat Group and Nanjing Yurun

Jiangsu Yurun Meat Group and Nanjing Yurun are entities established under the laws of the PRC with limited liability which are principally engaged in meat processing, sales of meat products and retail businesses. As at the date of this announcement, each of Jiangsu Yurun Meat Group and Nanjing Yurun is a wholly-owned subsidiary of Jiangsu Yurun Delicacies, which is a company established under the laws of the PRC to undertake the food and agricultural products logistics business under the two separate restructuring cases, namely, the Restructuring Case of 44 Companies and the Restructuring Case of 78 Companies, details of which have been disclosed in the announcement of the Company dated 30 January 2022. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the equity interests in Jiangsu Yurun Delicacies upon completion of the implementation of the Restructuring Plan are ultimately owned by (a) Mr. Zhu through China YH and other entities as to approximately 33.00%. Mr. Zhu is a substantial shareholder of the Company interested in approximately 25.82% of the issued shares of the Company and is a connected person of the Company; (b) Nanjing Jiu Hua Food Development Centre (Limited Partnership) (南京久華食品產業發展中心(有限合夥)) as to approximately 7.00%, and Huarong Capital Management Co., Ltd. (華融資本管理有限公司) being its managing partner; (c) creditors of the Restructuring Case of 44 Companies and the Restructuring Case of 78 Companies who would convert their debts to equity interests in Jiangsu Yurun Delicacies, as to an aggregate approximately 37.29%; and (d) Specialized Limited Partnership 1 and Specialized Limited Partnership 2 as to approximately 7.15% and 15.56%, respectively, representing the pool of equity interests reserved, which according to the Restructuring Memorandum and the PRC Legal Opinion, the ultimate beneficial owner of such pool of equity interests will and can only be determined pursuant to the allocation based on the future business performance of Jiangsu Yurun Delicacies. As at the date of this announcement, Specialized Limited Partnership 1 and Specialized Limited Partnership 2 do not have an ultimate beneficial owner. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, such creditors who would convert their debts to equity interests in Jiangsu Yurun Delicacies mainly include approximately 150 creditors which are financial institutions in the PRC, business partners of the 44 Restructuring Companies and 78 China YH Restructuring Companies, which are independent third parties.

For details of the consolidated restructuring and the defined terms used in the section headed “Information on the Parties – The Raw Pork Purchasing Entities – Jiangsu Yurun Meat Group and Nanjing Yurun” in this announcement, please refer to the announcement of the Company dated 30 January 2022 in relation to the Restructuring Case of 44 Companies. Save as disclosed herein, to the best knowledge, information and belief of the Directors having made all reasonable enquiry, the abovementioned ultimate beneficial owners of each of Jiangsu Yurun Meat Group and Nanjing Yurun are independent third parties.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Mr. Zhu is a substantial shareholder of the Company who is indirectly interested in approximately 25.82% of the issued shares of the Company, and is therefore a connected person of the Company under the Listing Rules. The Raw Pork Purchasing Entities, being entities owned and/or controlled by Jiangsu Yurun Delicacies. As Jiangsu Yurun Delicacies is held as to approximately 33.00% by Mr. Zhu, the Raw Pork Purchasing Entities have become connected persons of the Company under the Listing Rules. The transactions contemplated under of the Raw Pork Supply Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps of the Raw Pork Supply Framework Agreement are, on an annual basis, more than 0.1% but are less than 5%, the transactions contemplated under the Raw Pork Supply Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“China” or the “PRC”	the People’s Republic of China (for the purpose of this announcement excludes Taiwan, the Hong Kong Special Administrative Region and the Macau Special Administrative Region)
“Company”	China Yurun Food Group Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Purchase Framework Agreement”	the agreement dated 21 December 2021 entered into between the Company and the then selling entities in relation to the sourcing of hogs from the then selling entities to the Group, as disclosed in the announcement of the Company dated 21 December 2021
“Existing Raw Pork Supply Framework Agreement”	the agreement dated 18 August 2022 entered into between the Company and the then raw pork purchasing entities in relation to the supply of raw pork to the then raw pork purchasing entities, as disclosed in the announcement of the Company dated 18 August 2022
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Hogs Purchase Framework Agreement”	the agreement dated 12 December 2024 entered into between the Company and Selling Entity in relation to the sourcing of hogs from Selling Entity and/or its subsidiaries and/or associates to the Group

“independent third party(ies)”	party(ies) that is/are not connected persons of the Company
“Jiangsu Yurun Delicacies”	江蘇雨潤精選食品股份有限公司 (Jiangsu Yurun Delicacies Co., Ltd.*), a company limited by shares established under the laws of the PRC on 31 December 2020
“Jiangsu Yurun Meat Group”	江蘇雨潤肉類產業集團有限公司 (Jiangsu Yurun Meat Group Limited*), an entity established under the laws of the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Zhu Yicai, a substantial shareholder and a former executive director of the Company, and a connected person of the Company
“Nanjing Yurun”	Nanjing Yurun Food Co., Ltd.* (南京雨潤食品有限公司), an entity established under the laws of the PRC with limited liability
“Raw Pork Purchasing Entities”	Jiangsu Yurun Meat Group and Nanjing Yurun, being entities established under the laws of the PRC with limited liability and owned and/or controlled by Jiangsu Yurun Delicacies, which is held as to approximately 33.00% by Mr. Zhu, which are principally engaged in the business of meat processing, sales of meat products and retail
“Raw Pork Supply Framework Agreement”	the agreement dated 12 December 2024 entered into between the Company and the Raw Pork Purchasing Entities in relation to the supply of raw pork by the Group to the Raw Pork Purchasing Entities and/or their respective subsidiaries and/or associates
“RMB”	Renminbi, the lawful currency of the PRC
“Selling Entity”	Jiangsu Yurun Meat Group, an entity established under the laws of the PRC with limited liability and owned and/or controlled by Jiangsu Yurun Delicacies, which is held as to approximately 33.00% by Mr. Zhu, which is principally engaged in the business of breeding and/or sales of hogs
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

By Order of the Board
Zhu Yuan
Chairman

Hong Kong, 12 December 2024

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 Xu Xinglian.

For the purpose of this announcement, unless otherwise specified, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB0.92392 to HK\$1.

** For identification purposes only*