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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)

OPERATIONS OF DAZHOU KO YO IN SICHUAN PROVINCE AFFECTED BY MANDATORY POWER RESTRICTIONS

This announcement is made by Ko Yo Chemical (Group) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that by virtue of the notice dated 16 August 2022 issued by the State Grid Sichuan Electric Power Company* (國網四川省電力公司), in view of imbalance of power supply of the power grid in Dazhou, Sichuan Province and in order to maintain stable electricity supply for residential use, Dazhou Ko Yo New Material Co., Ltd. * (達州玖源新材料有限公司) (“**Dazhou Ko Yo**”), a wholly-owned subsidiary of the Group, would be required to temporarily suspend its production starting from 18 August 2022 (the “**Mandatory Power Restrictions**”).

In compliance with the Mandatory Power Restrictions, the Company has commenced the production suspension procedures of Dazhou Ko Yo on 17 August 2022 and will fully suspend its production by 18 August 2022. The management of the Company is not aware as to when the Mandatory Power Restrictions will be lifted or varied.

The Company will provide further updates if it is confirmed that the Mandatory Power Restrictions will bring about any significant financial impact.

The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the currently available information in respect of the impacts of the Mandatory Power Restrictions on Dazhou Ko Yo. The Group will continue to monitor the situation closely. The Board will provide necessary updates in case of any material development on this matter.

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, 17 August 2022

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. Xu Congcai and Mr. Le Yiren.

* *For identification purposes only*