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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 (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the “**Listing Rules**”) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform the shareholders and potential investors of the Company that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, the Group is expected to record a loss of approximately RMB103 million for the six months ended 30 June 2023, representing a decrease of RMB329 million as compared to a net gain of approximately RMB226 million recorded for the same corresponding period last year. The major reason for the loss of the Group is mainly due to 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 the first half of 2023 as compared to the same period 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 the six months ended 30 June 2023 is expected to be approximately 8.8% whereas the average gross profit margin of the same period last year was approximately 30.9%.

The information contained in this announcement is based on a preliminary assessment by the Board based on the information currently available and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, which has not been audited or reviewed by the Company’s auditors. The Company expects to announce its unaudited interim

results for the six months ended 30 June 2023 on 28 August 2023.

**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, 4 August 2023

*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.*