ANJOY FOODS GROUP CO., LTD.

安井食品集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2648)

ANNOUNCEMENT IN RELATION TO PROVISION FOR IMPAIRMENT ON ASSETS FOR THE YEAR OF 2025

At the twenty-eighth meeting of the fifth session of the board of directors of Anjoy Foods Group Co., Ltd. (the "**Company**") convened on 30 March, 2026, the "Resolution in relation to Provision for Impairment on Assets for 2025" was considered and approved. Details are announced as below:

I. OVERVIEW OF THE PROVISION FOR IMPAIRMENT ON ASSETS

In accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Accounting Standards for Business Enterprises No. 8 — Asset Impairment and other relevant regulations, and to present a true and accurate view of the Company's assets and financial position, the Company performed comprehensive check on various assets within the scope of the consolidated financial statements as of the end of 2025 based on the principle of prudence. Assets that may show indications of impairment were evaluated and analyzed for performing impairment tests. Based on the results of impairment test, the Company made provision for impairment on the assets which had indication of impairment, and transferred or wrote off provision for impairment on the assets that meet certain conditions. The details are as follows:

Unit: ten thousand Currency: RMB

Item	Provision in the current period	Recovery or reversal in the current period	Transfer or written off in the current period	Other changes
I. Credit impairment losses	505.26	96.76	685.95	312.68
Including: Provision for bad debts on accounts receivable	464.48	2.84	682.93	274.46
Provision for bad debts on other receivables	32.84	93.92	3.02	38.22
Provision for bad debts on bill receivables	1.54			
Provision for bad debts on financing receivables	6.40			
II. Impairment losses on assets	21,386.61	7.08	1,890.16	38.58
Including: Provision for write-down of inventories	3,222.83	7.08	1,890.16	38.58
Provision for impairment of goodwill	18,163.78			
Total	21,891.87	103.84	2,576.11	351.26

Note: other changes represent changes resulting from changes in the scope of consolidation in the current period.

The reporting period in which the provision for impairment on assets is proposed to be from 1 January, 2025 to 31 December, 2025. The provision for credit impairment losses and impairment on assets has been audited by BDO China Shu Lun Pan Certified Public Accountants LLP.

II. METHOD OF DETERMINATION AND ACCOUNTING TREATMENT OF THE PROVISION FOR IMPAIRMENT ON ASSETS

(1) Credit impairment losses

In accordance with the accounting policies and estimates adopted by the Company, if there is objective evidence that a specific receivable has incurred credit impairment, the Company shall make an individual provision for bad debts for that receivable and recognize the expected credit loss. If no objective evidence indicates that a specific receivable has suffered credit impairment, the Company shall group such receivable based on similar credit risk characteristics (aging) and estimate the proportion of provision for bad debt on such receivable based on all reasonable and supportable information, including forward-looking information.

For the current period, the Company made, recovered or reversed, and transferred or wrote off provision for bad debt in an amount of RMB5,052,600, RMB967,600, RMB982,700 and RMB5,876,800, respectively. Accounts receivable and other receivables written off were fully provided for bad debt, and the write-off has no impact on profit or loss for the current period. The provision for bad debt on accounts receivable and other receivables increased by RMB3,126,800 due to changes in consolidation scope, which has no impact on profit or loss for the current period.

(2) Impairment losses on assets

1. Provision for write-down of inventories

In accordance with Accounting Standards for Business Enterprises No. 1 – Inventories, the Company measures inventories at the cost or the net realizable value on the balance sheet date, whichever is lower. Where the inventory cost is higher than its net realizable values, the inventory write downs should be made. The net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

For inventories with large quantities and low unit prices, provision for write-down of inventories is made by inventory category; for inventories that are related to product lines manufactured and sold in the same region, and have the same or similar end use or purpose, and are difficult to measure separately from other items, provision for write-down of inventories is made on a consolidated basis.

Unless there is clear evidence that an abnormal market price exists as of the balance sheet date, the net realizable value of inventories is determined based on the market price as of the balance sheet date.

After the provision for write-down of inventories is made, if the factors affecting the previous write-down of inventory value have disappeared, resulting in the net realizable value of the inventory being higher than its carrying value, the provision for impairment of inventory value is reversed within the amount originally provided for, and the reversed amount is recognized in profit or loss for the current period.

For the current period, the Company made, reversed and transferred provision for write-down of inventories in an amount of RMB32,228,300, RMB70,800 and RMB18,901,600, respectively. The provision for write-down of inventories increased by RMB385,800 due to changes in the scope of consolidation, which has no impact on profit or loss for the current period.

2. Provision for impairment of goodwill

In accordance with Accounting Standards for Business Enterprises No. 8 – Asset Impairment: goodwill arising from business combinations shall be tested for impairment at least at the end of each year. The impairment test for goodwill shall be performed at the level of the asset group or asset groups combination to which the goodwill is related. For the purpose of impairment testing on goodwill, the carrying amount of goodwill formed as a result of the business combination is allocated to the relevant asset group in a reasonable manner from the date of purchase. If it is difficult to allocate to the related asset group, it will be allocated to the relevant asset group combination. The relevant asset group or combination of asset groups is the one that can benefit from the synergies of the business combination.

When conducting an impairment test on a relevant asset group or a combination of asset groups containing goodwill, if there is an indication of impairment in the asset group or asset group combination related to goodwill, the asset group or asset group combination that does not contain goodwill shall first be tested for impairment, the recoverable amount shall be calculated, and the corresponding impairment loss shall be recognized by comparing it with the relevant carrying amount. Then, the Company shall test the impairment of the asset group or combination of asset groups with goodwill, and compare the book value thereof with said recoverable amount. If the recoverable amount is lower than the book value, the amount of impairment loss will first be offset against the book value of the goodwill allocated to the asset group or asset group combination, and then the book value of other assets will be offset proportionally according to the proportion of the book value of other assets other than goodwill in the asset group or asset group combination. Once the impairment loss of goodwill asset is recognized, it will not be reversed in subsequent accounting periods.

For the current period, the Company made provision for impairment of goodwill with a total amount of RMB181,637,800. Recoverable amounts under asset groups are determined with reference to the values set forth in the valuer's assessments, details of which are as follows:

Unit: ten thousand Currency: RMB

Item	Book value of asset group that comprise goodwill	Recoverable amount	Provision for impairment of goodwill attributable to shareholders of the parent company
Asset group of Honghu Xinhongye Food Co., Ltd. (洪湖市新宏業食品有限公司)	79,952.32	78,300.00	1,487.09
Asset group of Hubei New Liuwu Foodstuff Co., Ltd. (湖北新柳伍食品集團有限公司)	99,036.86	77,700.00	14,935.80
Asset group of Oriental Food Express Limited	4,099.72	1,612.24	1,740.88
Total	183,088.90	157,612.24	18,163.78

Note: Any difference between the total of the above figures and the arithmetic sum of the breakdowns is due to rounding.

III. IMPACT OF THE PROVISION FOR IMPAIRMENT ON THE COMPANY

For the current period, the total provision for various assets impairments made, recovered or reversed, and transferred or written off by the Company amounted to RMB218,918,700, RMB1,038,400, and RMB25,761,100, respectively, and the impact of changes in the scope of consolidation on the provision for various asset impairments was RMB3,512,600 in total, reducing the Company's total profit under the consolidated statements for 2025 by RMB197,996,000 in total. The above figures have been audited by BDO China Shu Lun Pan Certified Public Accountants LLP. The provision for impairment on assets truthfully reflects the Company's financial position, complies with the accounting standards and relevant regulatory requirements, is in line with the actual situation of the Company, and is not detrimental to the interests of the Company and shareholders.

IV. DECISION-MAKING PROCEDURES PERFORMED BY THE COMPANY

(1) Consideration of the audit committee

The Company held the seventeenth meeting of the audit committee of the fifth session of the board of directors on 27 March, 2026, at which the "Resolution in relation to Provision for Impairment on Assets for 2025" was considered and approved, and is of the view that the provision for impairment on assets made by the Company followed and complied with the provisions of the Accounting Standards for Business Enterprises and the Company's relevant accounting policies. The provision for impairment on assets is justified and in line with the current status of the Company's assets. The provision for impairment on assets is made on a prudent basis, which is conducive to a better reflection of the Company's financial position, asset value and operating results, and renders the Company's accounting information more reasonable. We approved the provision for impairment on assets and submitted it to the board of directors of the Company for consideration.

(2) Consideration of the board of directors

The Company held the twenty-eighth meeting of the fifth session of the board of directors on 30 March, 2026, at which the "Resolution in relation to Provision for Impairment on Assets for 2025" was considered and approved. Approval is given to the provision for impairment on assets. The provision for impairment on assets is not subject to the consideration and approval at the general meeting of the Company.

By order of the Board
Anjoy Foods Group Co., Ltd.
Mr. Liu Mingming
Chairman of the Board and Executive Director

Xiamen, China, 30 March, 2026

As at the date of this announcement, the Board of the Company comprises: (i) Mr. Liu Mingming, Mr. Zhang Qingmiao, Mr. Zhang Gaolu and Mr. Huang Jianlian as executive directors; (ii) Dr. Zheng Yanan, Mr. Dai Fan and Mr. Zhang Guangxi as non-executive directors; and (iii) Ms. Zhang Mei, Dr. Liu Xiaofeng, Dr. Zhao Bei and Mr. Zhang Yueping as independent non-executive directors.