

**GLOBAL BIO-CHEM 2024 1H CONSOLIDATED REVENUE SURGED OVER
90% TO ABOUT HK\$900 MILLION
WITH AMINO ACID SEGMENT REVENUE DOUBLED**

20 August 2024 – Global Bio-chem Technology Group Company Limited (“Global Bio-chem” or the “Company”, stock code: 00809) together with its subsidiaries (the “Group”) announced its unaudited consolidated revenue from continuing operations for the six months ended 30 June 2024 (the “Reporting Period”) surged by approximately 91.7% to approximately HK\$898.5 million (2023: HK\$468.8 million); EBITDA (i.e. earnings before interest, taxation, depreciation and amortisation) of approximately HK\$101.9 million (2023: HK\$416.1 million). During the Reporting Period, net loss of the Company arising from continuing operations was approximately HK\$157.7 million (2023: net loss: approximately HK\$29.8 million).

During the Reporting Period, the Group endeavored to maximise the production capacity of production facilities in amino acids operation and launched a series of high value-added amino acid products to expand its sales in the first half of 2024. As a result, the consolidated revenue of the Group increased significantly by approximately 91.7%. Declined average corn purchase price, along with the Group’s cost saving measures, the Group’s total average production cost per unit decreased by 18.6% during the Reporting Period. With stable market price of lysine products, the Group reported a gross profit of approximately HK\$66.0 million (2023: gross loss: HK\$58.2 million) with gross profit margin of 7.3% (2023: gross loss margin: 12.4%).

With regard to the Group’s upstream products, all the corn starch produced by the Group was for internal use. The sales volume of other corn refined products increased by approximately 96.3% to approximately 53,000 MT (2023: 27,000 MT), due to enhanced production capacity of production facilities in Changchun Dahe. Revenue for this business segment amounted to approximately HK\$140.1 million (2023: HK\$90.3 million).

With the amino acid business, benefited from decline of domestic corn price, stable market price of lysine products and various production process upgrade for cost saving implemented by the Group, the Group’s amino acids segment recorded a significant increase in revenue by approximately 100.4% to approximately HK\$758.4 million (2023: HK\$378.5 million) with a sales volume of 123,000 MT (2023: 65,000 MT). The Group’s amino acids segment reported a gross profit of approximately HK\$71.8 million (2023: gross loss: HK\$50.3 million) with gross profit margin of 9.5% (2023: gross loss margin: 13.3%).

With the polyol chemicals business, the Group had suspended the production of polyol chemicals since the last quarter of 2022, to minimise financial risks and secure financial resources, and therefore no sale of polyol chemicals products was recorded during the Reporting Period and the corresponding period in the previous year.

Export sales of the Group during the Reporting Period amounted to approximately HK\$307.0 million (2023: HK\$70.3 million), representing an increase of approximately 336.7% as compared to that of the corresponding prior period last year. During the Reporting Period, the Group exported approximately 37,000 MT (2023: 9,700 MT) and 7,000 MT (2023: Nil) of amino acids and other corn refined products respectively.

In order to maintain the competitiveness of the Group, it will strive to consolidate its market position through promoting in-house research and development capability, and continue to enhance its capabilities in developing high value-added products and exploring new applications of its products. In the short run, the Group will actively cement business relations with prominent animal feed producers and maintain the stable production of its lysine products. It is expected to generate steady and healthy cash inflow to the Group. The outlook on the amino acids segment is expected to be relatively stable in the second half of 2024 with the arrival of peak season of the animal feed industry and abundant supply of corn. The Group is expected to commence refurbishment of its boiler facilities in Changchun Dahe Bio Technology Development Co., Ltd., a wholly-owned subsidiary of the Group, in the second half of 2024 to further lower production cost, and launch more various new amino acid products in coming years. In the long run, the Group will strive to introduce industry players to facilitate the resumption of production of the Xinglongshan site to improve the operational efficiency and strengthen the working capital of the Group.

The Group will endeavour to materialise the execution of the resumption of the remaining part of the relevant properties in Luyuan District, Changchun, in order to apply the proceeds for settlement the outstanding consideration for the repurchased loans, and with the balance for enhancement of the Group's financial resources.

About Global Bio-chem

Global Bio-chem (stock code: 00809.HK) has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 2001. The Group is principally engaged in the manufacture and sale, research and development of corn-based biochemical products in the People's Republic of China (the "PRC"). The Company's production facilities are based in Jilin province in the PRC.

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Global Bio-chem's financial highlights

	For the six months ended 30 June		
	2024	2023	Change %
	(unaudited)	(unaudited) (re-presented)	
Revenue (HK\$ million)	898.5	468.8	91.7
Gross profit (loss) (HK\$ million)	66.0	(58.2)	N/A
Loss for the period from continuing operations (HK\$ million)	(157.7)	(29.8)	N/A
Loss for the period from discontinued operations (HK\$ million)	-	(65.3)	N/A
Loss for the period (HK\$ million)	(157.7)	(95.1)	N/A
(Loss) profit attributable to owners of the Company (HK\$ million) arising from:			
- Continuing operations	(157.7)	0.5	N/A
- Discontinued operations	-	(65.4)	N/A
Basic (loss) earnings per share (HK cents) arising from			
- Continuing operations	(1.8)	-*	N/A
- Discontinued operations	-	(0.7)	N/A
Diluted (loss) earnings per share (HK cents) arising from			
- Continuing operations	(1.8)	-*	N/A
- Discontinued operations	-	(0.7)	N/A

*The amount is less than HK0.01 cents