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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 on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board wishes to inform shareholders and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, the Group is expected to record a net profit of approximately RMB202 million for the year ended 31 December 2022, a decrease of approximately 46.7% as compared to a net profit of approximately RMB379 million for the year ended 31 December 2021. The major reasons for the decreasing in profit in year 2022 were:

- (1) During the year 2021, there was a gain of RMB78.7 million due to the disposal of office premise;
- (2) the effective interest expenses of the convertible bonds increase RMB67.0 million from RMB60.7 million in 2021 to RMB127.7 million in 2022; and
- (3) the income tax expenses increase RMB73.7 million from RMB81.2 million in 2021 to RMB154.9 million in 2022.

As the Company is in the processing of finalizing the annual report, the information in this announcement is based on a preliminary assessment by the Company’s management according

to the management accounts of the Group which have not been audited or reviewed by the auditor of the Company and is subject to adjustments as may be required. The details financial information of the Group shall be disclosed in the annual report.

**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, 10 March 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.*