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)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Global Bio-chem Technology Group Company Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**"), together with the comparative figures in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	**2024**	2023
		HK$'000	*HK$'000*
CONTINUING OPERATIONS			
REVENUE	*4*	**2,001,095**	1,373,938
Cost of sales		**(1,810,123)**	(1,330,301)
Gross profit		**190,972**	43,637
Other income and gains	*4*	**176,901**	26,173
Selling and distribution costs		**(107,758)**	(66,083)
Administrative expenses		**(246,534)**	(304,070)
Other expenses		**(906,672)**	(256,325)
Gain on disposal of subsidiaries	*17*	**1,962,112**	—
Gain on derecognition of a subsidiary		**—**	421,870
Gain on debt restructuring		**—**	4,284,830
Gain on modification of convertible bonds ("**Convertible Bonds**")		**—**	301,364
Finance costs	*6*	**(323,402)**	(750,351)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*5*	**745,619**	3,701,045
Income tax credit	*7*	**23,979**	42,082
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**769,598**	3,743,127

* *For identification purposes only*

	Notes	**2024**	2023
		HK$'000	*HK$'000*
DISCONTINUED OPERATIONS			
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS		**—**	481,466
PROFIT FOR THE YEAR		**769,598**	4,224,593
OTHER COMPREHENSIVE LOSS FOR THE YEAR			
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		**(109,755)**	(373,435)
Release of exchange reserve upon derecognition of a subsidiary		**—**	(79,632)
Release of exchange reserve upon disposal of discontinued operations		**—**	(326,685)
Release of exchange reserve upon disposal of subsidiaries	*17*	**(375,762)**	—
		(485,517)	(779,752)
Items that will not be reclassified subsequently to profit or loss:			
Gain on properties revaluation, net		**98,991**	78,985
Income tax effect		**(24,748)**	(15,797)
		74,243	63,188
TOTAL OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(411,274)**	(716,564)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**358,324**	3,508,029

	Notes	**2024**	2023
		HK$'000	*HK$'000*
PROFIT ATTRIBUTABLE TO:			
Owners of the Company		**769,598**	4,224,593
Non-controlling interests		**—**	—
		769,598	4,224,593
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY ARISING FROM:			
Continuing operations		**769,598**	3,743,127
Discontinued operations		**—**	481,466
		769,598	4,224,593
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		**358,324**	3,508,029
Non-controlling interests		**—**	—
		358,324	3,508,029
EARNINGS PER SHARE, ARISING FROM			
Basic			
– Continuing operations	*9*	**HK8.6 cents**	HK42.0 cents
– Discontinued operations	*9*	**—**	HK5.4 cents
		HK8.6 cents	HK47.4 cents
Diluted			
– Continuing operations	*9*	**HK2.9 cents**	HK25.7 cents
– Discontinued operations	*9*	**—**	HK3.4 cents
		HK2.9 cents	HK29.1 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**2,119,050**	3,823,699
Right-of-use assets		**290,085**	396,473
Intangible assets		**2,047**	2,047
Interests in an associate		**—**	—
Interests in a joint venture		**—**	—
Equity investment at fair value through other comprehensive income ("**Designated FVOCI**")		**—**	208
Financial assets at fair value through profit or loss ("**FVPL**")		**31,238**	17,140
		2,442,420	4,239,567
CURRENT ASSETS			
Inventories		**205,507**	148,332
Trade receivables	11	**159,457**	140,214
Prepayments, deposits and other receivables	12	**160,107**	363,196
Due from a joint venture		**—**	2,157
Due from GSH Group		**44,608**	—
Due from former subsidiaries		**1,444,613**	—
Financial guarantee asset		**—**	227,273
Pledged bank deposits	13	**—**	111
Cash and bank balances	13	**85,470**	88,246
		2,099,762	969,529
CURRENT LIABILITIES			
Trade payables	14	**1,174,619**	904,170
Other payables and accruals	15	**2,658,768**	3,571,683
Due to an associate		**—**	746
Tax payables		**—**	103,533
Convertible Bonds		**958,839**	–
Interest-bearing bank and other borrowings		**1,693,740**	3,587,853
Lease liabilities		**179**	345
Financial guarantee liability		**—**	227,273
		6,486,145	8,395,603
NET CURRENT LIABILITIES		**(4,386,383)**	(7,426,074)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(1,943,963)**	(3,186,507)

	Notes	**2024**	2023
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**—**	10,582
Lease liabilities		**234**	—
Deferred income		**10,193**	31,327
Deferred tax liabilities		**—**	7,240
Convertible Bonds		**—**	801,250
		10,427	850,399
NET LIABILITIES		**(1,954,390)**	(4,036,906)
CAPITAL AND RESERVES			
Share capital	*16*	**890,741**	890,741
Convertible preference shares ("**CPS**")	*16*	**1,726,775**	—
Treasury shares ("**Treasury Shares**")	*16*	**(2,583)**	—
Reserves		**(4,569,323)**	(4,927,647)
TOTAL DEFICIT		**(1,954,390)**	(4,036,906)

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. The principal activity of the Company is investment holding. The registered office address of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 1206, 12th Floor, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong.

The Group is principally engaged in the manufacture and sale of corn refined products and corn based biochemical products. There were no significant changes in the nature of the Group's principal activities during the Year.

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Hong Kong Companies Ordinance (Cap. 622).

These consolidated financial statements have been prepared under the historical cost convention, except for certain property, plant and equipment, financial assets at FVPL and Designated FVOCI which are measured at revalued amounts/fair value. These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except where otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 2.3.

2.2 GOING CONCERN

As at 31 December 2024, the Group had net current liabilities of approximately HK$4,386.4 million (31 December 2023: approximately HK$7,426.1 million) and net liabilities of approximately HK$1,954.4 million (31 December 2023: approximately HK$4,036.9 million). In preparing these 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 (the "**Disposal**") of 100% of the registered capital (the "**Changchun Dacheng Industrial Sale Shares**") of 長春大成實業集團有限公司(Changchun Dacheng Industrial Group Company Limited*) ("**Changchun Dacheng Industrial**") and its subsidiaries (collectively, the "**Disposal Group**") under the sale and purchase agreement dated 30 December 2024 (the "**Changchun Dacheng Industrial SPA**") entered between Dacheng Industrial Group (HK) Limited ("**Dacheng Industrial (HK)**"), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability, as a seller, and 長春宏祥新能源開發有限公司 (Changchun Hongxiang New Energy Development Company Limited*) ("**Changchun Hongxiang**"), 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 the portion of the outstanding consideration of RMB815.0 million for the purchase of the repurchased loans from 長春潤德投資集團有限公司 (Changchun Rudder Investment Group Co., Ltd.*) (the "**Repurchased Loans**"), being certain loans owed by certain then subsidiaries of the Group in the principal amount of approximately RMB113.5 million, together with outstanding interests (the "**Disposed Rudder Loans**") owed by 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*) ("**Dihao Foodstuff**"), a former indirect wholly-owned subsidiary of the Company established in the People's Republic of China (the "**PRC**" or " **China**") with limited liability, which was one of the companies under the Disposal Group and disposed of upon Disposal Completion, immediately ceased to be consolidated into the consolidated financial statements of the Group. In order to further improve the financial position of the Group, the management of the Group will continue to monitor the situation of the resumption of the remaining land and buildings situated in Luyuan District, Changchun, the PRC (the "**Remaining Luyuan Properties**") and ensure the remaining portion of the Repurchased Loans, other than the Disposed Rudder Loans, in the principal amount of approximately RMB701.5 million, together with outstanding interests remaining to be owed by the Group after the Disposal Completion (the "**Remaining Rudder Loans**") will be settled by the Disposal Group on behalf of the relevant Group companies in exchange for the Group's release of the pledge(s)/seizure order(s) attaching to 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 Year, the Group has continued to maximise the production capacity of the production facilities in amino acids operation and is expected to launch a series of high value-added products to expand the sales. The Directors expect that the amino acids operation will continue to generate adequate cash inflow to the Group in 2025.

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

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

Nongfa, being a state-owned enterprise, was established in August 2016 and its unaudited net asset value as at 31 December 2024 amounted to approximately RMB3,809.1 million (31 December 2023: approximately RMB2,010.7 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 31 December 2024, the Group's liabilities due to the Nongfa Group amounted to approximately HK$1,781.4 million and the Nongfa Group agreed to support the Group in the following 24 months and agreed that repayment request will not be made while the financial situation of the Group does not allow. In addition, the Directors are of the view that the Nongfa Group would be able to support the operations of the Group by providing a stable supply of corn with better commercial terms via the agreement dated 1 November 2023 and entered into between the Company (for itself and on behalf of the Group) and Nongfa (for itself and on behalf of the Nongfa Group) in relation to the supply of corn kernels by the Nongfa Group to the Group with effect from 21 December 2023.

The Directors, including all members of the audit committee of the Company (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 31 December 2024.

Accordingly, the Directors consider that it is appropriate to prepare the 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 is 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 consolidated financial statements.

2.3 CHANGES IN ACCOUNTING POLICIES

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidation statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This interpretation is revised as a consequence of the above amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments on this Interpretation does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2.4 NEW AND REVISED HKFRSS NOT YET ADOPTED

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 21	Lack of Exchangeability [1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to Classification and Measurement of Financial Instruments [2]
Annual Improvements to HKFRSs	Volume 11 [2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Reference Nature-dependent Electricity [2]
HKFRS 18	Presentation and Disclosure in Financial Statements [3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures [3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 The effective date to be determined

The Directors do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the results of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has four (2023: four) reportable operating segments from continuing operations as follows:

(a) the upstream products segment engages in the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products;

(b) the amino acids segment engages in the manufacture and sale of corn based biochemical products, including lysine and threonine;

(c) the corn sweeteners segment engages in the manufacture and sale of corn sweeteners, including glucose, maltose, high fructose corn syrup and maltodextrin; and

(d) the polyol chemicals segment engages in the manufacture and sale of corn based biochemical products, including polyol chemicals, anti-freeze products, hydrogen and ammonia.

The management, being 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.

(i) Segment results

Year ended 31 December 2024

	Upstream products *HK$'000*	Amino acids *HK$'000*	Corn sweeteners *HK$'000*	Polyol chemicals *HK$'000*	Total *HK$'000*
Continuing operations					
Revenue from:					
External customers	**264,151**	**1,736,944**	**—**	**—**	**2,001,095**
Segment results	**(407,119)**	**(543,302)**	**(33,634)**	**(11,369)**	**(995,424)**
Bank interest income					**2**
Unallocated income					**34,485**
Gain on disposal of subsidiaries					**1,962,112**
Government grants					**67,391**
Appreciation in fair value of financial assets at FVPL					**14,098**
Corporate and other unallocated expenses					**(13,643)**
Finance costs					**(323,402)**
Profit before tax					**745,619**
Income tax credit					**23,979**
Profit for the year from continuing operations					**769,598**
Discontinued operations					
Profit for the year from discontinued operations					**—**
Profit for the year					**769,598**

Year ended 31 December 2023

	Upstream products *HK$'000*	Amino acids *HK$'000*	Corn sweeteners *HK$'000*	Polyol chemicals *HK$'000*	Total *HK$'000*
Continuing operations					
Revenue from:					
External customers	217,221	1,156,717	—	—	1,373,938
Segment results	(314,902)	(107,115)	(50,040)	(15,255)	(487,312)
Bank interest income					3
Unallocated income					37,609
Gain on debt restructuring					4,284,830
Gain on derecognition of a subsidiary					421,870
Gain on modification of Convertible Bonds					301,364
Corporate and other unallocated expenses					(106,968)
Finance costs					(750,351)
Profit before tax					3,701,045
Income tax credit					42,082
Profit for the year from continuing operations					3,743,127
Discontinued operations					
Profit for the year from discontinued operations					481,466
Profit for the year					4,224,593

(ii) Other segment information

Year ended 31 December 2024

	Upstream products *HK$'000*	Amino acids *HK$'000*	Corn sweeteners *HK$'000*	Polyol chemicals *HK$'000*	Total *HK$'000*
Continuing operations					
Depreciation of property, plant and equipment	**76,599**	**114,905**	**14,366**	**6,787**	**212,657**
Depreciation of right-of-use assets (a)	**4,117**	**9,240**	**1,780**	**—**	**15,137**
Reversal of write-down of inventories	**(27,710)**	**—**	**—**	**—**	**(27,710)**
Written off of right-of-use assets	**61,753**	**—**	**—**	**—**	**61,753**
Loss on properties revaluation, net	**402,961**	**—**	**—**	**—**	**402,961**
Written off of property, plant and equipment	**311,401**	**—**	**—**	**—**	**311,401**
Reversal of impairment of other receivables, net	**(21,422)**	**—**	**—**	**(184)**	**(21,606)**
Reversal of impairment of trade receivables, net	**(21,419)**	**—**	**—**	**—**	**(21,419)**

Year ended 31 December 2023

	Upstream products *HK$'000*	Amino acids *HK$'000*	Corn sweeteners *HK$'000*	Polyol chemicals *HK$'000*	Total *HK$'000*
Continuing operations					
Capital expenditure	763	1,082	—	13	1,858
Depreciation of property, plant and equipment	102,994	98,407	14,884	8,869	225,154
Depreciation of right-of-use assets (a)	8,609	6,794	1,256	—	16,659
Write-down of inventories, net	—	—	—	1,511	1,511
Loss on disposal of property, plant and equipment, net	650	—	—	—	650
Impairment of deposits paid for acquisition of property, plant and equipment, net	835	—	—	—	835
(Reversal of impairment) Impairment of trade receivables, net	(779)	(461)	—	1,115	(125)
Reversal of impairment of prepayments and deposits, net	—	(982)	—	—	(982)
Impairment of (Reversal of impairment) of other receivables, net	2,640	1,564	(93)	—	4,111
Discontinued operations					
Capital expenditure	—	—	588	—	588
Depreciation of property, plant and equipment	—	—	57,866	—	57,866
Depreciation of right-of-use assets (a)	—	—	3,742	—	3,742
Reversal of impairment of trade receivables, net	—	—	(83)	—	(83)
Impairment of prepayments and deposits, net	—	—	587	—	587
Reversal of overprovision of other tax payables	—	—	(4,385)	—	(4,385)
Impairment of property, plant and equipment	—	—	21,276	—	21,276
Reversal of write-down of inventories, net	—	—	(4)	—	(4)

Remark:

(a) Depreciation of right-of-use assets that was not attributable to any of the above segments which amounted to HK$712,000 (2023: HK$1,750,000) was included in corporate and other unallocated expenses.

(iii) Geographical information

Revenue information based on locations of customers

	2024	2023
	HK$'000	*HK$'000*
Continuing operations		
The PRC	**1,369,017**	1,019,736
Asia, the Americas and other regions	**632,078**	354,202
	2,001,095	1,373,938
Discontinued operations		
The PRC	**—**	430,580
Asia, the Americas and other regions	**—**	10,233
	—	440,813

Non-current assets (excluding financial instruments) information based on locations of assets

	2024	2023
	HK$'000	*HK$'000*
The PRC	**2,410,793**	4,221,636
Hong Kong	**389**	583
	2,411,182	4,222,219

(iv) Information about major customers

There was no customer who individually contributed over 10% of the Group's revenue for each of the years ended 31 December 2024 and 2023.

4. REVENUE, OTHER INCOME AND GAINS

	2024	2023
	HK$'000	*HK$'000*
Continuing operations		
Revenue from contracts with customers within HKFRS 15		
Sale of goods (a)	**2,001,095**	1,373,938
Other income and gains		
Amortisation of deferred income	**4,365**	5,054
Appreciation in fair value of financial assets at FVPL	**14,098**	—
Bank interest income	**2**	3
Government grants (b)	**67,391**	—
Gain on properties revaluation, net	**—**	7,408
Foreign exchange gain, net	**4,521**	—
Reversal of impairment of trade receivables, net	**21,419**	125
Reversal of impairment of other receivables, net	**21,606**	—
Reversal of write-down of inventories	**27,710**	—
Others	**15,789**	13,583
	176,901	26,173

Remarks:

(a) The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time. The amount of revenue recognised for the Year that was included in the contract liabilities at the beginning of the Year was HK$151,380,000 (2023: HK$102,520,000).

(b) Government grants represented rewards to a subsidiary of the Company with no further obligations and conditions to be complied with.

5. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's profit before tax from continuing operations is arrived at after charging (crediting):

	2024	2023
	HK$'000	*HK$'000*
Employee benefits expenses (excluding Directors' remuneration):		
Wages and salaries	**86,368**	99,022
Pension scheme contributions	**20,206**	14,772
	106,574	113,794
Cost of inventories sold (a)	**1,810,123**	1,330,301
Depreciation of property, plant and equipment	**212,657**	225,154
Depreciation of right-of-use assets	**15,849**	18,409
Amortisation of deferred income	**(4,365)**	(5,054)
Auditor's remuneration		
— Annual audit	**1,430**	1,450
— Non-audit service fee	**429**	1,253
Impairment of deposits paid for acquisition of property, plant and equipment, net	**—**	835
Written off of right-of-use assets (b)	**61,753**	—
Reversal of impairment of prepayments and deposits, net	**—**	(982)
(Reversal of impairment) Impairment of other receivables, net	**(21,606)**	4,111
Research and development costs	**4,129**	6,407
Reversal of impairment of trade receivables, net	**(21,419)**	(125)
Gain on disposal of property, plant and equipment, net	**—**	650
Foreign exchange (gain) loss, net	**(4,521)**	8,223
(Reversal of write-down) Write-down of inventories	**(27,710)**	1,511
Loss (Gain) on properties revaluation, net	**402,961**	(7,408)
Written off of property, plant and equipment (b)	**311,401**	—
Gain on debt restructuring (c)	**—**	4,284,830

Remarks:

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

(b) The amounts mainly represented the written off of property, plant and equipment of approximately HK$279.6 milion and right-of-use asssets of approximately HK$61.8 million regarding a revocation (the "**Revocation**") of the enforcement order granted to 長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Co., Ltd.*) ("**Changchun Dahe**") in December 2021 (the "**Enforcement Order**") which initially allowed Changchun Dahe to take certain portions of land and properties (the "**Harbin Properties**") then owned by 哈爾濱大成生物科技有限公司 (Harbin Dacheng Bio Technology Co. Ltd*) ("**Harbin Dacheng**"), a former indirect wholly-owned subsidiary of the Company, for the settlement of part of Harbin Dacheng's defaulted loan owed to Changchun Dahe pursuant to an order received from 吉林省高級人民法院 (Jilin Provincial High People's Court*) during the Year. Subsequent to the Revocation, Changchun Dahe was no longer entitled to the legal rights and interest of the Harbin Properties and the Group recognised the written off of the Harbin Properties accordingly.

(c) Reference is made to the announcement of the Company dated 4 January 2024. On 31 December 2023, (i) Nongfa, as the current creditor of the loans of approximately RMB4,267.8 million, together with outstanding interests, which was previously 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.*) and transferred to Nongfa on 31 December 2023 (the "**Entire Transferred Loans**"); and (ii) several wholly-owned subsidiaries of the Group, being the debtors or co-debtors of the Entire Transferred Loans, had entered into the the debt restructuring agreement (the "**Debt Restructuring Agreement**"), 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 (the "**Debt Restructuring Arrangements**"). As a result, a one-off gain on debt restructuring of approximately HK$4,284.8 million (represents the difference between the Entire Transferred Loans and related interests of approximately RMB5,436.3 million immediately before the date of Debt Restructuring Agreement and amount settled to Nongfa of RMB1,580.0 million) has been recognised during the year of 2023.

6. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank and other borrowings	**71,073**	462,182
Interest on financial guarantees given by Nongfa	**19,021**	30,287
Interest on payables to suppliers	**75,697**	88,051
Imputed interest on Convertible Bonds	**157,589**	169,817
Interest on lease liabilities	**22**	14
	323,402	750,351

7. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the Year (2023: Nil). No provision for the PRC enterprise income tax has been made as the subsidiaries operating in the PRC incurred tax losses or the estimated assessable profits are wholly absorbed by tax losses brought forward during the years ended 31 December 2024 and 2023.

	2024	2023
	HK$'000	*HK$'000*
Continuing operations		
Deferred tax		
Origination and reversal of temporary differences, net	**(23,979)**	(42,082)
Income tax credit	**(23,979)**	(42,082)

8. DIVIDENDS

The Board does not recommend the payment of any dividend (including: preferential dividend to holders of CPS) for the Year (2023: Nil).

9. EARNINGS PER SHARE

	2024	2023
Profit ***(in HK$'000)***		
Profit attributable to owners of the Company arising from:		
— Continuing operations	**769,598**	3,743,127
— Discontinued operations	**—**	481,466
	769,598	4,224,593
Number of shares		
Weighted average of ordinary shares in issue	**8,928,680,187**	8,907,405,717
Basic earnings per share *(HK cents per share)*		
— Continuing operations	**8.6**	42.0
— Discontinued operations	**—**	5.4
	8.6	47.4

	2024	2023
Profit ***(in HK$'000)***		
Profit attributable to owners of the Company arising from:		
— Continuing operations	**769,598**	3,743,127
— Discontinued operations	**—**	481,466
	769,598	4,224,593
Continuing operations		
Gain on modification of Convertible Bonds *(in HK$'000)*	**—**	(301,364)
Imputed interest on Convertible Bonds *(in HK$'000)*	**—**	169,817
	—	(131,547)
Adjusted profit attributable to owners of the Company arising from:		
— Continuing operations *(in HK$'000)*	**769,598**	3,611,580
— Discontinued operations *(in HK$'000)*	**—**	481,466
	769,598	4,093,046
Number of shares		
Weighted average of ordinary shares in issue	**8,928,680,187**	8,907,405,717
CPS	**17,267,750,569**	—
Effect of conversion of Convertible Bonds	**—**	5,172,759,833
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**26,196,430,756**	14,080,165,550
Diluted earnings per share *(HK cents per share)*		
— Continuing operations	**2.9**	25.7
— Discontinued operations	**—**	3.4
	2.9	29.1

In 2024, the assumed conversion of CPS has dilutive effect for the Year. No adjustment has been made in respect of outstanding Convertible Bonds as it has an anti-dilutive effect.

In 2023, the assumed conversion of Convertible Bonds has dilutive effect for the Year as shown on the table above.

10. PROPERTY, PLANT AND EQUIPMENT

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	**3,823,699**	4,706,470
Additions	**—**	2,446
Disposals	**—**	(650)
Depreciation	**(212,657)**	(283,020)
(Loss) Gain on properties revaluation, net	**(303,970)**	86,393
Written off of property, plant and equipment	**(311,401)**	—
Derecognition of a subsidiary	**—**	(202,962)
Disposal of subsidiaries	**(760,501)**	—
Disposal of discontinued operations	**—**	(312,325)
Impairment	**—**	(21,276)
Exchange realignment	**(116,120)**	(151,377)
At 31 December	**2,119,050**	3,823,699

11. TRADE RECEIVABLES

	2024 *HK$'000*	2023 *HK$'000*
Trade receivables	**392,479**	480,900
Loss allowance	**(233,022)**	(340,686)
	159,457	140,214

The Group normally allows credit terms of 30 to 90 days (2023: 30 to 90 days) to established customers. An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2024 *HK$'000*	2023 *HK$'000*
Within 1 month	**151,989**	97,765
1 to 2 months	**213**	22,097
2 to 3 months	**95**	13,822
3 to 6 months	**39**	578
Over 6 months	**7,121**	5,952
	159,457	140,214

The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management of the Group.

Trade receivables are non-interest-bearing. At the end of the reporting period, the Group had a concentration of credit risk as 10.9% (2023: 9.3%) and 20.8% (2023: 17.4%) of the total trade receivables which were due from the Group's largest customer and the five largest customers respectively.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Prepayments	**22,869**	65,145
Deposits and other debtors	**63,957**	44,480
PRC value-added tax ("**VAT**") and other tax receivables	**54,005**	123,770
Receivables from disposal of assets (a)	**19,276**	129,801
	160,107	363,196

Remark:

(a) Included in the receivables from disposal of assets was the remaining consideration receivable in respect of the disposal of certain buildings, machineries and fixtures erected on a piece of land located in Luyuan District in Changchun during the year ended 31 December 2014, which amounted to approximately HK$109,890,000 at 31 December 2023, such amounts had been derecognised upon the Disposal Completion during the Year.

13. CASH AND CASH EQUIVALENTS

	2024	2023
	HK$'000	*HK$'000*
Cash and bank balances	**85,470**	88,246
Pledged bank deposits	**—**	111
	85,470	88,357
Less: pledged bank deposits for issuance of bills payables	**—**	(111)
	85,470	88,246

At the end of the reporting period, the cash and bank balances and pledged bank deposits of the Group denominated in Renminbi amounted to approximately HK$77,456,000 (2023: HK$75,945,000 denominated in Renminbi). Renminbi held by subsidiaries in the PRC is not freely convertible into other currencies. However, under the PRC Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods from one day to three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged bank deposits are deposited with creditworthy banks with no recent history of default.

14. TRADE PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables		
— To third parties	**526,071**	636,924
— To the Nongfa Group (a)	**648,548**	267,246
	1,174,619	904,170

Remark:

(a) The trade payables to the Nongfa Group are unsecured and interest-bearing at 6.5% to 7.8% per annum (2023: 6.5% to 7.8% per annum) after the lapse of the credit periods.

The Group normally obtains credit terms ranging from 30 to 90 days (2023: 30 to 90 days) from its suppliers.

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

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**355,421**	76,963
1 to 2 months	**78,366**	4,091
2 to 3 months	**800**	239
Over 3 months	**740,032**	822,877
	1,174,619	904,170

15. OTHER PAYABLES AND ACCRUALS

	2024	2023
	HK$'000	*HK$'000*
Accruals for employee benefits	**387,446**	678,644
Payables for purchases of machinery	**52,071**	104,020
Receipts in advance (a)	**51,558**	156,061
Payables to the Nongfa Group (b)	**1,038,044**	1,049,508
VAT and other duties payables	**120,081**	135,289
Accruals and other creditors	**208,410**	466,082
Interest payables	**801,158**	982,079
	2,658,768	3,571,683

Remarks:

(a) The balance represents the contract liabilities from contracts with customers within HKFRS 15 at the end of the reporting period and the movements (excluding those arising from increases and decreases both occurred within the same year) of the contract liabilities during the years are as follows:

	2024	2023
	HK$'000	*HK$'000*
At 1 January	**156,061**	119,132
Recognised as revenue	**(151,380)**	(102,520)
Receipt of advances or recognition of receivables	**51,558**	156,061
Exchange realignment	**(4,681)**	(16,612)
At 31 December	**51,558**	156,061

Unsatisfied or partially unsatisfied performance obligations

All the performance obligations that were unsatisfied (or partially unsatisfied) at 31 December 2024 and 2023 were parts of contracts that have an original expected duration of one year or less. Given that the Group applies the practical expedient in paragraph 121(a) of HKFRS 15, the transaction price allocated to these performance obligations is not disclosed.

(b) The payables represent advances from the subsidiaries of Nongfa which are unsecured, interest-bearing at 6.5% and 12.0% per annum (2023: 6.5% to 12.0% per annum) and are repayable on demand and guarantee charge payables to Nongfa which bear interest at 3.5% per annum (2023: 3.5% per annum).

16. SHARE CAPITAL, CPS AND TREASURY SHARES

	2024	2023
	HK$'000	*HK$'000*
Authorised:		
30,000,000,000 (2023: 30,000,000,000) ordinary shares of HK$0.1 each	**3,000,000**	3,000,000
30,000,000,000 (2023: 30,000,000,000) CPS of HK$0.1 each	**3,000,000**	3,000,000
Issued and fully paid:		
8,907,405,717 (2023: 8,907,405,717) ordinary shares of HK$0.1 each	**890,741**	890,741
CPS (a):		
17,267,750,569 (2023: Nil) CPS of HK$0.1 each	**1,726,775**	—
Treasury Shares (b):		
31,666,000 (2023: Nil) ordinary shares	**(2,583)**	—

Remarks:

(a) CPS

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 the convertible preference shares subscribers (the "**CPS Subscribers**"), and the Company, as issuer, entered into a CPS subscription agreement (the "**CPS Subscription Agreement**") pursuant to which (i) Jilin Yuanheng conditionally agreed to subscribe for such number of non-voting CPS(s) of HK$0.10 each in the capital of the Company (the "**Yuanheng CPS**") that could be issued to Jilin Yuanheng by fully utilising the Jilin Yuanheng's subscription monies of RMB250,000,000 (the " **Jilin Yuanheng Subscription Monies**"); and (ii) Jilin Liheng conditionally agreed to subscribe for such number of non-voting CPS(s) of HK$0.10 each in the capital of the Company (the "**Liheng CPS**" together with the Yuanheng CPS, the "**Subscription CPS**") that could be issued to Jilin Liheng by fully utilising the Jilin Liheng's subscription monies of RMB1,330,000,000 (the "**Jilin Liheng Subscription Monies**"), at a subscription price of HK$0.10 per Yuanheng CPS and Liheng CPS.

Reference is made to the announcement of the Company dated 4 January 2024, following the passing of the resolutions as set out in the notice of extraordinary general meeting of the Company dated 14 December 2023 on 31 December 2023, all the conditions precedent set out in the CPS Subscription Agreement had been fulfilled and the completion of the subscription of CPS (the "**CPS Subscription**") took place on 4 January 2024. As such, 14,535,514,629 Liheng CPS and 2,732,235,940 Yuanheng CPS were respectively issued to Jilin Liheng and Jilin Yuanheng. The rate for conversion of the Subscription CPS into ordinary shares of the Company (the "**Shares**") is on a one for one basis.

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 CPS. The gross proceeds of the CPS Subscription amounted to approximately HK$1,726,775,056.97 (equivalent to RMB1,580,000,000). The net proceeds from the CPS Subscription, after the deduction of the professional and other related expenses, are approximately HK$1,716,775,057.

(b) Treasury Shares

On 25 October 2024, an ordinary resolution had been passed at the extraordinary general meeting ("**EGM**") of the Company, pursuant to which a general mandate has been given to the Board for the repurchase of Shares not exceeding 890,740,571 Shares, being 10% of the total number of issued Shares at the EGM (the "**Share Repurchase Mandate**"). The Share Repurchase Mandate shall remain effective until the expiry of the prevailing Share Repurchase Mandate upon (i) conclusion of the next annual general meeting of the Company to be held in 2025; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Act, Cap. 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or (iii) the passing of an ordinary resolution by the shareholders of the Company (the "**Shareholders**") in general meeting revoking or varying the authority given to the Directors.

During the Year, 31,666,000 Shares have been repurchased pursuant to the Share Repurchase Mandate, and are currently held as Treasury Shares.

17. DISPOSAL OF SUBSIDIARIES

On 30 December 2024, the Group disposed of the Changchun Dacheng Industrial Sale Shares to an independent third party at a consideration of RMB1.0 (equivalent to HK$1.0 (rounded to a dollar)). The Disposal Group, which comprised Changchun Dacheng Industrial and its subsidiaries, included the following companies:

— Changchun Dacheng Industrial
— 長春寶成生化發展有限公司 (Changchun Baocheng Bio-chem Development Co, Ltd.*)
— 長春金寶特生物化工有限公司 (Changchun GBT Bio-Chemical Co, Ltd.*)
— 長春大成特用玉米變性澱粉開發有限公司 (Changchun Dacheng Special Corn & Modified Starch Development Co, Ltd.*)
— 長春帝豪結晶糖開發實業有限公司 (Changchun Dihao Crystal Sugar Industry Development Co., Ltd.*)
— Dihao Foodstuff
— 長春大成實業集團惠成進出口有限公司 (Changchun Dacheng Industrial Group Huicheng International Trade Co., Ltd*)
— 大成生化科技(松原)有限公司 (Dacheng Bio-chem Technology (Songyuan) Co, Ltd.*)

The details of the net liabilities disposal of are as below:

	HK$'000
Property, plant and equipment	760,501
Right-of-use assets	24,259
Inventories	2,538
Equity investments at fair value through other comprehensive income	208
Trade receivables	4,853
Prepayments, deposits and other receivables	228,974
Amount due from joint venture/associate	2,676
Cash and bank balances	535
Trade payables	(95,848)
Other payables and accruals	(823,621)
Amount due to fellow subsidiaries	(1,444,613)
Deferred income	(15,798)
Deferred tax liabilities	(7,072)
Interest-bearing bank and other borrowings	(120,755)
Tax payables	(103,187)
Total identifiable net liabilities disposed of	(1,586,350)

	HK$'000
Details of the disposal:	
Cash consideration received *(equivalent to HK$1.0)*	—
Carrying amount of net liabilities disposal of	(1,586,350)
Reclassification adjustment in respect of exchange reserve upon disposal of subsidiaries	(375,762)
Gain on disposal of subsidiaries	(1,962,112)

An analysis of net outflow of cash and cash equivalents in respect of disposal of subsidiaries is as follows:

	HK$'000
Cash consideration received *(equivalent to HK$1.0)*	—
Cash and cash equivalents derecognised	(535)
Net outflow of cash and cash equivalents in respect of derecognition of subsidiaries	(535)

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of independent auditor's report from Forvis Mazars CPA Limited, the external auditor (the "**Auditor**") of the Company, on the Group's consolidated financial statements for the Year. The report includes particulars of the material uncertainty related to the Group's ability to continue as a going concern without qualified opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to the "Going concern" section in note 2.2 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As at that date, the Group had net current liabilities and net liabilities of approximately HK$4,386.4 million and HK$1,954.4 million respectively. These conditions, along with other matters as set forth in note 2.2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors, having considered the measures being taken by the Group as disclosed in note 2.2 to the consolidated financial statements, are of the opinion that the Group would be able to continue as a going concern. Accordingly, the directors have prepared the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

The aforesaid "note 2.2 to the consolidated financial statements" in the extracts of the independent auditor's report is disclosed as note 2.2 in this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture and sale of corn refined products, amino acids, corn sweeteners and polyol chemicals. The upstream corn refinery serves as a feedstock which breaks down corn kernels into corn starch, gluten meal, fibre and corn oil; and corn starch is further refined through a series of biochemical and/or chemical processes into a wide range of high value-added downstream products.

BUSINESS REVIEW

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

During the Year, the global economy remained under pressure from various internal and external challenges, including ongoing geopolitical tensions, accumulating debt risk and the United States presidential election. While the PRC's economy has shown signs of stabilisation and China's gross domestic product in 2024 increased by 5% year-on-year, meeting the Chinese government's annual economic target set at the beginning of the Year, data released by the National Bureau of Statistics of China showed that in 2024, the national consumer price index (CPI) rose by only approximately 0.2% year-on-year, and the national producer price index for industrial producers (PPI) fell 2.2% year-on-year, reflecting weak consumer sentiment and sluggish demand. The real estate market downturn continued to weigh on the overall economic recovery, making the path to full economic recovery a complex and uneven process.

According to the estimation published by the United States Department of Agriculture in February 2025, global corn production for the year 2024/25 is expected to reach 1,214.35 million metric tonnes ("**MT**") (2023/24: 1,230.07 million MT). With the global corn supply remaining at a high level, the corn price experienced a substantial decline during 2024. The international corn price dropped below 400 cents per bushel in the second half of 2024 and closed at 451.5 cents per bushel by the end of 2024 (equivalent to RMB1,298 per MT) (end of 2023: 471.3 cents per bushel (equivalent to RMB1,336 per MT)).

In the domestic market, as a result of the increase in total planted area of corn in China by 1.2%, reaching 44.7 million hectares for the Year, China's corn output recorded an increase in 2024 to 294.9 million MT (2023: 288.8 million MT), representing a year-on-year increase of 2.1% according to grain output data released by the National Bureau of Statistics of China. While the corn supply remained abundant, there had been no significant improvement in demand of downstream products, as such, the corn price in the PRC dropped to RMB2,082 per MT at the end of 2024 (2023: RMB2,560 per MT).

The corn refineries showed some positive signs in terms of operating rate and profit during the Year. The atmosphere of upstream products has turned around during the Year, with the average operating rate of corn starch production in China reaching 69.26% in 2024, representing an increase of 7.59% from 61.67% in 2023. The Group has maximised its production capacity of the Group to maintain its presence in the market of corn refinery products.

In the lysine market, the global lysine market experienced a year of ups and downs in 2024. The national average sales price of the swine during the Year was RMB22.36 per kilogram, representing an increase of approximately 9.34% from RMB20.45 per kilogram for 2023. The swine husbandry industry experienced a market rebound during the Year, rising domestic swine prices supported the demand for animal feed. Various feed enterprises reduced corn and soybean meal substitution in their animal feed, laying a solid consumption foundation for feed amino acids and leading to growth in the market of amino acids. As a result, an overall upward price trend of amino acid products had been observed during the Year.

In addition, with the advancement of modern biomanufacturing technology, the demand for high value-added amino acid products has continued to grow in recent years. Changchun Dahe had ridden on the changing market trends and launched various new amino acids products with higher profit margins. The launching of new products, together with the sustained and adequate operating cash flow, had supported the increased production of amino acids during the Year. As such, significant improvement in the revenue and gross profit for Group's lysine segment was recorded during the Year against the intense market competition in the lysine industry.

The Group will endeavour to redesign the proposal of the refurbishment project of boiler facilities of Changchun Dahe to lower the costs of amino acids production and enhance the competitiveness of the Group. In addition, the Group will cooperate with different local universities and professional units to engage in research and development and seek investors and/or strategic partners to raise necessary capital for the gradual resumption of Xinglongshan operations. As such, it is expected that the operations of the polyol chemical production facilities in the Xinglongshan site will be able to resume shortly.

FINANCIAL PERFORMANCE

Continuing operations

During the Year, the Group has continued to undergo organisational restructuring and streamline the operating business. The Group has completed the Disposal, upon which each of the companies of the Disposal Group ceased to be subsidiary of the Company and each of their financial results, assets and liabilities ceased to be consolidated into the consolidated financial statements of the Group. As such, the Group, recognised a one-off gain in respect of the Disposal of approximately HK$1,962.1 million (the "**Disposal Income**") during the Year. On the other hand, the Group endeavored to maximise the production capacity of its production facilities in amino acids operation and launched a series of high value-added amino acid products to expand the sales in 2024. As such, the sales volume of the Group for the Year increased by approximately 55.9% to 382,000 MT (2023: 245,000 MT), resulting in the increased of the consolidated revenue of the Group by approximately 45.7% to approximately HK$2,001.1 million (2023: HK$1,373.9 million) for the Year. The combined effect of (i) the launching of various high value-added new products in the lysine segment of the Group and (ii) the decrease in production cost as a result of the decrease in average corn purchase price by approximately 17.8% for the Year, enabled the Group to record gross profit of approximately HK$191.0 million (2023: HK$43.6 million) with gross profit margin of 9.5% (2023: 3.2%) during the Year. Together with the positive financial effect brought by the Disposal Income, the Group recorded a profit from continuing operations of approximately HK$769.6 million (2023: HK$3,743.1 million) and EBITDA (i.e., earnings before interest, taxation, depreciation and amortisation) of approximately HK$1,297.5 million (2023: HK$4,695.0 million) for the Year.

Upstream products

(Revenue: HK$264.2 million (2023: HK$217.2 million))
(Gross profit: HK$2.6 million (2023: Gross loss: HK$14.3 million))

As the Group has endeavored to maximise the production capacity of production facilities in Changchun Dahe, sufficient raw materials, i.e. corn starch, were needed for its amino acids production during the Year. As such, all the corn starch produced by the Group was for internal use and no external sale of corn starch had been recorded for the Year and the corresponding prior year.

The sale of the Group's other corn refined products increased by approximately 70.0% to approximately 102,000 MT (2023: 60,000 MT) during the Year, amounted to approximately HK$264.2 million (2023: HK$217.2 million). Due to the dropped of the Group's average corn purchase price by approximately 17.8% thus resulting in a decrease in production cost, other corn refined products recorded gross profit of approximately HK$2.6 million (2023: gross loss: HK$14.3 million) during the Year, with gross profit margin of 1.0% (2023: gross loss margin: 6.6%).

Amino acids

(Revenue: HK$1,736.9 million (2023: HK$1,156.7 million))
(Gross profit: HK$188.4 million (2023: HK$57.9 million))

The amino acids segment consists of lysine, protein lysine and threonine products. During the Year, the Group has increased the utilisation rate of production facilities in amino acids operation in order to minimise the operation cost and launched a series of high value-added products to expand the sales. As a result, the Group's amino acids segment recorded a significant increase in revenue by approximately 50.2% to HK$1,736.9 million (2023: HK$1,156.7 million) with sales volume of 280,000 MT (2023:185,000 MT) for the Year.

In addition to the decrease in production cost brought by the decline of corn price, the Group has also implemented various production process upgrade and cost saving measures, couple with the stable market price of lysine products during the Year, the Group recorded gross profit of the amino acids segment of approximately HK$188.4 million (2023: HK$57.9 million) with gross profit margin of 10.8% (2023: 5.0%) for the Year. Despite the improvement during the Year, the outlook on the amino acids segment remains uncertain with the unpredictable corn price and trade wars between the PRC and the United States. The Group will stock up the lower price corns and continue to closely monitor the development of the market conditions and devote to facilitate various refurbishment projects in respect of its production facilities to further lower the production cost as well as enhance the competitiveness of the Group within the amino acids industry.

Polyol chemicals

(Sales amount: Nil (2023: Nil))
(Gross profit: Nil (2023: Nil))

The polyol chemicals segment consists of polyol chemicals such as glycols and resins, anti-freeze products, hydrogen and ammonia. Due to the prolonged challenging operating environment of polyol chemicals business, the Group had suspended the production to minimise financial risks and secure financial resources since the last quarter of 2022 and no sale of polyol chemicals products was recorded during the Year and the corresponding prior year.

Export sales

During the Year, export sales mainly consisted of the sale of amino acids and upstream products which accounted for approximately 31.6% (2023: 25.8%) of the Group's total revenue. The export sales from continuing operations of the Group amounted to approximately HK$632.1 million (2023: HK$354.2 million) during the Year. Such increase was mainly attributable to the increase in sales volume of Changchun Dahe during the Year. No export sales of polyol chemicals was recorded during the Year and the corresponding prior year.

Other income and gains

During the Year, other income and gains increased by approximately 575.2% to approximately HK$176.9 million (2023: HK$26.2 million). Such increase was mainly attributable to (i) a one-off government grant of approximately HK$67.4 million rewarded to Changchun Dahe for the resumption of its production facilities; (ii) the reversal of impairment of trade and other receivables of approximately HK$43.0 million; and (iii) reversal of write-down of inventories of approximately HK$27.7 million during the Year.

Selling and distribution costs

During the Year, selling and distribution costs increased by approximately 63.1% to approximately HK$107.8 million (2023: HK$66.1 million), accounting for approximately 5.4% (2023: 4.8%) of the Group's revenue. Such increase was generally in line with the increase in sales volume of the Group during the Year.

Administrative expenses

During the Year, administrative expenses significantly decreased by approximately 18.9% to approximately HK$246.5 million (2023: HK$304.1 million). Such decrease was a result of reduction in professional expenses during the Year.

Other expenses

During the Year, other expenses increased by approximately 253.8% to approximately HK$906.7 million (2023: HK$256.3 million). Such increase was mainly attributable to the recognition of (i) loss on properties revaluation of approximately HK$402.9 million; (ii) written off of property, plant and equipment of approximately HK$311.4 million; and (iii) written off of rights-of-use assets of approximately HK$61.8 million during the Year.

Finance costs

During the Year, finance costs of the Group decreased by 56.9% to approximately HK$323.4 million (2023: HK$750.4 million), which was mainly attributable to the completion of the Debt Restructuring Arrangements in January 2024.

Income tax credit

Due to the recognition of temporary differences, the Group recorded deferred tax credit of approximately HK$24.0 million during the Year (2023: HK$42.1 million). Meanwhile, during the Year, 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 Year (2023: Nil). As a result, the Group recorded tax credit of approximately HK$24.0 million (2023: HK$42.1 million) for the Year.

Discontinued operations

Upon the completion of the disposal of Global Sweeteners Holdings Limited ("**GSH**", together with its subsidiaries, the "**GSH Group**") which took place on 21 December 2023, the financial results of the GSH Group were no longer consolidated into the consolidated financial statements of the Group and the financial results of GSH Group of 2023 have been classified as discontinued operations in the prior year's consolidated financial statements of the Group.

Net profit of the Company arising from continuing operations

Despite the Group's improvement in its gross profit and recognition of one-off gain from the Disposal Completion during the Year, in the absence of a one-off gain from the derecognition of Harbin Dacheng of approximately HK$421.9 million and gain from the Debt Restructuring Arrangements of approximately HK$4,284.8 million recorded for the corresponding prior year, the profit of the Company arising from continuing operations decreased to approximately HK$769.6 million (2023: HK$3,743.1 million) with EBITDA arising from continuing operations (i.e., earnings before interest, taxation, depreciation and amortisation) of approximately HK$1,297.5 million (2023: HK$4,695.0 million) for the Year.

After the completion of the organisation restructuring by disposing the Disposal Group during the Year, the Group is no longer required to be in charge of the negotiation with the Changchun Municipal People's Government (the "**Local Government**") in respect of the resumption of the Remaining Luyuan Properties and can then be able to concentrate its effort in its own business operations without having to expend resources to participate in the negotiation for the land resumption. Meanwhile, the Group will endeavour to closely monitor market changes to streamline the production process and facilitate various refurbishment projects to lower the production cost and launch high value-added products, and monitor the market conditions as well as the financial conditions of the Group in making decisions to resumption of production facilities of the Xinglongshan site.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

Capital structure

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

Net borrowing position

The total borrowings of the Group as at 31 December 2024 decreased by approximately HK$1,904.7 million to approximately HK$1,693.7 million (31 December 2023: HK$3,598.4 million). The substantial decrease in total borrowings was mainly attributable to (i) the settlement of loans resulting from the completion of the Debt Restructuring Arrangements on 4 January 2024 and the net repayment of certain bank and other borrowings of approximately HK$1,728.7 million in aggregate; (ii) the deconsolidation of certain bank and other borrowings of approximately HK$120.8 million of the Disposal Group as a result of the Disposal Completion; and (iii) the exchange rate adjustment of approximately HK$55.2 million during the Year. On the other hand, the cash and bank balances and pledged bank deposits as at 31 December 2024, which were mainly denominated in Renminbi and Hong Kong dollar, decreased by approximately HK$2.9 million to approximately HK$85.5 million (31 December 2023: HK$88.4 million, denominated in Renminbi and Euro). As a result, the net borrowings of the Group decreased by approximately HK$1,901.8 million to HK$1,608.2 million (31 December 2023: HK$3,510.0 million) as at 31 December 2024.

Structure of interest-bearing bank and other borrowings

As at 31 December 2024, the Group's interest-bearing bank and other borrowings amounted to approximately HK$1,693.7 million (31 December 2023: HK$3,598.4 million), all (31 December 2023: all) of which were denominated in Renminbi. As at 31 December 2024, the percentage of interest-bearing bank and other borrowings wholly repayable within one year and in the second to the fifth years were 100.0% and nil (31 December 2023: 99.7% and 0.3%), respectively.

As at 31 December 2024, interest-bearing bank and other borrowings amounted to approximately RMB54.4 million (31 December 2023: RMB51.2 million) have been charged at fixed interest rates ranging from 5.0% to 7.8% (31 December 2023: 5.0% to 7.8%) for terms from one year to three years. Other than that, the rest of the Group's interest-bearing bank and other borrowings were charged with reference to floating interest rate.

Convertible Bonds

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

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

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

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

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

At 31 December 2024, Convertible Bonds were divided into liability component and equity component which amounted to approximately HK$958.8 million and HK$104.7 million (31 December 2023: HK$801.3 million and HK$104.7 million) respectively and effective imputed interest of approximately HK$157.6 million (2023: HK$169.8 million) was charged during the Year.

CPS

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

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

The gross proceeds of the CPS Subscription amounted to approximately HK$1,726,775,056.97 (equivalent to RMB1,580,000,000.00). The net proceeds from the CPS Subscription, after the deduction of the professional and other related expenses, were approximately HK$1,716,775,057, representing a net issue price of approximately HK$0.099 per Subscription CPS. All conditions precedent under the CPS Subscription Agreement had been fulfilled and the completion of the CPS Subscription (the "**CPS Subscription Completion**") took place on 4 January 2024.

The entire amount of the net proceeds of the CPS Subscription had been fully utilised for the settlement of the Entire Transferred Loans in January 2024.

Following the CPS Subscription Completion, a total of 14,535,514,629 Liheng CPS and 2,732,235,940 Yuanheng CPS were issued to Jilin Liheng and Jilin Yuanheng, which may be converted into Shares on a one for one basis, representing approximately 55.63% and 10.46% of the issued share capital (excluding Treasury Shares as at the date of this announcement) of the Company as enlarged only by the allotment and issue of conversion shares immediately after the full conversion of the Subscription CPS, respectively. The aggregate nominal value of the Subscription CPS is HK$1,726,775,056.9 based on the nominal value of HK$0.10 per Share.

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

Turnover days, liquidity ratios and gearing ratios

Normally, the Group allows credit terms to established customers ranging from 30 to 90 days. During the Year, trade receivables turnover days increased to approximately 29 days (31 December 2023: 19 days), as longer credit periods were granted to certain customers with the aim to expand the customer base during the Year.

Trade payables turnover days increased to approximately 211 days (31 December 2023: 144 days) during the Year. Such increase was mainly attributable to the maximisation of the production capacity of production facilities in Changchun Dahe and the purchase of sufficient raw materials in order to fulfill production needs at the end of the Year.

In addition, as the Group maximised the operation capacity and maintained sufficient stocks in order to meet the sale orders during the Year, the inventory turnover days increased to approximately 42 days (31 December 2023: 20 days).

As at 31 December 2024, the current ratio and the quick ratio of the Group were approximately 0.3 (31 December 2023: 0.1) and 0.3 (31 December 2023: 0.1), respectively. The improvement in current ratio and quick ratio were mainly attributable to the completion of the Debt Restructuring Arrangements which took place on 4 January 2024 and the Disposal Completion. Gearing ratio in terms of debts (i.e. total interest-bearing bank, other borrowings, Convertible Bonds) to total assets (i.e. sum of current assets and non-current assets) also decreased to approximately 37.3% (31 December 2023: 84.5%).

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 from continuing operations, which were denominated in US dollars, accounted for approximately 31.6% (2023: 25.8%) of the Group's revenue during the Year. The Board 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 TRANSACTIONS DURING THE YEAR

Subscription of the CPS under a specific mandate

For details of the CPS Subscription, please refer to the paragraphs headed "CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY – CPS" on pages 36 and 37 of this announcement.

Energy Management Contract

Reference is made to the announcement of the Company dated 27 May 2024. On 27 May 2024, Changchun Dahe, an indirect wholly-owned subsidiary of the Company, and 吉林省現代農業產業基金有限公司 (Jilin Province Modern Agricultural Industry Fund Co., Ltd.*) ("**Modern Agricultural Fund**") entered into an energy management contract (the "**Energy Management Contract**") in relation to the implementation of Changchun Dahe's boilers refurbishment project through energy contract management.

As at the date of such announcement, approximately 35.2% of the issued share capital of the Company is held by Modern Agricultural, which is indirectly wholly-owned by 吉林省現代農業產業投資基金(有限合夥) (Jilin Province Modern Agricultural Industry Investment Fund (LLP)*) ("**PRC LLP**"). Modern Agricultural Fund is the sole general partner of PRC LLP, and 60.0% of the investment capital of PRC LLP is owned by Nongfa. Modern Agricultural Fund or, subject to the consent of Changchun Dahe, a special purpose vehicle to be established and wholly-owned by Modern Agricultural Fund to be responsible for the Energy Management Contract, is, and shall be wholly-owned by Nongfa. As such, the transactions contemplated under the Energy Management Contract constituted connected transactions of the Company under Chapter 14A of the Listing Rules, and shall be subject to the reporting, announcement and the independent Shareholders' approval requirement.

After further review and examination made by the Local Government, the set of 150t/h ultra-high-temperature and ultra-high-pressure heating system together with its ancillary facilities (the "**Boiler Facilities**") shall be downsized to the comply with the applicable total coal consumption indicator (the "**Coal Consumption Indicator**"). In light of the time required for the negotiation of the re-sized refurbishment of the Boiler Facilities and the terms and conditions of any new energy management contract(s) to be entered into, on 19 August 2024, Changchun Dahe and Modern Agricultural Fund entered into a termination agreement (the "**Termination Agreement**") to irrevocably terminate the initial Energy Management Contract with effect from the date of the Termination Agreement after due and careful consideration.

The management of the Group will endeavour to redesign the proposal of the refurbishment of the Boiler Facilities and continue to negotiate with different financial institutions (if necessary) and the Local Government in order to complete the resized Boiler Facilities in compliance with the requirements of the relevant Coal Consumption Indicator and satisfy the funding need.

For details of the Energy Management Contract, its related funding arrangement and the Termination Agreement, please refer to the announcements of the Company dated 27 May 2024 and 19 August 2024, respectively.

Disposal of Changchun Dacheng Industrial

Reference is made to the announcements of the Company dated 30 December 2024 and 17 February 2025. On 30 December 2024, Dacheng Industrial (HK), as seller, and Changchun Hongxiang, as purchaser, entered into the Changchun Dacheng Industrial SPA pursuant to which the seller agreed to sell and the purchaser agreed to purchase, the Changchun Dacheng Industrial Sale Shares, at a consideration of RMB1.0. Immediately before the Disposal Completion, the Disposal Group is wholly and beneficially owned by the Company.

Upon the Disposal Completion, each of the companies of the Disposal Group ceased to be subsidiary of the Company and their financial results, assets and liabilities were no longer consolidated into the consolidated financial statements of the Group.

IMPORTANT EVENTS AFTER THE YEAR

There are no other important events of the Group occurred after the end of the reporting period.

FUNDRAISING ACTIVITIES

Other than the CPS Subscription as mentioned in the paragraphs headed "CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY — CPS" on pages 36 and 37 of this announcement, the Company did not conduct any fundraising activities during the Year.

FUTURE PLANS AND PROSPECTS

In financial aspect, after the Disposal Completion, the Group will continue to monitor the situation of the resumption of the Remaining Luyuan Properties and ensure the Remaining Rudder Loans will be settled. Furthermore, the Group will endeavor to continue debts restructuring in relation to long outstanding trade and other payables in order to further improve the financial position of the Group.

In operating business aspect, in order to maintain the competitiveness of the Group, the Group will strive to maintain its market position, diversify its product range and enhance its capability in developing high value-added products and new applications through in-house research. In short run, the Group will continue its collaboration with distributors, actively participate in animal feed industry conferences and campaigns to maintain close business relationships with prominent animal feed producers and maintain the stable production of its lysine products to strengthen its position in the industry. After launching various new amino acid products in 2024, the Group will redesign the proposal of the refurbishment of the Boiler Facilities for the reduction of production cost of lysine in short run.

In the long run, the Group will strive to introduce industry players to facilitate the resumption of production of Xinglongshan site to improve the operational efficiency and strengthen the working capital of the Group. The Board will optimise its risk/return decisions with respect to capital expenditure and will take a prudent approach in relation to capacity expansion.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2024, the Group had approximately 1,567 (2023: 2,154) full time employees in Hong Kong and the PRC. During the Year, employee cost of continuing operations, including the Directors' remuneration, was approximately HK$107,970,000 (2023: HK$115,040,000). 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 to 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.

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

During the Year, the Company repurchased a total of 31,666,000 Shares on the Stock Exchange with an aggregate consideration of approximately HK$2,583,458 (before expenses). Such Share repurchases were conducted as part of the share repurchase programme of the Company, further details of which were disclosed in the announcement of the Company dated 12 November 2024. All such Shares repurchased were held as Treasury Shares. As at 31 December 2024, the total number of Shares in issue was 8,907,405,717 (including 31,666,000 Treasury Shares). Details of the Shares repurchased are as follows:

Month	Number of Shares repurchased	Repurchase price per Share		Aggregate consideration paid
		Highest	Lowest	
		(HK$)	*(HK$)*	*(HK$)*
2024				
November	23,234,000	0.087	0.063	1,788,210
December	8,432,000	0.106	0.085	795,248
	31,666,000			2,583,458

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

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

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend (including preferential dividend to holders of the CPS) for the Year (2023: Nil).

COMPLIANCE WITH THE CG CODE AND THE MODEL CODE

To the best knowledge and belief of the Board, the Company has applied and complied with all code provisions in part 2 of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Listing Rules during the Year.

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

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

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 control 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 meets regularly with the Company's senior management, internal audit team and the Auditor to consider the Company's financial reporting process, the effectiveness of internal control, the audit process and risk management.

The Group's annual results for the Year have been reviewed by the Audit Committee without disagreement and the Audit Committee held four meetings during the Year.

ANNUAL GENERAL MEETING

The 2024 annual general meeting (the "**AGM**") of the Company will be held on Friday, 9 May 2025 at 3:00 p.m.. Notice of the AGM will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.globalbiochem.com) and made available to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive, during which period no transfer of Shares will be registered in order to determine the Shareholders' entitlements to the attendance at the AGM.

Shareholders are reminded that in order to qualify for the attendance at the AGM, they must ensure that all transfers, accompanied by the relevant share certificates and the appropriate transfer forms, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 2 May 2025.

FULL DETAILS OF FINANCIAL INFORMATION

The Company's annual report for the Year, including the information required by the Listing Rules, will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.globalbiochem.com) and made available to the Shareholders in due course.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in this announcement have been agreed by the Auditor, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by the Auditor on this announcement.

By order of the Board
Global Bio-chem Technology Group Company Limited
Wang Cheng
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Wang Cheng and Mr. Wang Guicheng; 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.