

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GLOBAL CORN GROUP LIMITED

大成玉米集團有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03889)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Global Corn Group Limited (formerly known as Global Sweeteners Holdings Limited, the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (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 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	4	491,023	623,460
Cost of sales		(445,614)	(592,157)
Gross profit		45,409	31,303
Other income and gains	4	46,744	74,659
Gain on debt restructuring	5(b)	–	167,615
Selling and distribution costs		(31,030)	(33,758)
Administrative expenses		(55,689)	(66,728)
Other expenses		(79,586)	(81,290)
Finance costs	6	(56,028)	(34,552)
(LOSS) PROFIT BEFORE TAX	5	(130,180)	57,249
Income tax (expense) credit	7	(1,690)	9,369
(LOSS) PROFIT FOR THE YEAR		(131,870)	66,618

* For identification purposes only

		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
OTHER COMPREHENSIVE INCOME (LOSS)			
FOR THE YEAR			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Release of exchange reserve upon deregistration of a subsidiary		10,805	–
Release of exchange reserve upon disposal of subsidiaries		–	(14,952)
Exchange differences on translation of financial statements of operations outside Hong Kong		(8,808)	44,599
		1,997	29,647
Items that will not be reclassified subsequently to profit or loss:			
– Gain on properties revaluation, net	<i>10</i>	–	33,503
– Income tax effect		–	(8,376)
		–	25,127
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		1,997	54,774
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(129,873)	121,392
(LOSS) EARNINGS PER SHARE	<i>9</i>		
Basic		HK(6.8) cents	HK3.8 cents
Diluted		HK(6.8) cents	HK2.8 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	419,098	398,408
Right-of-use assets		33,736	34,317
Intangible assets		1,704	1,704
		<u>454,538</u>	<u>434,429</u>
CURRENT ASSETS			
Inventories		38,649	34,221
Trade and bills receivables	<i>11</i>	52,233	70,439
Prepayments, deposits and other receivables	<i>12</i>	25,386	24,648
Cash and bank balances		1,349	5,100
		<u>117,617</u>	<u>134,408</u>
CURRENT LIABILITIES			
Trade payables	<i>13</i>	103,057	134,308
Other payables and accruals		343,405	228,065
Lease liabilities		124	119
Interest-bearing bank and other borrowings		260,500	254,734
Due to former fellow subsidiaries		48,838	44,608
Due to substantial shareholders' controlled entities		22,257	–
Due to substantial shareholders		67,847	39,151
Convertible bonds (the “Convertible Bonds”)	<i>15</i>	64,788	44,728
Derivative financial instruments	<i>15</i>	5,085	40,803
Tax payables		249	249
		<u>916,150</u>	<u>786,765</u>
NET CURRENT LIABILITIES		<u>(798,533)</u>	<u>(652,357)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(343,995)</u>	<u>(217,928)</u>

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		32	156
Deferred income		–	170
		<u>32</u>	<u>326</u>
NET LIABILITIES		<u>(344,027)</u>	<u>(218,254)</u>
CAPITAL AND RESERVES			
Share capital	<i>14</i>	193,137	189,037
Reserves		<u>(537,164)</u>	<u>(407,291)</u>
TOTAL DEFICIT		<u>(344,027)</u>	<u>(218,254)</u>

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 13 June 2006. The principal activity of the Company is investment holding. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 1206, 12th Floor, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong. The Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners. 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 HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**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 Companies Ordinance (Cap. 622).

These consolidated financial statements have been prepared under the historical cost convention, except for certain property, plant and equipment and derivative financial instruments 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 2024 consolidated financial statements except for the adoption of the revised HKFRS Accounting Standards that is relevant to the Group and effective from the current year as detailed in note 2.3 to the consolidated financial statements.

2.2 GOING CONCERN

As at 31 December 2025, the Group had net current liabilities of approximately HK\$798.5 million (31 December 2024: approximately HK\$652.4 million) and net liabilities of approximately HK\$344.0 million (31 December 2024: approximately HK\$218.3 million). There is a material uncertainty related to these conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In view of these circumstances and based on the recommendations of the audit committee of the Company (the "**Audit Committee**") after its critical review of the management's position, the management of the Company has taken the following steps to improve the Group's financial position:

(1) **Facilitating the debt restructuring and active negotiations with banks to obtain adequate banking facilities**

The management of the Group has been actively negotiating with the banks in the People's Republic of China (the "**PRC**" or "**China**") to obtain new banking facilities to meet the Group's capital requirements during the Year. Pursuant to the letter of intent given by 南洋商業銀行(中國)有限公司上海分行 (Nanyang Commercial Bank (China), Limited Shanghai Branch*) ("**Shanghai Nanyang**") dated 3 March 2026, Shanghai Nanyang intended to grant further bank facilities in the aggregate amount of Renminbi ("**RMB**") 24.0 million to 上海好成食品發展有限公司 (Shanghai Haocheng Food Development Co., Ltd.*) ("**Shanghai Haocheng**"), subject to final approval. The Directors believe that the new banking facilities could improve the financial position and liquidity of the Group.

Meanwhile, the Group has been actively negotiating with 中國工商銀行股份有限公司錦州人民街支行 (Jinzhou Renmin Street Branch of Industrial and Commercial Bank of China Limited*) (formerly known as 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*) ("**Jinzhou ICBC**") in relation to the debt restructuring concerning the loans from Jinzhou ICBC to 錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*) ("**Jinzhou Yuancheng**") with the aggregate principal amount being RMB212.5 million together with outstanding interests (the "**Jinzhou ICBC Loans**"). On 10 March 2025, Jinzhou Yuancheng was notified by Jinzhou ICBC that it had entered into a transfer agreement as transferor with 錦州市華銀資產經營有限公司 (Jinzhou Huayin Asset Management Co., Ltd.*) ("**Jinzhou Huayin**") as transferee, pursuant to which Jinzhou ICBC has agreed to sell to Jinzhou Huayin, and Jinzhou Huayin has agreed to purchase, all of Jinzhou ICBC's rights and benefits under the Jinzhou ICBC Loans (the "**Transferred Loans**" after completion of transfer to Jinzhou Huayin). The management of the Group believes that this marked the first step of the debt restructuring arrangements. Subsequently, a meeting amongst the representatives of Jinzhou Huayin, 錦州市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Jinzhou Municipal People's Government*), 錦州經濟技術開發區管理委員會 (Jinzhou Economic and Technological Development Zone Management Committee*) and the Group was held in Jinzhou, during which the local government of Jinzhou instructed the parties to endeavor to facilitate the debt restructuring proposal and commence the valuations on Jinzhou Yuancheng. After

the meeting, the Group has been actively discussing details of the debt restructuring arrangements with Jinzhou Huayin and Jinzhou Yuancheng was further notified by Jinzhou Huayin that the management of Jinzhou Huayin has been changed on 9 January 2026, and that the new management needs more time to review the debt restructuring proposal of the Transferred Loans. Furthermore, on 27 March 2026, the Group received a written confirmation from Jinzhou Huayin that the proposed debt restructuring arrangements will continue to proceed. Subject to compliance with the relevant policies and regulatory requirements, the parties are aiming to finalise and commence the debt restructuring by the end of June 2026. Nevertheless, there remains uncertainty regarding the successful outcome of the relevant debt restructuring arrangements. Meanwhile, the management has been in touch with various industry players/strategic investors to facilitate the debt restructuring of the Transferred Loans and strengthen the working capital for the resumption of production of the Group's Jinzhou production site. Once the debt restructuring of the Transferred Loans has taken place, the financial position of the Group will be improved significantly and the debt financing capacity of the Group shall be restored. The management of the Group also believes that it will substantially increase the financial liquidity of the Group.

(2) **Monitoring of the Group's operating cash flows**

The Group has taken various measures to minimise the operating costs and develop new product line to enhance the operating cash flow during market turbulence. During the Year, the Group has adjusted the production volume to achieve the optimal production operation rate. In addition, the Group has been negotiating with certain suppliers, employees and creditors to formulate settlement plans more favourable to the Group regarding some of its long standing payables in order to ease the burden on the Group's operating cash flows.

(3) **Financial supports from the Substantial Shareholders**

As at 31 December 2025, the Group's current liabilities (other than the Convertible Bonds) due to Mr. Kong Zhanpeng, Mr. Wang Tiegung and Hong Kong Huasheng Company Limited ("**Huasheng**") (collectively, the "**Substantial Shareholders**"), as well as (i) 點點通供應鏈科技(深圳)有限公司 (DDT Supply Chain Technology (Shenzhen) Co., Ltd.*) ("**DDT Supply Chain**", together with its subsidiaries, the "**DDT Supply Chain Group**") and 點點通(錦州)商貿有限公司 (DDT (Jinzhou) Trading Co., Ltd.*) ("**DDT (Jinzhou)**"), both being associates (as defined under the Listing Rules) of Mr. Wang Tiegung; (ii) 銳豪科創商貿(廣州)有限公司 (Ruihao Property (Guangzhou) Co., Ltd.*) ("**Ruihao (Guangzhou)**", together with its subsidiaries, the "**Ruihao (Guangzhou) Group**"), an associate (as defined under the Listing Rules) of Mr. Kong Zhanpeng and Mr. Wang Tiegung; and (iii) 吉林省華生商貿有限公司 (Jilin Huasheng Trading Limited*) ("**Jilin Huasheng**", together with its subsidiaries, the "**Jilin Huasheng Group**"), an associate (as defined under the Listing Rules) of Huasheng (collectively, the "**Substantial Shareholders' Controlled Entities**"), amounted to approximately HK\$67.8 million and HK\$30.8 million, respectively. The Group has received written confirmations from the

Substantial Shareholders and/or their holding company and the Substantial Shareholders' Controlled Entities dated 25 February 2026 (collectively, the “**Confirmations**”) respectively, confirming that they would provide financial assistance to the Group in the 12 months following the respective dates of the Confirmations on a going concern basis and agreed that repayment request will not be made while the financial situation of the Group does not allow. Such assistance received by the Group is not secured by any assets of the Group.

In addition, the management of the Company is of the view that Ruihao (Guangzhou) (for itself and the Ruihao (Guangzhou) Group and its associated companies from time to time), DDT Supply Chain (for itself and DDT Supply Chain Group and its associated companies from time to time) and Jilin Huasheng (for itself and the Jilin Huasheng Group and its associated companies from time to time) (collectively, the “**Contract Parties**”) would be able to support the operations of the Group by providing a stable supply of coal, corn kernels, corn starch and corn syrup to the Group and by purchasing corn starch and other corn refined products from the Group with normal commercial terms or better pursuant to the agreements dated 17 October 2024 entered into between the Company (for itself and on behalf of its subsidiaries from time to time), and the Contract Parties in relation to (i) the purchase of coal, corn kernels, corn starch and sugar syrup by the Group from the Contract Parties for the term commencing from 1 January 2025 and ending on 31 December 2027; and (ii) the purchase of corn starch and other corn refined products including but not limited to gluten meal, corn steep liquor, fibre-based feeds, corn oil and corn germ meals by the Contract Parties from the Group for the term commencing from 1 January 2025 and ending on 31 December 2027, respectively.

The Directors, including all members of 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 2025.

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.

The management of the Company is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRS Accounting Standards. So far the management is of the opinion that the adoption of the new/revised HKFRS Accounting Standards will not have any significant 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 two (2024: two) reportable operating segments as follows:

- (a) the corn refined products segment which comprises the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products; and
- (b) the corn sweeteners segment which comprises the manufacture and sale of glucose syrup, maltose syrup, high fructose corn syrup and maltodextrin.

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 2025

	Corn refined products HK\$'000	Corn sweeteners HK\$'000	Total HK\$'000
Segment revenue			
Revenue from external customers	<u>–</u>	<u>491,023</u>	<u>491,023</u>
Segment results	<u>(67,107)</u>	<u>(11,426)</u>	<u>(78,533)</u>
<i>Reconciliation:</i>			
Unallocated bank interest income			5
Corporate and other unallocated expenses			(20,693)
Gain on fair value change of derivative components of the Convertible Bonds			35,718
Loss on deregistration of subsidiaries, net			(10,649)
Finance costs			<u>(56,028)</u>
Loss before tax			(130,180)
Income tax expense			<u>(1,690)</u>
Loss for the year			<u>(131,870)</u>

Year ended 31 December 2024

	Corn refined products <i>HK\$'000</i>	Corn sweeteners <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
Revenue from external customers	<u>–</u>	<u>623,460</u>	<u>623,460</u>
Segment results			
	<u>(112,694)</u>	<u>(5,808)</u>	(118,502)
<i>Reconciliation:</i>			
Unallocated bank interest income			39
Corporate and other unallocated expenses			(14,412)
Gain on fair value change of derivative components of the Convertible Bonds, net			14,839
Gain on debt restructuring			167,615
Gain on disposal of subsidiaries			42,222
Finance costs			<u>(34,552)</u>
Profit before tax			57,249
Income tax credit			<u>9,369</u>
Profit for the year			<u><u>66,618</u></u>

(ii) Other segment information

Year ended 31 December 2025

	Corn refined products HK\$'000	Corn sweeteners HK\$'000	Total HK\$'000
Capital expenditure	44,890	4,764	49,654
Sale of scrap raw materials, net of cost	(2,407)	–	(2,407)
Depreciation			
– Property, plant and equipment	11,922	28,265	40,187
– Right-of-use assets (a)	3,519	373	3,892
Reversal of impairment of trade and bills receivables	–	(438)	(438)
Impairment (Reversal of impairment) of prepayments, deposits and other receivables, net	3,650	(772)	2,878
Gain on disposal of property, plant and equipment	(15)	(1,236)	(1,251)
Written-back of long outstanding trade payables and other payables	(1,442)	–	(1,442)
	<u>(1,442)</u>	<u>–</u>	<u>(1,442)</u>

Year ended 31 December 2024

	Corn refined products <i>HK\$'000</i>	Corn sweeteners <i>HK\$'000</i>	Total <i>HK\$'000</i>
Capital expenditure	96,985	12,528	109,513
Sale of scrap raw materials, net of cost	(1,709)	–	(1,709)
Depreciation			
– Property, plant and equipment	12,044	12,389	24,433
– Right-of-use assets (a)	3,519	142	3,661
Reversal of write-down of inventories	(1,063)	–	(1,063)
Reversal of impairment of trade and bills receivables	–	(6)	(6)
(Reversal of impairment) Impairment of prepayments, deposits and other receivables, net	(1,547)	544	(1,003)
(Gain) Deficit on properties revaluation, net	(34,906)	1,403	(33,503)
Reversal of overprovision of other tax payables	–	(4,554)	(4,554)
Loss on disposal of property, plant and equipment	<u>9,910</u>	<u>415</u>	<u>10,325</u>

Remark:

- (a) Depreciation of right-of-use assets that was not attributable to any of the above segments, amounting to HK\$115,000 (2024: HK\$378,000), was included in corporate and other unallocated expenses.

(iii) Geographical information

Revenue information based on locations of customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The PRC	484,174	616,908
Asian region and others	<u>6,849</u>	<u>6,552</u>
	<u>491,023</u>	<u>623,460</u>

Non-current assets information based on locations of assets

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
The PRC	454,394	434,170
Hong Kong	144	259
	<u>454,538</u>	<u>434,429</u>

(iv) Information about major customers

No revenue from any customer from the corn refined products segment individually accounted for 10% or more of the Group's revenue for the Year (2024: Nil).

Revenue from customers from the corn sweeteners segment individually accounted for 10% or more of the Group's revenue are as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Corn sweeteners:		
Customer A	76,365	71,675
Customer B	61,308	*
	<u>61,308</u>	<u> </u>

* This customer individually contributed less than 10% of the total revenue from the Group's corn sweeteners segment during the year ended 31 December 2024.

4. REVENUE, OTHER INCOME AND GAINS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within HKFRS 15		
Sale of goods (a)	<u>491,023</u>	<u>623,460</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<i>Note</i>		
Other income and gains		
Amortisation of deferred income	174	174
Bank interest income	5	39
Foreign exchange gain, net	–	2,540
Government grants (b)	110	250
Rental income	518	1,035
Reversal of overprovision of other tax payables	–	4,554
Reversal of impairment of trade and bills receivables	438	6
Reversal of impairment of prepayment, deposit and other receivables, net	–	1,003
Reversal of write-down of inventories	–	1,063
Subcontracting income	4,131	5,223
Sale of scrap raw materials, net of cost	2,407	1,709
Gain on disposal of property, plant and equipment	1,251	–
Gain on disposal of subsidiaries	–	42,222
Gain on fair value change of derivative components of the Convertible Bonds, net	15 35,718	14,839
Written-back of long outstanding trade payables and other payables	1,442	–
Others	<u>550</u>	<u>2</u>
	<u>46,744</u>	<u>74,659</u>

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 approximately HK\$15,194,000 (2024: HK\$45,733,000).

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

5. (LOSS) PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Employee benefits expenses (excluding Directors' remuneration)			
– Wages and salaries		43,718	44,586
– Pension scheme contributions		16,317	14,065
		60,035	58,651
Cost of inventories sold (a)		445,614	592,157
Auditor's remuneration			
– Annual audit		1,000	1,000
– Non-audit service fee		343	355
Amortisation of deferred day-one loss	<i>15</i>	9,734	4,461
Foreign exchange loss (gain), net		1,899	(2,540)
Depreciation			
– Property, plant and equipment	<i>10</i>	40,187	24,433
– Right-of-use assets		4,007	4,039
Reversal of write-down of inventories		–	(1,063)
Reversal of impairment of trade and bills receivables		(438)	(6)
Impairment (Reversal of impairment) of prepayments, deposits and other receivables, net		2,878	(1,003)
(Gain) Loss on disposal of property, plant and equipment		(1,251)	10,325
Reversal of overprovision of other tax payables		–	(4,554)
Gain on debt restructuring (b)		–	(167,615)
Gain on fair value change of derivative components of the Convertible Bonds, net	<i>15</i>	(35,718)	(14,839)
Loss on deregistration of subsidiaries, net		10,649	–
Written-back of long outstanding trade payables and other payables		(1,442)	–

Remarks:

- (a) Cost of inventories sold includes employee benefits expenses and depreciation amounting to approximately HK\$18,739,000 (2024: HK\$18,730,000), which are also included in the respective total amounts disclosed separately above for each of these types of income and expenses.

- (b) On 28 December 2023, (i) 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.*) (“**Jilin Cinda**”), as creditor, (ii) Jinzhou Yuancheng, as debtor, and (iii) Shanghai Haocheng, as guarantor, entered into the debt restructuring agreement (the “**Debt Restructuring Agreement**”), pursuant to which the Group has agreed to repay to Jilin Cinda RMB88.0 million within 30 days from the date of the Debt Restructuring Agreement (i.e. on or before 26 January 2024) for the settlement of the loans from 中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation*) to Jinzhou Yuancheng with the aggregate principal amount being RMB188.7 million together with outstanding interest (“**Yuancheng CCB Loans**”) prior to transfer to Jilin Cinda. The Group has transferred a total of RMB88.0 million (equivalent to approximately HK\$93,617,000) to Jilin Cinda in advance for the purpose of the settlement of Yuancheng CCB Loans as at 31 December 2023.

Jilin Cinda confirmed in writing that the terms and conditions stipulated in the Debt Restructuring Agreement have been fulfilled and the Debt Restructuring Agreement has been completed in January 2024. As a result, the remaining balance of the loan amount and interest under the Yuancheng CCB Loans have been waived and all repayment obligations of the Group under the Debt Restructuring Agreement have been fulfilled. The Group recognised a one-off gain on debt restructuring of Yuancheng CCB Loans of approximately HK\$167.6 million as at 31 December 2024.

6. FINANCE COSTS

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Interest on bank and other borrowings		37,639	25,723
Interest on amount due to Substantial Shareholders		2,527	199
Interest on amount due to Substantial Shareholders’ Controlled Entities		874	–
Interest on amount payable to a former fellow subsidiary		2,301	2,327
Interest on lease liabilities		13	14
Imputed interest on the Convertible Bonds	<i>15</i>	12,674	6,289
		56,028	34,552

7. INCOME TAX (EXPENSE) CREDIT

Hong Kong profits tax rate is 16.5%. Since 1 April 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK\$2.0 million and 16.5% for any assessable profits in excess of HK\$2.0 million.

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

PRC enterprise income tax was made on the estimated assessable profits of the entities within the Group incorporated in the PRC and was calculated in accordance with the relevant tax rules and regulations of the PRC after considering the available tax refunds and allowances. The general PRC enterprise income tax rate is 25% for the Year (2024: 25%).

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 were wholly absorbed by tax losses brought forward during the years ended 31 December 2025 and 2024.

	2025	2024
	HK\$'000	HK\$'000
Deferred tax		
– Origination and reversal of temporary differences, net	<u>1,690</u>	<u>(9,369)</u>
Income tax expense (credit)	<u>1,690</u>	<u>(9,369)</u>

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the Year (2024: Nil).

9. (LOSS) EARNINGS PER SHARE

	2025	2024
Basic (loss) earnings per share of the Company		
(the “Share(s)”) 		
(Loss) Profit attributable to owners of the Company		
(in HK\$'000)	<u>(131,870)</u>	<u>66,618</u>
Number of Shares		
Weighted average of ordinary Shares in issue	<u>1,930,251,568</u>	<u>1,748,241,140</u>
Basic (loss) earnings per Share	<u>HK (6.8) cents</u>	<u>HK 3.8 cents</u>

	2025	2024
Diluted (loss) earnings per Share		
(Loss) Profit attributable to owners of the Company (in HK\$'000)	(131,870)	66,618
Gain on fair value change of derivative components of the Convertible Bonds, net (in HK\$'000)	–	(14,839)
Imputed interest on the Convertible Bonds, net (in HK\$'000)	–	6,289
Amortisation on deferred day-one loss (in HK\$'000)	–	4,461
	<u> </u>	<u> </u>
Adjusted (loss) profit attributable to owners of the Company (in HK\$'000) (a)	<u> (131,870) </u>	<u> 62,529 </u>
Number of Shares		
Weighted average of ordinary Shares in issue	1,930,251,568	1,748,241,140
Effect of conversion of the Convertible Bonds	–	502,681,434
	<u> </u>	<u> </u>
Weighted average number of ordinary Shares for the purpose of diluted (loss) earnings per Share	<u> 1,930,251,568 </u>	<u> 2,250,922,574 </u>
Diluted (loss) earnings per Share	<u> HK (6.8) cents </u>	<u> HK 2.8 cents </u>

Remark:

- (a) The calculation of the diluted loss per Share for the Year has not taken into account the effect of the assumed conversion of the Convertible Bonds as this would be anti-dilutive, while the assumed conversion of the Convertible Bonds for the year ended 31 December 2024 had a dilutive effect.

10. PROPERTY, PLANT AND EQUIPMENT

	<i>Note</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
At 1 January		398,408	312,325
Additions		49,654	109,513
Disposals		(149)	(11,696)
Depreciation	5	(40,187)	(24,433)
Gain on properties revaluation, net		–	33,503
Exchange realignment		11,372	(20,804)
		<hr/>	<hr/>
At 31 December		419,098	398,408
		<hr/> <hr/>	<hr/> <hr/>

11. TRADE AND BILLS RECEIVABLES

	2025 HK\$'000	2024 <i>HK\$'000</i>
Trade receivables	58,420	77,243
Bills receivable	458	3
	<hr/>	<hr/>
	58,878	77,246
Loss allowance	(6,645)	(6,807)
	<hr/>	<hr/>
	52,233	70,439
	<hr/> <hr/>	<hr/> <hr/>

The Group normally grants credit terms of 30 to 90 days (2024: 30 to 90 days) to established customers. The trade and bills receivables are mainly denominated in RMB.

Ageing analysis of the trade and bills receivables at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	36,537	53,447
1 to 2 months	10,132	12,755
2 to 3 months	2,551	2,846
Over 3 months	3,013	1,391
	<u>52,233</u>	<u>70,439</u>

The Group maintains strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management of the Group. Trade and bills receivables are non-interest bearing.

At the end of the reporting period, the Group had a concentration of credit risk as 16.4% (2024: 17.9%) and 48.8% (2024: 47.2%) of the Group's total trade and bills receivables were due from the Group's largest customer and the five largest customers respectively.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Prepayments	17,266	16,100
Deposits and other debtors	6,627	7,117
The PRC value-added tax and other tax receivables	1,493	1,431
	<u>25,386</u>	<u>24,648</u>

13. TRADE PAYABLES

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables		
To related parties		
Ruihao (Guangzhou)	2,939	6,348
DDT Supply Chain	27,624	59,205
Jilin Huasheng	2,222	–
	32,785	65,553
To third parties	70,272	68,755
	103,057	134,308

The Group normally obtains credit terms ranging from 30 to 90 days (2024: 30 to 90 days) from its suppliers. The trade payables are mainly denominated in RMB.

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 1 month	35,310	65,701
1 to 2 months	30,361	14,561
2 to 3 months	4,720	27,851
Over 3 months	32,666	26,195
	103,057	134,308

14. SHARE CAPITAL

	2025		2024	
	<i>Number of Shares</i>	<i>HK\$'000</i>	<i>Number of Shares</i>	<i>HK\$'000</i>
Authorised:				
100,000,000,000 (2024:				
100,000,000,000) ordinary				
Shares of HK\$0.1 each	<u>100,000,000,000</u>	<u>10,000,000</u>	<u>100,000,000,000</u>	<u>10,000,000</u>
Issued and fully paid ordinary				
Shares of HK\$0.1 each:				
At beginning of the years	1,890,374,856	189,037	1,527,586,000	152,759
Issuance of Shares upon				
subscription (a)	41,000,000	4,100	–	–
Conversion of the Convertible				
Bonds (b)	<u>–</u>	<u>–</u>	<u>362,788,856</u>	<u>36,278</u>
At end of the years	<u>1,931,374,856</u>	<u>193,137</u>	<u>1,890,374,856</u>	<u>189,037</u>

Remarks:

- (a) As disclosed in the announcements of the Company dated 20 December 2024 and 10 January 2025 respectively, the six independent subscribers (the “**Shares Subscribers**”) have subscribed for and the Company has allotted and issued a total of 41,000,000 new Shares (the “**Subscription Share(s)**”) at the subscription price of HK\$0.1 per Subscription Share pursuant to the conditional subscription agreements all dated 20 December 2024 entered into between the Company and each of the Shares Subscribers (the “**Shares Subscription Agreement(s)**”). Completion of all such Shares subscriptions took place on 10 January 2025.
- (b) As disclosed in the announcement of the Company dated 24 May 2024, Huasheng exercised its right to convert the Convertible Bonds with the principal amount of RMB33.0 million into 362,788,856 conversion shares (the “**Conversion Share(s)**”) at the conversion price (the “**Conversion Price**”) of HK\$0.1 per Conversion Share, applying the exchange rate of HK\$1.0 to RMB0.90962 as announced by the People’s Bank of China on the date of the conversion notice issued by Huasheng on 14 May 2024, pursuant to the terms and conditions of the Convertible Bonds (the “**Conversion**”). As a result, the Company allotted and issued 362,788,856 Conversion Shares, which rank *pari passu* in all respects among themselves and with all other existing Shares in issue, to Huasheng on 24 May 2024.

15. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

On 6 April 2023 (after trading hours), the Company entered into the conditional subscription agreement (the “**CB Subscription Agreement**”) with Mr. Wang Tiegung and Mr. Kong Zhanpeng (collectively, the “**Initial CB Subscribers**”), as subscribers, pursuant to which the Company has agreed to issue, and the Initial CB Subscribers have agreed to subscribe for, the 3 year, 5 per cent Convertible Bonds in the aggregate principal amount of RMB120.0 million (equivalent to approximately HK\$138.0 million), which may be converted into a total of 1,380,000,000 new ordinary Shares of HK\$0.1 each to be allotted and issued by the Company pursuant to the exercise of the rights pursuant to the terms and conditions of the Convertible Bonds (the “**Conversion Rights**”) attached to the Convertible Bonds at an initial Conversion Price of HK\$0.1 per Conversion Share, with an aggregate nominal value of HK\$138,000,000 based on the nominal value of HK\$0.1 per Share, adopting an exchange rate of HK\$1.0 to RMB0.87 for illustrative purpose only and subject to the adjustment pursuant to the terms and conditions of the Convertible Bonds. The initial Conversion Price represented a premium of approximately 16.3% over the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on 6 April 2023, being the date of the CB Subscription Agreement. The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.1 per Conversion Share.

First Batch of CB

On 3 May 2024, the Company and the Initial CB Subscribers agreed in writing that the completion of the issuance of the first batch of Convertible Bonds in the aggregate principal amount of RMB60.0 million (the “**CB First Completion**”) shall take place on even date. The CB First Completion therefore took place on 3 May 2024 in accordance with the terms and conditions thereof, with all the conditions precedent for the CB First Completion under the CB Subscription Agreement fulfilled. The Convertible Bonds in the aggregate principal amount of RMB60.0 million (the “**First Batch of CB**”) had been issued to the Initial CB Subscribers, with each of them holding the Convertible Bonds in the principal amount of RMB30.0 million upon the CB First Completion.

Subsequent to the CB First Completion, each of the Initial CB Subscribers exercised their rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with the principal amounts of RMB21.0 million and RMB21.0 million to Huasheng on 3 May 2024 respectively. On 24 May 2024, Huasheng exercised the Conversion Rights to convert the Convertible Bonds with the principal amount of RMB33.0 million into 362,788,856 Conversion Shares at the Conversion Price of HK\$0.1 per Conversion Share, applying the exchange rate as announced by the People’s Bank of China on the date of Conversion pursuant to the terms and conditions of the Convertible Bonds. All Conversion Shares rank *pari passu* in all respects among themselves and with all other existing Shares in issue.

Second Batch of CB

On 18 July 2024, the Company and the Initial CB Subscribers agreed in writing that the completion of the issuance of the second batch of Convertible Bonds in the aggregate principal amount of RMB60.0 million (the “**CB Second Completion**”) shall take place on 19 July 2024. The CB Second Completion therefore took place on 19 July 2024 in accordance with the terms and conditions thereof, with all the conditions precedent for the CB Second Completion under the CB Subscription Agreement fulfilled. The Convertible Bonds in the aggregate principal amount of RMB60.0 million (the “**Second Batch of CB**”) had been issued to the Initial CB Subscribers with each of them acquiring additional Convertible Bonds in the principal amount of RMB30.0 million.

As a result, the Convertible Bonds issued upon the CB First Completion and the CB Second Completion which remained outstanding as at 31 December 2025 were divided into liability component and derivative component which amounted to approximately HK\$64.8 million and HK\$5.1 million (31 December 2024: HK\$44.7 million and HK\$40.8 million) respectively and effective imputed interest of approximately HK\$12.7 million (2024: HK\$6.3 million) was charged as at 31 December 2025.

As the fair value of the Convertible Bonds is determined using valuation models for which involved unobservable inputs, the day-one loss, which represented difference between the nominal value and the fair value of the Convertible Bonds at the date of issuance, is not recognised in profit or loss immediately but is deferred.

The Convertible Bonds are recognised as Convertible Bonds (debt component) and derivative financial instruments (derivative component including conversion and early redemption options). The First Batch of CB and Second Batch of CB are subsequently measured at amortised cost with effective interest rate of 18.74% and 18.74% per annum, while the derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

The fair value of the above-mentioned Convertible Bonds recognised at the date of issuance was calculated as follows:

	First Batch of CB HK\$'000	Second Batch of CB HK\$'000	Total HK\$'000
Year ended 31 December 2024			
Fair value of the entire Convertible Bonds, at the date of issuance	64,516	92,515	157,031
Fair value of the derivative financial instruments, at the date of issuance	(18,728)	(47,214)	(65,942)
Fair value of the liability component, at the date of issuance	45,788	45,301	91,089

The movements of the liability component of the Convertible Bonds are as follows:

	Liability component		Deferred day-one loss		Total HK\$'000
	First Batch of CB	Second Batch of CB	First Batch of CB	Second Batch of CB	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Year ended 31 December 2025					
At 1 January 2025	21,608	47,439	—	(24,319)	44,728
Interest accrued	(1,500)	(3,333)	—	—	(4,833)
Interest paid	291	—	—	—	291
Imputed interest	3,861	8,813	—	—	12,674
Amortisation of deferred day-one loss	—	—	—	9,734	9,734
Exchange realignment	754	2,305	—	(865)	2,194
At 31 December 2025	<u>25,014</u>	<u>55,224</u>	<u>—</u>	<u>(15,450)</u>	<u>64,788</u>
	Liability component		Deferred day-one loss		Total HK\$'000
	First Batch of CB	Second Batch of CB	First Batch of CB	Second Batch of CB	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Year ended 31 December 2024					
Fair value at the date of issuance	45,788	45,301	—	—	91,089
Day-one loss of newly issued Convertible Bonds not recognised in profit or loss	—	—	—	(28,685)	(28,685)
Conversion of the Convertible Bonds	(25,183)	—	—	—	(25,183)
Interest accrued	(1,077)	(1,463)	—	—	(2,540)
Imputed interest	2,608	3,681	—	—	6,289
Amortisation of deferred day-one loss	—	—	—	4,461	4,461
Exchange realignment	(528)	(80)	—	(95)	(703)
At 31 December 2024	<u>21,608</u>	<u>47,439</u>	<u>—</u>	<u>(24,319)</u>	<u>44,728</u>

The movements of the derivative components of the Convertible Bonds are as follows:

	First Batch of CB HK\$'000	Second Batch of CB HK\$'000	Total HK\$'000
Year ended 31 December 2025			
At 1 January 2025	12,719	28,084	40,803
Gain on fair value change	<u>(11,797)</u>	<u>(23,921)</u>	<u>(35,718)</u>
At 31 December 2025	<u>922</u>	<u>4,163</u>	<u>5,085</u>
	First Batch of CB HK\$'000	Second Batch of CB HK\$'000	Total HK\$'000
Year ended 31 December 2024			
At the date of issuance	18,728	47,214	65,942
Conversion of the Convertible Bonds	(10,300)	—	(10,300)
Loss (Gain) on fair value change, net	<u>4,291</u>	<u>(19,130)</u>	<u>(14,839)</u>
At 31 December 2024	<u>12,719</u>	<u>28,084</u>	<u>40,803</u>

The fair value of the derivative components of the Convertible Bonds was estimated by an independent professional valuer using the Binomial Option Pricing Model at the date of issuance and at the end of the reporting period, which is categorised as Level 3 fair value measurement.

The significant unobservable input used in the fair value measurement is the expected volatility of the First Batch of CB and Second Batch of CB of 65.75% (2024: 80.95%) and 76.95% (2024: 82.54%) respectively.

As at 31 December 2025, if the expected volatility of the First Batch of CB had been 6.58% (2024: 8.09%) higher/lower while all other variables were held constant, the Group's loss for the Year would increase/decrease by approximately HK\$130,000 and HK\$20,000, respectively (2024: the Group's profit for the year would decrease/increase by approximately HK\$660,000).

As at 31 December 2025, if the expected volatility of the Second Batch of CB had been 7.70% (2024: 8.25%) higher/lower, respectively, while all other variables were held constant, the Group's loss for the Year would increase/decrease by approximately HK\$300,000 (2024: the Group's profit for the year would decrease/increase by approximately HK\$1,700,000).

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the 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:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Material uncertainty related to going concern

As discussed in note 2.2 to the consolidated financial statements, at 31 December 2025, the Group had net current liabilities and capital deficiency of HK\$798.5 million and HK\$344.0 million respectively, and the Group has reported a loss of HK\$131.9 million for the year ended 31 December 2025. 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.

The validity of the going concern assumption is dependent on the successful and favourable outcomes of the measures being taken by the management of the Company and the development of the events as described in note 2.2 to the consolidated financial statements. The management of the Company is of the opinion that the Group would be able to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than which they are currently recorded in the consolidated statement of financial position at 31 December 2025. In addition, the Group may have to recognise further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

The aforesaid “note 2.2 to the consolidated financial statements” in the extract 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 and corn sweeteners, categorised into upstream and downstream products. The Group’s upstream products include corn starch, gluten meal, corn oil and other corn refined products. Corn starch is refined downstream to produce various corn sweeteners such as corn syrup (which includes glucose syrup, maltose syrup and high fructose corn syrup) and corn syrup solid (which includes maltodextrin).

BUSINESS REVIEW

In 2025, the world economy forged ahead amid turbulence. Weighed down by escalating tariff frictions, heightened geopolitical tensions, growing divergence among economies and financial market volatility, the economy’s recovery process was marked by considerable uncertainties.

Regarding corn supply, global corn production for the year 2025/26 is expected to reach 1,295.91 million metric tonnes (“MT”) (2024/25: 1,230.58 million MT) according to the estimation published by the United States Department of Agriculture in February 2026. The total global corn production remains at a relatively high historical level, with the output of major corn-producing countries generally stable. During 2025, international corn prices staged a modest rebound from the lows seen in 2024, oscillating within the range of 400 to 500 cents per bushel throughout the year and closed at 440.4 cents per bushel by the end of 2025 (equivalent to RMB1,186 per MT) (end of 2024: 451.5 cents per bushel (equivalent to RMB1,298 per MT)).

In the PRC, the total corn output of 2025 stood at 301.2 million MT, rising 2.1% year-on-year and hitting a new record high. With ample corn supply and no substantial improvement in downstream demand, corn prices lacked upward momentum throughout the Year. Although domestic corn prices showed a steady increase in the first half of 2025, rising from RMB2,075 per MT in January 2025 to RMB2,447 per MT by June 2025, they peaked and retreated in the second half of 2025, falling back to RMB2,312 per MT by the end of 2025.

Amid cost pressures, weak downstream demand and intense market competition, the corn starch processing industry continued to grapple with challenges. In 2025, the operation rate of major corn starch producers stood at 57.2%, a drop of 6.7 percentage points from 63.9% in 2024. Although the refurbishment of the Group's upstream production facilities in Jinzhou was completed at the end of 2024, the Group continued to suspend its operation of production facilities due to the keen market competition and lack of initial working capital for the Jinzhou production site.

As for the sugar market, global sugar production for the year 2024/25 was 180,968,000 MT (2023/24: 180,200,000 MT) with consumption estimated at 175,772,000 MT (2023/24: 177,015,000 MT). Expectations of ample global sugar supplies in the current season, supported by good harvest progress and favorable production prospects in India, limited the upward pressure on world sugar prices. The Food and Agriculture Organisation of the United Nations Sugar Price Index for the entire 2025 averaged 104.3 points, down 21.4 points from 2024 and marking the lowest annual value since 2020.

In the PRC, domestic sugar production increased to approximately 11.2 million MT (2023/24: approximately 10.0 million MT) in the year 2024/25, while consumption also grew slightly to 15.7 million MT (2023/24: 15.5 million MT). As the gap between domestic sugar production and demand has narrowed, domestic sugar price in the PRC decreased to RMB5,561 per MT by the end of 2025 (end of 2024: RMB6,277 per MT).

The decline in sugar prices, coupled with fierce competition in the sweetener market, had caused the average selling price of sweeteners of the Group to drop by approximately 7.0% compared with the corresponding prior year. Nevertheless, the gross profit margin of the Group increased by approximately 4.2 percentage points to 9.2% as a result of the strategic adjustment of output to achieve an optimal production operation rate for sweetener products to balance the market presence and cash flow of the Shanghai production site.

The Group will closely monitor the market and its financial conditions, and exercise caution when utilising internal resources to prepare for the resumption of production at its Jinzhou production site in order to reduce the average unit costs and enhance the competitiveness of the Group. Once the Group's upstream operations resume, the Group will benefit from the synergistic effect between its upstream and downstream operations, thereby improving operational efficiency, enhancing control over raw material costs for downstream products, and increasing overall flexibility.

FINANCIAL PERFORMANCE

During the Year, the Group focused on the operation of its Shanghai production site and adjusted its production volume to achieve the optimal production operation rate. Consequently, the sales volume and consolidated revenue of the Group decreased by approximately 15.1% and 21.3% to approximately 158,000 MT (2024: 186,000 MT) and HK\$491.0 million (2024: HK\$623.5 million), respectively during the Year. Due to the persistent oversupply of sweetener products, intense market competition in the sweeteners segment and the narrowing gap between domestic sugar production and demand, the Group's average unit selling price of sweetener products dropped by approximately 7.0% during the Year. On the other hand, the average unit production cost of sweeteners products dropped by approximately 11.1% as a result of the decrease in purchase price of corn starch and the Group's adjustment in its production operation rate during the Year. Consequently, the gross profit margin of the Group increased by 4.2 percentage points to 9.2% (2024: 5.0%), and the consolidated gross profit of the Group increased by approximately 45.0% to approximately HK\$45.4 million (2024: HK\$31.3 million) during the Year.

Upstream products

(Sales amount: Nil (2024: Nil))

(Gross profit: Nil (2024: Nil))

During the Year, no sale of upstream products was recorded as the Group suspended all its upstream operations to minimise financial risks and secure financial resources during the time of economic uncertainty while its inventory had been fully sold in 2021. As a result, no revenue from the sale of corn starch and other corn refined products (2024: Nil and Nil) were recorded during the Year. No internal consumption of corn starch was recorded during the Year (2024: Nil). The refurbishment projects of Jinzhou production facilities were completed at the end of 2024, and the Group endeavours to seek various strategic business alliances to strengthen the initial working capital to resume the production of Jinzhou facilities once the debt restructuring in relation to the Transferred Loans has taken place.

Corn sweeteners

Corn syrup

(Sales amount: HK\$411.2 million (2024: HK\$498.3 million))

(Gross profit: HK\$40.4 million (2024: HK\$22.5 million))

During the Year, the revenue of the corn syrup segment decreased by approximately 17.5% to approximately HK\$411.2 million (2024: HK\$498.3 million). Such decrease was mainly attributable to (i) the Group's adjustment in production volume to achieve an optimal production operation rate amidst the persistent oversupply of sweetener products; and (ii) the keen market competition in the PRC which has led to a decline of selling price of corn syrup by approximately 7.3% during the Year. On the other hand, the average production cost of corn syrup has decreased at a faster rate, by approximately 12.9%, as a result of the decrease in purchase price of corn starch and the achievement of optimal production operation rate by the Group during the Year. The corn syrup segment, therefore, recorded gross profit of approximately HK\$40.4 million (2024: HK\$22.5 million) for the Year, with gross profit margin increasing to 9.8% (2024: 4.5%).

Corn syrup solid

(Sales amount: HK\$79.8 million (2024: HK\$125.2 million))

(Gross profit: HK\$5.0 million (2024: HK\$8.8 million))

As a result of adjustment in production volume in achieving an optimal production operation rate during the Year, the Group scaled down the sales volume of corn syrup solid to approximately 28,000 MT (2024: 41,000 MT), which was entirely maltodextrin, as such, the revenue of maltodextrin decreased by approximately 36.3% to HK\$79.8 million (2024: HK\$125.2 million). Although the average production cost of corn syrup solid decreased by approximately 7.3%, the selling price of corn syrup solid dropped by approximately 8.2% during the Year. The gross profit margin of the corn syrup solid segment during the Year decreased to 6.3% (2024: 7.0%) with gross profit of approximately HK\$5.0 million (2024: HK\$8.8 million).

Export sales

During the Year, export sales accounted for approximately 1.4% (2024: 1.1%) of the Group's total revenue. The Group exported approximately 2,100 MT (2024: 1,700 MT) of corn sweeteners which amounted to sales of approximately HK\$6.8 million (2024: HK\$6.6 million) during the Year.

Other income and gains

Due to the absence of a one-off gain of approximately HK\$42.2 million in relation to the disposal of Global Sweeteners Retail Investment Company Limited and its subsidiaries (the “**Retail Group**”) under the sale and purchase agreement dated 17 April 2024 entered into by an independent third party (as a purchaser) and the Company (as a seller) to transfer the Retail Group (the “**Retail Group Disposal**”), other income and gains of the Group decreased drastically by approximately 37.5% to approximately HK\$46.7 million (2024: HK\$74.7 million) during the Year. The amount of the other income and gains for the Year mainly included subcontracting income of approximately HK\$4.1 million (2024: HK\$5.2 million) and gain on fair value change of derivative components of the Convertible Bonds of approximately HK\$35.7 million (2024: HK\$14.8 million).

Selling and distribution costs

During the Year, the selling and distribution costs decreased by approximately 8.3% to approximately HK\$31.0 million (2024: HK\$33.8 million), accounting for approximately 6.3% (2024: 5.4%) of the Group’s revenue. Such decrease was mainly attributable to the decrease in sales volume during the Year.

Administrative expenses

During the Year, administrative expenses decreased by approximately 16.5% to approximately HK\$55.7 million (2024: HK\$66.7 million). Such decrease was mainly attributable to the Group’s strict enforcement of cost-saving measures during the Year.

Other expenses

Other expenses of the Group slightly decreased by approximately 2.1% to approximately HK\$79.6 million (2024: HK\$81.3 million) during the Year. Such decrease was mainly attributable to the decrease of repair and maintenance expenses for resumption of the Group’s Jinzhou production site. The amount of other expenses for the Year mainly included amortisation of deferred day-one loss of approximately HK\$9.7 million (2024: HK\$4.5 million) in relation to the Convertible Bonds issued in 2024, the expenses in relation to idle capacity of certain suspended production facilities of approximately HK\$52.2 million (2024: HK\$66.9 million) and loss on derecognition of subsidiaries of approximately HK\$10.6 million (2024: Nil).

Finance costs

During the Year, finance costs of the Group increased by approximately 61.8% to approximately HK\$56.0 million (2024: HK\$34.6 million) which was mainly attributable to the increase in interest on bank and other borrowings and imputed interest on the Convertible Bonds by approximately HK\$11.9 million and HK\$6.4 million, respectively.

Income tax (expense) credit

Due to the recognition of temporary differences, the Group recorded deferred tax expense of approximately HK\$1.7 million (2024: deferred tax credit approximately HK\$9.4 million) during the Year. Meanwhile, as all the subsidiaries of the Group recorded tax losses or the estimated assessable profits were wholly absorbed by tax losses brought forward during the Year. No income tax expenses were recorded for the Year (2024: Nil). As a result, the Group recorded tax expense of approximately HK\$1.7 million (2024: tax credit approximately HK\$9.4 million) during the Year.

Net (loss) profit of the Company

During the Year, despite the increase in gross profit, there was an absence of recognition of one-off gains in 2024 from (i) the completion of the Retail Group Disposal; and (ii) the completion of the Debt Restructuring Agreement, which, coupled with the increase in finance costs to approximately HK\$56.0 million (2024: HK\$34.6 million) has led to a net loss of the Company of approximately HK\$131.9 million (2024: net profit of approximately HK\$66.6 million) during the Year.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

Capital structure

The capital structure of the Group consists of debts, which mainly include interest-bearing bank and other borrowings and the Convertible Bonds, and equity reserves attributable to owners of the Company which comprise issued ordinary Shares, the Convertible Bonds 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 interest-bearing bank and other borrowings of the Group as at 31 December 2025 increased by approximately HK\$5.8 million to approximately HK\$260.5 million (31 December 2024: HK\$254.7 million) as a result of net repayment of certain bank and other borrowings of approximately HK\$5.6 million and the exchange rate adjustment of approximately HK\$11.4 million during the Year. On the other hand, cash and bank balances which were mainly denominated in RMB and Hong Kong dollars decreased by approximately HK\$3.8 million to approximately HK\$1.3 million (31 December 2024: HK\$5.1 million, mainly denominated in RMB and Hong Kong dollars) as at 31 December 2025. Consequently, the net borrowings of the Group increased to approximately HK\$259.2 million (31 December 2024: HK\$249.6 million).

Structure of interest-bearing bank and other borrowings

As at 31 December 2025, the Group's bank and other borrowings of approximately HK\$260.5 million (31 December 2024: HK\$254.7 million) were all (31 December 2024: all) denominated in RMB. All (31 December 2024: all) of the Group's interest-bearing bank and other borrowings were wholly repayable within one year. As at 31 December 2025, all (31 December 2024: all) of the interest-bearing bank and other borrowings of the Group have been charged at fixed interest rates of 4.3% to 12.0% (31 December 2024: 4.9% to 12.0% per annum).

Convertible Bonds

On 6 April 2023 (after trading hours), the Company entered into the CB Subscription Agreement with the Initial CB Subscribers, pursuant to which the Company has conditionally agreed to issue, and the Initial CB Subscribers have conditionally agreed to subscribe for, the 3 year, 5 per cent Convertible Bonds in the aggregate principal amount of RMB120.0 million (equivalent to approximately HK\$138.0 million), which may be converted into a total of 1,380,000,000 new Shares of HK\$0.1 each to be allotted and issued by the Company pursuant to the exercise of the Conversion Rights attached to the Convertible Bonds at an initial Conversion Price of HK\$0.1 per Conversion Share, with an aggregate nominal value of HK\$138,000,000 based on the nominal value of HK\$0.1 per Share, adopting an exchange rate of HK\$1.0 to RMB0.87 for illustrative purpose only and subject to the adjustment pursuant to the terms and conditions of the Convertible Bonds. The initial Conversion Price represented a premium of approximately 16.3% over the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on 6 April 2023, being the date of the CB Subscription Agreement. The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.1 per Conversion Share.

The CB First Completion took place on 3 May 2024 and the CB Second Completion took place on 19 July 2024.

The Convertible Bonds issued upon the CB First Completion and the CB Second Completion which remained outstanding as at 31 December 2025 were divided into liability component and derivative financial instrument component which amounted to approximately HK\$64.8 million and HK\$5.1 million (31 December 2024: HK\$44.7 million and HK\$40.8 million), respectively, and effective imputed interest of approximately HK\$12.7 million (2024: HK\$6.3 million) was charged as at 31 December 2025.

On 13 January 2025 and 8 May 2025, Mr. Wang Tiegung exercised his rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with principal amount of RMB3.0 million and RMB6.0 million to Mr. Cui Jilong, an independent investor, in accordance with the terms and conditions of the Convertible Bonds, respectively.

On 12 May 2025, the Substantial Shareholders, each as a grantor, and Mr. Ko Kin Hang (“**Mr. Ko**”), as grantee, entered into a call option agreement (the “**Call Option Agreement**”), pursuant to which the Substantial Shareholders had agreed to grant to Mr. Ko call options over the Second Batch of CB in the aggregate principal amount of RMB27.0 million (the “**Call Options**”). Pursuant to the terms and conditions of the Second Batch of CB, such Convertible Bonds in the principal amount of RMB27.0 million may be converted into Conversion Shares based on the initial Conversion Price of HK\$0.1 per Conversion Share applying the exchange rate as announced by the People’s Bank of China on the date of conversion.

Pursuant to the Call Option Agreement, the Call Options were granted equally by each of the Substantial Shareholders. Therefore, each of the Substantial Shareholders granted to Mr. Ko the Call Options over the Second Batch of CB in the principal amount of RMB9.0 million. The Call Options are exercisable by Mr. Ko (if he so elects) in five batches of principal amounts of RMB6.0 million, RMB6.0 million, RMB6.0 million, RMB6.0 million and RMB3.0 million, respectively. The exercise period of all five batches of Call Options shall commence on 12 May 2025, and each of such exercise periods shall expire successively, with the exercise period of the first batch of Call Options being the shortest and expiring on 11 November 2025, and the exercise period of the last batch of Call Options being the longest and expiring on 24 June 2027. Pursuant to the terms of the Call Option Agreement, if Mr. Ko does not exercise the first batch of Call Options in full in accordance with the terms of the Call Option Agreement before the expiration date on 11 November 2025, all remaining unexercised Call Options of the same batch and of the subsequent batches will automatically lapse and be withdrawn, and no longer be exercisable.

As at the date of this announcement, Mr. Ko did not exercise any batch of Call Options in accordance with the terms of the Call Option Agreement and all batches of Call Options had lapsed. As such, each of Mr. Kong Zhanpeng, Mr. Wang Tieguaang, Huasheng and Mr. Cui Jilong held the outstanding Convertible Bonds in the principal amount of RMB29.0 million, RMB20.0 million, RMB29.0 million and RMB9.0 million, respectively.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 30 to 90 days, are granted to the Group's customers depending on their credit worthiness and business relationships with the Group. During the Year, trade receivables turnover days decreased to approximately 39 days (31 December 2024: 41 days) as the Group had maintained a stringent credit control during the Year.

During the Year, trade payables turnover days slightly increased to approximately 84 days (31 December 2024: 83 days) as part of cash flow management during the Year.

As at 31 December 2025, the Group's inventory turnover days increased to approximately 32 days (31 December 2024: 21 days) as the Group adjusted its inventory in a timely manner to satisfy the market need during the Year.

As at 31 December 2025, the current ratio and quick ratio were approximately 0.13 (31 December 2024: 0.17) and approximately 0.09 (31 December 2024: 0.13) respectively. Gearing ratio in terms of debts (i.e. total interest-bearing bank and other borrowings, the amount due to former fellow subsidiaries, the amount due to the Substantial Shareholders' Controlled Entities, the amount due to the Substantial Shareholders, and the Convertible Bonds and derivative financial instruments) to total assets (i.e. sum of current assets and non-current assets) increased to approximately 82.0% (31 December 2024: 74.5%), which was mainly attributable to the increase in the amount due to the Substantial Shareholders and the amount due to the Substantial Shareholders' Controlled Entities during the Year.

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in RMB, while export sales accounted for approximately 1.4% (2024: 1.1%) of the Group's revenue in which most of these transactions were denominated in US Dollars. The Board has been closely monitoring the Group's exposure to foreign exchange fluctuations in RMB and is of the view that there is no material unfavourable exposure to foreign exchange fluctuations. Therefore, the Group currently does not intend to hedge its exposure to foreign exchange fluctuations in RMB. 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 TRANSACTION DURING THE YEAR

The Shares Subscriptions

In order to raise funds for general working capital purposes and immediately relieve the financial pressure of the Company, the Company entered into separate Shares Subscription Agreements with each of the Shares Subscribers (who are seasoned individual investors, are independent of each other and are third parties independent of, and are not connected with the Company and its connected persons) on 20 December 2024. Pursuant to the Shares Subscription Agreements, the Shares Subscribers have subscribed for and the Company has allotted and issued a total of 41,000,000 Subscription Shares at the shares subscription price of HK\$0.1 per Subscription Share, which is the same as the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on 20 December 2024, being the date of the Shares Subscription Agreements. The Subscription Shares, with a nominal value of HK\$4,100,000 based on the nominal value of HK\$0.10 per Share, represent 2.17% of the total issued share capital of the Company immediately before the completion of the Shares Subscriptions and approximately 2.12% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The gross proceeds from the Shares Subscriptions amount to approximately HK\$4,100,000. The net proceeds from the Shares Subscriptions (after deduction of the relevant expenses) were approximately HK\$4,000,000, representing a net issue price of approximately HK\$0.098 per Subscription Share. Completion of the Shares Subscription Agreements took place on 10 January 2025. For further details of the Shares Subscriptions, please refer to the announcements of the Company dated 20 December 2024, 24 December 2024 and 10 January 2025.

The following table sets out the details on the intended use of the net proceeds from the Shares Subscriptions and the use of them during the Year.

Proposed use of the net proceeds	Proposed amount to be used (HK\$)	Amount utilised during the Year (HK\$)
Repayment of other payables due to the equipment supplier of the Group's Jinzhou production site	2,000,000	2,000,000
Fund for general administration expenses of the Group, i.e. salaries and professional fees	<u>2,000,000</u>	<u>2,000,000</u>
	<u><u>4,000,000</u></u>	<u><u>4,000,000</u></u>

As at 31 December 2025, net proceeds from the Shares Subscriptions had been utilised in full in accordance with the intentions previously disclosed by the Company.

DISCLOSURE PURSUANT TO RULES 13.19 AND 13.21 OF THE LISTING RULES

Breach of loan agreements

As detailed in the joint announcement of the Company and Global Bio-chem Technology Group Company Limited dated 25 August 2023, Jinzhou Yuancheng has defaulted on the repayment of the loans it owed to Jinzhou ICBC (i.e. the Jinzhou ICBC Loans) pursuant to the loan agreements respectively dated 25 August 2020 and 27 December 2021 entered into between Jinzhou Yuancheng and Jinzhou ICBC, which have become immediately due and payable. The Jinzhou ICBC Loans are secured by mortgage of certain properties owned by Jinzhou Yuancheng, and also guaranteed by 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*) (“**Dihao Foodstuff**”) (the obligations and liabilities under which shall be counter-guaranteed and indemnified under the counter-guarantee provided by the Company to Dihao Foodstuff in respect of the obligations and liabilities that Dihao Foodstuff may incur and suffer under the guarantees provided by Dihao Foodstuff to Jinzhou ICBC in respect of the debts owed by Jinzhou Yuancheng to Jinzhou ICBC under the guarantee agreements dated 11 June 2021 and 27 December 2021). On 10 March 2025, Jinzhou Yuancheng was notified by Jinzhou ICBC that it had entered into a transfer agreement, as transferor, with Jinzhou Huayin, as transferee, pursuant to which Jinzhou ICBC has agreed to sell to Jinzhou Huayin, and Jinzhou Huayin has agreed to purchase, all of Jinzhou ICBC’s rights and benefits under the Jinzhou ICBC Loans. As at the date of this announcement, the outstanding principal amount of the Jinzhou ICBC Loans is RMB212.5 million, with outstanding interest.

IMPORTANT EVENTS AFFECTING THE GROUP SUBSEQUENT TO THE YEAR UNDER REVIEW

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

FUTURE PLANS AND PROSPECTS

In order to maintain the competitiveness of the Group, the Group will optimise its production while maintaining its market presence, minimise the production cost and maintain the cash flow for stabilising the normal operation of the Group in the short term.

Furthermore, the Group endeavours to seek various strategic business alliances or industry players to strengthen the working capital and negotiate with Jinzhou Huayin or new creditors and the local government of Jinzhou to facilitate the debt restructuring in relation to the Transferred Loans. The Directors believe that once the debt restructuring has taken place and the operations of its Jinzhou production site is resumed, the Group's financial resources and the working capital will be improved.

In the long run, the Group will continue to strengthen its market position by utilising its brand name, strive to provide excellent customer service and be customer-oriented to better understand their ever-changing demands and product requirements, dedicate more time and energy to resource conservation and development of green products and further improve cost effectiveness and product mix through continuous research and development.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2025, the Group had approximately 410 (2024: 530) full time employees in Hong Kong and in the PRC. The Group appreciates the correlation between human resources and its success, and recognises the value of human resources management as a source of competitive advantage in the increasingly turbulent environment. The Group places great emphasis on the selection and recruitment of new staff, on-the-job training, appraisal and rewards 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. For the Year, employee benefit expense (including Directors' remuneration) of the Group amounted to approximately HK\$62,296,000 (2024: approximately HK\$60,655,000).

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year (2024: Nil).

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company’s listed securities during the Year.

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 Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”). Having made specific enquiry of each of the Directors, all 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 comprises all three independent non-executive Directors. As at the date of this announcement, the members of the Audit Committee are Ms. Li Guichen (chairperson of the Audit Committee), Ms. Liu Ying and Mr. Lo Kwing Yu.

The Audit Committee meets regularly with the Company’s senior management, internal audit team and the Auditor to review the Company’s financial reporting process, the effectiveness of internal control, 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 three meetings during the Year.

[^] The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after 1 July 2025. For this announcement, the Company shall refer to the then effective CG Code.

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 Company (www.global-corn.com) and the Stock Exchange (www.hkexnews.hk) and made available to the shareholders of the Company (the "**Shareholders**") in due course.

ANNUAL GENERAL MEETING

The 2025 annual general meeting (the "**AGM**") of the Company will be held on Wednesday, 24 June 2026 at 10:00 a.m.. Notice of the AGM will be published on the websites of the Company (www.global-corn.com) and the Stock Exchange (www.hkexnews.hk) and made available to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026, 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. The record date for determining entitlement of the Shareholders to attend and vote at the AGM will be Wednesday, 24 June 2026.

Shareholders are reminded that in order to qualify for 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 Wednesday, 17 June 2026.

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 opinion or assurance conclusion has been expressed by the Auditor on this announcement.

By order of the Board
Global Corn Group Limited
Wang Tieguang
Joint Chairman

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Wang Tieguang, Mr. Kong Zhanpeng and Mr. Li Fangcheng; one non-executive Director, namely, Mr. Tai Shubin; and three independent non-executive Directors, namely, Ms. Li Guichen, Ms. Liu Ying and Mr. Lo Kwing Yu.