JAPAN KYOSEI GROUP COMPANY LIMITED
日本共生集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00627)

PROFIT WARNING

This announcement is made by Japan Kyosei Group Company Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the "**Reporting Year**") and the information currently available to the management of the Company, the Group is expected to record a net loss for the Reporting Year in the range from approximately RMB1,035 million to RMB1,045 million as compared with a net loss of approximately RMB686.7 million recorded for the year ended 31 December 2023 (the "**Previous Year**").

Based on the latest information available to the Board, the expected net loss was mainly attributable to (i) the expected gross loss of the Group for the Reporting Year of not less than approximately RMB201.0 million as compared to the gross loss of the Group for the Previous Year of approximately RMB234.9 million; (ii) the provision for litigation and tax surcharges for the Reporting Year of approximately RMB141.7 million as compared to nil for the Previous Year; (iii) the gain on deconsolidation of subsidiaries from the Group of approximately RMB782.4 million for the Reporting Year as compared to a loss for the Previous Year of approximately RMB69.1 million; (iv) the finance costs of the Group for the Reporting Year of approximately RMB213.5 million as compared to the finance costs of the Group for the Previous Year of approximately RMB492.1 million; (v) the expected credit loss allowances of the Group of approximately RMB1,192.8 million as compared to approximately RMB608.0 million for the Previous Year and (vi) the loss on deemed disposal of a subsidiary of approximately RMB39.5 million as compared to nil for the Previous Year.

Information contained in this announcement is only a preliminary assessment of the Board based on the latest unaudited consolidated management accounts of the Group for the Reporting Year and the information currently available to the Board, which has not been audited or reviewed by the independent auditors or the audit committee of the Company and is still subject to possible adjustments arising from further review. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the Reporting Year when it is published.

Shareholders and potential investors are, therefore, advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Japan Kyosei Group Company Limited
Dr. Hiroshi Kaneko
Executive Director and Chief Executive Officer

Hong Kong, 23 May 2025

As at the date of this announcement, the Board comprises one executive Director, namely Dr. Hiroshi Kaneko, one non-executive Director, namely Mr. Chung Ho Wai Alan, and three independent non-executive Directors, namely Mr. Huang Zhongquan, Ms. Tang Ying Sum and Ms. Ha Sze Wan.