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GLOBAL BIO-CHEM TECHNOLOGY GROUP COMPANY LIMITED

大成生化科技集團有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00809)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Global Bio-chem Technology Group Company Limited (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**1,003,814**	1,185,983
Cost of sales		**(1,000,899)**	(1,024,786)
Gross profit		**2,915**	161,197
Other income and gains	*4*	**45,136**	22,085
Selling and distribution costs		**(50,192)**	(56,127)
Administrative expenses		**(91,836)**	(78,793)
Other expenses		**(25,200)**	(16,075)
Finance costs	*5*	**(87,685)**	(187,021)
LOSS BEFORE TAX	*6*	**(206,862)**	(154,734)
Income tax expenses	*7*	**—**	—
LOSS FOR THE PERIOD		**(206,862)**	(154,734)

* *For identification purposes only*

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
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		**(88,831)**	(97,161)
		(88,831)	(97,161)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(88,831)**	(97,161)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(295,693)**	(251,895)
LOSS PER SHARE			(Re-presented)
Basic	*8*	**HK$(0.12)**	HK$(0.18)
Diluted	*8*	**HK$(0.12)**	HK$(0.18)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026 (Unaudited)** *HK$'000*	31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**2,098,800**	2,058,949
Right-of-use assets		**294,787**	291,707
Intangible assets		**2,047**	2,047
Financial assets at fair value through profit or loss ("**FVPL**")		**16,139**	23,688
		2,411,773	2,376,391
CURRENT ASSETS			
Inventories		**185,376**	44,865
Trade receivables	*11*	**93,725**	162,663
Prepayments, deposits and other receivables	*12*	**209,828**	154,895
Due from the Global Corn Group Limited and its subsidiaries		**27,237**	24,419
Due from former subsidiaries		**1,821,996**	1,761,263
Cash and bank balances		**126,345**	94,444
		2,464,507	2,242,549
CURRENT LIABILITIES			
Trade payables	*13*	**1,482,061**	1,147,368
Other payables and accruals		**2,339,786**	2,187,163
Interest-bearing bank and other borrowings		**1,284,122**	1,233,206
Lease liabilities		**142**	187
Tax payables		**—**	113
		5,106,111	4,568,037
NET CURRENT LIABILITIES		**(2,641,604)**	(2,325,488)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(229,831)**	50,903

	Notes	**30 June 2026 (Unaudited)** *HK$'000*	31 December 2025 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**576,553**	560,111
Lease liabilities		**—**	47
Deferred income		**7,833**	9,269
		584,386	569,427
NET LIABILITIES		**(814,217)**	(518,524)
CAPITAL AND RESERVES			
Share capital	*14*	**1,683,277**	1,683,277
Convertible preference shares ("**CPS**")	*14*	**1,726,775**	1,726,775
Treasury shares ("**Treasury Shares**")	*14*	**(3,801)**	(3,801)
Reserves		**(4,220,468)**	(3,924,775)
TOTAL DEFICIT		**(814,217)**	(518,524)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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 upstream products (include corn starch and other corn refined products) and amino acids. During the Period, the Group commenced the trading of corn and other corn refined products to diversify its business operations. 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.

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 2025.

2.2 Going concern

The Group recorded a loss of approximately HK$206.9 million (six months ended 30 June 2025: approximately HK$154.7 million) for the Period and had net current liabilities of approximately HK$2,641.6 million (31 December 2025: approximately HK$2,325.5 million) and net liabilities of approximately HK$814.2 million (31 December 2025: approximately HK$518.5 million) as at 30 June 2026. 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:

(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 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*), 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 loan with the 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 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd*), which was one of the companies in the Disposal Group and being 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 resumption progress of the remaining land and buildings in an aggregate land area of approximately 863,329 square meters situated in Luyuan District, Changchun, the People's Republic of China (the "**PRC**" or "**China**") 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 (the "**Remaining Rudder Loans**") 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 maintain the production capacity of the production facilities in amino acids operation and launched a series of high value-added products to expand the sales. As part of the ongoing measures, the Company has continued to negotiate with its suppliers and creditors to formulate settlement plans more favourable to the Group regarding some longstanding payables.

(c) Active negotiate with banks for new banking facilities

The Group's management has been actively negotiating with PRC banks to secure new banking facilities to meet operational requirements and future capital expenditure during the Period. On 28 July 2026 and 29 July 2026, the Group entered into loan agreements with the China Everbright Bank for new facilities of RMB40.0 million and RMB10.0 million, respectively. The Group intends to utilize these proceeds as working capital to optimize raw material procurement costs and improve overall financial efficiency. The Directors believe that these new banking facilities will significantly enhance the Group's liquidity and overall financial position.

(d) Financial support from the indirect major shareholder of the Company

The Group has received an updated written confirmation dated 7 August 2026 (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.

As disclosed in the announcement of the Company dated 27 July 2026, the Company entered into a counter-guarantee agreement with Nongfa ("**Counter-guarantee Agreement**") on 27 July 2026, pursuant to which the Company agreed to provide counter-guarantee(s) in favor of Nongfa in respect of the guarantees provided and to be provided by Nongfa to financial institutions for bank loans obtained and to be obtained by relevant subsidiaries of the Company. The aggregate principal amount of the bank loans guaranteed by Nongfa shall not exceed RMB1,500.0 million. Entering into the Counter-guarantee Agreement allows the Company to continue to facilitate Nongfa in providing such guarantees, thereby enhancing the Group's ability to obtain stable and timely financing and strengthen the Group's overall financial flexibility.

Nongfa, being a state-owned enterprise, was established in August 2016 and its unaudited net asset value as at 30 June 2026 amounted to approximately RMB7,060.5 million (31 December 2025: approximately RMB7,155.0 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 2026, the Group's liabilities due to the Nongfa Group amounted to approximately HK$895.4 million (31 December 2025: HK$803.7 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 (the "**Audit Committee**"), 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 2026.

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.

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 2025, 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards	Volume 11
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

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, threonine and valine; and

(c) the trading segment engages in the trading and sale of amino acids, corn, other corn-based biochemical products, including corn starch, gluten meal, corn oil and other corn refined products.

Remark:

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.

(a) **Segment results**

Six months ended 30 June 2026 (Unaudited)

	Upstream products *HK$'000*	**Amino acids** *HK$'000*	**Trading** *HK$'000*	**Total** *HK$'000*
Revenue from:				
External customers	**224,045**	**751,544**	**28,225**	**1,003,814**
Segment results	**(83,518)**	**(28,204)**	**(6,137)**	**(117,859)**
Depreciation in fair value of financial asset at FVPL				**(7,549)**
Unallocated income				**7,371**
Corporate and other unallocated expenses				**(1,140)**
Finance costs				**(87,685)**
Loss before tax				**(206,862)**
Income tax expenses				**—**
Loss for the period				**(206,862)**

Six months ended 30 June 2025 (Unaudited)

	Upstream products *HK$'000*	Amino acids *HK$'000*	Trading *HK$'000*	Total *HK$'000*
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)

(b) Geographical information

Revenue information based on location of customers

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The PRC	**768,189**	900,138
Asia, the Americas and other regions	**235,625**	285,845
	1,003,814	1,185,983

4. REVENUE, OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue from contracts with customers within HKFRS 15		
Sale of goods (a)	**1,003,814**	1,185,983
Other income and gains		
Amortisation of deferred income	**1,467**	1,388
Bank interest income	**—**	2
Government grants (b)	**184**	2,151
Reversal of impairment of trade receivables, net	**—**	6,710
Waiver of long outstanding payables	**9,244**	5,468
Reversal of impairment of prepayments, deposits and other receivables, net	**24,778**	—
Write-back of inventories	**2,733**	—
Sale of scrap materials	**4,308**	4,224
Others	**2,422**	2,142
	45,136	22,085

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.

5. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**25,087**	25,203
Interest on financial guarantees given by Nongfa	**15,597**	7,527
Interest on payables to suppliers	**46,989**	39,290
Imputed interest on the convertible bonds	**—**	114,989
Interest on lease liabilities	**12**	12
	87,685	187,021

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Employee benefit expense (excluding Directors' remuneration)		
— Wages and salaries	**32,201**	25,856
— Pension scheme contributions	**6,439**	4,779
	38,640	30,635
Cost of inventories sold (a)	**1,000,899**	1,024,786
Depreciation		
— Property, plant and equipment	**51,257**	46,942
— Right-of-use assets	**3,208**	3,116
Amortisation of deferred income	**(1,467)**	(1,388)
Depreciation in fair value of financial assets at FVPL	**7,549**	4,946
Foreign exchange loss, net	**6,561**	2,988
Impairment (Reversal of impairment) of trade receivables, net	**207**	(6,710)
(Reversal of impairment) Impairment of prepayments, deposits and other receivables, net	**(24,778)**	7,759
Waiver of long outstanding payables	**(9,244)**	(5,468)
(Write-back) Write-down of inventories	**(2,733)**	7,191

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.

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 2025.

During the Period and the six months ended 30 June 2025, 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	
	2026	2025
	(Unaudited)	(Unaudited)
		(Re-presented)
Loss attributable to owners of the Company *(in HK$'000):*	**(206,862)**	(154,734)
Weighted average number of ordinary shares of the Company (the "**Shares**") for basic and diluted loss per Share (a)	**1,678,821,152**	886,488,059
Basic and diluted loss per Share (HK$ per Share):	**(0.12)**	(0.18)

Remark:

(a) Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 24 June 2026, the share consolidation (the "**Share Consolidation**") on the basis that (i) every ten (10) issued and unissued Shares of HK$0.10 each (the "**Existing Share(s)**") be consolidated into one (1) consolidated Share of HK$1.00 each (the "**Consolidated Share(s)**"); and (ii) every ten (10) issued and unissued CPS of HK$0.10 each (the "**Existing CPS**") be consolidated into one (1) consolidated CPS of HK$1.00 each (the "**Consolidated CPS**"), has become effective on 26 June 2026.

As the assumed conversion of CPS (30 June 2025: CPS) 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 2025.

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 2025: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
At 1 January	**2,058,949**	2,119,050
Additions	**16,248**	21,040
Impairment	**—**	(68,307)
Depreciation	**(51,257)**	(107,332)
Exchange realignment	**74,860**	94,498
At 30 June/31 December	**2,098,800**	2,058,949

11. TRADE RECEIVABLES

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
Trade receivables	**328,186**	389,518
Loss allowance	**(234,461)**	(226,855)
	93,725	162,663

The Group normally allows credit terms of 30 to 90 days (31 December 2025: 30 to 90 days) to established customers. The Group seeks to maintain strict control over its outstanding trade 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 5.8% (31 December 2025: 9.2%) and 14.9% (31 December 2025: 16.9%) 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 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**93,725**	156,482
1 to 2 months	**—**	5,202
2 to 3 months	**—**	1
3 to 6 months	**—**	—
Over 6 months	**—**	978
	93,725	162,663

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Prepayments	**92,902**	48,503
Deposits and other debtors	**54,087**	42,324
The PRC value-added tax and other tax receivables	**62,839**	64,068
	209,828	154,895

13. TRADE PAYABLES

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Trade payables		
— To third parties	**934,645**	644,952
— To the Nongfa Group	**547,416**	502,416
	1,482,061	1,147,368

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2025: 30 to 90 days) from its suppliers.

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 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 1 month	**150,143**	45,824
1 to 2 months	**44,430**	149,626
2 to 3 months	**19,448**	5,333
Over 3 months	**1,268,040**	946,585
	1,482,061	1,147,368

14. SHARE CAPITAL, CPS AND TREASURY SHARES

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Authorised:		
3,000,000,000 (31 December 2025: 30,000,000,000 ordinary Shares of HK$0.10 each) ordinary Shares of HK$1.00 each	**3,000,000**	3,000,000
3,000,000,000 (31 December 2025: 30,000,000,000 CPS of HK$0.10 each) CPS of HK$1.00 each	**3,000,000**	3,000,000
Issued and fully paid:		
1,683,277,152 (31 December 2025: 16,832,771,527 ordinary Shares of HK$0.10 each) ordinary Shares of HK$1.00 each	**1,683,277**	1,683,277
CPS:		
1,726,775,056 (31 December 2025: 17,267,750,569 CPS of HK$0.10 each) CPS of HK$1.00 each	**1,726,775**	1,726,775
Treasury Shares:		
4,456,000 (31 December 2025: 44,560,000) ordinary Shares	**(3,801)**	(3,801)

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 24 June 2026, the Share Consolidation on the basis that (i) every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share; and (ii) every ten (10) issued and unissued Existing CPS be consolidated into one (1) Consolidated CPS has become effective on 26 June 2026.

Immediately after the Share Consolidation becoming effective, the issued Shares of the Company consist of 1,683,277,152 whole Consolidated Shares (1,683,277,152.7 Consolidated Shares rounded down for illustrative purpose) and 1,726,775,056 whole Consolidated CPS (1,726,775,056.9 Consolidated CPS rounded down for illustrative purpose).

As at 30 June 2026, the total nominal amount of the Company's issued Shares was approximately HK$3,410,052,209.6 comprising HK$1,683,277,152.7 for the ordinary Shares and HK$1,726,775,056.9 for the CPS.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture and sale of upstream products (include corn starch and other corn refined products) and amino acids. During the Period, the Group commenced the trading of corn and other corn refined products to diversify its business operations. 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 influenced by the prices of their raw materials (principally corn kernels), the demand and supply of each of the products and their respective substitutes in the market and the variety of product specifications.

The global economic environment remained challenging during the first half of 2026. Reflecting heightened downside risks, the World Bank revised its global gross domestic product ("**GDP**") growth projection downward from 2.6% to 2.5% in June 2026.

Data from the National Bureau of Statistics indicated that China's GDP expanded by 4.7% year-on-year in the first half of 2026, accompanied by a 1.0% increase in the Consumer Price Index. While the national economy demonstrated resilience and maintained steady growth amid external uncertainties, there was still a big gap between strong supply and weak demand. Insufficient demand continued to be a key constraint on overall economic performance.

Global corn production for 2026/27 is projected at 1,297.1 million metric tonnes ("**MT**") (2025/26: 1,327.7 million MT) according to the United States Department of Agriculture estimates in July 2026. International corn prices fluctuated, rising from 439.9 US cents per bushel (equivalent to RMB1,179 per MT) in January 2026 to a peak at 480.8 US cents per bushel (equivalent to RMB1,289 per MT) in May 2026 before retreating and settling at around 412.7 US cents per bushel (equivalent to RMB1,107 per MT) by late June 2026.

In the PRC, the Chinese Agricultural Supply and Demand Estimates Report projected domestic corn production for the 2026/27 year at approximately 306.0 million MT (2025/26: 301.2 million MT), alongside an estimated consumption volume of approximately 311.7 million MT (2025/26: 312.8 million MT). Despite the increase in corn yield, aggregate consumption demand remained largely stable. In the first half of 2026, domestic corn prices followed a rise-and-fall pattern. Corn prices climbed from around RMB2,200 per MT in January 2026 to over RMB2,400 per MT in March 2026, before retreating to approximately RMB2,300 per MT by June 2026 due to concentrated supply releases and sluggish demand.

In the lysine market, the global and domestic operational landscape experienced persistent structural adjustment and price volatility during the first half of 2026. Escalating global trade protectionism, particularly the continued enforcement of anti-dumping duties and trade restrictions in major export destinations such as the European Union ("**EU**"), exerted sustained pressure on China's amino acid export channels, forcing domestic suppliers to strategically pivot and place greater reliance on the domestic market. The domestic lysine market price for 98.5% L-lysine hydrochloride fluctuated within a range of RMB6,600 to RMB6,900 per MT (end of June 2025: RMB7,600 to RMB7,800 per MT), while 70% L-lysine sulfate traded between RMB4,300 and RMB4,500 per MT (end of June 2025: RMB5,200 and RMB5,300 per MT), reflecting intense domestic competition and compressed profit margins across the industry.

Despite significant volatility in both domestic and overseas markets, the Group remains committed to reinforcing its domestic market sales while expanding into new non-EU markets to mitigate the impact of anti-dumping policies. Driven by the advancement in modern bio-manufacturing technologies, market demand for high value-added amino acid products continues to grow. 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 Dahe**") is actively advancing the refurbishment project in respect of the boiler facilities at the production site of Changchun Dahe (the "**Boiler Refurbishment Project**") and undertaking technological upgrades of other existing production lines to enhance operational efficiency. These initiatives are expected to reduce production costs, thereby further enhancing the Group's competitiveness in the amino acid market. Meanwhile, during the Period, the Group entered into a cooperation agreement with 神舟生物科技有限責任公司 (Shenzhou Biology & Technology Co., Ltd.*), pursuant to which 長春大成大合生物技術開發有限公司 (Changchun Dacheng Dahe Bio-Tech Development Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, was engaged to produce Coenzyme Q10 mycelium (the "**Coenzyme Q10 Project**").

Furthermore, considering the headwinds in the amino acid market, the Group is seeking business diversification while maintaining its existing production capacity. In particular, the Group intends to explore future development in sectors such as medical and healthcare products. To optimize operating efficiency and drive high-quality growth across its business segments, the Group is also actively pursuing collaborations with other enterprises and strategic partners, as well as leveraging the operational and manufacturing capacity of its Xinglongshan site.

FINANCIAL PERFORMANCE

During the Period, due to the impacts of definitive anti-dumping duties imposed by the EU and additional tariffs/investigations imposed by the United States ("**US**") on amino acid products, most of the local suppliers and the Group redirected its production capacity towards domestic sales. As a result of keen competition in the domestic market, the operating results of the Group came under severe pressure.

As such, the consolidated revenue of the Group decreased significantly by approximately 15.4% to approximately HK$1,003.8 million (2025: HK$1,186.0 million) during the Period. As the overall average selling price merely increased by 0.4% while the overall average production cost per unit increased by 15.9% during the Period, the Group recorded gross profit of approximately HK$2.9 million (2025: HK$161.2 million) with gross profit margin of 0.3% (2025: 13.6%).

Upstream products

(Revenue: HK$224.0 million (2025: HK$169.7 million))
(Gross profit: HK$10.7 million (2025: Gross loss: HK$3.2 million))

All the corn starch produced by the Group was used internally in producing the Group's amino acids products during the Period. As such, no external sale of corn starch produced by the Group had been recorded for the Period and the corresponding prior period.

The sales volume of the Group's other corn refined products decreased by approximately 8.8% to approximately 73,000 MT (2025: 80,000 MT) during the Period while the revenue increased by approximately 32.0% to approximately HK$224.0 million (2025: HK$169.7 million). Due to the increase of the Group's average selling price of other corn refined products by approximately 44.7%, which was a faster rate than the increase in average production cost of approximately 35.2%, the Group recorded a gross profit of approximately HK$10.7 million (2025: gross loss: HK$3.2 million), with the gross profit margin improving to approximately 4.8% (2025: gross loss margin: 1.9%) during the Period.

Trading

(Revenue: HK$28.2 million (2025: Nil))
(Gross profit: HK$1.1 million (2025: Nil))

During the Period, the Group commenced the trading of corn and other corn refined products to diversify its business operations. The trading segment recorded a gross profit of approximately HK$1.1 million (2025: Nil) with a gross profit margin of 3.9% (2025: Nil). The sale of corn and other corn refined products created synergistic effects across the Group's operations, enabling the flexible allocation of raw materials between internal production and external trading.

Amino acids

(Revenue: HK$751.6 million (2025: HK$1,016.3 million))
(Gross loss: HK$8.9 million (2025: Gross profit: HK$164.4 million))

As for amino acids, affected by additional tariffs imposed by western countries and keen competition in the domestic market, the Group's amino acid products recorded an approximately 24.6% decrease in sales volume to approximately 141,000 MT (2025: 187,000 MT) for the Period. Compounded by an approximately 18.4% increase in average production costs and an approximately 1.9% drop in average selling prices of amino acids, the Group swung from a gross profit of approximately HK$164.4 million to a gross loss of approximately HK$8.9 million for the Period, with a gross loss margin of approximately 1.2% (2025: gross profit margin: 16.2%).

In the short term, the Group's amino acids segment is expected to face significant margin compression driven by the dual pressures of western trade barriers, including EU definitive anti-dumping duties and US tariff measures and intensified price competition in the PRC domestic market. In response, the Group is enhancing operational efficiency by upgrading its boiler facilities to lower production costs, while shifting its product portfolio toward higher-margin specialized amino acids (such as, threonine and valine) and bio-fermentation ingredients to navigate market equilibrium.

Export sales

During the Period, export sales which mainly represented the sales of amino acids and other corn refined products accounted for approximately 15.9% (2025: 18.5%) and 7.6% (2025: 5.6%) of the Group's total revenue, respectively. The export sales of the Group amounted to approximately HK$235.6 million (2025: HK$285.8 million) during the Period, representing a decrease of approximately 17.6% as compared to the corresponding prior period. During the Period, the Group exported approximately 21,000 MT (2025: 24,000 MT) and 19,000 MT (2025: 20,000 MT) of amino acids and other corn refined products respectively.

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

Other income and gains

During the Period, other income and gains increased by approximately 104.1% to approximately HK$45.1 million (2025: HK$22.1 million). Such increase was mainly attributable to the reversal of impairment of prepayments, deposits and other receivables of approximately HK$24.8 million (2025: Nil) during the Period.

Selling and distribution costs

During the Period, selling and distribution costs decreased by approximately 10.5% to approximately HK$50.2 million (2025: HK$56.1 million), accounting for approximately 5.0% (2025: 4.7%) of the Group's revenue. Such decrease was mainly attributable to the decrease in sales volume of the Group during the Period.

Administrative expenses

During the Period, administrative expenses increased by approximately 16.5% to approximately HK$91.8 million (2025: HK$78.8 million). Such increase was resulted from the additional administrative expenses incurred by the research center and pilot testing facilities at the Xinglongshan site during the Period.

Other expenses

During the Period, other expenses increased by approximately 56.5% to approximately HK$25.2 million (2025: HK$16.1 million). Such increase was mainly attributable to the increase in fair value loss on financial assets at fair value through profit or loss of approximately HK$7.5 million (2025: HK$4.9 million) and an increase in exchange loss of approximately HK$6.6 million (2025: HK$3.0 million).

Finance costs

During the Period, finance costs of the Group decreased by approximately 53.1% to approximately HK$87.7 million (2025: HK$187.0 million), which was mainly attributable to the absence 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 (2025: Nil).

Net loss of the Company

During the Period, as the PRC amino acid market experienced unprecedented short-term margin compression, the Group recorded a sharp decline in gross profit to approximately HK$2.9 million (2025: HK$161.2 million), with a gross profit margin dropping from 13.6% to 0.3%. During the Period, despite the Group's significant reduction in finance costs by approximately HK$99.3 million to approximately HK$87.7 million (2025: HK$187.0 million), the net loss of the Group widened to approximately HK$206.9 million (2025: HK$154.7 million). Consequently, the Group recorded LBITDA (i.e., loss before interest, taxation, depreciation, and amortization) at approximately HK$64.7 million (2025: EBITDA (i.e., earnings before interest, taxation, depreciation, and amortization): HK$82.3 million).

The Group will endeavor to resolve the Remaining Rudder Loans by requesting the Disposal Group to settle them on the Group's behalf, in exchange for the release of pledges or seizure orders attached to a certain portion of the Remaining Luyuan Properties. Concurrently, the Group aims to leverage the Boiler Refurbishment Project to lower production costs, while diversifying its product portfolio toward higher-margin specialized amino acids and utilizing the Xinglongshan site research and pilot testing facilities to commercialise various bio-fermentation ingredients to navigate market equilibrium.

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 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.

Reference is made to the announcement and circular of the Company dated 27 March 2026 and 24 April 2026. The Share Consolidation on the basis that (i) every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share; and (ii) every ten (10) issued and unissued Existing CPS be consolidated into one (1) Consolidated CPS, was approved by poll at the annual general meeting on 24 June 2026 and the Stock Exchange has granted approval for the listing and dealing in the Consolidated Shares to be issued upon the Share Consolidation becoming effective and the Consolidation Shares falling to be issued upon the exercise of the conversion rights attaching to the Consolidated CPS.

Accordingly, the Share Consolidation has become effective on 26 June 2026.

Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company shall remain at HK$6,000,000,000, comprising (i) HK$3,000,000,000 divided into 3,000,000,000 Consolidated Shares of par value of HK$1.00 each, of which 1,683,277,152 whole Consolidated Shares (including 4,456,000 Treasury Shares) are in issue and fully paid or credited as fully paid; and (ii) HK$3,000,000,000 divided into 3,000,000,000 Consolidated CPS of par value of HK$1.00 each, of which 1,726,775,056 whole Consolidated CPS of par value of HK$1.00 each are in issue.

Upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange has been changed from 2,000 Shares to 10,000 Shares.

Net borrowing position

The total interest-bearing bank and other borrowings of the Group as at 30 June 2026 increased by approximately HK$67.4 million to approximately HK$1,860.7 million (31 December 2025: HK$1,793.3 million) as a result of additional loans of approximately HK$50.0 million, which was partially offset by the repayment of certain bank and other borrowings of approximately HK$44.5 million, and exchange rate adjustment of approximately HK$61.9 million during the Period. Meanwhile, the cash and bank balances as at 30 June 2026, which were mainly denominated in Renminbi and US dollar, increased by approximately HK$31.9 million to approximately HK$126.3 million (31 December 2025: HK$94.4 million, denominated in Renminbi and Euro dollar). As a result, the net borrowings of the Group increased by approximately HK$35.5 million to approximately HK$1,734.4 million (31 December 2025: HK$1,698.9 million) as at 30 June 2026.

Structure of interest-bearing bank and other borrowings

As at 30 June 2026, the Group's interest-bearing bank and other borrowings amounted to approximately HK$1,860.7 million (31 December 2025: HK$1,793.3 million), all (31 December 2025: all) of which were denominated in Renminbi. As at 30 June 2026, 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 69.0% and 31.0% (31 December 2025: 68.8% and 31.2%), respectively.

As at 30 June 2026, interest-bearing bank and other borrowings amounted to approximately HK$718.9 million (31 December 2025: HK$620.7 million) were charged at fixed interest rates ranging from 3.5% to 7.8% per annum (31 December 2025: 3.5% 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.

CPS

In order for the Group to raise additional capital for facilitating the debt restructuring arrangements of the Group which include (a) the transfer of the loans of approximately RMB4,267.8 million, together with outstanding interests owed by the Group to 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.*) (the "**Entire Transferred Loans**") to Nongfa; and (b) the entering into the debt restructuring agreement (the "**Debt Restructuring Agreement**") 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, on 30 November 2023,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)*) ("**Jilin Yuanheng**") and 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)*) ("**Jilin Liheng**"), as subscribers, and the Company, as issuer, entered into the CPS subscription agreement (the "**CPS Subscription Agreement**") pursuant to which (i) Jilin Yuanheng subscribed for such number of CPS (the "**Yuanheng CPS**") by fully utilising the subscription monies of RMB250,000,000 (equivalent to approximately HK$277,777,777.78); and (ii) Jilin Liheng subscribed for such number of CPS (the "**Liheng CPS**", together with the Yuanheng CPS, the "**Subscription CPS**") by fully utilising the subscription monies of RMB1,330,000,000 (equivalent to approximately HK$1,477,777,777.78), at a subscription price of HK$0.10 per Subscription CPS (the "**CPS Subscription**").

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 completion of the subscription on 4 January 2024, 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 immediately after the full conversion of the Subscription CPS. 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.

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.

Pursuant to the terms of the Subscription CPS, if and whenever the ordinary Shares of par value of HK$0.10 each (i.e., the Existing Shares) in the share capital of the Company are consolidated into a different nominal amount, then the same consolidation shall be effected on the Subscription CPS, in which case the conversion ratio shall remain as one Subscription CPS for one Share (as consolidated) (i.e., one Consolidated Share).

Accordingly, immediately after the Share Consolidation becoming effective on 26 June 2026, the authorised share capital of the Company comprises (i) HK$3,000,000,000 divided into 3,000,000,000 Consolidated Shares of par value of HK$1.00 each, of which 1,683,277,152 whole Consolidated Shares (1,683,277,152.7 Consolidated Shares rounded down for illustrative purpose) (including 4,456,000 Treasury Shares) are in issue and fully paid or credited as fully paid; and (ii) HK$3,000,000,000 divided into 3,000,000,000 Consolidated CPS of par value of HK$1.00 each, of which 1,726,775,056 whole Consolidated CPS (1,726,775,056.9 Consolidated CPS rounded down for illustrative purpose) of par value of HK$1.00 each are in issue. Upon the full exercise of the conversion rights attaching to the Subscription CPS (as consolidated), a total of 1,726,775,056 ordinary Shares of par value of HK$1.00 each shall be allotted and issued to the holder(s) of the Subscription CPS (as consolidated).

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 17 days (31 December 2025: 26 days) as the Group maintained a stringent credit control during the Period.

During the Period, trade payables turnover days increased to approximately 238 days (31 December 2025: 204 days) as part of cash flow management.

In addition, as the Group maintained sufficient stocks in order to meet the sale orders during the Period, the inventory turnover days increased to approximately 34 days (31 December 2025: 8 days).

As at 30 June 2026, the current ratio and the quick ratio of the Group were approximately 0.5 (31 December 2025: 0.5) and 0.5 (31 December 2025: 0.5), respectively. Gearing ratio in terms of debts (i.e., total interest-bearing bank and other borrowings) to total assets (i.e., sum of current assets and non-current assets) increased to approximately 38.2% (31 December 2025: 38.8%).

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 23.5% (2025: 24.1%) 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.

IMPORTANT EVENTS SUBSEQUENT TO THE PERIOD UNDER REVIEW

There were no important events causing material impacts on the Group from the end of the Period up to the date of this announcement.

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. The Group aims to leverage the Boiler Refurbishment Project to lower production costs, while diversifying its product portfolio toward higher-margin specialized amino acids and utilizing the Xinglongshan site research and pilot testing facilities to commercialize various bio-fermentation ingredients to navigate market equilibrium. Meanwhile, the Group will continue to progress with the Coenzyme Q10 Project to further expand production capacity and enhance market competitiveness.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2026, the Group had approximately 1,923 (30 June 2025: 1,492) 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) were approximately HK$39.2 million (30 June 2025: approximately HK$31.2 million).

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 2025: Nil).

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

Neither the Company, nor any of its subsidiaries 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 Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**") in effect for the Period.

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**").

Having made specific enquiry of each of the Directors, all Directors (including Mr. Wang Cheng and Mr. Wang Guicheng, each being an executive Director during the Period and has resigned with effect from 19 August 2026) 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.

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

FULL DETAILS OF FINANCIAL INFORMATION

The interim report of the Company will be made available to the shareholders of the Company and will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.globalbiochem.com) under "Investor Relations" for viewing in due course.

By order of the Board
Global Bio-chem Technology Group Company Limited
Xiao Zexian
Chairman

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Xiao Zexian and Mr. Sha Yufeng; one non-executive Director, namely, Mr. Li Yuewen; and three independent non-executive Directors, namely, Ms. Jiang Fangfang, Mr. Tan Chao and Ms. Xie Liangqiu.