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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)

PROFIT WARNING

This announcement is made by the board of directors (the “**Board**”) of 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders and potential investors of the Company that, according to the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Review Year**”) and other information currently available, the Group expects to record a loss of approximately HK\$201 million for the Review Year (2022: approximately HK\$25 million). Such substantial increase in loss was principally attributable to (1) the one-off written off of value-added tax recoverable of certain non-operating production bases of approximately HK\$99 million, based on the latest review by the management that those production bases may not be able to operate in certain period of time in future and its value-added tax recoverable may not be able to utilized in a short period of time under current economic situation; and (2) with reference to the preliminary valuation assessment results of the recoverable amount of property, plant and equipment of those non-operating production bases conducted by an independent professional valuer, an impairment loss of approximately HK\$56 million was recognized for the Review Year.

The Company is still in the process of finalizing the financial statements of the Group for the Review Year. The information contained in this announcement is a preliminary assessment made by the Board based on the review of the unaudited consolidated management accounts of the Group for the Review Year and information currently available to the Board, which have not been audited or reviewed by the independent auditors of the Company or the audit committee of the Company. Such figures are subject

to finalization. Shareholders and potential investors are advised to carefully read the Company's results announcement of the Group for the Review Year, which is expected to be published on or around 27 March 2024.

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

By Order of the Board
Zhu Yuan
Chairman

Hong Kong, 20 March 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 identification purposes only*