

NSX ANNOUNCEMENT
11 September 2023

Market Update

Kemao Industries Limited ("KEM" or "the Company") wishes to provide an update on its business performance for the six months period ended 30 June 2023.

The Company expects KEM and its controlled entities incurred a consolidated loss of approximate AUD1.8 million, including a write-off of deferred tax asset AUD0.85 million.

Though the market has been depressed in the Year 2023 KEM has managed to maintain a stable market share and comparable sales quantities in the period. However, due to subdued selling price, the gross margin dropped significantly.

To improve the Group's profitability, KEM will focus on cost reduction by upgrading its operational equipment and developing new production method. Management believes this will lead to higher productivity and lower material costs.

Despite the market challenges, the Company confirms its financial conditions are stable and liquidity is sufficient. The Company's largest shareholders confirm they will provide financial support to KEM when it is required.

Authorised by the Board,



Long Huy Lam (Bill)
Director