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## **JAPAN KYOSEI GROUP COMPANY LIMITED**

**日本共生集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00627)**

### **PROFIT WARNING**

This announcement is made by Japan Kyosei Group Company Limited (the “**Company**” and 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**Reporting Year**”) and the information currently available to the management of the Company, the Group is expected to record a net loss for the Reporting Year in the range from approximately RMB550 million to RMB700 million as compared with a net loss of approximately RMB732.8 million recorded for the year ended 31 December 2022 (the “**Previous Year**”).

Based on the latest information available to the Board, the expected net loss was mainly attributable to (i) the expected gross loss of the Group for the Reporting Year of not less than approximately RMB77.3 million as compared to the gross loss of the Group for the Previous Year of approximately RMB299.9 million; (ii) the one-off gain on Group Reorganisation and disposal of certain subsidiaries completed during the Reporting Year in aggregate of approximately RMB897.1 million; (iii) the loss on deconsolidation of a subsidiary from the Group of approximately RMB69.1 million for the Reporting Year as compared to a gain for the Previous Year of approximately RMB263.3 million ; (iv) the finance costs of the Group for the Reporting Year of approximately RMB492.1 million as compared to the finance costs of the Group for the Previous Year of approximately RMB136.9 million; and (v) the impairment losses of the Group of approximately RMB590.6 million as compared to approximately RMB283.6 million for the Previous Year.

Information contained in this announcement is only a preliminary assessment of the Board based on the latest unaudited consolidated management accounts of the Group for the Reporting Year and the information currently available to the Board, which has not been audited or reviewed by the independent auditors or the audit committee of the Company and is still subject to possible adjustments arising from further review. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Reporting Year when it is published.

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

By order of the Board  
**Japan Kyosei Group Company Limited**  
**Dr. Hiroshi Kaneko**  
*Executive Director and Chief Executive Officer*

Hong Kong, 26 March 2024

*As at the date of this announcement, the Board comprises one executive Director, namely Dr. Hiroshi Kaneko, one non-executive Director, namely Mr. Chung Ho Wai Alan, and three independent non-executive Directors, namely Mr. Huang Zhongquan, Ms. Tang Ying Sum and Ms. Ha Sze Wan.*