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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 2024, the Group is expected to record a net loss attributable to equity shareholders of the Company of approximately RMB434 million for the year ended 31 December 2024, an increase in loss of approximately RMB282 million as compared to a net loss attributable to equity shareholders of the Company of approximately RMB152 million for the year ended 31 December 2023. The major reasons for the increase in net loss in year 2024 were the decrease in the gross profit margin of the Group’s products and the Guangan Ko Yo Electronic Materials Plant (the “Electronic Materials Plant”) is still in trial run stage. The decrease in average selling price of chemical products and chemical fertilisers in 2024 as compared to 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 in 2024 is expected to be approximately 1.3% whereas the average gross profit margin of last year was approximately 10.9%. The Group recorded a net loss attributable to equity shareholders of the Company of approximately RMB60 million from the Electronic Materials Plant in 2024 and whereas a net loss attributable to equity shareholders of the Company of approximately RMB10 million was from the Electronic

Materials Plant in 2023.

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, 14 March 2025

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.