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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)

QUARTERLY UPDATE ON THE IMPLEMENTATION OF WORK PLAN TO RESOLVE AUDITOR'S DISCLAIMER OF OPINION

Reference is made to the annual report of China Yurun Food Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2025 published on 27 April 2026 (the "**2025 Annual Report**") and the announcement of the Company dated 31 July 2026 in relation to the Plan in resolving the Disclaimer of Opinion (the "**Announcement**"). Unless otherwise defined, capitalized terms used in this announcement have the same meanings as defined in the Annual Report and the Announcement.

The board (the "**Board**") of directors (the "**Directors**") of the Company would like to provide an update in relation to the Plan implemented by the Group up to the date of this announcement with a view in resolving the Disclaimer of Opinion issued by the Company's auditor on the consolidated financial statements of the Company for the year ended 31 December 2025 due to the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effects on the consolidated financial statements as set out in the 2025 Annual Report.

(i) The Group is actively negotiating with the relevant bank regarding the overdue of outstanding bank borrowings with the principal amount of approximately RMB318 million, equivalent to approximately HK$352 million as at 31 December 2025, which includes regular visits to the bank for discussions. It is hoped that a mutually acceptable debt assignment can be reached between the bank and the Group. A preliminary consensus has been reached on the proposal in principle and remains subject to internal discussions and approval of the bank;

(ii) The Group persuades the relevant bank to realise its rights as creditor within the relevant time frame under the consolidated restructuring plan to convert the debts owned to them to equity interests. As of the date of this announcement, no agreed-upon resolution has been reached regarding the overdue bank borrowings;

(iii) The Group continues to implement the sales and cost control strategies. The Group's unaudited revenue for the first nine months of 2026 increased by 10% compared with the projected revenue is partly attributable to the launch of new product during the period. The gross profit increased by 2% compared with the corresponding period of last year, the sales volume increase and the cost of raw materials reduce the overall average cost of inventory. The Group will keep enhancing operational efficiency, strictly controlling administrative expenses, and optimising the human resource structure to improve the Group's operating profitability; and

(iv) The Group continues to explore financing opportunities and considers various strategies to enhance the Group's financial position. As of the date of this announcement, the Group obtained a loan facility of HK$10 million from a shareholder.

The Board will continue to actively implement the Plan with the aim to resolving the Disclaimer of Opinion as soon as possible. The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status of implementation of the Plan as and when appropriate.

By Order of the Board
Zhu Yuan
Chairman

Hong Kong, 30 October 2026

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*