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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, due to the average market prices of urea and other chemical products were remain at low level in the year 2015 and the provision loss on the assets of a subsidiary, which in turn leads to a corresponding decrease in profit of the Group. Therefore, the Board expects that a loss will be recorded for the Group in the financial year of 2015.

Despite the effect of the abovementioned factors, 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 Company is in the processing of finalizing the annual report for the year ended 31 December 2015 (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 Chemical (Group) Limited
Chairman
Li Wei Ruo

Hong Kong, 5 February 2016

As at the date of this announcement, the Board 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, one non-executive director being Mr. Zhang Fubo and four independent non-executive directors being, Mr. Hu Xiaoping, Mr. Woo Che-Wor, Alex, Mr. Qian Laizhong and Mr. Sun Tongchuan.