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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)

**COMPLETION OF MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE ACQUISITION OF 90% EQUITY INTEREST
IN THE TARGET COMPANY**

Reference is made to the announcements dated 19 November 2021, 22 April 2022 and 30 June 2022, and the circular dated 23 March 2022 (the “**Circular**”) of Ko Yo Chemical (Group) Limited (the “**Company**”) in relation to the acquisition of 90% equity interest in the Target Company. Capitalised terms used in this announcement have the same meanings as those defined in the Circular unless otherwise stated herein.

The Company is pleased to announce that the due diligence on the Target Company (including the tuning results of the trial production of the Target Company’s propylene oxide production line) has been completed, following which all the Conditions under the Sale and Purchase Agreement (as supplemented by the supplemental deed dated 30 June 2022 (the “**Supplemental Deed**”) have been satisfied, and the Completion took place on 30 September 2022.

Pursuant to the Sale and Purchase Agreement as supplemented by the Supplemental Deed, an aggregate amount of RMB27,000,000, being the Consideration, had been paid to the Vendor for the Completion.

Following the Completion, the Purchaser is interested in 90% equity interest in the Target Company and the Target Company has become a subsidiary of the Company. The Target Company’s financial results will be consolidated into the financial statements of the Company.

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

Hong Kong, 30 September 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.