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Ko Yo Ecological Agrotech (Group) Limited

玖源生態農業科技(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8042)

**DELAY IN DESPATCH OF CIRCULAR
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Application has been made to the Stock Exchange and the Executive for the latest date of despatch of the circular containing, among other things, details of the Acquisition and the Whitewash Waiver to the Shareholders to be extended to on or before 23 November 2007.

Further to the Announcement, the Board announces that an independent board committee comprising all of the independent non-executive Directors has been formed to advise the Independent Shareholders on the Sale and Purchase Agreement and the Whitewash Waiver. Optima Capital Limited has been appointed as the independent financial adviser (which has been approved by the Independent Board Committee) to advise the Independent Board Committee in respect of the Sale and Purchase Agreement and the Whitewash Waiver.

Reference is made to the press announcement of the Company dated 21 September 2007 (the “**Announcement**”) in relation to, among other things, the Acquisition and the Whitewash Waiver. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

DELAY IN DESPATCH OF CIRCULAR

Pursuant to Rules 19.38 and 20.49 of the GEM Listing Rules, the Company is required to despatch a circular in relation to the Acquisition (the “**Circular**”) to its shareholders within 21 days after publication of the Announcement. Pursuant to Rule 8.2 of the Takeovers Code, the circular in relation to the Whitewash Waiver containing, amongst other things, details of the Whitewash Waiver, the advice of the independent board committee of the Company and the independent financial adviser is required to be despatched to the Shareholders within 21 days from the date of the Announcement. Since additional time is required to finalise the letter from independent financial adviser, the technical report prepared and issued by Minarco Asia Pacific Pty Limited regarding technical review on the Mine including, among others, geology, mineral resources and exploitation potential, the accountants’ report of Hong Kong Cuyo and the pro forma financial information of the enlarged group and to update certain information including, among other things, the indebtedness statement in accordance with the GEM Listing Rules for inclusion in the Circular, the Company has applied to the Stock Exchange and the Executive Director of the Corporate Finance Division of Securities and Futures Commission for waivers from the strict compliance with Rules 19.38 and 20.49 of the GEM Listing Rules and Rule 8.2 of the Takeovers Code for an extension of time for despatch of the Circular from 12 October 2007 to 23 November 2007.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Further to the Announcement, the Board announces that an independent board committee comprising all of the independent non-executive Directors, namely Mr. Hu Xiaoping, Mr. Woo Che-wor, Alex and Mr. Qian Laizhong, has been formed to advise the Independent Shareholders on the Sale and Purchase Agreement and the Whitewash Waiver (the “**Independent Board Committee**”). Optima Capital Limited has been appointed as the independent financial adviser (which has been approved by the Independent Board Committee) to advise the Independent Board Committee in respect of the Sale and Purchase Agreement and the Whitewash Waiver.

By order of the Board
Koyo Ecological Agrotech (Group) Limited
Li Weiruo
Chairman

Hong Kong, 11 October 2007

As at the date of this announcement, the board of directors of the Company comprises five executive directors, being Mr. Li Weiruo, Mr. Yuan Bai, Ms. Chi Chuan, Ms. Man Au Vivian, Mr. Li Shengdi and three independent non-executive directors of Mr. Hu Xiaoping, Mr. Woo Che-wor, Alex and Mr. Qian Laizhong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from the date of its posting and the website of the Company at www.koyochem.com.