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CHINA PUTIAN FOOD HOLDING LIMITED

中國普甜食品控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01699)

ANNOUNCEMENT BUSINESS UPDATE

Reference is made to the announcement dated 31 December 2024 (“**First Business Update Announcement**”) in relation to, among others, the CCB Debt Restructuring. Unless otherwise stated, the capitalized terms used herein shall have the same meaning as those defined in the First Business Update Announcement. The Company wishes to provide further update.

UPDATE ON CCB DEBT RESTRUCTURING

On 3 January 2025, the Company received the copy of escrow instruction in total amount of HK\$28,000,000 from Mr. Zhang and Mr. Leong to respective law firms, according to which (1) the law firms have received escrow funds to be held in escrow in the amount of HK\$26,000,000 from Mr. Zhang and HK\$2,000,000 from Mr. Leong respectively (collectively “**Escrow Funds**”), and (2) each of Mr. Zhang and Mr. Leong has provided irrevocable instruction to release the Escrow Funds to Vandi Investments Limited (“**CCB Entity**”, a subsidiary of CCB International (Holdings) Limited) within one business days after the Company obtains resumption approval (whether conditional or not), provided that the Escrow Funds may be returned to Mr. Zhang and Mr. Leong if the Company fails to obtain the resumption approval by 30 December 2025 or the Company’s listing is cancelled.

After release of Escrow Funds, CCB Debt Restructuring will be completed, and Mr. Zhang will become sole owner of CCB Debt. Mr. Zhang will subscribe for not more than 25% enlarged issued shares of Company at the consideration of full amount of the CCB Debt. In the audited 2023 annual results, CCB Debt has accounted for net liability of HK\$680 million as of 31 December 2023 which will cease to be liability upon completion of CCB Debt Restructuring.

UPDATE ON RECOMMENCEMENT OF SHITI HOG FARM

As disclosed in the First Business Update Announcement, the Company has recommenced operation of Shiti Hog Farm. The Company wishes to supplement that, the Shiti Hog Farm is expected to generate income from sale of self-bred hogs in 2025. The 2022 annual results announcement has made impairment of RMB328 million (“**Shiti Hog Farm Impairment**”) in light of temporary operation discontinuance of the Shiti Hog Farm. It is expected that certain reversal may be made in this regard as result of recommencement of operation of Shiti Hog Farm.

DEBT ARRANGEMENT

On 3 January 2025, the Company has received undertaking from Mr. Cai Chenyang (“**Mr. Cai**”, the chairman and controlling shareholder currently holding approximately 47.95% shares of Company) and three other creditors that: (1) each of them agreed to extend the repayment period of a total debt of RMB39,959,100 to 3 January 2028 which will cease to account as current liability with immediate effect; and (2) on top of the debt repayment deferment, each of them agreed in principle that their debt shall be converted into shares of Company subject to shareholders approval and regulatory authorities.

WAIVER OF REMUNERATION BY DIRECTORS

On 3 January 2025, to support the Company, six current Directors of the Company (including Mr. Cai) and two former Directors signed undertaking letter to waive the remuneration owed by Company to them in the total amount of RMB7,993,052.

ACCOUNTING TREATMENT OF GOVERNMENT SUBSIDIES

As of 31 December 2023, the Group received government subsidies of RMB12,820,000 which accounted as deferred revenue because the infrastructure (sponsored by the government subsidies) has not come into operation. It is expected that the aforesaid deferred revenue will account as the realized revenue when the infrastructure comes into operation which is expected to be in 2025.

POSITIVE FINANCIAL IMPACT

With the above development update, the Company expects that the net current liabilities of RMB750 million as of 31 December 2023 will be incrementally improved to net asset position as a result of positive business development above such as completion of CCB Debt Restructuring.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023 and will remain suspended until further notice.

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

By order of the Board
China Putian Food Holding Limited
CAI Chenyang
Chairman

Hong Kong, 6 January 2025

As at the date of this announcement, the Board comprises Mr. CAI Chenyang, Mr. CAI Haifang, Ms. LI Ting and Ms. MA Yilin as executive Directors, Mr. CHENG Lian and Mr. CAI Zhiwei as non-executive Directors and Mr. XUE Chaochao, Mr. KE Qingming and Mr. WANG Aiguo as independent non-executive Directors.