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CNGR Advanced Material Co., Ltd.

中偉新材料股份有限公司

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

(Stock Code: 2579)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Set out below is the announcement published by CNGR Advanced Material Co., Ltd. (the "**Company**") on the website of the Shenzhen Stock Exchange regarding the "Announcement of CNGR Advanced Material Co., Ltd. on the Accrual of Asset Impairment Provisions for the First Three Quarters of 2026", for reference only.

This is hereby announced.

By order of the Board
CNGR Advanced Material Co., Ltd.
Mr. Deng Weiming
Chairman, Executive Director and President

Tongren, Guizhou, 29 October 2026

As at the date of this announcement, directors of the Company include: (i) Mr. Deng Weiming, Mr. Tao Wu, Mr. Liao Hengxing, Mr. Li Weihua, Mr. Liu Xingguo and Mr. Deng Jing as executive directors; and (ii) Mr. Cao Feng, Mr. Hong Yuan, Mr. Jiang Liangxing and Ms. Wong Sze Wing as independent non-executive directors.

CNGR ADVANCED MATERIAL CO., LTD.

ANNOUNCEMENT ON THE ACCRUAL OF ASSET IMPAIRMENT PROVISIONS FOR THE FIRST THREE QUARTERS OF 2026

The Company and all members of its Board of Directors hereby guarantee that the content of information disclosed is true, accurate and complete, and contains no false records, misleading statements or material omissions.

In accordance with the "Enterprise Accounting Standards" (《企業會計準則》), the "Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 2 – Standard Operation of Companies Listed on the Growth Enterprise Market" (《深圳證券交易所上市公司自律監管指引第2號－創業板上市公司規範運作》) and the relevant provisions of the Company's accounting policies, and adhering to the principle of prudence, CNGR Advanced Material Co., Ltd. (the "Company") has assessed and analyzed various assets within the scope of its consolidated financial statements that require accrual of impairment provisions, and has accrued impairment provisions for related assets for which impairment losses may occur. The details are hereby announced as follows:

I. OVERVIEW OF THE ACCRUAL OF IMPAIRMENT PROVISIONS FOR THE CURRENT PERIOD

To truly reflect the Company's financial position, asset value and operating conditions, and adhering to the principle of prudence, the Company conducted a comprehensive review of various assets within the scope of consolidation as of September 30, 2026, in accordance with the "Enterprise Accounting Standards" and the relevant provisions of the Company's accounting policies. A full assessment and analysis of various assets were carried out, and impairment provisions were made for assets for which impairment losses may occur.

After conducting impairment tests on assets within the scope of the consolidated financial statements that showed indications of impairment, the Company accrued a total of RMB392,145,200 in various impairment losses for the period from January to September 2026. The details are as follows:

Category	Item	Amount of asset impairment provisions accrued for the current period (in ten thousand RMB)
Credit Impairment Losses	Provision for bad debts of trade receivables	2,421.09
	Provision for bad debts of other receivables	2,837.38
Asset Impairment Losses	Provision for decline in value of inventories	28,949.37
	Impairment of Prepayments	-190.60
	Impairment provision for construction in progress	5,197.28
Total		39,214.52

II. RECOGNITION CRITERIA AND CALCULATION METHODS FOR THE ACCRUAL OF IMPAIRMENT PROVISIONS FOR THE CURRENT PERIOD

(I) Credit Impairment Losses

In accordance with the accounting standards and the Company's relevant accounting policies, the expected credit loss method is adopted to accrue credit impairment losses for trade receivables and other receivables. If the credit risk characteristics of a counterparty are significantly different from those of other counterparties in a group, a loss provision is accrued on an individual basis for the amounts due from that counterparty. For receivables for which a bad debt provision is not accrued on an individual basis, the Company groups the receivables based on their credit risk characteristics and calculates the bad debt provision on a portfolio basis.

(II) Asset Impairment Losses

1. Provision for decline in value of inventories

   On the balance sheet date, the Company conducts a comprehensive review of its inventories and measures them at the lower of cost and net realizable value. When the cost of inventory exceeds its net realizable value, a provision for decline in value of inventories is accrued for the difference. For finished goods and materials inventories intended for direct sale, the net realizable value is determined based on the estimated selling price of the inventory less estimated selling expenses and applicable taxes in the ordinary course of business. For material inventories that require further processing, the net realizable value is determined based on the estimated selling price of the finished goods produced, less estimated costs to complete, selling expenses and applicable taxes in the ordinary course of business. On the balance sheet date, if part of the same inventory is covered by a contract price and the other part is not, the net realizable value is determined separately for each part and compared with their respective costs to determine the amount of the provision for decline in value of inventories to be accrued or reversed.

2. Impairment of Prepayments

   The Company conducts individual impairment tests on prepayments regularly or at the end of each annual period. Where objective evidence indicates that prepayments are impaired, an impairment provision for prepayments shall be accrued based on the difference between the recoverable amount and the carrying amount thereof.

3. Impairment provision for construction in progress

   The Company assesses whether there are indications that construction in progress may be impaired regularly or at the end of each annual period. Where indications of impairment exist, an impairment provision for construction in progress shall be accrued based on the difference between the recoverable amount and the carrying amount thereof.

III. IMPACT OF THE ACCRUAL OF IMPAIRMENT PROVISIONS FOR THE CURRENT PERIOD ON THE COMPANY

The total accrual of various impairment provisions for the period from January to September 2026 amounted to RMB392,145,200, which reduced the Company's total profit for the period from January to September 2026 by RMB392,145,200. The accrual of these impairment provisions enables a fair, objective and true reflection of the Company's financial position, asset value and operating results as of September 30, 2026, and does not harm the interests of the Company or its Shareholders.

IV. OTHER EXPLANATIONS

The Company's accrual of asset impairment provisions for this period complies with the provisions of the "Enterprise Accounting Standards" and the Company's relevant accounting policies. Based on the principle of prudence, the accrual of credit impairment provisions and asset impairment provisions for this period is based on reasonable and sufficient grounds and reasons, reflects the actual situation of the Company, and fairly and objectively represents the Company's financial position and operating results.

This is hereby announced.

CNGR Advanced Material Co., Ltd.

Board of Directors

October 30, 2026