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 Group, it is expected that the Group will record a significant decrease in revenue by over 80% and gross profit by over 60% for the year ended 31 December 2020 (the "**Year**") as compared with the year ended 31 December 2019. Such decreases were mainly attributable to the drop in production volume of the Group as a result of the suspension of operations of most of the Group's subsidiaries in the People's Republic of China (the "**PRC**") during the Year. The suspension of operations was a result of (i) the impact of the outbreak of the coronavirus disease ("**COVID-19**") that had led to the slowdown of economic growth in the PRC; and (ii) the tight operating cash flow of the Group due to the prolonged challenging operating environment. During the Year, poor market sentiment has led to the significant drop in demand and selling prices of the Group's products, while the prices of corn, which is the raw material for the Group's production, have increased substantially due to tightened supply of corn kernels.

In addition, the increase in finance cost of the Group following the default in repayment of certain loans of the Group pursuant to the debt restructuring plan has added on the financial burden of the Group during the Year. As a result, the Group is expected to record a significant increase in net loss of over 20% for the Year as compared with the year ended 31 December 2019. Since the Group is in the process of assessing the provision to be made in relation to the impairment of certain suspended production facilities, the net loss may further increase in the final results of the Group.

* *For identification purpose only*

The information contained in this announcement is only based on the preliminary assessment by the management of the Group with reference to the unaudited consolidated management accounts of the Group for the Year 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 which is expected to be published by the end of March 2021.

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
Zhang Zihua
Acting Chairman

Hong Kong, 9 February 2021

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Zhang Zihua and Mr. Liu Shuhang; one non-executive Director, namely, Mr. Gao Dongsheng; and three independent non-executive Directors, namely, Ms. Dong Hongxia, Mr. Ng Kwok Pong and Mr. Yeung Kit Lam.