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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 the preliminary assessment by the management of the Company on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Reporting Period**”) and the information currently available to the Board, the Group is expected to record net loss for the Reporting Period in the range from approximately RMB290 million to RMB320 million, when compared with net loss recorded for the six months ended 30 June 2023 of approximately RMB343 million. Based on the latest information available, the expected net loss for the Reporting Period was mainly attributable to (i) the expected gross loss of the Group of not less than approximately RMB61 million, including the impairment loss on the Group’s properties of approximately RMB58 million; (ii) the expected impairment losses on the Group’s receivables of approximately RMB51 million; and (iii) the finance costs of the Group of approximately RMB184 million.

As the Company is still in the process of finalising the unaudited consolidated interim results (the “**Interim Results**”) of the Group for the Reporting Period, the information contained in this announcement is based on a preliminary assessment of the latest consolidated management accounts of the Group and the information currently available to the Board. Such information 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 internal review. Shareholders and potential investors are advised to read carefully the Interim Results announcement of the Company which is expected to be published in late August 2024.

Shareholders and potential investors are 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 August 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.