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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: 827)

DELAY IN DESPTACH OF CIRCULAR

Reference is made to the Announcements. As additional time is required for the Company to finalise certain information to be included in the Circular, including the advice from the independent financial adviser based on the recently published interim results of the Group for the six months ended 30 June 2014, it is expected that the despatch date of the Circular will be postponed to a date falling on or before 19 September 2014.

The expected timetable for the Share Consolidation will be revised and further announcement(s) will be made by the Company to inform the Shareholders of the revised timetable.

Shareholders and potential investors should note that the Share Consolidation and the Subscription Agreement is subject to the fulfillment and waiver of certain conditions and they may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement of the Company dated 14 August 2014 (the “**First Announcement**”), the clarification announcement of the Company dated 20 August 2014 and the clarification announcement of the Company dated 25 August 2014 (together, the “**Announcements**”) in relation to (i) share consolidation; (ii) change in board lot size; (iii) issue of new shares and convertible bonds under specific mandate; (iv) loan financing; (v) increase in authorised share capital; and (vi) application for whitewash waiver. Unless otherwise stated herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As stated in the First Announcement, a circular (the “**Circular**”) containing, among other things, (a) further details of the Share Consolidation, the Specific Mandate, the Whitewash Waiver, the increase in the authorised share capital of the Company; (b) the recommendation of the Independent Board Committee to the Independent Shareholders; (c) the letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Specific Mandate and the Whitewash Waiver; and (d) a notice of EGM, is expected to be despatched to the Shareholders on or around 28 August 2014.

Pursuant to Rule 8.2 of the Takeovers Code, the Company should send and arrange for publication of the Circular within 21 days of the date of the First Announcement, being no later than 4 September 2014.

As additional time is required for the Company to finalise certain information to be included in the Circular, including the advice from the independent financial adviser based on the recently published interim results of the Group for the six months ended 30 June 2014, it is expected that the despatch date of the Circular will be postponed to a date falling on or before 19 September 2014.

The Company will apply to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code by extending the despatch date of the Circular to no later than 19 September 2014 and the Executive has indicated that it is minded to grant consent to such waiver application.

Due to the delay in the despatch of the Circular, the expected timetable for the Share Consolidation will be revised and further announcement(s) will be made by the Company to inform the Shareholders of the revised timetable.

Shareholders and potential investors should note that the Share Consolidation and the Subscription Agreement is subject to the fulfillment and waiver of certain conditions and they may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
Ko Yo Chemical (Group) Limited
Chairman
Li Wei Ruo

Hong Kong, 28 August 2014

As at the date of this announcement, the board of directors comprises seven executive directors, being Mr. Li Weiruo, Mr. Yuan Bai, Ms Chi Chuan, Ms Man Au Vivian, Mr. Li Shengdi, Mr. Li Feng and Mr. Li Ciping and four independent non-executive directors being, Mr. Hu Xiaoping, Mr. Woo Che-Wor, Alex, Mr. Qian Laizhong and Mr. Sun Tongchuan.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.