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Ko Yo Chemical (Group) Limited

玖源化工(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00827)

Profit Warning

The board of directors (the “Board”) of Ko Yo Chemical (Group) Limited (the “Company”, together with its subsidiaries, the “Group”) makes this announcement pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023, the Group is expected to record a net loss of approximately RMB152 million for the year ended 31 December 2023, a decrease of approximately RMB354 million as compared to a net profit of approximately RMB202 million for the year ended 31 December 2022. The major reason for the net loss in year 2023 was the decrease in the gross profit margin of the Group’s products. The increase in natural gas price and the decrease in average selling price of chemical products and chemical fertilisers for 2023 as compared to last year resulted in a decrease in gross profit margin of the Group’s products. The average gross profit margin of the Group’s products for 2023 is expected to be approximately 10.9% whereas the average gross profit margin of last year was approximately 24.7%.

As the Company is in the processing of finalizing the annual report, the information in this announcement is based on a preliminary assessment by the Company’s management according to the management accounts of the Group which have not been audited or reviewed by the auditor of the Company and is subject to adjustments as may be required. The details financial

information of the Group shall be disclosed in the annual report.

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

By Order of the Board
Ko Yo Chemical (Group) Limited
Chairman
Tang Guoqiang

Hong Kong, 11 March 2024

As at the date of this announcement, the Board comprises three executive directors, being Mr. Tang Guoqiang, Mr. Shi Jianmin and Mr. Zhang Weihua, and three independent non-executive directors being Mr. Xu Congcai, Mr. Le Yiren and Ms. Lu Yi.