

Stock Code: 00809

2025

INTERIM REPORT



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Definitions

“Auditor”	the auditor of the Company, Forvis Mazars CPA Limited
“Audit Committee”	the audit committee of the Company
“Baocheng Bio-chem”	長春寶成生化發展有限公司 (Changchun Baocheng Bio-chem Development Co., Ltd.*), a former indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Boiler Refurbishment Project”	the refurbishment project in respect of the boiler facilities at the production site of Changchun Dahe
“BVI”	British Virgin Islands
“Century Dacheng”	長春世紀大成商貿有限公司 (Changchun Century Dacheng Trading Company Limited*), an indirect non-wholly-owned subsidiary of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules applicable for the Period
“Chairman”	the chairman of the Board
“Changchun Dacheng Industrial”	長春大成實業集團有限公司 (Changchun Dacheng Industrial Group Company Limited*), a former indirect wholly-owned subsidiary of the Company
“Changchun Dahe”	長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
“Changchun GBT”	長春金寶特生物化工有限公司 (Changchun GBT Bio-Chemical Co., Ltd.*), a former indirect wholly-owned subsidiary of the Company
“Changchun Hongxiang” or “Purchaser”	長春宏祥新能源開發有限公司 (Changchun Hongxiang New Energy Development Company Limited*), the purchaser of the Sale Shares under the Sale and Purchase Agreement
“Changchun MFB”	長春市財政局 (Changchun Municipal Finance Bureau*)
“Changchun Rudder”	長春潤德投資集團有限公司 (Changchun Rudder Investment Group Co., Ltd.*)
“Company”	Global Bio-chem Technology Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00809)
“Considerations”	collectively, the Consideration I and the Consideration II
“Consideration I”	RMB151,743,863, being the consideration of the Re-acquisition under SPA I

Definitions

“Consideration II”	RMB149,263,510, being the consideration of the Re-acquisition under SPA II
“Consideration Shares”	collectively, the Consideration Shares I and the Consideration Shares II
“Consideration Shares I”	the 1,387,643,964 Shares to be allotted and issued in accordance with the terms of SPA I
“Consideration Shares II”	the 1,364,962,013 Shares to be allotted and issued in accordance with the terms of SPA II
“Contractors”	Northeast Electric and Liaoning Electric, being the successful joint bidders which entered into the EPC Contract with Changchun Dahe as contractors
“Convertible Bonds”	convertible bonds in the principal amount of HK\$1,086,279,565 issued by the Company on 15 October 2015 held by Modern Agricultural
“Corporate Governance Committee”	the corporate governance committee of the Company
“CPS”	non-voting convertible preference share(s) of HK\$0.10 each in the capital of the Company
“CPS Subscribers”	collectively, Jilin Liheng and Jilin Yuanheng
“CPS Subscription”	the issuance by the Company of, and the subscription of the CPS Subscribers for, the Subscription CPS on and subject to the terms and conditions set out in the CPS Subscription Agreement
“CPS Subscription Agreement”	the conditional agreement dated 30 November 2023 entered into between the Company and the CPS Subscribers in relation to the CPS Subscription
“CPS Subscription Completion”	the completion of the CPS Subscription, which took place on 4 January 2024
“Dacheng Bio-Tech”	長春大成生物科技開發有限公司 (Changchun Dacheng Bio-Tech Development Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
“Dacheng Industrial Group (HK)” or “Seller”	大成實業集團(香港)有限公司 (Dacheng Industrial Group (HK) Limited), an indirect wholly-owned subsidiary of the Company
“Dacheng Special Corn”	長春大成特用玉米變性澱粉開發有限公司 (Changchun Dacheng Special Corn & Modified Starch Development Co, Ltd.*), a former indirect wholly-owned subsidiary of the Company
“Debt-to-Equity-Swap Agreements”	five debt-to-equity-swap agreements entered into by (i) each of the Suppliers PRC LLPs, as the initial creditors and subscribers; (ii) Century Dacheng, as the debtor and the issuer; and (iii) GBT HK, the immediate shareholder of Century Dacheng, on 9 June 2025 in relation to the conversion of the Suppliers PRC LLPs’ interest in the Suppliers Debt to equity interest in Century Dacheng



Definitions

“Debt Restructuring Agreement”	the debt restructuring agreement entered into between Nongfa, as the then creditor, and several subsidiaries of the Group, as the debtors or co-debtors, in respect of the Entire Transferred Loans, pursuant to which the Group had agreed to repay and repaid to Nongfa RMB1,580.0 million for the settlement of the Entire Transferred Loans
“Debt Restructuring Arrangements”	the debt restructuring arrangements of the Group which include (a) the transfer of the Entire Transferred Loans to Nongfa on 31 December 2023; and (b) the entering into of the Debt Restructuring Agreement
“Dihao Crystal Sugar”	長春帝豪結晶糖開發實業有限公司 (Changchun Dihao Crystal Sugar Industry Development Co., Ltd.*), a former indirect wholly-owned subsidiary of the Company
“Dihao Foodstuff”	長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*), a former indirect wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms of the Sale and Purchase Agreement
“Disposal Completion”	the completion of the Disposal, which took place on 30 December 2024
“Disposal Group”	a group of indirect wholly-owned subsidiaries of the Company immediately before the Disposal Completion comprising companies wholly-owned by (and including) Changchun Dacheng Industrial, namely (1) Dihao Foodstuff; (2) Dihao Crystal Sugar; (3) Baocheng Bio-chem; (4) Dacheng Special Corn; (5) Changchun GBT; (6) Songyuan Bio-chem; and (7) Huicheng International Trade
“Entire Transferred Loans”	the loans of approximately RMB4,267.8 million, together with outstanding interests owed by the Group to Jilin Cinda, which had been transferred to Nongfa on 31 December 2023
“EPC”	engineering, procurement and construction
“EPC Contract”	the EPC contract in relation to the Boiler Refurbishment Project, entered into by Changchun Dahe (as contractee), Northeast Electric and Liaoning Electric (each as a contractor) on 31 July 2025
“Executive Committee”	the executive committee of the Company
“GBT HK”	Global Bio-chem Technology (HK) Limited, an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HK Bloom”	HK Bloom Investment Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC

Definitions

“Huicheng International Trade”	長春大成實業集團惠成進出口有限公司 (Changchun Dacheng Industrial Group Huicheng International Trade Co., Ltd*), a former indirect wholly-owned subsidiary of the Company
“Jilin Changbaishan”	吉林長白山私募基金管理有限公司 (Jilin Changbaishan Private Equity Fund Management Co., Ltd.*)
“Jilin Cinda”	中國信達資產管理股份有限公司吉林省分公司 (Jilin Branch of China Cinda Asset Management Co., Ltd.*)
“Jilin DOF”	Jilin Province Department of Finance
“Jilin Liheng”	吉林省利亨股權投資合夥企業(有限合夥) (Jilin Province Liheng Equity Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC and one of the CPS Subscribers
“Jilin SASAC”	吉林省人民政府國有資產監督管理委員會 (The State-owned Assets Supervision and Administration Commission of the People's Government of Jilin Province)
“Jilin Yuanheng”	吉林省元亨股權投資合夥企業(有限合夥) (Jilin Province Yuanheng Equity Investment Partnership (Limited Partnership)*), a limited partnership established in the PRC and one of the CPS Subscribers
“Liaoning Electric”	中國能源建設集團遼寧電力勘測設計院有限公司 (China Energy Engineering Group Liaoning Electric Power Survey and Design Institute Co., Ltd.), being one of the Contractors
“Liheng CPS”	the CPS issued to Jilin Liheng pursuant to the CPS Subscription, being the number of CPS that could be issued to Jilin Liheng by fully utilising the subscription monies of Jilin Liheng of RMB1,330,000,000
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Modern Agricultural”	Modern Agricultural Industry Investment Limited, the controlling Shareholder holding approximately 35.20% of the Shares (including Treasury Shares), and the holder of the Convertible Bonds
“Modern Agricultural Fund”	吉林省現代農業產業基金有限公司 (Jilin Province Modern Agricultural Industry Fund Co., Ltd.*)
“Modern Agricultural Holdings”	Modern Agricultural Industry Investment Holdings Limited
“MT”	metric tonnes
“Nomination Committee”	the nomination committee of the Company
“Nongfa”	吉林省農業發展集團有限公司 (Jilin Agricultural Development Group Co., Ltd.*), a controlling Shareholder, which owns 60% of the investment capital of PRC LLP which indirectly wholly-owns Modern Agricultural



Definitions

“Northeast Electric”	中國能源建設集團東北電力第二工程有限公司 (China Energy Engineering Group Northeast No. 2 Electric Power Construction Co., Ltd.), being one of the Contractors
“Period”	the six months ended 30 June 2025
“PRC” or “China”	the People's Republic of China
“PRC LLP”	吉林省現代農業產業投資基金(有限合夥) (Jilin Province Modern Agricultural Industry Investment Fund (LLP)*)
“PRC LLP I”	吉林省盛利壹號企業管理諮詢中心(有限合夥) (Jilin Province Shengli I Corporation Management Advisory Centre (LLP)*), a limited partnership established in the PRC with a registered capital of RMB61,595,279.29, representing approximately 13.36% of the Suppliers Debt
“PRC LLP III”	吉林省盛利叁號企業管理諮詢中心(有限合夥) (Jilin Province Shengli III Corporation Management Advisory Centre (LLP)*), a limited partnership established in the PRC with a registered capital of RMB92,330,485.85, representing approximately 20.02% of the Suppliers Debt
“PRC LLP V”	吉林省盛利伍號企業管理諮詢中心(有限合夥) (Jilin Province Shengli V Corporation Management Advisory Centre (LLP)*), a limited partnership established in the PRC with a registered capital of RMB44,643,501.81, representing approximately 9.68% of the Suppliers Debt
“PRC LLP VII”	吉林省盛利柒號企業管理諮詢中心(有限合夥) (Jilin Province Shengli VII Corporation Management Advisory Centre (LLP)*), a limited partnership established in the PRC with a registered capital of RMB111,954,894.00, representing approximately 24.28% of the Suppliers Debt
“PRC LLP IX”	吉林省盛利玖號企業管理諮詢中心(有限合夥) (Jilin Province Shengli IX Corporation Management Advisory Centre (LLP)*), a limited partnership established in the PRC with a registered capital of RMB150,593,232.04, representing approximately 32.66% of the Suppliers Debt
“Re-acquisition”	the re-acquisition of an aggregate of 28.98% equity interest in Century Dacheng through the acquisition of the entire issue capital of the Target Companies pursuant to the SPAs
“Relevant Suppliers”	certain suppliers of the Group being the creditors of the Suppliers Debt, the interest under which was later converted into equity interest in Century Dacheng pursuant to the Debt-to-Equity-Swap Agreements
“Remaining Luyuan Properties”	the remaining land and buildings in an aggregate land area of approximately 863,329 square meters situated in Luyuan District, Changchun, the PRC, owned by the Disposal Group
“Remuneration Committee”	the remuneration committee of the Company

Definitions

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	a sale and purchase agreement entered into by the Seller and the Purchaser on 30 December 2024, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase, the Sale Shares at the consideration of RMB1.0
“Sale Shares”	100.0% of the registered capital of Changchun Dacheng Industrial
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of par value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Songyuan Bio-chem”	大成生化科技(松原)有限公司 (Dacheng Bio-chem Technology (Songyuan) Co, Ltd.*), a former indirect wholly-owned subsidiary of the Company
“SPA I”	the share purchase agreement dated 8 July 2025 and entered into between the Company, as purchaser, and PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII, each as a vendor, in relation to the sale and purchase of the entire issued share capital of Target Company I
“SPA II”	the share purchase agreement dated 8 July 2025 and entered into between the Company, as purchaser, and PRC LLP IX, as vendor, in relation to the sale and purchase of the entire issued share capital of Target Company II
“SPAs”	collectively, SPA I and SPA II
“SPV I”	a special purpose vehicle in the form of a limited company established in Hong Kong by PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII pursuant to terms of SPA I, which shall be the sole shareholder of Target Company I
“SPV II”	a special purpose vehicle in the form of a limited company established in Hong Kong by PRC LLP IX pursuant to the terms of SPA II, which shall be the sole shareholder of Target Company II
“SPVs”	collectively, SPV I and SPV II
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription CPS”	the Yuanheng CPS and the Liheng CPS
“Suppliers Debt”	the payables owed by the Group to the Relevant Suppliers as at 31 March 2025 in the aggregate amount of approximately RMB461.1 million
“Suppliers Debt Restructuring Arrangement”	a series of arrangements performed or to be performed by the Group to restructure and settle the Suppliers Debt



Definitions

“Suppliers PRC LLPs”	collectively, PRC LLP I, PRC LLP III, PRC LLP V, PRC LLP VII, and PRC LLP IX
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Companies”	collectively, Target Company I and Target Company II
“Target Company I”	a special purpose vehicle in the form of a limited company to be established in BVI by SPV I pursuant to the terms of SPA I, which, upon incorporation, will become the immediate shareholder of Century Dacheng, owning 19.52% equity interest of Century Dacheng
“Target Company II”	a special purpose vehicle in the form of a limited company to be established in BVI by SPV II pursuant to the terms of SPA II, which, upon incorporation, will become the immediate shareholder of Century Dacheng, owning 9.46% equity interest of Century Dacheng
“Tender”	the public tender offered by Changchun Dahe to seek appropriate EPC contractor for the EPC Contract
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“Yuanheng CPS”	the CPS issued to the Jilin Yuanheng pursuant to the CPS Subscription, being the number of CPS that could be issued to Jilin Yuanheng by fully utilising the subscription monies of Jilin Yuanheng of RMB250,000,000
“%”	per cent.

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in this section.

** For identification purposes only*

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Cheng (*Chairman*)
Mr. Wang Guicheng

Non-executive Director

Mr. Li Yuewen

Independent non-executive Directors

Ms. Jiang Fangfang
Mr. Tan Chao
Ms. Xie Liangqiu

COMPANY SECRETARY

Mr. Chan Sing Fai, ACG, HKACG, HKICPA

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1206, 12th Floor
The Metropolis Tower
10 Metropolis Drive
Hung Hom
Kowloon
Hong Kong

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants
42nd Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners
40th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKERS

Bank of Jilin Co., Ltd.
China Construction Bank Corporation

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
Cricket Square
PO Box 1093, Boundary Hall
Grand Cayman KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.globalbiochem.com

STOCK CODE

00809



Message to Shareholders

Dear Shareholders,

Following the completion of the Group's corporate restructuring last year, the Group has rationally allocated resources to its core businesses, significantly improving capacity utilisation rate at its Changchun Dahe production facilities and squeezing operating costs. Simultaneously, the Group continued its development of high value-added products, enabling it to effectively capture opportunities brought by market change.

The Group's amino acid business performed strongly during the Period. In addition to maintaining high-capacity utilisation rate, the Group also flexibly adjusted its production lines to manufacture lysine products of varying concentrations and strictly implemented a production-on-demand approach. This minimised finished goods inventory time and reduced wastage, thereby better meeting the requirements of different customer segments and market demands. Despite downward pressure on average lysine prices under intense domestic competition, the Group strived to expand its sales volume, leading to a year-on-year increase of over 30% in its consolidated revenue during the Period.

Due to the impact of international trade policies, imported corn supply has remained tight, resulting in a continuous rise in domestic corn prices since the beginning of this year. The Group had precisely forecasted a rise in corn prices during the Period at the end of 2024 and took timely action to implement corn inventory measures. Combined with effective energy-saving and consumption-reduction measures in production, the decrease in production costs outpaced the decline in product prices, which further improved the operational efficiency, resulting in a significant year-on-year increase in gross profit of nearly 1.5 times. Gross profit margin improved from 7.3% in the corresponding prior period to 13.6% during the Period.

As the Disposal took place on 30 December 2024, the administrative expenses and other expenses of the Disposal Group were no longer consolidated into the Group's consolidated financial statements, leading to reduction in overall operating costs, thereby improving the liquidity of the Group's cash and bank balances during the Period.

In addition, in July 2025, the Group announced that it had reached a consensus with over 130 suppliers on the proposed settlement of approximately RMB461.1 million in aggregate in payables. It is anticipated that a landmark Suppliers Debt Restructuring Arrangement will be completed within this year, and it is expected to further improve the Group's financial position.

Message to Shareholders

OUTLOOK

Although the expansion in cross-border trade driven by the United States imports and European Union (the “EU”) exports was significant, and improved financial market conditions also helped stimulate economic growth in the first half of 2025, the market still expected the global economic outlook to be clouded by tariff uncertainty. According to the *Global Economic Conditions Survey Report: Q2, 2025* published by the Association of Chartered Certified Accountants and the Institute of Management Accountants, while the global confidence index among accountants for the second quarter of 2025 reached its highest level since the third quarter of 2024, such index remains well below the historical average. Adding to the pressure from rising tariffs and various uncertainties, the report forecasts that global growth in the second half of 2025 remains uncertain. The market expectations further suggest that corn prices will continue to rise in the second half of 2025, which may impact the Group’s production costs. Additionally, several hundred thousand MT of new domestic production capacity are expected to come online in the second half of 2025, potentially profoundly reshaping the competitive landscape.

To address intense market competition, the Group has commenced the Boiler Refurbishment Project to effectively lower the operating costs at Changchun Dahe and enhance its production facilities efficiency. The Group is also actively facilitating the full resumption of operations at the Xinglongshan site, including exploring the introduction of business alliances or investors to participate in the Xinglongshan site operations. The Group has entered into strategic cooperation framework agreements with various entities, leveraging the research centres and pilot testing facilities at the Xinglongshan site, and will continue to explore further strategic cooperation opportunities to transform the pilot testing platform into a linkage for the industrialisation of technological achievements. Furthermore, the Group will continue to monitor the situation of the resumption of the Remaining Luyuan Properties and ensure that the outstanding balance of the repurchased loans will be settled by the Disposal Group on behalf of the Group. This will significantly reduce the Group’s financial expenses, thereby improving its overall financial position, allowing the Group to gradually emerge from its debt crisis and restore its business operations to a healthy trajectory.

Taking this opportunity, the Group extends its sincere appreciation to the Shareholders and business partners for their continued support over the years. We look forward to sharing the benefits of stable business development with all stakeholders in the near future.

Wang Cheng

Chairman

29 August 2025



Management Discussion and Analysis

The Group is principally engaged in the manufacture and sale of corn refined products, amino acids, corn sweeteners and polyol chemicals (the corn sweeteners and polyol chemicals business segments were no longer operated by the Group upon the Disposal Completion). The upstream corn refinery serves as a feedstock which breaks down corn kernels into corn starch, gluten meal, fibre and corn oil; and corn starch is further refined through a series of biochemical and/or chemical processes into a wide range of high value-added downstream products.

BUSINESS REVIEW

The selling prices of the Group's products are affected by the prices of their raw materials (principally corn kernels and corn starch), the demand and supply of each of the products and their respective substitutes in the market and the variety of products specifications.

The global economy is projected to show sluggish growth in 2025. The World Bank forecasted a global gross domestic product ("**GDP**") growth at 2.3% for 2025, being the lowest level since 2008. Challenges including escalating trade tensions, geopolitical uncertainties, and the rise of protectionism persisted during the Period. All such factors suggest limited growth momentum in the global economy for the first half of 2025, and the global economy is at risk of long-term stagnation.

According to data from the National Bureau of Statistics, China's GDP grew by 5.3% year-on-year in the first half of 2025. The national economy maintained generally stable with a positive growth trend, while it faced challenges such as weak consumer confidence, trade war between the United States and China, real estate market adjustments, and external demand uncertainties.

Regarding corn supply, global corn production for the year 2025/26 is estimated at 1,263.7 million MT (2024/25: 1,225.3 million MT), according to the estimates from the United States Department of Agriculture in July 2025. The United States corn production is expected to increase due to larger planted areas for harvest. As such, the total global production is still at a relatively high level, leading to a drop in international corn price from 459.2 US cents per bushel (equivalent to RMB1,302 per MT) at the start of 2025 to 420.5 US cents per bushel (equivalent to RMB1,192 per MT) by the end of June 2025 (end of June 2024: 397.0 US cents per bushel (equivalent to RMB1,135 per MT)).

In the PRC, according to the Chinese Agricultural Supply and Demand Estimates Report published in July 2025, domestic corn harvest in the year 2025/26 is estimated to produce approximately 296.2 million MT (2024/25: approximately 294.9 million MT) of corn, with consumption volume estimated at 299.7 million MT (2024/25: 298.5 million MT). Due to tighter domestic supply and changes in international trade policies, corn imports continued to fall. It is estimated that China's corn imports for the year 2024/25 will drop sharply to 7.0 million MT – that is 16.4 million MT less than that of the year 2023/2024. Domestic corn prices showed a steady increase in the first half of 2025, rising from RMB2,075 per MT in January 2025 to RMB2,447 per MT by June 2025.

In the lysine market, the global market experienced significant fluctuations, primarily driven by heightened uncertainty in international trade policies, which exacerbated market volatility. In early 2025, the United States imposed additional tariffs on certain Chinese goods, while anti-dumping investigations by the EU and Brazil further restricted lysine export markets. During the first half of 2025, lysine exports from China dropped by 5.0% to approximately 521,500 MT. During the Period, the average price of lysine products in China dropped by 23%-27% to RMB7,700-RMB8,100 per MT (end of June 2024: RMB10,200-RMB10,500 per MT), primarily due to the EU's anti-dumping policies, which hindered exports and led to domestic oversupply.

Management Discussion and Analysis

Although export sales declined during the Period, the Group has strengthened the domestic market sales and developed new markets in other non-EU countries to mitigate the impact of the anti-dumping policies. Along with the development of modern biomanufacturing technology, the demand for high value-added amino acid products has continued to increase in recent years. Changchun Dahe has kept pace with market trend and launched various new amino acid products with higher profit margins. This coupled with the sustained adequate operating cash flow to support the increment of production of amino acids has led to significant improvements in revenue and gross profit of the Group's lysine segment during the Period amid intense market competition in the lysine industry. In addition, the Boiler Refurbishment Project has been relaunched and commenced in July 2025. The Group believes that upon completion of the Boiler Refurbishment Project, the Group's amino acid production costs will be further reduced and the market competitiveness of its lysine products will be enhanced in the near future.

Furthermore, the Group has been exploring opportunities to introduce business alliances or investors in the operation of its production sites. It has also been proactively working towards resuming production in the Xinglongshan site to fully utilise its resources and generate synergistic effect. During the Period, the Group cooperated with different entities to utilise research centres and pilot testing facilities at the Group's Xinglongshan site to establish and operate a collaborative synthetic biology pilot testing platform. It is the first step for the gradual resumption of its operation and production at the Xinglongshan site so as to improve the operational efficiency and strengthen the working capital of the Group in the long run.

FINANCIAL PERFORMANCE

During the Period, the United States-China trade war has been escalating. The United States has imposed additional tariffs on certain Chinese goods leading to the increasing difficulty in the export sales of amino acids. The Group has maximised the production capacity of its production facilities in amino acids operation and focused on domestic sales during the Period. The average selling price of amino acid products dropped by 11.9% due to keen competition in the domestic market, while the total average production cost per unit decreased by 18.4% as the Group increased the utilisation rate of the production facilities in amino acids operation in the first half of 2025. As such, the consolidated revenue of the Group increased significantly by approximately 32.0% to approximately HK\$1,186.0 million (2024: HK\$898.5 million) during the Period. The gross profit and the gross profit margin of the Group increased to approximately HK\$161.2 million (2024: HK\$66.0 million) and 13.6% (2024: 7.3%) respectively during the Period.

Upstream products

(Sales amount: HK\$169.7 million (2024: HK\$140.1 million))
(Gross loss: HK\$3.2 million (2024: HK\$5.8 million))

The Group has endeavored to maximise the production capacity of production facilities in Changchun Dahe and provided sufficient raw materials, i.e. corn starch, for its amino acids production during the Period. All the corn starch produced by the Group was for internal use and there was no external sale for corn starch during the Period and the corresponding prior period. The sales volume of the Group's other corn refined products increased by approximately 50.9% to approximately 80,000 MT (2024: 53,000 MT) during the Period with a sales amount of approximately HK\$169.7 million (2024: HK\$140.1 million). Although the average selling price of the other corn refined products decreased by 19.8%, the average production cost of the other corn refined products decreased by 21.5%, due to the improvement in utilisation rate of the production facilities of the Group during the Period. As such, the Group recorded improvement in its performance, with a gross loss of approximately HK\$3.2 million for the Period as compared to a gross loss of approximately HK\$5.8 million for the corresponding prior period, and gross loss margin narrowed to 1.9% (2024: 4.1%).



Management Discussion and Analysis

Amino acids

(Sales amount: HK\$1,016.3 million (2024: HK\$758.4 million))
(Gross profit: HK\$164.4 million (2024: HK\$71.8 million))

The amino acids segment consists of lysine, protein lysine and threonine products. During the Period, the Group has focused on domestic sales and increased the utilisation rate of production facilities in amino acids operation in order to minimise the operating cost. As a result, the Group's amino acids segment recorded an increase in sales volume by 52.0% to 187,000 MT (2024: 123,000 MT) and the average production cost decreased by 18.4% for the Period. Therefore, the Group recorded a gross profit of the amino acids segment of approximately HK\$164.4 million (2024: HK\$71.8 million) with gross profit margin of 16.2% (2024: 9.5%) for the Period.

The outlook on the amino acids segment is expected to be relatively stable in the second half of 2025. The Group will remain cautious and continue to closely monitor the development of the market conditions and devote efforts to facilitate various refurbishment projects to further lower the production costs as well as enhance the competitiveness within the amino acids industry.

Corn sweeteners

(Sales amount: Nil (2024: Nil))
(Gross profit: Nil (2024: Nil))

Upon the disposal of Dihao Foodstuff, which mainly manufactured and sold corn-based sweeteners products in the Xinglongshan site and the production of which had been suspended since 2020, it had ceased to be a subsidiary of the Company. As such, no sale was recorded for the sweeteners segment of the Group during the Period and the corresponding prior period.

Polyol chemicals

(Sales amount: Nil (2024: Nil))
(Gross profit: Nil (2024: Nil))

Upon the disposal of Changchun GBT, which mainly manufactured and sold corn-based biochemical products in the Xinglongshan site and the production of which had been suspended since 2022, it had ceased to be a subsidiary of the Company. As such, no sale of polyol chemicals products of the Group was recorded during the Period and the corresponding prior period.

Export sales

During the Period, export sales which mainly represented the sales of amino acids and other corn refined products accounted for approximately 18.5% (2024: 33.2%) and 5.6% (2024: 1.0%) of the Group's total revenue, respectively. The export sales of the Group amounted to approximately HK\$285.8 million (2024: HK\$307.0 million) during the Period, representing a decrease of approximately 6.9% as compared to the corresponding prior period. During the Period, the Group exported approximately 24,000 MT (2024: 37,000 MT) and 20,000 MT (2024: 7,000 MT) of amino acids and other corn refined products respectively. No export sales of corn sweeteners and polyol chemicals products were recorded during the Period and the corresponding prior period.

Management Discussion and Analysis

Other income and gains, operating expenses, finance costs and income tax expenses

Other income and gains

During the Period, other income and gains decreased by approximately 82.3% to approximately HK\$22.1 million (2024: HK\$124.7 million). Such decrease was mainly attributable to the absence of one-off government grant of approximately HK\$67.4 million rewarded to Changchun Dahe for the resumption of its production facilities and appreciation in fair value of financial assets at fair value through profit or loss ("FVPL") of approximately HK\$28.2 million during the Period.

Selling and distribution costs

During the Period, selling and distribution costs increased by approximately 27.2% to approximately HK\$56.1 million (2024: HK\$44.1 million), accounting for approximately 4.7% (2024: 4.9%) of the Group's revenue. Such increase was mainly attributable to the increase in sales volume of amino acids and other corn refined products during the Period.

Administrative expenses

During the Period, administrative expenses decreased by approximately 38.3% to approximately HK\$78.8 million (2024: HK\$127.7 million). Such decrease resulted from the deconsolidation of the financials of the Disposal Group from the consolidated financial statements of the Group upon the Disposal Completion.

Other expenses

During the Period, other expenses decreased by approximately 69.3% to approximately HK\$16.1 million (2024: HK\$52.4 million). Such decrease was mainly attributable to the deconsolidation of the expenses in relation to the Disposal Group from the consolidated financial statements of the Group upon the Disposal Completion.

Finance costs

During the Period, finance costs of the Group increased by approximately 50.6% to approximately HK\$187.0 million (2024: HK\$124.2 million), which was mainly attributable to the increase of the Convertible Bonds' imputed interests during the Period.

Income tax expenses

During the Period, all subsidiaries of the Group recorded tax losses or the estimated assessable profits were wholly absorbed by tax losses brought forward from previous years, no income tax expenses were recorded for the Period (2024: Nil).



Management Discussion and Analysis

Net loss of the Company

Despite the significant improvement in the Group's gross profit and substantial reduction in the administrative expenses and other expenses, the Company recorded a net loss of approximately HK\$154.7 million (2024: HK\$157.7 million) with EBITDA (i.e., earnings before interest, taxation, depreciation and amortisation) of approximately HK\$82.3 million (2024: HK\$101.9 million) for the Period, mainly due to the absence of one-off government grant of approximately HK\$67.4 million rewarded to Changchun Dahe for the resumption of its production facilities and appreciation in fair value of financial assets at FVPL of approximately HK\$28.2 million during the Period.

The Group will endeavour to (1) resolve the outstanding consideration of RMB701.5 million, together with outstanding interest, owed by Dacheng Bio-Tech and Changchun Dahe to Changchun Rudder (the **"Remaining Rudder Loans"**) by requesting the Disposal Group to settle the Remaining Rudder Loans on behalf of the Group in exchange for the Group's release of the pledge(s)/seizure order(s) attaching to the certain portion of the Remaining Luyuan Properties; (2) closely monitor market changes to streamline the production process and target to complete the Boiler Refurbishment Project by August 2026; and (3) explore opportunities to introduce business alliances or investors in the operations of its production sites and proactively working towards resuming production in the Xinglongshan site to fully utilise its resources and generate synergistic effect.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

Capital structure

The capital structure of the Group consists of debts, which mainly include interest-bearing bank and other borrowings, Convertible Bonds and equity reserves attributable to owners of the Company which comprises issued ordinary Shares, CPS, Treasury Shares and various reserves. The Board shall review the Group's cost and risks of capital on a semi-annual basis with the aim of achieving the optimal capital structure for the Group.

Net borrowing position

The total interest-bearing bank and other borrowings of the Group as at 30 June 2025 increased by approximately HK\$82.7 million to approximately HK\$1,776.4 million (31 December 2024: HK\$1,693.7 million) as a result of additional loans of approximately HK\$591.2 million, which was partially offset by the repayment of the certain bank and other borrowings of approximately HK\$567.1 million, and exchange rate adjustment of approximately HK\$58.6 million during the Period. Meanwhile, the cash and bank balances as at 30 June 2025, which were mainly denominated in Renminbi and Hong Kong dollar, increased by approximately HK\$52.2 million to approximately HK\$137.7 million (31 December 2024: HK\$85.5 million, denominated in Renminbi and Euro). As a result, the net borrowings of the Group increased by approximately HK\$30.5 million to HK\$1,638.7 million (31 December 2024: HK\$1,608.2 million) as at 30 June 2025.

Management Discussion and Analysis

Structure of interest-bearing bank and other borrowings

As at 30 June 2025, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$1,776.4 million (31 December 2024: HK\$1,693.7 million), all (31 December 2024: all) of which were denominated in Renminbi. As at 30 June 2025, the percentage of interest-bearing bank and other borrowings of the Group wholly repayable within one year or on demand and in the second to fifth years were 68.7% and 31.3% (31 December 2024: 100.0% and Nil), respectively.

As at 30 June 2025, interest-bearing bank and other borrowings amounted to approximately HK\$684.8 million (31 December 2024: HK\$89.2 million) have been charged at fixed interest rates ranging from 3.1% to 7.8% per annum (31 December 2024: 5.0% to 7.8% per annum) for terms from one year to three years. Other than that, the rest of the Group's interest-bearing bank and other borrowings were charged with reference to floating interest rate.

Convertible Bonds

Upon completion of the subscription of Shares and Convertible Bonds by Modern Agricultural in October 2015 (the **"Original CB Subscription"**), Convertible Bonds, among others, in the aggregate principal amount of HK\$1,086,279,565 which may be converted into 4,722,954,631 conversion Shares based on the initial conversion price of HK\$0.23 (subject to adjustment) per Share upon full conversion, were issued by the Company to Modern Agricultural. The Convertible Bonds carry coupon interest at the rate of 0.01% per annum payable quarterly in arrears with a term of five years. Pursuant to the terms of the Original CB Subscription, the holder of the Convertible Bonds has the right to convert the whole or any part (in the denominations of HK\$1,000,000 and integral multiples thereof) of the outstanding principal amount of the Convertible Bonds into new Shares at any time after the date falling three calendar months following the date of issue of the Convertible Bonds until seven days before (and excluding) the date falling on the fifth anniversary of the date of issue, provided that the public float of the Shares shall not be less than 25% or any given percentage as required by the Listing Rules. The Convertible Bonds became mature on 15 October 2020 (the **"Maturity Date"**), and all the Convertible Bonds remained outstanding on the Maturity Date.

As announced by the Company on 19 July 2019 and 27 September 2019, the Company entered into two subscription agreements with HK Bloom, pursuant to which HK Bloom has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 1,279,799,672 new Shares (the **"First Subscription Share(s)"**) at the subscription price of HK\$0.10 per First Subscription Share (the **"First Subscription"**) and an aggregate of 1,228,607,685 new Shares (the **"Second Subscription Share(s)"**) at the subscription price of HK\$0.1080 per Second Subscription Share (the **"Second Subscription"**), respectively. As a result of the completion of the First Subscription and the Second Subscription, the conversion price of the outstanding Convertible Bonds has been adjusted, in accordance with the terms and conditions of the Convertible Bonds, to HK\$0.21 per Share upon the completion of the Second Subscription on 29 April 2020 and the maximum number of Shares issuable by the Company upon full conversion of the Convertible Bonds is 5,172,759,833 Shares (the **"Conversion Price Adjustment"**).

On 25 September 2020, the Company and Modern Agricultural entered into a supplemental agreement for the proposed extension (the **"First Extension"**) of the Maturity Date by 32 months to 15 June 2023 (the **"First Extended Maturity Date"**). The resolutions to approve the First Extension were passed by way of poll at an extraordinary general meeting (**"EGM"**) of the Company held on 30 November 2020 and the First Extension took effect from that date. For details of the First Extension, please refer to the announcement of the Company dated 25 September 2020 and the circular of the Company dated 6 November 2020.



Management Discussion and Analysis

In view of the approaching of the First Extended Maturity Date, on 2 June 2023, the Company and Modern Agricultural entered into a second supplemental agreement for the proposed further extension of the First Extended Maturity Date to 30 September 2025 (the “**Second Extension**”). The resolutions to approve the Second Extension were passed by way of poll at the EGM held on 3 August 2023 and the Second Extension took effect from that date. For details of the Second Extension, please refer to the announcement of the Company dated 2 June 2023 and the circular of the Company dated 15 July 2023.

Save for the Conversion Price Adjustment, the First Extension and the Second Extension mentioned above, all other terms and conditions of the Convertible Bonds remain unchanged.

As at 30 June 2025, the Convertible Bonds were divided into liability component and equity component which amounted to approximately HK\$1,073.8 million and HK\$104.7 million (31 December 2024: HK\$958.8 million and HK\$104.7 million) respectively and effective imputed interest of approximately HK\$115.0 million (2024: HK\$53.3 million) was charged during the Period.

CPS

In order for the Group to raise additional capital for facilitating the Debt Restructuring Arrangements, on 30 November 2023, Jilin Yuanheng and Jilin Liheng, as CPS Subscribers, and the Company, as issuer, entered into the CPS Subscription Agreement pursuant to which (i) Jilin Yuanheng conditionally agreed to subscribe for the Yuanheng CPS in the subscription monies of RMB250,000,000; and (ii) Jilin Liheng conditionally agreed to subscribe for the Liheng CPS in the subscription monies of RMB1,330,000,000, at a subscription price of HK\$0.10 per Subscription CPS, representing a premium of approximately 78.6% over the closing price per Share as quoted on the Stock Exchange of HK\$0.056 on the day of the CPS Subscription Agreement.

Each Subscription CPS shall confer on its holder the right to receive a preferred distribution from the date of the issue of the Subscription CPS at a rate of not exceeding 5% per annum on the aggregate issue price of the Subscription CPS, payable annually in arrears. Each preferred distribution is non-cumulative. The Board may, in its sole discretion, elect to defer or not to pay a preferred distribution. No interest accrues on any unpaid preferred distribution. If the Board elects to defer or not to pay a preferred distribution, the Company shall not pay any dividends, distributions or make any other payment on any Shares, unless at the same time it pays to the holders of Subscription CPS any deferred or unpaid preferred distribution which was scheduled to be paid on a day falling in the same financial year in respect of which payment of such dividends, distributions or other payments is made.

The Subscription CPS shall be convertible at the option of the holder thereof at any time after 12 months from the date of issue of the Subscription CPS and without the payment of any additional consideration therefor, into such number of fully-paid Shares as determined in accordance with the rate for conversion of the Subscription CPS into Shares on a one for one basis provided that if the issue of Shares following the exercise by a holder of the Subscription CPS of the conversion rights relating to any of the Subscription CPS held by such holder would result in the Company not meeting the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the shares which are listed on the Stock Exchange shall be held by the public for the purpose of the Listing Rules (the “**Public Float Requirement**”) immediately after the conversion, then the number of Shares to be issued pursuant to such conversion shall be restricted to the maximum number of Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement.

Following the CPS Subscription Completion, a total of 14,535,514,629 Liheng CPS and 2,732,235,940 Yuanheng CPS were issued to Jilin Liheng and Jilin Yuanheng, which may be converted into Shares on a one for one basis, representing approximately 55.53% and 10.44% of the issued share capital of the Company (including Treasury Shares) as enlarged only by the allotment and issue of conversion shares (the “**CPS Conversion Shares**”) immediately after the full conversion of the Subscription CPS, respectively. The aggregate nominal value of the Subscription CPS is HK\$1,726,775,056.9 based on the nominal value of HK\$0.10 per Share.

Management Discussion and Analysis

For details of the CPS Subscription, please refer to the announcements of the Company dated 30 November 2023 and 4 January 2024 and the circular of the Company dated 14 December 2023, respectively.

Turnover days, liquidity ratios and gearing ratios

Normally, the Group grants credit terms to established customers ranging from 30 to 90 days. During the Period, the trade receivables turnover days decreased to approximately 16 days (31 December 2024: 29 days) as the Group maintained a stringent credit control during the Period.

During the Period, trade payables turnover days increased to approximately 236 days (31 December 2024: 211 days) as part of cash flow management.

In addition, as the Group maximised the operation capacity and maintained sufficient stocks in order to meet the sale orders during the Period, the inventory turnover days increased to approximately 48 days (31 December 2024: 42 days).

As at 30 June 2025, the current ratio and the quick ratio of the Group were approximately 0.4 (31 December 2024: 0.3) and 0.3 (31 December 2024: 0.3), respectively. The net liabilities of the Group increased to approximately HK\$2,207.5 million (31 December 2024: HK\$1,954.4 million) as at 30 June 2025. Gearing ratio in terms of debts (i.e. total interest-bearing bank, other borrowings, Convertible Bonds) to total assets (i.e. sum of current assets and non-current assets) increased to approximately 60.8% (31 December 2024: 58.4%).

MAJOR INVESTMENTS

The Group has no major investments or capital assets during the Period. As at the date of this report, the Group does not have any future plans for material investments or capital assets.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during the Period.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

CHARGE ON ASSETS

As at 30 June 2025, the Group's interest-bearing bank and other borrowings amounted to HK\$770,868,000 (31 December 2024: HK\$746,266,000) were secured by pledge of certain property, plant and equipment and right-of-use assets of the Group which amounted to HK\$1,021,495,000 (31 December 2024: HK\$1,004,576,000) and HK\$61,969,000 (31 December 2024: HK\$61,376,000), respectively.



Management Discussion and Analysis

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in Renminbi, while export sales, which were denominated in US dollars, accounted for approximately 24.1% (2024: 34.2%) of the Group's revenue during the Period. The management of the Company has been closely monitoring the Group's exposure to foreign exchange fluctuations in Renminbi and is of the view that there is no material unfavourable exposure to foreign exchange fluctuations in the short run. Therefore, the Group does not intend to hedge its exposure to foreign exchange fluctuations in Renminbi. However, the Group will constantly review the economic situation, development of the Group's business segments and its overall foreign exchange risk profile, and will consider appropriate hedging measures in the future as and when necessary.

FUNDRAISING ACTIVITIES

The Company did not conduct any fundraising activities during the Period.

FUTURE PLANS AND PROSPECTS

In financial aspect, upon the Disposal Completion, the Group has been continuously monitoring the situation of the resumption of the Remaining Luyuan Properties to ensure that the Remaining Rudder Loans will be settled by the Disposal Group on behalf of the Group in exchange for the Group's release of the pledge(s)/seizure order(s) attaching to certain portion of the Remaining Luyuan Properties. Furthermore, the Group will endeavor to continue the restructuring of supplier debts in relation to long-outstanding trade and other payables in order to further improve its financial position.

In business operational aspect, in order to maintain its competitiveness, the Group will strive to maintain its market position, diversify its product range and enhance its capability in developing high value-added products and new applications through in-house research. In the short run, the Group targets to complete the Boiler Refurbishment Project in August 2026 to further lower the production cost of lysine product.

In the long run, the Group will explore opportunities to introduce business alliances or investors in the operations of its production sites and gradually resume production in the Xinglongshan site to fully utilise its resources and generate synergistic effect to improve the operational efficiency and strengthen the working capital of the Group. The Board will optimise its risk/return decisions with respect to capital expenditure and will adopt a prudent approach in relation to capacity expansion.

Management Discussion and Analysis

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2025, the Group had approximately 1,492 (30 June 2024: 2,600) full time employees in Hong Kong and the PRC. The Group appreciates the correlation between human resources and its success, and recognises the value of human resources management as a source of competitive advantage in the increasingly turbulent environment. The Group places great emphasis on the selection and recruitment of new staff, on-the-job training, appraisal and rewards of its employees to align employees' performance with the Group's strategies. The Company also acknowledges the contribution of its employees and strives to maintain competitive remuneration packages and career development opportunities to retain current employees. Remuneration packages include discretionary bonuses payable on a merit basis, which are in line with industrial practice. Staff benefits provided by the Group include mandatory funds, insurance schemes and discretionary bonuses. During the Period, employee benefit expenses (including Directors' remuneration) was approximately HK\$32.0 million (30 June 2024: approximately HK\$69.6 million).

Disclosure of Additional Information

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend (including preferential dividend to holders of the CPS) in respect of the Period (six months ended 30 June 2024: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) of the Directors and chief executives of the Company as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in ordinary Shares:

Name of Director	Capacity/ nature of interest	Number of Shares held	Approximate percentage of the Company's issued share capital (a)
Wang Guicheng	Beneficial owner	500,000	0.01

Remark:

- (a) Calculated on the basis of 8,907,405,717 Shares (including 44,560,000 Treasury Shares) in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or any person in whose shares and debentures any Directors is deemed to be interested under Part XV of the SFO, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Disclosure of Additional Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests or short positions of the persons (other than the Directors or chief executives of the Company) in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in ordinary Shares:

Name	Capacity/ nature of interest	Remarks	Number of ordinary Shares held	Approximate percentage of the Company's issued share capital (f)
HK Bloom	Beneficial owner	(a)	2,508,407,357	28.16
Modern Agricultural	Beneficial owner	(b)	8,308,269,029	93.27
Jilin Liheng	Beneficial owner	(c)	14,535,514,629	163.18
Jilin Yuanheng	Beneficial owner	(d)	2,732,235,940	30.67
Bank of Jilin Co., Ltd.	Security interest in Shares	(e)	1,749,858,609	19.64

Remarks:

- (a) HK Bloom is beneficially owned as to 50.0% and 50.0% by Mr. Li Zhenghao ("**Mr. Li**") and Ms. Sun Zhen ("**Ms. Sun**"), respectively. Under the SFO, each of Mr. Li and Ms. Sun is deemed to be interested in all the Shares interested by HK Bloom.
- (b) (i) Amongst 8,308,269,029 Shares held by Modern Agricultural, 5,172,759,833 Shares represented Shares which may be issued to it upon full conversion of the Convertible Bonds. As such, as at 30 June 2025, Modern Agricultural was the beneficial owner of 3,135,509,196 Shares, representing approximately 35.2% of the issued share capital of the Company (including Treasury Shares). Upon full conversion of the Convertible Bonds, Modern Agricultural will become the holder of 8,308,269,029 Shares, representing approximately 59.0% of the issued share capital of the Company (including Treasury Shares) as enlarged by the allotment and issue of conversion Shares under the Convertible Bonds. As approved by the independent Shareholders at the EGM held on 3 August 2023, Modern Agricultural has obtained a waiver under note 1 on dispensations from Rule 26 of the Takeovers Code, therefore, no offer under Rule 26 of the Takeovers Code would arise upon full conversion of the Convertible Bonds by Modern Agricultural.
- (ii) The entire issued capital of Modern Agricultural is held by Modern Agricultural Holdings which is in turn wholly-owned by PRC LLP. The sole general partner of PRC LLP is Modern Agricultural Fund. As at the date of this report, the investment capital of PRC LLP is owned as to 60.0% by Nongfa (Nongfa is controlled by Jilin SASAC), as to 26.7% by 銀華長安資本管理(北京)有限公司 (Yinhua Wealth Capital Management (Beijing) Co., Ltd.*) and as to 13.3% by 長春市新興產業股權投資基金有限公司 (Changchun Emerging Industry Equity Investment Fund Co., Ltd.*). Accordingly, each of Modern Agricultural Holdings, PRC LLP, Modern Agricultural Fund, Nongfa and Jilin SASAC is deemed to be interested in the Shares held by Modern Agricultural in the Company under the SFO.

Disclosure of Additional Information

- (c) All Shares represented Shares which may be issued to Jilin Liheng upon full conversion of the Subscription CPS. Upon full conversion of the Subscription CPS, Jilin Liheng will become the holder of 14,535,514,629 Shares, representing approximately 55.53% of the issued share capital of the Company (including Treasury Shares) as enlarged by the allotment and issue of the CPS Conversion Shares under the Subscription CPS. The general partners of Jilin Liheng are Jilin Changbaishan (which is ultimately owned as to approximately 72.1% by Jilin SASAC, approximately 7.9% by Jilin DOF and approximately 20.0% by 長春淨月高新技術產業開發區財政局 (Finance Bureau of Changchun Jingyue High-tech Industrial Development Zone*) ("**Changchun Finance Bureau**") and Modern Agricultural Fund. As at the date of this report, the investment capital of Jilin Liheng is owned as to 1.1% by Jilin Changbaishan, as to 1.1% by Modern Agricultural Fund, as to 67.8% by 長春潤城投資有限公司 (Changchun Runcheng Investment Co., Ltd.*) (which is ultimately owned as to approximately 51.9% by 長春市人民政府國有資產監督管理委員會 (The State-Owned Assets Supervision and Administration Commission of the People's Government of Changchun City*) ("**Changchun SASAC**") and approximately 48.1% by Changchun MFB), as to 18.5% by 吉林省股權基金投資有限公司 (Jilin Province Equity Fund Investment Co., Ltd.*) (which is ultimately wholly-owned by Jilin DOF) and as to 11.5% by Nongfa. Accordingly, each of Modern Agricultural Fund, Nongfa, Jilin SASAC, Jilin Changbaishan, Changchun SASAC and Changchun MFB is deemed to be interested in the Shares held by Jilin Liheng in the Company under the SFO.
- (d) All Shares represented Shares which may be issued to Jilin Yuanheng upon full conversion of the Subscription CPS. Upon full conversion of the Subscription CPS, Jilin Yuanheng will become the holder of 2,732,235,940 Shares, representing approximately 10.44% of the issued share capital of the Company (including Treasury Shares) as enlarged by the allotment and issue of CPS Conversion Shares under the Subscription CPS. The sole general partner of Jilin Yuanheng is Jilin Changbaishan. As at the date of this report, the investment capital of Jilin Yuanheng is owned as to 2.2% by Jilin Changbaishan, as to 62.5% by 吉林省致晟投資管理有限公司 (Jilin Zhisheng Investment Management Co., Ltd.*) (which is ultimately owned as to approximately 90.1% by Jilin SASAC and approximately 9.9% by Jilin DOF), as to 15.6% by 吉林省股權基金投資有限公司 (Jilin Provincial Equity Fund Investment Co., Ltd.*) (which is ultimately wholly-owned by Jilin DOF), as to 12.5% by 長春市股權投資基金管理有限公司 (Changchun Equity Investment Fund Management Co., Ltd.*) (which is ultimately wholly-owned by Changchun MFB) and as to 7.2% by 長春淨月產業基金投資有限公司 (Changchun Jingyue Industrial Fund Investment Co., Ltd.*) (which is ultimately wholly-owned by Changchun Finance Bureau). Accordingly, each of Jilin Changbaishan and Jilin SASAC, is deemed to be interested in the Shares held by Jilin Yuanheng in the Company under the SFO.
- (e) Bank of Jilin Co., Ltd. is a person having a security interest in Shares.
- (f) Calculated on the basis of 8,907,405,717 Shares (including 44,560,000 Treasury Shares) in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, no person, other than Directors or chief executives of the Company, whose interests are set out in the section headed "Directors' and chief executives' interests and short positions in Shares and underlying Shares" above, had interest or short position in the Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO.

Disclosure of Additional Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company repurchased a total of 12,894,000 Shares on the Stock Exchange with an aggregate consideration of approximately HK\$1,218,328 (before expenses). As confirmed by the Directors, such Share repurchases were conducted on the Stock Exchange and as part of the share repurchase programme of the Company, further details of which were disclosed in the announcement of the Company dated 12 November 2024. All such Shares repurchased were held as Treasury Shares. As at 30 June 2025, the total number of Shares in issue was 8,907,405,717 (including 44,560,000 Treasury Shares). Details of the Shares repurchased during the Period are as follows:

Months	Number of Shares repurchased	Repurchase price per Share		Aggregate Consideration paid
		Highest (HK\$)	Lowest (HK\$)	(HK\$)
2025				
January	6,894,000	0.100	0.099	685,506
February	6,000,000	0.095	0.083	532,822
	12,894,000			1,218,328

Such Shares repurchased are currently held as Treasury Shares and may either be later cancelled or continued to be held by the Company as the Treasury Shares, subject to market conditions at the relevant time and the capital management needs of the Group.

No on-market sales of Treasury Shares were made during the Period. Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Period.

COMPLIANCE WITH THE CG CODE AND THE MODEL CODE

The Board regularly reviews the Group's corporate governance guidelines and developments. To the best knowledge and belief of the Board, the Board considers that throughout the Period, the Company has complied with all code provisions in part 2 of the CG Code in effect for the Period.

The Company has adopted a code of conduct regarding the Director's securities transactions on terms no less exacting than the required standard set out in the Model Code.

Having made specific enquiry of each of the Directors, all Directors have confirmed to the Company that they have complied with the required standards set out in the Model Code and the Company's code of conduct throughout the Period.



Disclosure of Additional Information

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls systems. The Audit Committee currently comprises all independent non-executive Directors, namely, Mr. Tan Chao (chairman of the Audit Committee), Ms. Jiang Fangfang and Ms. Xie Liangqiu.

The duties of the Audit Committee are, among others, to review the Company's half yearly and annual financial statements and to make recommendations to the Board on appointment and removal of the Auditor. The Audit Committee meets regularly with the Company's senior management, internal audit team and the Auditor to review the Company's financial reporting process, the effectiveness of internal control, audit process and risk management.

The Audit Committee has reviewed the interim results of the Group for the Period and this report and has discussed for the accounting principles and policies adopted by the Group with the management of the Company, with no disagreement.

NOMINATION COMMITTEE

The Nomination Committee comprises an executive Director, Mr. Wang Cheng (chairman of the Nomination Committee), and two independent non-executive Directors, namely, Ms. Jiang Fangfang and Mr. Tan Chao. The duties of the Nomination Committee, among others, determining policy for the nomination of the Directors, including the nomination procedures, process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship. The Nomination Committee also reviews the structure, size and composition of the Board, assists the Board in maintaining a Board skills matrix, evaluates the nomination policy, assesses the independence of the independent non-executive Directors and makes recommendations on any proposed changes to the Board and on the selection of individuals nominated for directorships, and reviews the board diversity policy adopted by the Company.

REMUNERATION COMMITTEE

The Remuneration Committee comprises an executive Director, Mr. Wang Cheng and two independent non-executive Directors, namely, Mr. Tan Chao (chairman of the Remuneration Committee) and Ms. Jiang Fangfang. The duties of the Remuneration Committee are, among others, to make recommendations to the Board, as well as on the Group's policy and structure for the remuneration of the Directors and the senior management. The Remuneration Committee also assesses performance of the Directors and approves the terms of the Directors' service contracts. The Board has adopted remuneration policy of the Directors on the basis of their merit, qualification and competence with reference to the market benchmarks.

Disclosure of Additional Information

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee comprises an executive Director, Mr. Wang Cheng and two independent non-executive Directors, namely, Mr. Tan Chao (chairman of the Corporate Governance Committee) and Ms. Jiang Fangfang. The duties of the Corporate Governance Committee are, among others, to determine, develop and review the Company's policies and practices on corporate governance and provide supervision over the Board and its committees' compliance with their respective terms of reference and relevant requirements under the CG Code, or other applicable laws, regulations, rules and codes.

EXECUTIVE COMMITTEE

The Executive Committee comprises two executive Directors, namely, Mr. Wang Guicheng (chairman of the Executive Committee) and Mr. Wang Cheng. The duties of the Executive Committee are, among others, to approve and enter into any agreement or document or transaction on behalf of the Company and to approve, execute and authorise the issue, publication or despatch of all such documents as the Executive Committee may consider necessary or desirable in connection with the normal and ordinary course of business and the day-to-day management and operation of the Company.

The powers and authorities of the Executive Committee shall not be extended to:

- (a) approval of final and interim results of the Company;
- (b) declaration, recommendation or payment of any dividend or other distributions;
- (c) proposal to the Shareholders to put the Company into liquidation;
- (d) approval of any discloseable transaction, major transaction, very substantial acquisition or disposal within the meaning of Chapter 14 of the Listing Rules;
- (e) approval of any connected transaction within the meaning of Chapter 14A of the Listing Rules;
- (f) matters involving a conflict of interest for a substantial Shareholder and/or a Director;
- (g) approving any proposed change in the capital structure, including any redemption of the Company's securities listed on the Stock Exchange;
- (h) approving any decision to change the general character or nature of the business of the Company;
- (i) matters specifically set out in the Listing Rules which require approval at a full Board meeting; and
- (j) any regulations or resolutions or restrictions that may be imposed upon the Executive Committee by the Board from time to time.



Disclosure of Additional Information

IMPORTANT EVENTS SUBSEQUENT TO THE PERIOD UNDER REVIEW

Suppliers Debt Restructuring Arrangement

Reference is made to the announcement of the Company dated 9 June 2025. The Suppliers Debt Restructuring Arrangement involves two major steps, namely, (i) the debt-to-equity conversion in the PRC, converting the Relevant Suppliers' interests in the Suppliers Debt to equity interest in Century Dacheng to be held by the Suppliers PRC LLPs; and (ii) the equity-swap at the Company level, swapping the equity interest in Century Dacheng held by the Suppliers PRC LLPs with Shares to be issued. As further disclosed in the announcement of the Company dated 3 July 2025, step (i) of the Suppliers Debt Restructuring Arrangement involving the Debt-to-Equity-Swap Agreements had been completed on 28 June 2025. Upon completion of the Debt-to-Equity-Swap Agreements, Century Dacheng is owned as to 28.98% by the Suppliers PRC LLPs in aggregate, and as to 71.02% by GBT HK.

On 8 July 2025, the Company has entered into (a) SPA I with PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII; and (b) SPA II with PRC LLP IX for step (ii) of the Suppliers Debt Restructuring Arrangement. Pursuant to the SPAs, the Company conditionally agreed to acquire and the Suppliers PRC LLPs conditionally agreed to sell, the entire issued share capital of (a) Target Company I (which shall be indirectly wholly-owned by PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII upon incorporation) which shall hold approximately 19.52% equity interest in Century Dacheng; and (b) Target Company II (which shall be indirectly wholly-owned by PRC LLP IX upon incorporation) which shall hold approximately 9.46% of equity interest of Century Dacheng, respectively. The Considerations for the Re-acquisition represents the amount of the Suppliers Debt after applying an overall haircut discount of approximately 34.72%, being RMB151,743,863 under SPA I and RMB149,263,510 under SPA II, respectively.

Pursuant to the SPAs, the Considerations shall be satisfied by way of allotment and issue of the Consideration Shares to the Suppliers PRC LLPs or the SPVs at the issue price of HK\$0.12 per Consideration Share. Such issue price represented a premium of 36.36% to the closing price of HK\$0.88 per Share as quoted on the Stock Exchange on the date of the SPAs. Adopting the exchange rate as announced by the People's Bank of China on the date of the SPAs, i.e. HK\$1=RMB0.91128, a total of 2,752,605,977 Consideration Shares shall be allotted and issued, with 1,387,643,964 Consideration Shares and 1,364,962,013 Consideration Shares to be allotted and issued under SPA I and SPA II, respectively. The aggregate nominal value of the Consideration Shares is HK\$275,260,597.7.

The Consideration Shares, which shall be allotted and issued under a specific mandate to be sought by the Company at an EGM, represent (i) approximately 31.06% of the issued share capital of the Company (excluding 44,560,000 Treasury Shares) as at the date of this report; and (ii) approximately 23.70% of the issued share capital of the Company (excluding 44,560,000 Treasury Shares) as enlarged by the allotment and issue of the Consideration Shares (subject to the completion of the Re-acquisition in accordance with the SPAs and assuming there will be no change in the issued share capital of the Company other than the allotment and issue of the Consideration Shares).

Upon the completion of the SPAs, the Target Companies will become directly wholly-owned subsidiaries of the Company. The Target Companies which shall then be holding in aggregate the 28.98% interest in Century Dacheng, will be 100% acquired by the Company and Century Dacheng will once again become an indirect wholly-owned subsidiary of the Company. For the avoidance of doubt, the financial results, assets and liabilities of Century Dacheng have all along remained consolidated in the Company's consolidated financial statements during the process of the Suppliers Debt Restructuring Arrangement.

As at the date of this report, the SPVs have been incorporated in Hong Kong. Save as disclosed above, none of the conditions precedent under the SPAs has been fulfilled.

Disclosure of Additional Information

The EPC Contract

References are made to the announcements of the Company dated 23 May 2025 and 31 July 2025. On 23 May 2025, Changchun Dahe had issued a notice of Tender inviting bidders for the EPC Contract and such Tender commenced on 26 May 2025. As there were insufficient bidders participating in such Tender, Changchun Dahe has issued other two notices of Tender inviting bidders for the EPC Contract on 3 June 2025 (which expired on 23 June 2025 with no successful bidder) and 24 June 2025, respectively. The Tender has successfully closed on 14 July 2025, and Changchun Dahe entered into the EPC Contract with Northeast Electric and Liaoning Electric, being the successful joint bidders, on 31 July 2025. Under the EPC Contract, the Contractors will be responsible for the project engineering design, procurement, construction, installation, calibration and test running related works in respect of the Boiler Refurbishment Project at a maximum consideration of RMB129.1 million (including the maximum bonus for early completion). The bonus in the amount of RMB4.0 million, RMB3.0 million or RMB2.0 million shall be paid to the Contractors for completion of the Boiler Refurbishment Project before 30 June 2026, 31 July 2026 or 31 August 2026, as the case may be.

**Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income**
For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	4	1,185,983	898,541
Cost of sales		(1,024,786)	(832,516)
Gross profit		161,197	66,025
Other income and gains	4	22,085	124,677
Selling and distribution costs		(56,127)	(44,081)
Administrative expenses		(78,793)	(127,711)
Other expenses		(16,075)	(52,422)
Finance costs	5	(187,021)	(124,231)
LOSS BEFORE TAX	6	(154,734)	(157,743)
Income tax expenses	7	—	—
LOSS FOR THE PERIOD		(154,734)	(157,743)
OTHER COMPREHENSIVE LOSS			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Hong Kong		(97,161)	(229,443)
		(97,161)	(229,443)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		(97,161)	(229,443)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(251,895)	(387,186)
LOSS PER SHARE			
Basic	8	HK(1.7) cents	HK(1.8) cents
Diluted	8	HK(1.7) cents	HK(1.8) cents

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,146,691	2,119,050
Right-of-use assets		292,875	290,085
Intangible assets		2,047	2,047
Financial assets at fair value through profit or loss ("FVPL")	11	26,292	31,238
		2,467,905	2,442,420
CURRENT ASSETS			
Inventories		273,922	205,507
Trade receivables	12	102,567	159,457
Prepayments, deposits and other receivables	13	175,107	160,107
Due from the GCG Group (as defined in note 14)	14	47,159	44,608
Due from former subsidiaries	14	1,482,790	1,444,613
Cash and bank balances		137,662	85,470
		2,219,207	2,099,762
CURRENT LIABILITIES			
Trade payables	15	1,494,971	1,174,619
Other payables and accruals	16	2,539,621	2,658,768
Convertible bonds ("Convertible Bonds")		1,073,828	958,839
Interest-bearing bank and other borrowings		1,219,655	1,693,740
Lease liabilities		168	179
		6,328,243	6,486,145
NET CURRENT LIABILITIES		(4,109,036)	(4,386,383)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,641,131)	(1,943,963)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		556,703	—
Lease liabilities		157	234
Deferred income		9,512	10,193
		566,372	10,427
NET LIABILITIES		(2,207,503)	(1,954,390)
CAPITAL AND RESERVES			
Share capital	17	890,741	890,741
Convertible preference shares ("CPS")	17	1,726,775	1,726,775
Treasury shares ("Treasury Shares")	17	(3,801)	(2,583)
Reserves		(4,821,218)	(4,569,323)
TOTAL DEFICIT		(2,207,503)	(1,954,390)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Share capital HK\$'000	CPS HK\$'000	Treasury Shares HK\$'000	Share premium HK\$'000	Properties revaluation reserve HK\$'000	Convertible Bonds reserve HK\$'000	Other reserve HK\$'000	Statutory reserve fund HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2025	890,741	1,726,775	(2,583)	2,849,298	478,967	104,654	(98,539)	35,445	812,236	(8,751,384)	(1,954,390)
Loss for the period	-	-	-	-	-	-	-	-	-	(154,734)	(154,734)
Other comprehensive loss for the period – Exchange realignment	-	-	-	-	-	-	-	-	(97,161)	-	(97,161)
	-	-	-	-	-	-	-	-	(97,161)	-	(97,161)
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(97,161)	(154,734)	(251,895)
Transactions with owners of the Company Addition of Treasury Shares	-	-	(1,218)	-	-	-	-	-	-	-	(1,218)
	-	-	(1,218)	-	-	-	-	-	-	-	(1,218)
At 30 June 2025 (Unaudited)	890,741	1,726,775	(3,801)	2,849,298*	478,967*	104,654*	(98,539)*	35,445*	715,075*	(8,906,118)*	(2,207,503)

	Share capital HK\$'000	CPS HK\$'000	Share premium HK\$'000	Properties revaluation reserve HK\$'000	Convertible Bonds reserve HK\$'000	Other reserve HK\$'000	Statutory reserve fund HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	890,741	-	2,849,298	678,830	104,654	(98,539)	72,508	1,297,753	(9,832,151)	(4,036,906)
Loss for the period	-	-	-	-	-	-	-	-	(157,743)	(157,743)
Other comprehensive loss for the period – Exchange realignment	-	-	-	-	-	-	-	(229,443)	-	(229,443)
	-	-	-	-	-	-	-	(229,443)	-	(229,443)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(229,443)	(157,743)	(387,186)
Transactions with owners of the Company Issuance of CPS	-	1,726,775	-	-	-	-	-	-	-	1,726,775
	-	1,726,775	-	-	-	-	-	-	-	1,726,775
At 30 June 2024 (Unaudited)	890,741	1,726,775	2,849,298	678,830	104,654	(98,539)	72,508	1,068,310	(9,989,894)	(2,697,317)

* These reserve accounts comprises the negative reserves of HK\$4,821,218,000 (31 December 2024: HK\$4,569,323,000) in the condensed consolidated statement of financial position.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(154,734)	(157,743)
Adjustments for:		
Finance costs	187,021	124,231
Bank interest income	(2)	(186)
Depreciation		
— Property, plant and equipment	46,942	127,208
— Right-of-use assets	3,116	8,207
Amortisation of deferred income	(1,388)	(1,984)
Depreciation (Appreciation) in fair value of financial assets at FVPL	4,946	(28,154)
Write-down of inventories	7,191	—
Reversal of impairment of trade receivables, net	(6,710)	(2,139)
Impairment (Reversal of impairment) of prepayments, deposits and other receivables, net	7,759	(13,716)
Waiver of long outstanding trade payables	(5,468)	—
Changes in working capital:		
Inventories	(67,505)	(159,544)
Trade receivables	67,520	59,561
Prepayments, deposits and other receivables	(17,155)	27,990
Pledged bank deposits	—	110
Trade payables	281,040	185,927
Other payables and accruals	(257,741)	(108,716)
Due from the GCG Group	(2,551)	—
Due from former subsidiaries	(38,177)	(43,260)
Due to an associate	—	284
Due from a joint venture	—	(247)
Cash generated from operations	54,104	17,829
Interest received	2	186
Net cash generated from operating activities	54,106	18,015

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM INVESTING ACTIVITY		
Purchases of property, plant and equipment	(3,202)	—
Net cash used in investing activity	(3,202)	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new interest-bearing bank and other borrowings	591,209	—
Repayment of interest-bearing bank and other borrowings	(567,070)	(1,738,461)
Repayment of lease liabilities	(100)	(373)
Repurchase of shares of the Company (the “Shares”)	(1,218)	—
Interest paid	(25,203)	(26,624)
Issuance of CPS	—	1,726,775
Net cash used in financing activities	(2,382)	(38,683)
Net increase (decrease) in cash and cash equivalents	48,522	(20,668)
Cash and cash equivalents at beginning of period	85,470	88,246
Effect of foreign exchange rate changes, net	3,670	(1,322)
Cash and cash equivalents at end of period, represented by cash and bank balances	137,662	66,256

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The condensed consolidated financial statements of Global Bio-chem Technology Group Company Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) were authorised for issue in accordance with a resolution of the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 29 August 2025.

The Company was incorporated in the Cayman Islands under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 18 May 2000. The principal activity of the Company is investment holding. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 1206, 12th Floor, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong.

The Group is principally engaged in the manufacture and sale of corn refined products and corn-based biochemical products. Except for the cessation of manufacture and sale of corn-based sweeteners products and corn-based biochemical products upon the disposal of 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*) (“**Dihao Foodstuff**”) and 長春金寶特生物化工有限公司 (Changchun GBT Bio-Chemical Co., Ltd.*), both are former indirect wholly-owned subsidiaries of the Company established in the People’s Republic of China (the “**PRC**” or “**China**”) with limited liability, on 30 December 2024, there was no significant change in the nature of the Group’s principal activities during the Period.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

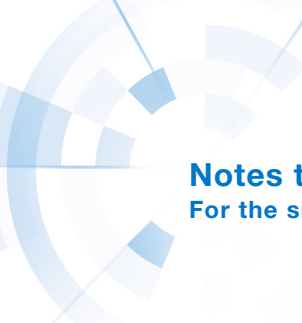
2.1 Basis of preparation

The condensed consolidated financial statements for the Period have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2.2 Going concern

The Group recorded a loss of approximately HK\$154.7 million (six months ended 30 June 2024: approximately HK\$157.7 million) for the Period and had net current liabilities of approximately HK\$4,109.0 million (31 December 2024: approximately HK\$4,386.4 million) and net liabilities of approximately HK\$2,207.5 million (31 December 2024: approximately HK\$1,954.4 million) as at 30 June 2025. In preparing these condensed consolidated financial statements, the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company, and the ability of the Group and the Company to attain profit and positive cash flows from operations and obtain additional funding in the immediate and longer term. The Company has taken the following steps to improve the financial position of the Group:



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.2 Going concern *(Continued)*

(a) Disposal of Changchun Dacheng Industrial to improve the financial position of the Group

The completion of the disposal of 100% of the registered capital (the “**Changchun Dacheng Industrial Sale Shares**”) of 長春大成實業集團有限公司 (Changchun Dacheng Industrial Group Company Limited*) (“**Changchun Dacheng Industrial**”) together with its subsidiaries (collectively, the “**Disposal Group**”) under the sale and purchase agreement dated 30 December 2024 entered between Dacheng Industrial Group (HK) Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability, as a seller, and 長春宏祥新能源開發有限公司 (Changchun Hongxiang New Energy Development Company Limited*) (“**Changchun Hongxiang**”), an independent third party, as a purchaser, took place on 30 December 2024 (the “**Disposal Completion**”). Upon the Disposal Completion, the net liabilities of the Disposal Group, including but not limited to a principal amount of approximately Renminbi (“**RMB**”) 113.5 million together with outstanding interest (the “**Disposed Rudder Loans**”), being a portion of the outstanding consideration of RMB815.0 million for the purchase of the repurchased loans (the “**Repurchased Loans**”) from 長春潤德投資集團有限公司 (Changchun Rudder Investment Group Co., Ltd.*) (“**Changchun Rudder**”), owed by Dihao Foodstuff, which was one of the companies under the Disposal Group and disposed of upon Disposal Completion, immediately ceased to be consolidated into the consolidated financial statements of the Group.

In order to further improve the financial position of the Group, the management of the Group will continue to monitor the situation of the resumption of the remaining land and buildings in an aggregate land area of approximately 863,329 square meters situated in Luyuan District, Changchun, the PRC owned by the Disposal Group (the “**Remaining Luyuan Properties**”) and ensure the remaining portion of the Repurchased Loans, other than the Disposed Rudder Loans, in the principal amount of approximately RMB701.5 million, together with outstanding interests remaining to be owed by the Group after the Disposal Completion will be settled by the Disposal Group on behalf of the Group in exchange for the Group's release of the pledge(s)/seizure order(s) attaching to certain portion of the Remaining Luyuan Properties.

(b) Monitoring of the Group's operating cash flows

The Group has taken various measures to minimise the operating cost and develop new business line to enhance the operating cash flow during market turbulence. During the Period, the Group has continued to maximise the production capacity of the production facilities in amino acids operation and is expected to launch a series of high value-added products to expand the sales. The Directors expect that the amino acids operation will continue to generate adequate cash inflow to the Group in the second half 2025.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.2 Going concern *(Continued)*

(c) Facilitating Suppliers Debt Restructuring Arrangement

The Group has been in discussion with certain suppliers of the Group (the “**Relevant Suppliers**”) to resolve a substantial part of payables owing to them which have been overdue for more than 10 years. Such overdue payables were valued at approximately RMB461.1 million (the “**Suppliers Debt**”) as at 31 March 2025. Consensus have been reached between the Group and the Relevant Suppliers to conduct a series of arrangements to restructure and settle the Suppliers Debt (the “**Suppliers Debt Restructuring Arrangement**”) in mid-2024. The Suppliers Debt Restructuring Arrangement involves two major steps, namely (i) the debt-to-equity conversion in the PRC, with the Relevant Suppliers, via PRC LLP I, PRC LLP III, PRC LLP V, PRC LLP VII and PRC LLP IX (as defined below) (collectively, the “**Suppliers PRC LLPs**”) which were established in the PRC, converting their interest in the Suppliers Debt to equity interest in 長春世紀大成商貿有限公司 (Changchun Century Dacheng Trading Company Limited*) (“**Century Dacheng**”), a then indirect wholly-owned subsidiary of the Company; and (ii) the equity-swap at the Company level, swapping the equity interest in Century Dacheng held by the Suppliers PRC LLPs, with Shares to be issued.

On 9 June 2025, (i) each of the Suppliers PRC LLPs, as the initial creditors and subscribers; (ii) Century Dacheng, as the debtor and the issuer; and (iii) Global Bio-chem Technology (HK) Limited (“**GBT HK**”), a wholly-owned subsidiary of the Company and the immediate shareholder of Century Dacheng, entered into respective debt-to-equity-swap agreements (the “**Debt-to-Equity-Swap Agreements**”). Pursuant to the Debt-to-Equity-Swap Agreements, each of the Suppliers PRC LLPs shall utilise the respective Suppliers Debt amount (RMB461.1 million in aggregate) to subscribe for new registered capital of Century Dacheng, which shall, upon completion, be regarded as fully paid-up registered capital, representing approximately 28.98% equity interest in Century Dacheng in aggregate.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.2 Going concern *(Continued)*

(c) Facilitating Suppliers Debt Restructuring Arrangement (Continued)

On 8 July 2025, the Company, as purchaser, has entered into (a) a share purchase agreement (“**SPA I**”), with 吉林省盛利壹號企業管理諮詢中心(有限合夥) (Jilin Province Shengli I Corporation Management Advisory Centre (LLP)*)(“**PRC LLP I**”), 吉林省盛利叁號企業管理諮詢中心(有限合夥) (Jilin Province Shengli III Corporation Management Advisory Centre (LLP)*)(“**PRC LLP III**”), 吉林省盛利伍號企業管理諮詢中心(有限合夥) (Jilin Province Shengli V Corporation Management Advisory Centre (LLP)*)(“**PRC LLP V**”), and 吉林省盛利柒號企業管理諮詢中心(有限合夥) (Jilin Province Shengli VII Corporation Management Advisory Centre (LLP)*)(“**PRC LLP VII**”), all being limited partnerships established in the PRC with a registered capital of RMB61,595,279.29, RMB92,330,485.85, RMB44,643,501.81 and RMB111,954,894.00, representing approximately 13.36%, 20.02%, 9.68% and 24.28% of the Suppliers Debt, respectively, each as a vendor, in relation to the sale and purchase of the entire issued share capital of a special purpose vehicle (“**Target Company I**”) in the form of a limited company to be established in the British Virgin Islands (the “**BVI**”) by a special purpose vehicle (“**SPV I**”) in the form of a limited company established in Hong Kong by PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII which shall be the sole shareholder of Target Company I; and (b) a share purchase agreement (“**SPA II**”), together with SPA I, the “**SPAs**”) with 吉林省盛利玖號企業管理諮詢中心(有限合夥) (Jilin Province Shengli IX Corporation Management Advisory Centre (LLP)*)(“**PRC LLP IX**”), a limited partnership established in the PRC with a registered capital of RMB150,593,232.04, representing approximately 32.66% of the Suppliers Debt, as vendor, in relation to the sale and purchase of the entire issued share capital of a special purpose vehicle (“**Target Company II**”), together with Target Company I, the “**Target Companies**”) in the form of a limited company to be established in the BVI by a special purpose vehicle (“**SPV II**”) in the form of a limited company established in Hong Kong by PRC LLP IX, which shall be the sole shareholder of Target Company II, for step (ii) of the Suppliers Debt Restructuring Arrangement.

Pursuant to the SPAs, the Company conditionally agreed to acquire and the Suppliers PRC LLPs conditionally agreed to sell, the entire issued share capital of (i) Target Company I (which shall be indirectly wholly-owned by PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII upon incorporation and shall hold approximately 19.52% equity interest in Century Dacheng); and (ii) Target Company II (which shall be indirectly wholly-owned by PRC LLP IX upon incorporation and shall hold approximately 9.46% of equity interest of Century Dacheng), respectively. The consideration for the re-acquisition of an aggregate of 28.98% equity interest in Century Dacheng through the acquisition of the entire issue capital of the Target Companies pursuant to the SPAs (the “**Re-acquisition**”) represents the amount of the Suppliers Debt after applying an overall haircut discount of approximately 34.72%, being RMB151,743,863 under SPA I and RMB149,263,510 under SPA II, respectively. Such consideration shall be settled by the allotment and issue of 1,387,643,964 Shares (the “**Consideration Shares I**”) to be allotted and issued in the accordance with the terms of SPA I and 1,364,962,013 Shares (the “**Consideration Shares II**”, together with the Consideration Shares I, the “**Consideration Share(s)**”) to be allotted and issued in accordance with the terms of SPA II, at the issue price of HK\$0.12 per Consideration Share, under a specific mandate (the “**Specific Mandate**”) to allot, issue or otherwise deal in the Consideration Shares upon the completion of the Re-acquisition in accordance with the SPAs. The SPAs and the transactions contemplated thereunder, including the Re-acquisition and the grant of the Specific Mandate for the issue of the Consideration Shares, are subject to the approval of the shareholders of the Company (the “**Shareholder(s)**”) at an extraordinary general meeting to be held.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.2 Going concern *(Continued)*

(d) Financial support from the indirect major Shareholder

The Group has received an updated written confirmation dated 18 March 2025 (the “**Confirmation**”) from 吉林省農業發展集團有限公司 (Jilin Agricultural Development Group Co., Ltd.)* (“**Nongfa**” and together with its subsidiaries from time to time, the “**Nongfa Group**”) that it would continue to provide financial support to the Group in the 24 months following the date of the Confirmation on a going concern basis. Such assistance received by the Group was not secured by any assets of the Group.

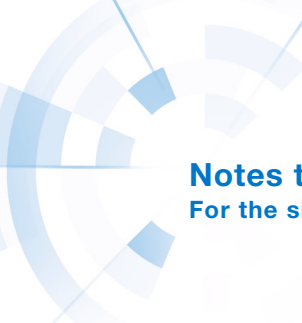
Nongfa, being a state-owned enterprise, was established in August 2016 and its unaudited net asset value as at 30 June 2025 amounted to approximately RMB7,129.7 million (31 December 2024: approximately RMB3,809.1 million). It is tasked to consolidate the state-owned investments in the agricultural sector in Jilin Province. The management of the Company is of the view that Nongfa will be able to support the operations of the Group, provide synergistic effects among its various investments in the agricultural sector in Jilin Province and provide adequate and sufficient financial support to the Group.

As at 30 June 2025, the Group’s liabilities due to the Nongfa Group amounted to approximately HK\$1,887.9 million (31 December 2024: HK\$1,781.4 million) and the Nongfa Group agreed to support the Group in the following 24 months and agreed that repayment request will not be made while the financial situation of the Group does not allow. In addition, the Directors are of the view that the Nongfa Group would be able to support the operations of the Group by providing a stable supply of corn with better commercial terms via the agreement dated 1 November 2023 and entered into between the Company (for itself and on behalf of the Group) and Nongfa (for itself and on behalf of the Nongfa Group) in relation to the supply of corn kernels by the Nongfa Group to the Group with effect from 21 December 2023.

The Directors, including all members of the audit committee of the Company, have reviewed the cash flow forecast prepared by the management on the basis that the measures mentioned above shall have a successful and favourable outcome, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the 12 months from 30 June 2025.

Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. The adoption of the going concern basis may be inappropriate as the outcome of the measures as described above are uncertain.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the values of assets to their estimated recoverable amounts, to provide further liabilities that might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these potential adjustments have not been reflected in the condensed consolidated financial statements.



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

2.3 Changes in accounting policies and disclosures

The accounting policies adopted in preparing the condensed consolidated financial statements for the Period are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following new/revised HKFRS Accounting Standards which are relevant to the Group and are effective from the Period.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the new/revised HKFRS Accounting Standards did not result in substantial changes to the Group's accounting policies and amounts reported for the Period and prior years.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following reportable operating segments:

- (a) the upstream products segment engages in the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products;
- (b) the amino acids segment engages in the manufacture and sale of corn-based biochemical products, including lysine and threonine;
- (c) the corn sweeteners segment engages in the manufacture and sale of corn sweeteners, including glucose, maltose and maltodextrin; and
- (d) the polyol chemicals segment engages in the manufacture and sale of corn-based biochemical products, including polyol chemicals, anti-freeze products, hydrogen and ammonia.

Remark:

The Group did not engaged in any activities related to corn sweeteners segment and polyol chemicals segment upon the Disposal Completion.

The management, who is the chief operating decision-maker, monitors the results of the Group's operating segments separately for the purpose of making decisions in relation to resources allocation and performance assessment. Segment performance is evaluated based on reportable segment's profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs as well as corporate income and expenses are excluded from such measurement.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION *(Continued)*

(a) Segment results

Six months ended 30 June 2025 (Unaudited)

	Upstream products <i>HK\$'000</i>	Amino acids <i>HK\$'000</i>	Corn sweeteners <i>HK\$'000</i>	Polyol chemicals <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from: External customers	169,661	1,016,322	—	—	1,185,983
Segment results	(69,276)	87,389	—	—	18,113
Bank interest income					2
Unallocated income					22,083
Corporate and other unallocated expenses					(7,911)
Finance costs					(187,021)
Loss before tax					(154,734)
Income tax expenses					—
Loss for the period					(154,734)

Six months ended 30 June 2024 (Unaudited)

	Upstream products <i>HK\$'000</i>	Amino acids <i>HK\$'000</i>	Corn sweeteners <i>HK\$'000</i>	Polyol chemicals <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from: External customers	140,093	758,448	—	—	898,541
Segment results	(83,780)	(26,583)	(18,274)	(4,018)	(132,655)
Bank interest income					186
Unallocated income					57,095
Corporate and other unallocated expenses					(25,529)
Government grants					67,391
Finance costs					(124,231)
Loss before tax					(157,743)
Income tax expenses					—
Loss for the period					(157,743)

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION *(Continued)*

(b) Geographical information

Revenue information based on location of customers

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
The PRC	900,138	591,521
Asia, the Americas and other regions	285,845	307,020
	1,185,983	898,541

4. REVENUE, OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from contracts with customers within HKFRS 15		
Sale of goods (a)	1,185,983	898,541
Other income and gains		
Amortisation of deferred income	1,388	1,984
Bank interest income	2	186
Appreciation in fair value of financial assets at FVPL	—	28,154
Government grants (b)	2,151	67,391
Reversal of impairment of trade receivables, net	6,710	2,139
Waiver of long outstanding trade payables	5,468	—
Reversal of impairment of prepayments, deposits and other receivables, net	—	13,716
Foreign exchange gain, net	—	5,552
Sale of scrap materials	4,224	528
Others	2,142	5,027
	22,085	124,677

Remarks:

- (a) The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time.
- (b) Government grants represented rewards to a subsidiary of the Company with no further obligations and conditions to be complied with.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. FINANCE COSTS

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Interest on bank and other borrowings	25,203	28,860
Interest on financial guarantees given by Nongfa	7,527	9,511
Interest on payables to suppliers	39,290	32,533
Imputed interest on the Convertible Bonds	114,989	53,318
Interest on lease liabilities	12	9
	187,021	124,231

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting):

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Employee benefit expense (excluding Directors' remuneration)		
— Wages and salaries	25,843	60,918
— Pension scheme contributions	4,797	8,172
	30,640	69,090
Cost of inventories sold (a)	1,024,786	832,516
Depreciation		
— Property, plant and equipment	46,942	127,208
— Right-of-use assets	3,116	8,207
Amortisation of deferred income	(1,388)	(1,984)
Depreciation (Appreciation) in fair value of financial assets at FVPL	4,946	(28,154)
Foreign exchange loss (gain), net	2,988	(5,552)
Waiver of long outstanding trade payables	(5,468)	—
Write-down of inventories	7,191	—
Reversal of impairment of trade receivables, net	(6,710)	(2,139)
Impairment (Reversal of impairment) of prepayments, deposits and other receivables, net	7,759	(13,716)

Remark:

- (a) Cost of inventories sold includes employee benefit expenses, depreciation and write-down of inventories, which are also included in the respective amounts disclosed separately above for each of these types of income and expenses.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the Period and the six months ended 30 June 2024.

During the Period and the six months ended 30 June 2024, no provision for the PRC enterprise income tax was made as all subsidiaries of the Group in the PRC incurred tax losses or the estimated assessable profits were wholly absorbed by tax losses brought forward from previous years.

8. LOSS PER SHARE

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company (in HK\$'000):	(154,734)	(157,743)
Weighted average number of ordinary Shares for basic and diluted loss per Share	8,907,405,717	8,907,405,717
Basic and diluted loss per Share (HK cents per Share):	(1.7)	(1.8)

As the assumed conversion of the Convertible Bonds and CPS (30 June 2024: Convertible Bonds) has an anti-dilutive effect, the diluted loss per Share was equal to the basic loss per Share for the Period and the six months ended 30 June 2024.

9. DIVIDEND

The Board does not recommend the payment of any dividend (including preferential dividend to holders of CPS) for the Period (six months ended 30 June 2024: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At 1 January	2,119,050	3,823,699
Additions	3,202	—
Disposal of subsidiaries	—	(760,501)
Written off of property, plant and equipment	—	(311,401)
Loss on properties revaluation, net	—	(303,970)
Depreciation	(46,942)	(212,657)
Exchange realignment	71,381	(116,120)
At 30 June/31 December	2,146,691	2,119,050

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

11. FINANCIAL ASSETS AT FVPL

The amount represents investment in ordinary shares of Global Corn Group Limited (“**GCG**”) (formerly known as Global Sweeteners Holdings Limited), a company listed on the Stock Exchange. The fair value of the investment was categorised as Level 1 valuation which is based on the bid price quoted in the Stock Exchange at the end of the reporting period.

12. TRADE RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables	328,879	392,479
Loss allowance	(226,312)	(233,022)
	102,567	159,457

The Group normally allows credit terms of 30 to 90 days (31 December 2024: 30 to 90 days) to established customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management of the Group.

Trade receivables are non-interest bearing. At the end of the reporting period, the Group had a concentration of credit risk as 12.5% (31 December 2024: 10.9%) and 34.6% (31 December 2024: 20.8%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	67,924	151,989
1 to 2 months	17,498	213
2 to 3 months	10,536	95
3 to 6 months	6,609	39
Over 6 months	—	7,121
	102,567	159,457

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Prepayments	52,637	22,869
Deposits and other debtors	83,891	63,957
The PRC value-added tax ("VAT") and other tax receivables	38,579	54,005
Receivables from disposal of assets	—	19,276
	175,107	160,107

14. DUE FROM THE GCG GROUP AND FORMER SUBSIDIARIES

The amount due from former subsidiaries is unsecured, interest-free and repayable on demand.

The amount due from GCG and its subsidiaries (collectively, the "GCG Group") is unsecured, interest-bearing at 6.0% per annum (31 December 2024: 6.0% per annum) and has no fixed terms of repayment.

15. TRADE PAYABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables		
— To third parties	445,190	526,071
— To the Nongfa Group	1,049,781	648,548
	1,494,971	1,174,619

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2024: 30 to 90 days) from its suppliers.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. TRADE PAYABLES *(Continued)*

An ageing analysis of the trade payables at the end of the reporting period, based on the date of receipt of goods purchased, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	140,234	355,421
1 to 2 months	20,775	78,366
2 to 3 months	93,539	800
Over 3 months	1,240,423	740,032
	1,494,971	1,174,619

16. OTHER PAYABLES AND ACCRUALS

	Note	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Accruals for employee benefits		408,922	387,446
Payables for purchases of machinery		42,799	52,071
Receipts in advance		80,060	51,558
Payables to the Nongfa Group	19(ii)	744,526	1,038,044
VAT and other duties payables		148,008	120,081
Accruals and other creditors		285,641	208,410
Interest payables		829,665	801,158
		2,539,621	2,658,768

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

17. SHARE CAPITAL, CPS AND TREASURY SHARES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Authorised:		
30,000,000,000 (31 December 2024: 30,000,000,000) ordinary Shares of HK\$0.10 each	3,000,000	3,000,000
30,000,000,000 (31 December 2024: 30,000,000,000) CPS of HK\$0.10 each	3,000,000	3,000,000
Issued and fully paid:		
8,907,405,717 (31 December 2024: 8,907,405,717) ordinary Shares of HK\$0.10 each	890,741	890,741
CPS:		
17,267,750,569 (31 December 2024: 17,267,750,569) CPS of HK\$0.10 each	1,726,775	1,726,775
Treasury Shares:		
44,560,000 (31 December 2024: 31,666,000) ordinary Shares	(3,801)	(2,583)

As at 30 June 2025, the total nominal amount of the Company's issued Shares was approximately HK\$2,617,516,000 comprising approximately HK\$890,741,000 for the ordinary Shares and approximately HK\$1,726,775,000 for the CPS.

18. CAPITAL COMMITMENTS

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Contracted, but not provided for:		
Purchase/Construction of property, plant and equipment	524,242	513,638

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTIONS

In addition to the transactions or balances as detailed elsewhere in the condensed consolidated financial statements, the Group had the following major transactions/balances with related parties during the Period and at the end of the reporting period:

(i) Transactions with related parties

Related parties	Nature of transactions	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
The Nongfa Group	Purchase of corn kernels	354,217	188,413
The Nongfa Group	Interest on payables	37,290	31,258
The Nongfa Group	Interest on other borrowings	3,921	4,170
Nongfa	Guarantee charge	7,527	9,511

Remark:

The above related party transactions between the Group and the Nongfa Group constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules and such transactions are fully complied with requirements under Chapter 14A of the Listing Rules.

(ii) Balances with related parties

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables to the Nongfa Group (a)	(1,049,781)	(648,548)
Other payables to the Nongfa Group (b)	(744,526)	(1,038,044)
Other borrowings from the Nongfa Group (c)	(93,571)	(94,840)

Remarks:

- The trade payables to the Nongfa Group are unsecured and interest-bearing at 6.5% to 7.8% per annum (31 December 2024: 6.5% to 7.8% per annum) after the lapse of credit periods.
- The payables represent advances from the subsidiaries of Nongfa which are unsecured, interest-bearing at 6.5% to 12.0% per annum (31 December 2024: 6.5% to 12.0% per annum) and repayable on demand and guarantee charge payables to Nongfa which bear interest at 3.5% per annum (31 December 2024: 3.5% per annum).
- As at 30 June 2025, the other borrowings from subsidiaries of Nongfa are unsecured, interest-bearing at 5.0% to 7.8% per annum (31 December 2024: 5.0% to 7.8% per annum) and were repayable on demand.

Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. RELATED PARTY TRANSACTIONS *(Continued)*

(iii) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short-term employee benefits	1,266	922
Post-employment benefits	116	82
	1,382	1,004

20. LITIGATIONS

Delayed payments to suppliers

In previous years, the Group delayed settlement of payables to suppliers due to shortage of working capital. As a result, several subsidiaries in the PRC have been involved in litigations initiated by various suppliers related to overdue payables. Up to the date of this report, a majority of the litigations have been concluded by the court and/or settled, while some of the litigations are still pending judgment. Since the Group has already recorded these payables in the condensed consolidated financial statements, the Directors are of the view that the litigations will not have any significant financial impact to the Group.

21. EVENTS AFTER THE REPORTING PERIOD

長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Co., Ltd.*) (“**Changchun Dahe**”) entered into the engineering, procurement and construction contract (the “**EPC Contract**”) with 中國能源建設集團東北電力第二工程有限公司 (China Energy Engineering Group Northeast No. 2 Electric Power Construction Co., Ltd.) and 中國能源建設集團遼寧電力勘測設計院有限公司 (China Energy Engineering Group Liaoning Electric Power Survey and Design Institute Co., Ltd.) (collectively as the “**Contractors**”) on 31 July 2025. Under the EPC Contract, the Contractors will be responsible for the project engineering design, procurement, construction, installation, calibration and test running related works in relation to the refurbishment project in respect of the boiler facilities at the production site of Changchun Dahe (the “**Boiler Refurbishment Project**”) at a maximum consideration of RMB129.1 million (including the maximum bonus for early completion). The bonus in the amount of RMB4.0 million, RMB3.0 million or RMB2.0 million shall be paid to the Contractors for completion of the Boiler Refurbishment Project before 30 June 2026, 31 July 2026 or 31 August 2026, as the case may be.