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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 six months ended 30 June 2023 (the “**Review Period**”) and other information currently available, the Group expects to record a loss of approximately HK\$39 million for the Review Period (same period of 2022: approximately HK\$16 million). Such substantial increase in loss was principally attributable to the sales channels in the relevant region did not expand as quickly as expected, resulting in a decline in slaughtering volume, which negatively affected the performance of relevant subsidiary of the Group engaging in the chilled and frozen pork segment. Accordingly, the Group reassessed the recoverable amount of property, plant and equipment and lease prepayment under this segment, and an impairment loss of approximately HK\$36 million was recognized for the Review Period.

The Company is still in the process of finalizing the financial statements for the Group for the Review Period. The information contained in this announcement is a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group for the Review Period 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 interim results announcement of the Group for the Review Period, which is expected to be published on or around 18 August 2023.

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, 11 August 2023

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*