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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)**

**THIRD SUPPLEMENTAL DEED RELATING TO ISSUE OF  
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

**THIRD SUPPLEMENTAL DEED RELATING TO ISSUE OF CONVERTIBLE BONDS**

On 25 June 2021 (after trading hours), the Company and the Subscriber entered into the Third Supplemental Deed, pursuant to which the Company and the Subscriber agreed to (i) extend the Long Stop Date to 30 November 2021; and (ii) extend the Subscription Period to 30 November 2021.

Reference is made to the announcements dated 10 July 2019, 8 November 2019, 29 April 2020, 28 September 2020 and 23 December 2020 (the “**Announcements**”) and the circular dated 4 December 2020 (the “**Circular**”) of Ko Yo Chemical (Group) Limited (the “**Company**”) in relation to the issue of the Convertible Bonds under Specific Mandate. Capitalised terms used in this announcement have the same meanings as those defined in the Circular and the Announcements, unless otherwise stated herein.

**THIRD SUPPLEMENTAL DEED RELATING TO ISSUE OF CONVERTIBLE BONDS  
UNDER SPECIFIC MANDATE**

The Board announces that on 25 June 2021 (after trading hours), the Company and the Subscriber entered into a third supplemental deed (the “**Third Supplemental Deed**”) to amend and supplement the terms of the Subscription Agreement as supplemented by the First Supplemental Agreement and the Second Supplemental Deed (collectively, the “**Subscription Agreement**”). The principal terms of the Third Supplemental Deed (the “**Amendments**”) are summarised below:

**1. Extension of the Long Stop Date**

The parties agreed to extend the Long Stop Date as set out in the Subscription Agreement from 30 June 2021 to 30 November 2021, or such later date as the Company and the Subscriber may agree.

## 2. Extension of the Subscription Period

To align with the extension of the Long Stop Date, the parties agreed to extend the Subscription Period from 30 June 2021 to 30 November 2021, or such later date as the Company and the Subscriber may agree.

Save as the amendments set out above, all other terms of the Subscription Agreement shall remain unchanged and continue to be in full force and effect.

The Board would like to update the Shareholders and potential investors that, as at the date of this announcement, and to the best of the Directors' knowledge, information and belief, the Directors considered that the Amendments are fair and reasonable and in the interests of the Company and the Shareholders as a whole for, among others, the following reasons:

- (i) the first phase of establishment of the PBAT production line is expected to be completed in the third quarter of 2021. Having discussed with the suppliers, the Board noted that there was no urgent and pressing funding needs to raise funds for the purchase of equipment and machinery for the PBAT production line by 30 June 2021;
- (ii) the Subscription Period for the Convertible Bonds will, but for the Amendments, expire on 30 June 2021. The Amendments would in effect allow the Company to raise funds from the issue of the Convertible Bonds to support the development of the Dazhou New Production Line, the Guangan New Material Plant and the Guangan Chemical Plant. Furthermore, the Amendments would provide flexibility to the Company such that it could match the proceeds from the Convertible Bonds to the purchase of equipment and machinery for the development of the Dazhou New Production Line, the Guangan New Material Plant and the Guangan Chemical Plant; and
- (iii) the Amendments would also alleviate the financial pressure on the Company as this would minimize the amount of interests payable by the Company to the Subscriber.

As stated in the Circular, the Long Stop Date and the Subscription Period may be extended to a date as may be necessary and agreed between the Company and the Subscriber, subject to the validity period of the New Specific Mandate (i.e., expiring on 22 December 2021). As such, the Board considers the Amendments were made in accordance with the terms of the Subscription Agreement, and hence it would not constitute a material change to the terms and conditions of the Subscription Agreement.

The Company will update the Shareholders and potential investors in connection with the issue of the Convertible Bonds as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 25 June 2021

*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. Hu Xiaoping, Mr. Shi Lei and Mr. Xu Congcai.*