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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)

INSIDER INFORMATION

UPDATES IN RELATION TO GOING CONCERN AND MITIGATION MEASURES IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

This announcement is made by Ko Yo Chemical (Group) Limited (the “**Company**”, 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report**”). Unless otherwise defined herein, capitalized terms used in this announcement have the same meanings as those used in the Annual Report.

DISCLOSURE OF UPDATES ON GOING CONCERN AND MITIGATION MEASURES

Updated information regarding the going concern and mitigation measure as disclosed in Notes 2 to the consolidated financial statements for the year ended 31 December 2024, and the section headed “GOING CONCERN AND MITIGATION MEASURES” in the Corporate Governance Practices in the Annual Report are as follows:

- 1) The Group has been actively negotiating with a number of banks under litigation for renewal or restructuring of the loans since 2021. Bank loans with an amount of approximately RMB406 million had been renewed or restructured, an amount of approximately RMB22

million had been repaid and an amount of approximately RMB30 million was the new loans for the six period ended 30 June 2025. There is an amount of approximately RMB231 million bank loans that are in negotiation of renewal or restructuring and aim to restructure bank loans with a repayment schedule of 3 to 5 years;

- 2) For the convertible bonds which due on 12 November 2024, 30 January 2024 and 14 March 2024 with an aggregate principal amount of HK\$320.44 million, HK\$27.00 million and HK\$93.96 million respectively, the bondholders agreed not to demand for repayment of the relevant principal and interest in the year 2025;
- 3) Meetings took place between officials from the Sichuan provincial government and the Group in March and April of this year to discuss preferential policies for the usage of natural gas to support the development of the natural gas chemical industry.
- 4) The Group implements sales model optimization to increase the proportion of direct sales customers, by 30 June 2025, the number of direct sales customers has increased by 9 as compared to the end of last year;
- 5) The DMF (N,N-Dimethylformamide) and NMP (N-Methylpyrrolidone) projects at the Guang'an Ko Yo Electronic Materials Factory are undergoing overall production optimization.
- 6) The propylene oxide project at the Jiangsu Blue Planet factory is in the procedure handling stage and preparation for trial production stage.

The Company will publish announcement(s) for the updates regarding the going concern and mitigation measure as and when appropriate in accordance with the Listing Rules and/or as required by the Stock Exchange.

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, 30 June 2025

As at the date of this announcement, the Board comprises four executive directors, being Mr. Tang Guoqiang, Mr. Shi Jianmin, Mr. Zhang Weihua and Mr. Fan Chao, and three independent non-executive directors being Mr. Xu Congcai, Mr. Le Yiren and Ms. Lu Yi.