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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)

POTENTIAL MAJOR TRANSACTION IN RELATION TO DISPOSAL OF CHANGCHUN DACHENG BIO-TECH BY WAY OF PUBLIC TENDER AND PROVISION OF FINANCIAL ASSISTANCE

PROPOSED DISPOSAL BY WAY OF PUBLIC TENDER

The Board announces that the Company proposes to dispose of the entire equity interest in Changchun Dacheng Bio-Tech by way of public tender. As at the date of this announcement, Changchun Dacheng Bio-Tech (i.e. the Target Company) is owned as to 70.96% by GBT Investment (HK) and 29.04% by Changchun Dahe, each being a wholly-owned subsidiary of the Company.

On 17 November 2026, the Group has published a tender notice, with a condition that the Proposed Disposal is subject to Shareholders' approval and the Sellers are required to enter into the Equity Transfer Agreement within 20 working days after completion of tender and the Completion shall take place forthwith. As such, it is impractical for the Company to obtain Shareholders' approval in the limited time between completion of tender and the entering into of the Equity Transfer Agreement. Accordingly, the Company seeks the Proposed Mandate from the Shareholders in advance to authorise the Sellers to enter into the Equity Transfer Agreement with the successful bidder, and complete the Proposed Disposal upon the conclusion of the tender process in accordance with the terms approved by the Shareholders.

Upon the Completion, the Target Company will cease to be a subsidiary of the Company and its financial results, assets and liabilities will cease to be consolidated into the consolidated financial statements of the Group.

PROVISION OF FINANCIAL ASSISTANCE

One of the principal terms set out in the tender notice is that, the Group may, at its sole discretion, provide advances of up to RMB42.0 million to the successful bidder for the payment of employee wages in the Target Company for a period of up to two years following the Completion or until the commencement of any bankruptcy proceedings against the Target Company, whichever is earlier. The successful bidder shall (i) provide security or guarantees equal to the amount of the actual advances made by the Group; (ii) pay monthly interest on such advances at an annual rate of 5.79%; and (iii) pay a security deposit of RMB10.0 million as its assurance of the proper discharge of the Target Company's employee-related obligations.

If the Group proceeds with the provision of such advances, the arrangement will constitute financial assistance provided by the Group to the successful bidder (being the owner of the Target Company upon the Completion). Based on the maximum aggregate amount of advances of RMB42.0 million, the provision of such advances, if materialised, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant reporting and announcement requirements under the Listing Rules as and when appropriate.

LISTING RULES IMPLICATIONS

If the Group proceeds with the Proposed Disposal, the highest applicable percentage ratio in respect of the transactions contemplated under the Proposed Disposal exceeds 25% but all of the percentage ratios are less than 75%. The Proposed Disposal is expected to constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements. The Company will convene an EGM to consider and, if thought fit, approve the grant of the Proposed Mandate.

As completion of tender is scheduled to take place on 3 December 2026, it is currently expected that the results of the public tender, including identity of the successful bidder and the final consideration, as well as other principal terms of the Equity Transfer Agreement will be contained in the circular to be despatched to the Shareholders. In the event that the Proposed Disposal falls into another category of notifiable transaction (other than major transaction) under Chapter 14 of the Listing Rules, the Company will make further announcement(s) in accordance with the Listing Rules.

Shareholders and potential investors should note that no definitive agreement has been entered into for the Proposed Disposal and the successful bidder and the final consideration have yet to be determined. Accordingly, the Proposed Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

BACKGROUND

The Board announces that the Company proposes to dispose of the entire equity interest in Changchun Dacheng Bio-Tech by way of public tender. As at the date of this announcement, Changchun Dacheng Bio-Tech (i.e. the Target Company) is owned as to 70.96% by GBT Investment (HK) and 29.04% by Changchun Dahe, each being a wholly-owned subsidiary of the Company.

On 17 November 2026, the Group has published a tender notice, with a condition that the Proposed Disposal is subject to Shareholders' approval and the Sellers are required to enter into the Equity Transfer Agreement within 20 working days after completion of tender and the Completion shall take place forthwith. As such, it is impractical for the Company to obtain Shareholders' approval in the limited time between completion of tender and the entering into of the Equity Transfer Agreement. Accordingly, the Company seeks the Proposed Mandate from the Shareholders in advance to authorise the Sellers to enter into the Equity Transfer Agreement with the successful bidder, and complete the Proposed Disposal upon the conclusion of the tender process in accordance with the terms approved by the Shareholders.

MAJOR TERMS OF THE PROPOSED DISPOSAL

Public Tender

The Sellers will undergo the process of a public tender at China Auction Network Co., Ltd.* (中拍平台) ("**CAN Platform**") in accordance with the relevant rules and regulations.

Procedures of the public tender

A tender notice for the Proposed Disposal has been published by an authorised agent of the Group on 17 November 2026, setting out, among other things, (i) the Minimum Consideration; (ii) the financial position of the Target Company; (iii) principal terms of the Proposed Disposal; and (iv) qualifications criteria of the prospective bidders (including the requirement that prospective bidders and its ultimate beneficial owner(s) shall not be connected persons of the Company).

The initial publication period of the Proposed Disposal commenced from 17 November 2026 and shall continue until 1 December 2026 at 3:00 p.m. (local time). Tender period will start from 18 November 2026 and remain open until 4:00 p.m. on 2 December 2026, during which prospective bidders may indicate their interest in purchasing the Sale Interest and register themselves with the CAN Platform as interested bidders. Prospective bidders are also required to submit relevant qualification documents, proof of financial capability, a proposed plan for the assumption of liabilities of the Target Company and employee resettlement arrangements, together with other documents and information as may be required. Completion of tender is expected to take place on 3 December 2026, when an auction for the Sale Interest will be conducted.

Within 20 working days after completion of tender, the Sellers are required to enter into the Equity Transfer Agreement with the successful bidder in accordance with the terms set out in the tender notice and the relevant regulatory requirements. The Completion shall take place forthwith upon entering into the Equity Transfer Agreement.

If no qualified bidder is identified during the tender period, the Sellers may, subject to applicable laws and regulations, republish the tender notice and/or adjust certain terms of the Proposed Disposal and commence a new tender process.

Assumption of liabilities and other obligations by the successful bidder

One of the principal terms of the tender is that the successful bidder will be required, as the new legal and beneficial owner of the Target Company, to assume responsibility for arranging the settlement of all outstanding liabilities of the Target Company in accordance with applicable laws and regulations, including amounts owed to suppliers and contractors, unpaid employee wages and outstanding pension insurance and housing provident fund contributions. In addition, it is specified that the amounts due from the Target Company to fellow subsidiaries of the Group of approximately HK$2,003.9 million (such amounts due have been fully impaired as at 30 September 2026 in the consolidated financial position of the Group) prior to the Proposed Disposal will not be pursued by the Group, except in the event of bankruptcy reorganisation or liquidation of the Target Company.

Advances to the successful bidder for Target Company's employee-related obligations

One of the principal terms set out in the tender notice is that, the Group may, at its sole discretion, provide advances of up to RMB42.0 million to the successful bidder for the payment of employee wages in the Target Company for a period of up to two years following the Completion or until the commencement of any bankruptcy proceedings against the Target Company, whichever is earlier. The successful bidder shall (i) provide security or guarantees equal to the amount of the actual advances made by the Group; (ii) pay monthly interest on such advances at an annual rate of 5.79%; and (iii) pay a security deposit of RMB10.0 million as its assurance of the proper discharge of the Target Company's employee-related obligations.

If the Group proceeds with the provision of such advances, the arrangement will constitute financial assistance provided by the Group to the successful bidder (being the owner of the Target Company upon the Completion). Based on the maximum aggregate amount of advances of RMB42.0 million, the provision of such advances, if materialised, would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with the relevant reporting and announcement requirements under the Listing Rules as and when appropriate.

The Board considers that, notwithstanding the Proposed Disposal, the Group has a social responsibility to ensure that the interests and well-being of the employees of the Target Company are adequately protected during the transitional period following the Completion. The inclusion of such arrangement is intended to promote workforce stability, facilitate an orderly transition of the Target Company and reduce the risk of any disruption that may adversely affect the employees. Any decision to provide such advances will be subject to the Group's sole discretion and assessment of its then available financial resources, liquidity position and operational funding needs. Having considered (i) the discretionary nature of the arrangement, under which the Group is under no obligation to provide any advances; (ii) the security or guarantee to be provided by the successful bidder in an amount equal to any advances provided; (iii) the monthly interest payable by the successful bidder to the Group on any advances provided, calculated at a rate of 5.79% per annum with reference to the average interest rate offered to the Group by financial institutions during the preceding year; (iv) the additional security deposit of RMB10.0 million to be provided by the successful bidder as an assurance of the proper discharge of the Target Company's employee-related obligations; (v) the Group's ability to determine whether and to what extent such advances will be made having regard to its then prevailing financial and liquidity position; and (vi) the importance of safeguarding employee interests during the transition period, the Directors are of the view that the inclusion of such arrangement in the notice of tender is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Consideration

The final consideration of the Sale Interest shall be the winning bid price of the public tender pursuant to the procedures set out in the paragraph headed "Procedures of the public tender" above, which shall not be less than the Minimum Consideration.

The Minimum Consideration is RMB1.0 and was determined by the Board taking into account (i) the net liabilities position of the Target Company as at 30 September 2026 of approximately HK$2,724.0 million; (ii) the prolonged suspension of the production operations of the Target Company and the loss-making position of the Target Company in recent financial periods; and (iii) the factors set out in the section headed "Reasons for and Benefits of the Proposed Disposal" below.

Having considered the above, including that the final consideration shall be determined by the public tender and will be no less than the Minimum Consideration, the Board considers that the mechanism for determining the consideration of the Sale Interest is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

One-off payment of the final consideration shall be made to Changchun Dahe in cash within five working days after signing the Equity Transfer Agreement.

As at the date of this announcement, the identity of the successful bidder and the final consideration have not yet been determined. No definitive agreement in respect of the Proposed Disposal has been entered into by the Group. As completion of tender is scheduled to take place on 3 December 2026, it is currently expected that the identity of the successful bidder, the final consideration and other principal terms of the Equity Transfer Agreement will be contained in the circular to be despatched to the Shareholders.

Conditions precedent

The Proposed Disposal shall be conditional upon the Company having obtained the approval of the Shareholders in respect of the Proposed Mandate at the EGM.

As a condition set out in the tender notice, upon the identification of the successful bidder, the Sellers will be required to enter into the Equity Transfer Agreement with such successful bidder within 20 working days after completion of tender, and the Completion shall take place forthwith. As such, it is impractical for the Company to obtain Shareholders' approval in the limited time between completion of tender and the entering into of the Equity Transfer Agreement. Accordingly, the Company is seeking the Proposed Mandate from the Shareholders in advance.

Upon the Completion, the Target Company will cease to be a subsidiary of the Company and its financial results, assets and liabilities will cease to be consolidated into the consolidated financial statements of the Group.

INFORMATION OF THE GROUP AND THE TARGET COMPANY

The Group is principally engaged in the manufacture and sale of corn refined products and corn based biochemical products in the PRC. The Group commenced the trading of corn and other corn-refined products to diversify its business operations this year.

Changchun Dacheng Bio-Tech is a limited liability company established in March 2007 under the laws of the PRC with a registered and paid-up capital of RMB2,066,150,000. It is principally engaged in the manufacture and sale of upstream corn-based products, including corn starch, gluten meal, corn oil and other corn refined products, with production suspended since February 2020.

Set out below are the unaudited financial information of the Target Company for the two years ended 31 December 2024 and 2025 and for the nine months ended 30 September 2026:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the nine months ended 30 September 2026**
	HK$'million	*HK$'million*	*HK$'million*
Net loss before taxation	(387.6)	(934.4)	(96.4)
Net loss after taxation	(387.6)	(934.4)	(96.4)

	As at 31 December		**As at 30 September**
	2024	**2025**	**2026**
	HK$'million	*HK$'million*	*HK$'million*
Total assets	2,264.6	1,528.9	1,456.7
Total liabilities	3,693.3	4,022.9	4,180.7
Net liabilities	(1,428.7)	(2,494.0)	(2,724.0)

The principal assets of the Target Company as at 30 September 2026 included, among others, land and buildings with carrying amounts of approximately HK$103.4 million and HK$1,333.2 million, respectively.

The unaudited total liabilities of the Target Company as at 30 September 2026 primarily comprised (i) amounts due to fellow subsidiaries of the Group of approximately HK$2,003.9 million (such amounts due from the Target Company have been fully impaired as at 30 September 2026 in the consolidated financial position of the Group; (ii) the outstanding loans with an aggregate principal amount and interest of approximately HK$1,204.5 million due to Changchun Rudder and (iii) other liabilities due to other creditors in the aggregate amount of approximately HK$971.6 million.

Notwithstanding the substantial amount of assets held by the Target Company, the Target Company remained in a net liabilities position as at 30 September 2026. Even after excluding the amounts due to fellow subsidiaries in the Group, the Target Company would still be in a net liabilities position of approximately HK$720.1 million.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

As at 30 September 2026, the Target Company recorded net liabilities of approximately HK$2,724.0 million. Upon the Completion, the Target Company will cease to be a subsidiary of the Company and its assets, liabilities and financial results will no longer be consolidated into the consolidated financial statements of the Group. In particular, the Group will deconsolidate a significant portion of the liabilities attributable to the Target Company, including, among others, the outstanding loans owed by the Target Company to Changchun Rudder with an aggregate principal amount and interest of HK$1,204.5 million, as well as other loans and liabilities due to other creditors amounting to approximately HK$971.6 million as at 30 September 2026. The Proposed Disposal is therefore expected to materially reduce the liabilities recorded in the Group's consolidated financial statements and improve the Group's overall financial position.

Notwithstanding that the Target Company held assets of substantial value, including land and buildings with carrying amounts of approximately HK$103.4 million and HK$1,333.2 million, respectively, as at 30 September 2026, the production operations of the Target Company have been suspended since 2020 and no material production activities have been carried out since then. As a result, such assets remained substantially idle and have not generated sufficient operating cash flows to support the operating costs and financial obligations of the Target Company.

Despite the prolonged suspension of its production operations, the Target Company has continued to incur costs and expenses in connection with the maintenance of its assets. Such costs and expenses amounted to approximately HK$94.1 million, HK$91.8 million and HK$48.1 million, for the two years ended 31 December 2025 and for the nine months ended 30 September 2026, respectively. The continued retention of the Target Company would therefore require the Group to continue allocate financial and management resources to a non-operating subsidiary that has remained in a net liabilities position for an extended period of time.

In assessing the merits of retaining the Target Company, the Directors have also taken into account the prevailing market conditions of upstream corn-based products and the significant capital investment required to resume production. Given that the production operations of the Target Company have been suspended for more than six years, the Directors estimate that capital investment of more than RMB500.0 million would be required before the Target Company could resume its production operations. Such capital requirements would include, among other things, capital expenditure for the refurbishment and upgrading of the production facilities and equipment of the Target Company, the procurement of raw materials and other working capital requirements associated with the resumption of production.

Having regard to the current financial position and available financial resources of the Group, the Directors consider that the Group currently does not have sufficient surplus financial resources to commit such a level of investment without imposing additional strain on its liquidity and financial position. Furthermore, given the prevailing volatility and uncertainties in the market conditions of upstream corn-based products, there can be no assurance that such significant capital commitment would generate adequate or commercially reasonable returns within an acceptable timeframe, if at all.

In view of the above, the Directors consider that it would not be commercially prudent or in the interests of the Company and the Shareholders as a whole to commit additional financial resources towards reactivating the production facilities of the Target Company. Instead, the Proposed Disposal will enable the Group to avoid the substantial capital expenditure required for the resumption of production, alleviate the continuing financial burden associated with maintaining the Target Company and preserve the Group's financial resources for its existing operations and other business opportunities with better commercial prospects.

Upon the Completion, the Group will cease to consolidate the liabilities associated with the Target Company, be relieved from the ongoing costs and financial commitments associated with maintaining the Target Company, and will be able to deploy its financial and management resources more efficiently. The Proposed Disposal is therefore expected to significantly strengthen the financial position of the Group and enhance its overall operational efficiency.

Accordingly, notwithstanding the Minimum Consideration of RMB1.0, having taken into account (i) the substantial net liabilities position of the Target Company; (ii) the prolonged suspension of its production operations; (iii) the significant ongoing costs associated with maintaining the Target Company; (iv) the substantial capital investment required to resume production; and (v) the anticipated benefits arising from the deconsolidation of the Target Company's liabilities and the preservation of the Group's financial resources, the Directors are of the view that the Proposed Disposal is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

Based on the unaudited net liabilities of the Target Company of approximately HK$2,724.0 million as at 30 September 2026, the excess of the Minimum Consideration over the net liabilities value will be approximately HK$2,724.0 million. On the assumption that the Proposed Disposal is completed at the Minimum Consideration, after accounting for the impairment of current account balances between the Group (excluding the Target Company) and the release of exchange reserve, the estimated net gain on the Proposed Disposal is approximately HK$926.0 million.

The financial effects and estimations above are shown for reference purposes only and are not intended to reflect the financial position of the Group upon the Completion. The actual figures and effect will be assessed at the time of the Completion and may be adjusted due to change and audit, which may vary from the amounts mentioned above.

Assuming that the Proposed Disposal is concluded at the Minimum Consideration, the Group does not expect to receive any material net cash proceeds from the Proposed Disposal. The principal financial benefit of the Proposed Disposal lies in the deconsolidation of the assets and liabilities of the Target Company and the cessation of the ongoing financial commitments associated with the Target Company. The Company will utilise the net proceeds from the Proposed Disposal for general working capital purpose.

LISTING RULES IMPLICATIONS

If the Group proceeds with the Proposed Disposal, the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the transactions contemplated under the Proposed Disposal exceeds 25% but all of the percentage ratios are less than 75%. The Proposed Disposal is expected to constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company will convene an EGM for the purpose of considering and, if thought fit, approving the grant of the Proposed Mandate.

A circular containing, among other things, (i) further details of the Proposed Disposal; (ii) other information as required under the Listing Rules; and (iii) a notice convening the EGM, will be despatched to the Shareholders on or before 14 December 2026, which is more than 15 business days after publication of this announcement, as additional time is needed to prepare the information required to be disclosed in the circular.

Shareholders and potential investors should note that no definitive agreement has been entered into for the Proposed Disposal and the successful bidder and the final consideration have yet to be determined. Accordingly, the Proposed Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"Board"	the board of Directors
"Changchun Dacheng Bio-Tech" or "Target Company"	長春大成生物科技開發有限公司 (Changchun Dacheng Bio Tech Development Company Limited*), a wholly-owned subsidiary of the Company established in the PRC with limited liability immediately before the Completion
"Changchun Dahe"	長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Company Limited*), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability, which holds 29.04% of the equity interest in the Target Company prior to the Completion
"Changchun Rudder"	長春潤德投資集團有限公司 (Changchun Rudder Investment Group Company Limited*)
"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)

"Completion"	the completion of the Proposed Disposal
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the grant of the Proposed Mandate
"Equity Transfer Agreement"	the equity transfer agreement to be entered into among the Sellers and the successful bidder in relation to the Proposed Disposal
"GBT Investment (HK)"	Global Bio-chem Technology Investments (HK) Limited 大成生化科技投資(香港)有限公司, a wholly-owned subsidiary of the Company established in Hong Kong, which holds 70.96% of the equity interest in the Target Company prior to the Completion
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Minimum Consideration"	the minimum consideration for the Proposed Disposal, amounted to RMB1.0
"Proposed Disposal"	the proposed disposal of the Sale Interest through a public tender
"Proposed Mandate"	the mandate proposed to be granted by the Shareholders at the EGM authorising the Directors to proceed with and complete the Proposed Disposal, including the execution of the Equity Transfer Agreement by the Sellers with the successful bidder and the taking of all such actions and steps as are necessary, desirable or expedient to give effect to and implement the Proposed Disposal in accordance with the terms approved by the Shareholders

"PRC"	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Interest"	the entire equity interest of the Target Company
"Sellers"	collectively, GBT Investment (HK) and Changchun Dahe, each a wholly-owned subsidiary of the Company and the holders of the Sale Interest immediately before the Completion
"Share(s)"	ordinary share(s) in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"working day(s)"	a day (other than a Saturday, Sunday or statutory holiday in the PRC, unless otherwise designated as a working day by the PRC government) on which commercial banks are generally open for business in the PRC
"%"	per cent.

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

Hong Kong, 17 November 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.

** For identification purposes only*