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)

PROFIT WARNING

This announcement is made by Global Bio-chem Technology Group Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary review of the Group's unaudited consolidated management accounts currently available to the Board, the Group recorded a significant increase in consolidated net loss for the ten months ended 31 October 2019, as compared with the ten months ended 31 October 2018. Such increase was mainly attributable to: (i) the increase in production cost of the Group's downstream production; (ii) the decline in sales volume and the selling prices of feed products due to the impact of the African Swine Fever (the "**ASF**") and China-US trade tensions; and (iii) accordingly, the Group's amino acids segment has recorded a gross loss for the ten months ended 31 October 2019 as compared with the gross profit recorded for the ten months ended 31 October 2018. It is expected that the Group will record a significant increase in consolidated net loss for the year ending 31 December 2019 as compared with the year ended 31 December 2018.

As stated in the Company's announcement dated 16 December 2019, the Group had taken measures to minimise operational loss and operating cash outflow through the temporary suspension of the production facilities of 長春大合生物技術開發有限公司(Changchun Dahe Bio Technology Development Co., Ltd.*) ("**Changchun Dahe**") for machinery overhaul since August 2019 while maintaining its sales operation with its inventory. Since it is expected that the impact of the ASF will remain for a period of time, the operating environment of the feed related industry will be challenging going forward. The Group will closely observe the market conditions and conduct feasibility analysis on the resumption of production of Changchun Dahe.

The information contained in this announcement is only based on the preliminary assessment by the management of the Group of the unaudited consolidated management accounts of the Group for the ten months ended 31 October 2019 which have not been reviewed or audited by the Company's auditor. Shareholders of the Company and the potential investors are advised to read carefully the final results announcement of the Company for the year ending 31 December 2019 which is expected to be published by the end of March 2020.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of the Board
Global Bio-chem Technology Group Company Limited
Yuan Weisen
Chairman

Hong Kong, 19 December 2019

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Yuan Weisen, Mr. Zhang Zihua and Mr. Liu Shuhang; one non-executive Director, namely, Ms. Liang Wanpeng; and three independent non-executive Directors, namely, Mr. Ng Kwok Pong, Mr. Yeung Kit Lam and Mr. Zhao Jin.

* *For identification purpose only*