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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: 827)

Profit Warning

The board of directors (the “Board”) of Ko Yo Ecological Agrotech (Group) Limited (the “Company”) makes this announcement pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board wishes to inform shareholders of and potential investors in the Company that, due to the impact of the global financial crisis and the drought in south western part of China, the market prices of urea and other chemical products were decreased, which in turn leads to a corresponding decrease in the operating gross profit of the Group in the first 3 quarters of the year 2010. Therefore, the Board expects that a loss will be recorded for the Group in the financial year of 2010.

Despite the effect of the abovementioned factors, the market prices of urea and other chemical products has been recovered since the last quarter of the year 2010 and the commence production of Dazhou urea plant brings large contribution to the Company. Therefore, the Board is of the view that the Group’s overall financial position is still healthy and remains positive on the long term prospect of the Group.

As the auditor of the Company is in the processing of finalizing the annual report for the year ended 31 December 2010 (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. 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 Ecological Agrotech (Group) Limited
Chairman
Li Wei Ruo

Chengdu, the PRC, 2 February 2011

As at the date of this announcement, the board of Directors 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.