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## GLOBAL BIO-CHEM TECHNOLOGY GROUP COMPANY LIMITED

大成生化科技集團有限公司 \*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00809)

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

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 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<br>HK\$'000        | 2024<br>HK\$'000   |
|--|-------|-------------------------|--------------------|
| <b>REVENUE</b>                                     | 4     | <b>2,278,532</b>        | 2,001,095          |
| Cost of sales                                      |       | <u>(2,082,091)</u>      | <u>(1,810,123)</u> |
| Gross profit                                       |       | <b>196,441</b>          | 190,972            |
| Other income and gains                             | 4     | <b>835,257</b>          | 176,901            |
| Selling and distribution costs                     |       | <b>(119,156)</b>        | (107,758)          |
| Administrative expenses                            |       | <b>(186,506)</b>        | (246,534)          |
| Other expenses                                     |       | <b>(206,695)</b>        | (906,672)          |
| Impairment on amounts due from former subsidiaries | 13    | <b>(54,829)</b>         | —                  |
| Gain on disposal of subsidiaries                   |       | —                       | 1,962,112          |
| Finance costs                                      | 6     | <u><b>(308,105)</b></u> | <u>(323,402)</u>   |
| <b>PROFIT BEFORE TAX</b>                           | 5     | <b>156,407</b>          | 745,619            |
| Income tax (expenses) credit                       | 7     | <u><b>(110)</b></u>     | <u>23,979</u>      |
| <b>PROFIT FOR THE YEAR</b>                         |       | <u><b>156,297</b></u>   | <u>769,598</u>     |

\* For identification purposes only

|   | <i>Notes</i> | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000          |
|---|--------------|--------------------------------|---------------------------|
| <b>OTHER COMPREHENSIVE LOSS FOR THE YEAR</b>  |              |                                |                           |
| 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 |              | <b>(96,572)</b>                | (109,755)                 |
| Release of exchange reserve upon deregistration of subsidiaries                             |              | <b>(14,196)</b>                | —                         |
| Release of exchange reserve upon disposal of subsidiaries                                   |              | <u>—</u>                       | <u>(375,762)</u>          |
|   |              | <b>(110,768)</b>               | <b>(485,517)</b>          |
| Items that will not be reclassified subsequently to profit or loss:                         |              |                                |                           |
| Gain on properties revaluation, net   |              | —                              | 98,991                    |
| Income tax effect   |              | <u>—</u>                       | <u>(24,748)</u>           |
|   |              | <u>—</u>                       | <u>74,243</u>             |
| <b>TOTAL OTHER COMPREHENSIVE LOSS FOR THE YEAR</b>  |              | <b>(110,768)</b>               | <b>(411,274)</b>          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  |              | <b><u>45,529</u></b>           | <b><u>358,324</u></b>     |
| <b>EARNINGS PER SHARE</b>   |              |                                |                           |
| <b>Basic</b>  | 9            | <b><u>HK1.4 cents</u></b>      | <b><u>HK8.6 cents</u></b> |
| <b>Diluted</b>  | 9            | <b><u>HK0.6 cents</u></b>      | <b><u>HK2.9 cents</u></b> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

|   | <i>Notes</i> | <b>2025</b><br><b>HK\$'000</b> | 2024<br>HK\$'000   |
|---|--------------|--------------------------------|--------------------|
| <b>NON-CURRENT ASSETS</b>   |              |                                |                    |
| Property, plant and equipment                                     | <i>10</i>    | <b>2,058,949</b>               | 2,119,050          |
| Right-of-use assets   |              | <b>291,707</b>                 | 290,085            |
| Intangible assets   |              | <b>2,047</b>                   | 2,047              |
| Interests in an associate   |              | —                              | —                  |
| Interests in a joint venture                                      |              | —                              | —                  |
| Financial assets at fair value through profit or loss<br>("FVPL") |              | <b>23,688</b>                  | 31,238             |
|   |              | <u><b>2,376,391</b></u>        | <u>2,442,420</u>   |
| <b>CURRENT ASSETS</b>   |              |                                |                    |
| Inventories   |              | <b>44,865</b>                  | 205,507            |
| Trade receivables   | <i>11</i>    | <b>162,663</b>                 | 159,457            |
| Prepayments, deposits and other receivables                       | <i>12</i>    | <b>154,895</b>                 | 160,107            |
| Due from the GCG Group  |              | <b>24,419</b>                  | 44,608             |
| Due from former subsidiaries                                      | <i>13</i>    | <b>1,761,263</b>               | 1,444,613          |
| Cash and bank balances  | <i>14</i>    | <b>94,444</b>                  | 85,470             |
|   |              | <u><b>2,242,549</b></u>        | <u>2,099,762</u>   |
| <b>CURRENT LIABILITIES</b>  |              |                                |                    |
| Trade payables  | <i>15</i>    | <b>1,147,368</b>               | 1,174,619          |
| Other payables and accruals                                       | <i>16</i>    | <b>2,187,163</b>               | 2,658,768          |
| Tax payables  |              | <b>113</b>                     | —                  |
| Convertible bonds ("Convertible Bonds")                           |              | —                              | 958,839            |
| Interest-bearing bank and other borrowings                        |              | <b>1,233,206</b>               | 1,693,740          |
| Lease liabilities   |              | <b>187</b>                     | 179                |
|   |              | <u><b>4,568,037</b></u>        | <u>6,486,145</u>   |
| <b>NET CURRENT LIABILITIES</b>                                    |              | <u><b>(2,325,488)</b></u>      | <u>(4,386,383)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                      |              | <u><b>50,903</b></u>           | <u>(1,943,963)</u> |

|  |              | 2025                      | 2024               |
|--|--------------|---------------------------|--------------------|
|  | <i>Notes</i> | <b>HK\$'000</b>           | <b>HK\$'000</b>    |
| <b>NON-CURRENT LIABILITIES</b>             |              |                           |                    |
| Interest-bearing bank and other borrowings |              | <b>560,111</b>            | —                  |
| Lease liabilities                          |              | <b>47</b>                 | 234                |
| Deferred income                            |              | <b>9,269</b>              | 10,193             |
| Deferred tax liabilities                   |              | <b>—</b>                  | —                  |
|  |              | <u><b>569,427</b></u>     | <u>10,427</u>      |
| <b>NET LIABILITIES</b>                     |              | <u><b>(518,524)</b></u>   | <u>(1,954,390)</u> |
| <b>CAPITAL AND RESERVES</b>                |              |                           |                    |
| Share capital                              | <i>17</i>    | <b>1,683,277</b>          | 890,741            |
| Convertible preference shares (“CPS”)      | <i>17</i>    | <b>1,726,775</b>          | 1,726,775          |
| Treasury shares (“Treasury Shares”)        | <i>17</i>    | <b>(3,801)</b>            | (2,583)            |
| Reserves                                   |              | <u><b>(3,924,775)</b></u> | <u>(4,569,323)</u> |
| <b>TOTAL DEFICIT</b>                       |              | <u><b>(518,524)</b></u>   | <u>(1,954,390)</u> |

## 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, 12<sup>th</sup> 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 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 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 and financial assets at FVPL 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 Standard that is relevant to the Group and effective from the current year as detailed in note 2.3.

## 2.2 GOING CONCERN

As at 31 December 2025, the Group had net current liabilities of approximately HK\$2,325.5 million (31 December 2024: approximately HK\$4,386.4 million) and net liabilities of approximately HK\$518.5 million (31 December 2024: approximately HK\$1,954.4 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) Completion of a series of group restructuring and debts restructuring arrangements

Since 2023, the Group executed a series of group restructuring procedures, including, among others: (1) disposal of approximately 47.00% of the entire issued share capital of Global Corn Group Limited (“**GCG**”, together with its subsidiaries, the “**GCG Group**”) (formerly known as Global Sweeteners Holdings Limited); and (2) the disposal of 100.0% of the registered capital of 長春大成實業集團有限公司 (Changchun Dacheng Industrial Group Company Limited\*) (“**Changchun Dacheng Industrial**”), a former wholly-owned subsidiary of the Company, and its seven subsidiaries (together, the “**Disposal Group**”), which took place on 30 December 2024 (the “**Disposal Completion**”) and discharged the Disposal Group’s net liabilities from the consolidated financial statements of the Group.

On the other hand, in January 2024, the Group completed the debt restructuring agreement entered into between 吉林省農業發展集團有限公司 (Jilin Agricultural Development Group Co., Ltd.\*) (“**Nongfa**”) and several subsidiaries of the Group in respect of the loans of approximately Renminbi (“**RMB**”) 4,267.8 million, together with outstanding interests (the “**Entire Transferred Loans**”), 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.\*) (“**Jilin Cinda**”), which had been transferred to Nongfa on 31 December 2023, pursuant to which the Group had agreed to repay to Nongfa RMB1,580.0 million for the settlement of the Entire Transferred Loans (the “**Debt Restructuring Arrangements**”). Following the completion of the Debt Restructuring Arrangements, the Group underwent and completed a series of arrangements (the “**Suppliers Debt Restructuring Arrangement**”) to restructure and settle the payables owed by the Group to certain suppliers of the Group (the “**Relevant Suppliers**”) in the aggregate amount of approximately RMB461.1 million (the “**Suppliers Debt**”) through the allotment and issue of a total of 2,752,605,977 consideration shares (the “**Consideration Share(s)**”) in October 2025, which significantly improved the Group’s financial position and decreased its finance expenses. For details of the Debt Restructuring Arrangements, please refer to the announcement of the Company dated 4 January 2024. For details of the Suppliers Debt Restructuring Arrangement, please refer to the announcements of the Company dated 9 June 2025, 3 July 2025, 8 July 2025 and 2 October 2025.

To further enhance the Group's financial position, the management has been actively pursuing the settlement of the outstanding consideration of RMB701.5 million, together with outstanding interest (the "**Remaining Rudder Loans**"), owned by 長春大成生物科技開發有限公司 (Changchun Dacheng Bio-Tech Development Co., Ltd.\*) ("**Dacheng Bio-Tech**") and 長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Co., Ltd.\*) ("**Changchun Dahe**") to 長春潤德投資集團有限公司 (Changchun Rudder Investment Group Co., Ltd.\*) ("**Changchun Rudder**"). The settlement plan involves requesting the Disposal Group to settle the Remaining Rudder Loans on behalf of the Group. On 29 December 2025, Changchun Rudder, 長春市人民政府 (The Changchun Municipal Government\*) (the "**Local Government**"), Changchun Dacheng Industrial (being a company in the Disposal Group) and 長春市綠園區人民政府 (The People's Government of Luyuan District of Changchun City\*) (the "**Luyuan Government**") (collectively, the "**Relevant Parties**") entered into a settlement agreement (the "**Relevant Agreement**"), pursuant to which Changchun Dacheng Industrial instructed the Luyuan Government to transfer the compensation arising from resumption of the land and buildings situated in Luyuan District, Changchun, the People's Republic of China (the "**PRC**" or "**China**") (the "**Remaining Luyuan Properties**"), payable to the Disposal Group, to Changchun Rudder for the purpose of settling the Remaining Rudder Loans on behalf of the Company upon the resumption of the Remaining Luyuan Properties taking place. Subsequent to the date of the Relevant Agreement, Changchun Rudder has further confirmed (i) the amount of final principal and interest payables under the Remaining Rudder Loans (the "**Confirmed Remaining Rudder Loans**") as at 31 December 2025; and (ii) that the other liabilities under the Remaining Rudder Loans were released. In relation to the above-mentioned settlement arrangements (the "**Settlement Arrangements**"), a one-off gain of approximately HK\$511.2 million was recognised and the financial position of the Group has improved for the Year. The Board is of the view that the Group's financial liabilities will be further reduced following the full release of the obligations and liabilities associated with the Confirmed Remaining Rudder Loans, which is anticipated to take place upon the resumption of the Remaining Luyuan Properties in 2026.

**(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 optimally adjust the production capacity of the production facilities in amino acids operation and upgrade production technology in order to lower the production cost. Pursuant to the announcements of the Company dated 23 May 2025 and 31 July 2025, Changchun Dahe has entered into the engineering, procurement and construction contract on 31 July 2025 (the "**EPC Contract**") in relation to the refurbishment project of the boiler facilities (the "**Boiler Refurbishment Project**") at the production site of Changchun Dahe with 中國能源建設集團東北電力第二工程有限公司 (China Energy Engineering Group Northeast No. 2 Electric Power Construction Co., Ltd.) ("**Northeast Electric**") and 中國能源建設集團遼寧電力勘測設計院有限公司 (China Energy Engineering Group Liaoning Electric Power Survey and Design Institute Co., Ltd.) ("**Liaoning Electric**") (collectively, the "**Contractors**") acting as contractors, where Changchun Dahe acted as contractee. The related works in respect of the Boiler Refurbishment Project have commenced and are expected to be completed in August 2026. Upon the completion of the Boiler Refurbishment Project, the Group's will further reduce its unit production costs and improve its market competitiveness. The Directors believe that the amino acids operation will continue to generate adequate cash inflow to the Group in 2026.

(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 Nongfa 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 2025 amounted to approximately RMB7,155.0 million. It is tasked to consolidate the state-owned investments in the agricultural sector in the 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 the Jilin Province and provide adequate and sufficient financial support to the Group.

As at 31 December 2025, the Group’s liabilities due to Nongfa and its subsidiaries from time to time (the “**Nongfa Group**”) amounted to approximately HK\$803.7 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 (the “**2023 Master Supply Agreement**”) and the supplemental agreement dated 24 December 2025.

Reference is further made to the announcement of the Company dated 2 October 2025, Modern Agricultural Industry Investment Limited (“**Modern Agricultural**”), the controlling shareholder of the Company, exercised its conversion rights under the Convertible Bonds in full and converted the Convertible Bonds (the “**Conversion**”) in the principal amount of HK\$1,086,279,565 into 5,172,759,833 conversion shares (the “**CB Conversion Share(s)**”) at the conversion price of HK\$0.21 per CB Conversion Share. As a result, the Company allotted and issued 5,172,759,833 CB Conversion Shares, and Modern Agricultural held 8,308,269,029 shares of the Company (the “**Share(s)**”) , representing approximately 49.5% of the issued share capital of the Company immediately after the Conversion. On the one hand, the capitalisation of Convertible Bonds significantly improved the financial position of the Company, on the other hand, the Conversion fully reflected Nongfa’s (which indirectly owned 60.0% of the investment capital of Modern Agricultural) confidence in the prospects of the Company.

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 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.

## 2.3 CHANGES IN ACCOUNTING POLICIES

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 following revised HKFRS Accounting Standard that is relevant to the Group and effective from the current year.

The Group has applied, for the first time, the following revised HKFRS Accounting Standard that is relevant to the Group:

|                       |                         |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

### **Amendments to HKAS 21: Lack of Exchangeability**

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

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

## 2.4 NEW AND REVISED HKFRS ACCOUNTING STANDARDS NOT YET ADOPTED

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

|   |  |
|---|--|
| Amendments to HKFRS 9 and HKFRS 7                 | Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>             |
| Annual Improvements to HKFRS Accounting Standards | Volume 11 <sup>1</sup>   |
| Amendments to HKFRS 9 and HKFRS 7                 | Contracts Referencing Nature-dependent Electricity <sup>1</sup>                                    |
| HKFRS 18  | Presentation and Disclosure in Financial Statements <sup>2</sup>                                   |
| HKFRS 19  | Subsidiaries without Public Accountability: Disclosures <sup>2</sup>                               |
| Amendments to HKAS 21                             | Translation to Hyperinflationary Presentation Currency <sup>2</sup>                                |
| Amendments to HKFRS 10 and HKAS 28                | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup> |

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> The effective date to be determined

The Directors do not anticipate that the adoption of the new/revised HKFRS Accounting Standards 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 the following reportable operating segments:

- (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.

Remark:

The Group did not engage in any activities related to corn sweeteners segment and polyol chemicals segment upon the Disposal Completion.

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*

|   | Upstream<br>products<br><i>HK\$'000</i> | Amino<br>acids<br><i>HK\$'000</i> | Corn<br>sweeteners<br><i>HK\$'000</i> | Polyol<br>chemicals<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|---|---|-----------------------------------|---------------------------------------|--|--------------------------|
| Revenue from:   |   |                                   |                                       |  |                          |
| External customers                                    | <u>335,029</u>                          | <u>1,943,503</u>                  | <u>—</u>                              | <u>—</u>                               | <u>2,278,532</u>         |
| <b>Segment results</b>                                | <u>(157,121)</u>                        | <u>(88,651)</u>                   | <u>—</u>                              | <u>—</u>                               | (245,772)                |
| Bank interest income                                  |   |                                   |                                       |  | 8                        |
| Unallocated income                                    |   |                                   |                                       |  | 52,032                   |
| Gain on Settlement<br>Arrangements                    |   |                                   |                                       |  | 511,232                  |
| Gain on Suppliers Debt<br>Restructuring Arrangement   |   |                                   |                                       |  | 231,423                  |
| Gain on deregistration of<br>subsidiaries             |   |                                   |                                       |  | 14,196                   |
| Change in fair value of<br>financial assets at FVPL   |   |                                   |                                       |  | (7,550)                  |
| Impairment on amounts due<br>from former subsidiaries |   |                                   |                                       |  | (54,829)                 |
| Impairment on amount due<br>from GCG Group            |   |                                   |                                       |  | (24,419)                 |
| Corporate and other<br>unallocated expenses           |   |                                   |                                       |  | (11,809)                 |
| Finance costs   |   |                                   |                                       |  | <u>(308,105)</u>         |
| <b>Profit before tax</b>                              |   |                                   |                                       |  | 156,407                  |
| Income tax expenses                                   |   |                                   |                                       |  | <u>(110)</u>             |
| <b>Profit for the year</b>                            |   |                                   |                                       |  | <u>156,297</u>           |

Year ended 31 December 2024

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

(ii) Other segment information

*Year ended 31 December 2025*

|   | <b>Upstream<br/>products<br/><i>HK\$'000</i></b> | <b>Amino<br/>acids<br/><i>HK\$'000</i></b> | <b>Corn<br/>sweeteners<br/><i>HK\$'000</i></b> | <b>Polyol<br/>chemicals<br/><i>HK\$'000</i></b> | <b>Total<br/><i>HK\$'000</i></b> |
|---|--|--|--|---|----------------------------------|
| Capital expenditure                                 | —  | 21,040                                     | —  | —   | 21,040                           |
| Depreciation of property, plant<br>and equipment    | 70,109   | 37,223                                     | —  | —   | 107,332                          |
| Depreciation of right-of-use<br>assets (a)          | 2,810  | 3,328                                      | —  | —   | 6,138                            |
| Write-down of inventories                           | —  | 25,250                                     | —  | —   | 25,250                           |
| Impairment of property, plant<br>and equipment      | —  | 68,307                                     | —  | —   | 68,307                           |
| Impairment of other<br>receivables, net             | —  | 13,285                                     | —  | —   | 13,285                           |
| Reversal of impairment of<br>trade receivables, net | (922)  | (1,285)                                    | —  | —   | (2,207)                          |
| Write back of long outstanding<br>payables          | —  | (24,159)                                   | —  | —   | (24,159)                         |

Year ended 31 December 2024

|  | Upstream<br>products<br><i>HK\$'000</i> | Amino<br>acids<br><i>HK\$'000</i> | Corn<br>sweeteners<br><i>HK\$'000</i> | Polyol<br>chemicals<br><i>HK\$'000</i> | Total<br><i>HK\$'000</i> |
|--|---|-----------------------------------|---------------------------------------|--|--------------------------|
| 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 | <u>(21,419)</u>                         | <u>—</u>                          | <u>—</u>                              | <u>—</u>                               | <u>(21,419)</u>          |

Remark:

- (a) Depreciation of right-of-use assets that was not attributable to any of the above segments which amounted to HK\$173,000 (2024: HK\$712,000) was included in corporate and other unallocated expenses.

(iii) **Geographical information**

**Revenue information based on locations of customers**

|                                      | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--------------------------------------|-------------------------|-------------------------|
| The PRC                              | 1,813,053               | 1,369,017               |
| Asia, the Americas and other regions | <u>465,479</u>          | <u>632,078</u>          |
|                                      | <u><u>2,278,532</u></u> | <u><u>2,001,095</u></u> |

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

|           | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-----------|-------------------------|-------------------------|
| The PRC   | 2,352,487               | 2,410,793               |
| Hong Kong | <u>216</u>              | <u>389</u>              |
|           | <u><u>2,352,703</u></u> | <u><u>2,411,182</u></u> |

(iv) **Information about major customers**

Revenue from customers individually accounted for 10% or more of the Group's revenue is as follows:

|             | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-------------|-------------------------|-------------------------|
| Amino acids |                         |                         |
| Customer A  | 286,449                 | N/A                     |
| Customer B  | <u>253,717</u>          | <u>N/A</u>              |

The revenue from Customer A and Customer B were less than 10% of the Group's revenue for the year ended 31 December 2024.

#### 4. REVENUE, OTHER INCOME AND GAINS

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <b>Revenue from contracts with customers within HKFRS 15</b> |                         |                         |
| Sale of goods (a)  | <u>2,278,532</u>        | <u>2,001,095</u>        |
| <b>Other income and gains</b>                                |                         |                         |
| Amortisation of deferred income                              | 2,806                   | 4,365                   |
| Change in fair value of financial assets at FVPL             | —                       | 14,098                  |
| Bank interest income   | 8                       | 2                       |
| Government grants (b)  | 2,174                   | 67,391                  |
| Write back of long outstanding payables                      | 24,159                  | —                       |
| Gain on deregistration of subsidiaries                       | 14,196                  | —                       |
| Gain on Suppliers Debt Restructuring Arrangement (c)         | 231,423                 | —                       |
| Gain on Settlement Arrangements (d)                          | 511,232                 | —                       |
| Sales of scrap materials                                     | 28,507                  | —                       |
| Foreign exchange gain, net                                   | 3,006                   | 4,521                   |
| Reversal of impairment of trade receivables, net             | 2,207                   | 21,419                  |
| Reversal of impairment of other receivables, net             | —                       | 21,606                  |
| Reversal of write-down of inventories                        | —                       | 27,710                  |
| Others   | <u>15,539</u>           | <u>15,789</u>           |
|  | <u>835,257</u>          | <u>176,901</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\$53,621,000 (2024: HK\$151,380,000).
- (b) Government grants represented rewards to a subsidiary of the Company with no further obligations and conditions to be complied with.

- (c) Upon the completion of the Suppliers Debt Restructuring Arrangement, the Suppliers Debt in aggregate amount of RMB461.1 million (equivalent to HK\$506.7 million) had been capitalised as equity interest in 長春世紀大成商貿有限公司 (Changchun Century Dacheng Trading Company Limited\*)(“**Century Dacheng**”), and a total of 2,752,605,977 Consideration Shares were issued as consideration for the acquisition of an aggregate 28.98% equity interest in Century Dacheng by the Group (the “**Re-acquisition**”), As such, approximately HK\$231.4 million has been recognised as other income and gains during the Year.
- (d) On 29 December 2025, the Relevant Parties entered into the Relevant Agreement, pursuant to which Changchun Dacheng Industrial instructed the Luyuan Government to transfer the compensation arising from resumption of the Remaining Luyuan Properties payable to the Disposal Group, to Changchun Rudder for the purpose of settling the Remaining Rudder Loans on behalf of the Company upon the resumption of the Remaining Luyuan Properties taking place. Subsequent to the date of the Relevant Agreement, Changchun Rudder has further confirmed (i) the amount of the Confirmed Remaining Rudder Loans as at 31 December 2025; and (ii) that the other liabilities under the Remaining Rudder Loans were released. As such, a one-off gain of approximately HK\$511.2 million was recognised by the Group during the Year.

## 5. PROFIT BEFORE TAX

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

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Employee benefits expenses (excluding Directors' remuneration): |                         |                         |
| Wages and salaries  | 56,189                  | 86,368                  |
| Pension scheme contributions                                    | <u>11,997</u>           | <u>20,206</u>           |
|   | <u>68,186</u>           | <u>106,574</u>          |
| Cost of inventories sold (a)                                    | 2,082,091               | 1,810,123               |
| Depreciation of property, plant and equipment                   | 107,332                 | 212,657                 |
| Depreciation of right-of-use assets                             | 6,311                   | 15,849                  |
| Amortisation of deferred income                                 | (2,806)                 | (4,365)                 |
| Auditor's remuneration  |                         |                         |
| — Annual audit  | 1,430                   | 1,430                   |
| — Non-audit service fee   | 346                     | 429                     |
| Written off of right-of-use assets                              | —                       | 61,753                  |
| Impairment (Reversal of impairment) of other receivables, net   | 13,285                  | (21,606)                |
| Research and development costs                                  | 8,215                   | 4,129                   |
| Reversal of impairment of trade receivables, net                | (2,207)                 | (21,419)                |
| Foreign exchange gain, net                                      | (3,006)                 | (4,521)                 |
| Write-down (Reversal of write-down) of inventories              | 25,250                  | (27,710)                |
| Loss on properties revaluation, net                             | —                       | 402,961                 |
| Impairment of property, plant and equipment                     | 68,307                  | —                       |
| Change in fair value of financial assets at FVPL                | 7,550                   | (14,098)                |
| Gain on Settlement Arrangements                                 | (511,232)               | —                       |
| Gain on deregistration of subsidiaries                          | (14,196)                | —                       |
| Write back of long outstanding payables                         | (24,159)                | —                       |
| Written off of property, plant and equipment                    | —                       | 311,401                 |
| Impairment on amount due from the GCG Group                     | 24,419                  | —                       |
| Impairment on amounts due from former subsidiaries              | 54,829                  | —                       |
| Gain on Suppliers Debt Restructuring Arrangement                | <u>(231,423)</u>        | <u>—</u>                |

Remark:

- (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.

## 6. FINANCE COSTS

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Interest on bank and other borrowings            | 44,013                  | 71,073                  |
| Interest on financial guarantees given by Nongfa | 30,435                  | 19,021                  |
| Interest on payables to suppliers                | 76,176                  | 75,697                  |
| Imputed interest on Convertible Bonds            | 157,456                 | 157,589                 |
| Interest on lease liabilities                    | <u>25</u>               | <u>22</u>               |
|  | <u><b>308,105</b></u>   | <u><b>323,402</b></u>   |

## 7. INCOME TAX EXPENSES (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 million and 16.5% for any assessable profits in excess of HK\$2 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 ended 31 December 2025 (2024: 25%). Provision for the PRC enterprise income tax has been made as the subsidiaries operating in PRC have estimated assessable profits for year ended 31 December 2025 (2024: no provision for the PRC enterprise income tax has been made as the subsidiaries operating in PRC incurred tax losses or the estimated assessable profits are wholly absorbed by tax losses brought forward).

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current tax  |                         |                         |
| PRC enterprise income tax                              | 110                     | —                       |
| Deferred tax   |                         |                         |
| Origination and reversal of temporary differences, net | <u>—</u>                | <u>(23,979)</u>         |
| <b>Income tax expenses (credit)</b>                    | <u><b>110</b></u>       | <u><b>(23,979)</b></u>  |

## 8. DIVIDENDS

The Board does not recommend the payment of any dividend (including: preferential dividend to holders of CPS) for the Year (2024: Nil).

## 9. EARNINGS PER SHARE

|  | 2025                  | 2024                 |
|--|-----------------------|----------------------|
| <b>Profit (in HK\$'000)</b>                            |                       |                      |
| Profit attributable to owners of the Company           | <u>156,297</u>        | <u>769,598</u>       |
| <b>Number of shares</b>                                |                       |                      |
| Weighted average of ordinary Shares in issue           | <u>10,818,054,580</u> | <u>8,928,680,187</u> |
| Basic earnings per Share ( <i>HK cents per Share</i> ) | <u>1.4</u>            | <u>8.6</u>           |

|  | 2025                  | 2024                  |
|--|-----------------------|-----------------------|
| <b>Profit (in HK\$'000)</b>  |                       |                       |
| Profit attributable to owners of the Company   | <u>156,297</u>        | <u>769,598</u>        |
| <b>Number of shares</b>  |                       |                       |
| Weighted average of ordinary Shares in issue   | <u>10,818,054,580</u> | 8,928,680,187         |
| Effect of conversion of CPS  | <u>17,267,750,569</u> | <u>17,267,750,569</u> |
| Weighted average number of ordinary Shares for the purpose of diluted earnings per Share | <u>28,085,805,149</u> | <u>26,196,430,756</u> |
| Diluted earnings per Share ( <i>HK cents per Share</i> )                                 | <u>0.6</u>            | <u>2.9</u>            |

For the years ended 31 December 2025 and 2024, the assumed conversion of CPS has dilutive effect as shown on the table above. For the years ended 31 December 2025 and 2024, no adjustment has been made in respect of outstanding Convertible Bonds as it has an anti-dilutive effect.

## 10. PROPERTY, PLANT AND EQUIPMENT

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| At 1 January                                 | 2,119,050               | 3,823,699               |
| Additions                                    | 21,040                  | —                       |
| Depreciation                                 | (107,332)               | (212,657)               |
| Loss on properties revaluation, net          | —                       | (303,970)               |
| Written off of property, plant and equipment | —                       | (311,401)               |
| Disposal of subsidiaries                     | —                       | (760,501)               |
| Impairment                                   | (68,307)                | —                       |
| Exchange realignment                         | 94,498                  | (116,120)               |
|  | <u>2,058,949</u>        | <u>2,119,050</u>        |
| At 31 December                               | <u>2,058,949</u>        | <u>2,119,050</u>        |

## 11. TRADE RECEIVABLES

|                   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-------------------|-------------------------|-------------------------|
| Trade receivables | 389,518                 | 392,479                 |
| Loss allowance    | (226,855)               | (233,022)               |
|                   | <u>162,663</u>          | <u>159,457</u>          |

The Group normally allows credit terms of 30 to 90 days (2024: 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:

|                | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 156,482                 | 151,989                 |
| 1 to 2 months  | 5,202                   | 213                     |
| 2 to 3 months  | 1                       | 95                      |
| 3 to 6 months  | —                       | 39                      |
| Over 6 months  | 978                     | 7,121                   |
|                | <u>162,663</u>          | <u>159,457</u>          |

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 9.2% (2024: 10.9%) and 16.9% (2024: 20.8%) 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

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Prepayments   | 48,503                  | 22,869                  |
| Deposits and other debtors                            | 42,324                  | 63,957                  |
| PRC value-added tax (“VAT”) and other tax receivables | 64,068                  | 54,005                  |
| Receivables from disposal of assets                   | —                       | 19,276                  |
|   | <u>154,895</u>          | <u>160,107</u>          |

## 13. DUE FROM FORMER SUBSIDIARIES

The amounts due from former subsidiaries are unsecured, interest-free and repayable on demand.

Upon the Disposal Completion, the entire Remaining Luyuan Properties are owned by the Disposal Group and no longer held by the Group, however a significant portion at approximately 42.3% (in term of square meter) of the relevant land of the Remaining Luyuan Properties has been seizure by/pledged to the Group, as such, the Group has requested the Disposal Group, as purchaser, to repay the amount due from former subsidiaries in exchange for the Group’s release of the seizure order. On 29 December 2025, the Relevant Parties entered into the Relevant Agreement, pursuant to which Changchun Dacheng Industrial instructed the Luyuan Government to transfer the compensation arising from resumption of the Remaining Luyuan Properties payable to the Disposal Group, to Changchun Rudder for the purpose of settling the Remaining Rudder Loans on behalf of the Company upon the resumption of the Remaining Luyuan Properties taking place. After taking into account the portion of the land relating to the Remaining Luyuan Properties that has been seized/pledged in favour of the Group (approximately 42.3%) and the amount of the Remaining Rudder Loans, the Group has made an impairment loss of approximately HK\$54,829,000 (2024: Nil) against the amounts due from former subsidiaries during the Year. Nevertheless, the Directors believe that the remaining balance of the amounts due from former subsidiaries, after the impairment, could be recoverable pursuant to the Settlement Arrangements.

## 14. CASH AND CASH EQUIVALENTS

|                        | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|------------------------|-------------------------|-------------------------|
| Cash and bank balances | <u>94,444</u>           | <u>85,470</u>           |

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately HK\$87,417,000 (2024: HK\$77,456,000 denominated in RMB). RMB 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 RMB 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. The bank balances are deposited with creditworthy banks with no recent history of default.

## 15. TRADE PAYABLES

|                           | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---------------------------|-------------------------|-------------------------|
| Trade payables            |                         |                         |
| — To third parties (a)    | 644,952                 | 526,071                 |
| — To the Nongfa Group (b) | <u>502,416</u>          | <u>648,548</u>          |
|                           | <u><b>1,147,368</b></u> | <u>1,174,619</u>        |

### Remarks:

- (a) The trade payables to the third parties of the amount of HK\$255.0 million are unsecured and interest-bearing at 6.5% per annum after the lapse of the credit periods.
- (b) The trade payables to the Nongfa Group are unsecured and interest-bearing at 6.5% per annum (2024: 6.5% to 7.8% per annum) after the lapse of the credit periods. During the Year, 吉林吉糧資產供應鏈管理有限公司 (Jilin Jiliang Assets Supply Chain Management Co., Ltd.\*) (“**Jiliang**”) has been separated from the Nongfa Group to become an entity directly under 吉林省人民政府國有資產監督管理委員會 (The State-owned Assets Supervision and Administration Commission of the People’s Government of Jilin Province) (“**Jilin SASAC**”) and classified as a third party. At 31 December 2024, the amount due to Jiliang of HK\$244.2 million was included in the trade payables to the Nongfa Group.

The Group normally obtains credit terms ranging from 30 to 90 days (2024: 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:

|                | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 1 month | 45,824                  | 355,421                 |
| 1 to 2 months  | 149,626                 | 78,366                  |
| 2 to 3 months  | 5,333                   | 800                     |
| Over 3 months  | <u>946,585</u>          | <u>740,032</u>          |
|                | <u><b>1,147,368</b></u> | <u>1,174,619</u>        |

## 16. OTHER PAYABLES AND ACCRUALS

|                                     | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|-------------------------------------|-------------------------|-------------------------|
| Accruals for employee benefits      | 523,350                 | 387,446                 |
| Payables for purchases of machinery | 39,576                  | 52,071                  |
| Receipts in advance (a)             | 37,154                  | 51,558                  |
| Payables to the Nongfa Group (b)    | 235,138                 | 1,038,044               |
| VAT and other duties payables       | 88,933                  | 120,081                 |
| Accruals and other creditors (c)    | 878,059                 | 208,410                 |
| Interest payables                   | 384,953                 | 801,158                 |
|                                     | <u>2,187,163</u>        | <u>2,658,768</u>        |

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:

|   | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| At 1 January                                      | 51,558                  | 156,061                 |
| Recognised as revenue                             | (53,621)                | (151,380)               |
| Receipt of advances or recognition of receivables | 37,154                  | 51,558                  |
| Exchange realignment                              | 2,063                   | (4,681)                 |
|   | <u>37,154</u>           | <u>51,558</u>           |
| At 31 December                                    | <u>37,154</u>           | <u>51,558</u>           |

### Unsatisfied or partially unsatisfied performance obligations

All the performance obligations that were unsatisfied (or partially unsatisfied) at 31 December 2025 and 2024 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 (i) advances from the subsidiaries of Nongfa which are unsecured, interest-bearing at 6.5% to 12.0% per annum (2024: 6.5% to 12.0% per annum) and are repayable on demand, and (ii) guarantee charge payables to Nongfa which are unsecured, repayable on demand and interest bearing at 3.5% per annum (2024: 3.5% per annum). During the Year, Jiliang has been separated from the Nongfa Group to become an entity directly under Jilin SASAC and classified as a third party. At 31 December 2024, the amount due to Jiliang of HK\$709.0 million was included in the payables to the Nongfa Group.
- (c) The other payables of the amount of HK\$811.8 million (2024: Nil) are unsecured and interest-bearing at 6.5% per annum and are repayable on demand.

## 17. SHARE CAPITAL, CPS AND TREASURY SHARES

|  | 2025<br><i>HK\$'000</i> | 2024<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Authorised:  |                         |                         |
| 30,000,000,000 (2024: 30,000,000,000)<br>ordinary Shares of HK\$0.1 each | <u>3,000,000</u>        | <u>3,000,000</u>        |
| 30,000,000,000 (2024: 30,000,000,000)<br>CPS of HK\$0.1 each             | <u>3,000,000</u>        | <u>3,000,000</u>        |
| Issued and fully paid (a):   |                         |                         |
| 16,832,771,527 (2024: 8,907,405,717)<br>ordinary Shares of HK\$0.1 each  | <u>1,683,277</u>        | <u>890,741</u>          |
| CPS (b):   |                         |                         |
| 17,267,750,569 (2024: 17,267,750,569)<br>CPS of HK\$0.1 each             | <u>1,726,775</u>        | <u>1,726,775</u>        |
| Treasury Shares (c):   |                         |                         |
| 44,560,000 (2024: 31,666,000) ordinary Shares                            | <u>(3,801)</u>          | <u>(2,583)</u>          |

Remarks:

### (a) Share Capital

The movements in issued share capital and share premium of the Company during the Year are as follows:

|   | Number of<br>Shares          | Nominal<br>value<br><i>HK\$'000</i> | Share<br>premium<br><i>HK\$'000</i> |
|---|------------------------------|-------------------------------------|-------------------------------------|
| At 1 January 2024, 31 December 2024<br>and 1 January 2025 | 8,907,405,717                | 890,741                             | 2,849,298                           |
| Conversion of Convertible Bonds                           | 5,172,759,833                | 517,276                             | 703,673                             |
| Issuance of Shares  | <u>2,752,605,977</u>         | <u>275,260</u>                      | <u>—</u>                            |
| <b>At 31 December 2025</b>                                | <u><b>16,832,771,527</b></u> | <u><b>1,683,277</b></u>             | <u><b>3,552,971</b></u>             |

Reference is made to the announcement of the Company dated 2 October 2025, the Convertible Bonds in the principal amount of HK\$1,086,279,565 were converted into 5,172,759,833 CB Conversion Shares based on the conversion price of HK\$0.21 per CB Conversion Share. On the same date, a total of 2,752,605,977 ordinary Shares were issued as consideration of approximately HK\$275.3 million for the Re-acquisition in relation to the Suppliers Debt Restructuring Arrangement.

(b) 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 CPS 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; 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, 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 (the “**EGM**”) 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 Changbaishan Liheng Investment Company Limited (“**Changbaishan Liheng**”), a direct wholly-owned subsidiary of Jilin Liheng, and Changbaishan Yuanheng Investment Company Limited (“**Changbaishan Yuanheng**”), a direct wholly-owned subsidiary of Jilin Yuanheng. The rate for conversion of the Subscription CPS into ordinary Shares is on a one for one basis.

The aggregate nominal value of the Subscription CPS is approximately 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.

(c) Treasury Shares

On 25 October 2024, an ordinary resolution had been passed at the EGM, 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 share capital of the Company 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, 12,894,000 Shares have been repurchased pursuant to the Share Repurchase Mandate, and a total of 44,560,000 Shares are currently held as Treasury Shares as at 31 December 2025.

## **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 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by 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\$2,325.5 million and HK\$518.5 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 and amino acids. 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

In 2025, the world economy forged ahead amid turbulence. Hit by multiple pressures including intensifying tariff frictions, escalating geopolitical tensions and rising volatility in financial markets, the economic recovery process remained fraught with considerable uncertainties. China's economy demonstrated strong resilience amid a complex and challenging external environment, with the consumer market continuing to recover, high-quality development making steady progress, and the fundamentals underpinning long-term growth becoming further strengthened.

According to the estimation published by the United States Department of Agriculture in February 2026, global corn production for the year 2025/26 is expected to reach 1,259.91 million metric tonnes ("MT") (2024/25: 1,230.58 million MT). The total global corn production remains at a relatively high historical level, with the output of major corn-producing countries generally stable. During the Year, 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 domestic market, because of the increase in total planted area of corn in China by 0.5%, reaching 44.9 million hectares for the Year, China's corn output recorded an increase in 2025 to 301.2 million MT (2024: 294.9 million MT), representing a year-on-year increase of 2.1% according to the 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 the demand of downstream products. As such, corn price in the PRC reached approximately RMB2,447 per MT by June 2025 and dropped to RMB2,312 per MT at the end of 2025 (2024: RMB2,082 per MT).

In 2025, the lysine market exhibited structural differentiation. The tightening global trade environment, marked by barriers such as the European Union (the "EU") anti-dumping investigations, has led to export obstacles. Domestically, the dual pressures of elevated raw material corn prices and industry capacity expansion squeezed profit margins. The average price for lysine of the Group for the Year dropped by 17.3% to RMB4,606 per MT year-on-year, with the decline of lysine price being more pronounced during the second half of the Year. Coupled with high corn price in the PRC, Changchun Dahe had adjusted the amino acid production volume to achieve an optimal production operation rate and minimise the loss during the last quarter of 2025.

In addition, with the advancement of modern bio-manufacturing technologies, market demand for high value-added amino acid products continues to grow. To keep up with the market trend, Changchun Dahe is actively advancing the Boiler Refurbishment Project to reduce amino acid production costs and enhance the Group's competitiveness. At the same time, the Group plans to upgrade and renovate other aging facilities. In terms of research and development, the Group will collaborate with other industry players or strategic partners to gradually resume operations at the Xinglongshan site to diversify the business segment of the Group.

## FINANCIAL PERFORMANCE

For most of the Year, due to the keen competition in the domestic market, the Group has maximised the production capacity of its production facilities in amino acids operation and the sales volume of the Group increased by approximately 36.6% to 522,000 MT (2024: 382,000 MT). However, the EU and the United States (the “US”) have imposed definitive anti-dumping duties and countervailing duty investigations on lysine products from China starting the second half of 2025. As a result, the local suppliers tend to sell their the amino acids products in the domestic market, and the Group has adjusted the amino acid production volume to achieve an optimal production operation rate to tackle the oversupply of amino acids products in the PRC during the last quarter of 2025. As such, the consolidated revenue of the Group increased by approximately 13.9% to approximately HK\$2,278.5 million (2024: HK\$2,001.0 million) for the Year. As the overall average selling price decreased by 15.1% while the overall average production cost per unit decreased by 14.0% during the Year, the Group recorded gross profit of approximately HK\$196.4 million (2024: HK\$191.0 million) with gross profit margin of 8.6% (2024: 9.5%). On 29 December 2025, the Relevant Parties entered into the Relevant Agreement, pursuant to which Changchun Dacheng Industrial instructed the Luyuan Government to transfer the compensation arising from resumption of the Remaining Luyuan Properties payable to the Disposal Group, to Changchun Rudder for the purpose of settling the Remaining Rudder Loans on behalf of the Company upon the resumption of the Remaining Luyuan Properties taking place. Subsequent to the date of the Relevant Agreement, Changchun Rudder has further confirmed (i) the amount of the Confirmed Remaining Rudder Loans as at 31 December 2025; and (ii) that the other liabilities under the Remaining Rudder Loans were released. In relation to the above-mentioned Settlement Arrangements, together with the Suppliers Debt Restructuring Arrangement completed during the Year, one-off gains of approximately HK\$511.2 million and HK\$231.4 million were recognised respectively, and the Group, therefore, recorded a net profit of approximately HK\$156.3 million (2024: HK\$769.6 million).

### *Upstream products*

(Revenue: HK\$335.0 million (2024: HK\$264.2 million))

(Gross loss: HK\$4.5 million (2024: Gross profit: HK\$2.6 million))

All the corn starch was used internally in producing the Group’s amino acids products during the Year. As such, no external sale of corn starch had been recorded for the Year and the corresponding prior year.

The sales volume of the Group’s other corn refined products increased by approximately 42.2% to approximately 145,000 MT (2024: 102,000 MT) during the Year while the revenue merely increased by approximately 26.8% to approximately HK\$335.0 million (2024: HK\$264.2 million). Due to the drop of the Group’s average selling price of other corn refined products by approximately 10.8%, which was at a faster rate than the lowering of the average production cost as the result of the anti-dumping policies imposed by various western countries during the second half of 2025, the gross loss margin of other corn refined products increased to approximately 1.3% (2024: gross profit margin: 1.0%) and the Group recorded gross loss of approximately HK\$4.5 million (2024: gross profit: HK\$2.6 million) during the Year.

### ***Amino acids***

(Revenue: HK\$1,943.5 million (2024: HK\$1,736.9 million))

(Gross profit: HK\$200.9 million (2024: HK\$188.4 million))

The amino acids segment consists of lysine, protein lysine and threonine products. As a result of the anti-dumping policies imposed by western countries during the Year, the average selling price of amino acid products of the Group dropped drastically by 16.9%. For the Year, the Group recorded a significant increase in sales volume of amino acids of approximately 34.6%, while the revenue generated therefrom increased by approximately 11.9% to HK\$1,943.5 million (2024: HK\$1,736.9 million). Although the Group has executed an appropriate adjustment in production capacity of amino acids products to minimise the operating loss during the last quarter of 2025, the decrease in average production cost per unit did not cover the decrease of total average selling price per unit. As such, the Group recorded a gross profit of the amino acids segment of approximately HK\$200.9 million (2024: HK\$188.4 million) with gross profit margin of 10.3% (2024: 10.8%) for the Year.

The outlook on the amino acids segment remains uncertain with the unpredictable corn price and trade wars between the PRC and the US. The Group will remain cautious and continue to closely monitor the development of the market conditions and devote efforts to facilitate various refurbishment projects to further lower the production costs as well as enhance its competitiveness within the amino acids industry.

### ***Export sales***

During the Year, export sales mainly consisted of the sale of amino acids and upstream products which accounted for approximately 20.4% (2024: 31.6%) of the Group's total revenue. The export sales of the Group amounted to approximately HK\$465.5 million (2024: HK\$632.1 million) during the Year. Such decrease was mainly attributable to the anti-dumping policies and additional tariffs imposed by western countries during the Year.

### ***Other income and gains***

During the Year, other income and gains increased by approximately 372.2% to approximately HK\$835.3 million (2024: HK\$176.9 million). Such increase was mainly attributable to the recognition of the one-off gains in relation to the Settlement Arrangements and the completion of Suppliers Debt Restructuring Arrangement of approximately HK\$511.2 million and HK\$231.4 million respectively, during the Year.

### ***Selling and distribution costs***

During the Year, selling and distribution costs increased by approximately 10.6% to approximately HK\$119.2 million (2024: HK\$107.8 million), accounting for approximately 5.2% (2024: 5.4%) of the Group's revenue. Such increase was mainly attributable to the increase in sales volume of the Group during the Year.

### ***Administrative expenses***

During the Year, administrative expenses significantly decreased by approximately 24.3% to approximately HK\$186.5 million (2024: HK\$246.5 million). Such decrease was resulted from the deconsolidation of the financials of the Disposal Group from the consolidated financial statements of the Group for the whole year of 2025 upon the Disposal Completion.

### ***Other expenses***

During the Year, other expenses decreased significantly by approximately 77.2% to approximately HK\$206.7 million (2024: HK\$906.7 million). Other expenses primarily comprised the expenses in relation to idle capacity of certain suspended production facilities of approximately HK\$40.7 million (2024: HK\$133.9 million) and impairment of property, plant and equipment approximately HK\$68.3 million (2024: Nil). Such decrease was mainly attributable to the absence of the recognition of loss on properties revaluation of approximately HK\$402.9 million and written off of property, plant and equipment of approximately HK\$311.4 million during the Year.

### ***Finance costs***

During the Year, finance costs of the Group decreased by 4.7% to approximately HK\$308.1 million (2024: HK\$323.4 million), which was mainly attributable to the decrease in interest on bank and other borrowings to approximately HK\$44.0 million (2024: HK\$71.1 million) for the Year.

### ***Income tax expenses (credit)***

Certain subsidiaries in the PRC generated net profit and PRC enterprise income tax of approximately HK\$0.1 million (2024: Nil) was recognized. On the other hand, no deductible temporary differences were recorded by the Group during the Year (2024: tax credit: HK\$24.0 million). As a result, the Group recorded income tax expenses of approximately HK\$0.1 million (2024: tax credit: HK\$24.0 million) during the Year.

### **Net profit of the Company**

Despite the absence of recognition of a one-off gain on disposal of subsidiaries upon the Disposal Completion of approximately HK\$1,962.1 million recorded for the corresponding prior year, the Company recorded a net profit of approximately HK\$156.3 million (2024: HK\$769.6 million) for the Year due to the recongition of one-off gains in relation to the Settlement Arrangements and the Suppliers Debt Restructuring Arrangement, together with substantial reduction in the administrative expenses and other expenses 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 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 2025 decreased by approximately HK\$99.6 million to approximately HK\$1,793.3 million (31 December 2024: HK\$1,693.7 million) as a result of additional loans granted of approximately HK\$579.3 million, which was partially offset by (i) the repayment of the certain bank and other borrowings of approximately HK\$500.3 million; and (ii) the exchange rate adjustment of approximately HK\$20.6 million during the Year. On the other hand, the cash and bank balances as at 31 December 2025, which were mainly denominated in RMB and Euro, increased by approximately HK\$8.9 million to approximately HK\$94.4 million (31 December 2024: HK\$85.5 million, denominated in RMB and Euro). As a result, the net borrowings of the Group increased by approximately HK\$90.7 million to HK\$1,698.9 million (31 December 2024: HK\$1,608.2 million) as at 31 December 2025.

## **Structure of interest-bearing bank and other borrowings**

As at 31 December 2025, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$1,793.3 million (31 December 2024: HK\$1,693.7 million), all (31 December 2024: all) of which were denominated in RMB. As at 31 December 2025, the percentage of interest-bearing bank and other borrowings wholly repayable within one year and in the second to the fifth years were 68.8% and 31.2% (31 December 2024: 100.0% and nil), respectively.

As at 31 December 2025, interest-bearing bank and other borrowings amounted to approximately RMB620.7 million (31 December 2024: RMB89.2 million) have been charged at fixed interest rates ranging from 3.1% to 7.8% (31 December 2024: 5.0% to 7.8%). 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**

Reference is made to the announcement of the Company dated 2 October 2025. The Company received a conversion notice from Modern Agricultural for the exercise of its conversion rights under the Convertible Bonds in full and convert the Convertible Bonds in the principal amount of HK\$1,086,279,565 into 5,172,759,833 CB Conversion Shares at the conversion price of HK\$0.21 per CB Conversion Share. Upon completion of the necessary administrative procedures, the Company allotted and issued 5,172,759,833 Shares, which rank *pari passu* in all respects among themselves and with all the then existing Shares in issue, to Modern Agricultural on 2 October 2025. Following the Conversion, the Convertible Bonds have been fully converted and the Company has no outstanding Convertible Bonds in issue. As such, the Convertible Bonds were divided into liability component and equity component which amounted to nil and nil as at 31 December 2025 (31 December 2024: HK\$958.8 million and HK\$104.7 million) respectively and effective imputed interest of approximately HK\$157.5 million (2024: HK\$157.6 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 subscription monies of RMB250,000,000; and (ii) Jilin Liheng conditionally agreed to subscribe for the Liheng CPS in the subscription monies of RMB1,330,000,000, 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.

Following the CPS Subscription Completion, a total of 14,535,514,629 Liheng CPS and 2,732,235,940 Yuanheng CPS were issued to Changbaishan Liheng and Changbaishan Yuanheng, which may be converted into Shares on a one for one basis, representing approximately 42.63% and 8.01% of the issued share capital (including Treasury Shares) 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.

### **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 decreased to approximately 26 days (31 December 2024: 29 days), as the Group maintained a stringent credit control during the Year.

During the Year, the Group continued to have a long settlement period of trade payables as part of cash flow management of the Group. As such, trade payables turnover days for the Year was approximately 204 days (31 December 2024: 211 days).

In addition, the inventory turnover days decreased to approximately 8 days (31 December 2024: 42 days) as the Group adjusted the production capacity to achieve an optimal production operation rate during the last quarter of 2025.

As at 31 December 2025, the current ratio and the quick ratio of the Group were approximately 0.5 (31 December 2024: 0.3) and 0.5 (31 December 2024: 0.3), respectively. 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 38.8% (31 December 2024: 58.4%) as a result of (i) the Suppliers Debt Restructuring Arrangement which took place on 2 October 2025; (ii) the Conversion; and (iii) the Relevant Parties reaching a consensus on the Settlement Arrangements 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, which were denominated in US dollars, accounted for approximately 20.4% (2024: 31.6%) of the Group's revenue during the Year. 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 in the short run. Therefore, the Group does not intend to hedge its exposure to foreign exchange fluctuations in RMB. 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**

### **EPC Contract**

Reference is made to the announcement of the Company dated 31 July 2025. On 31 July 2025, Changchun Dahe entered into the EPC Contract with Northeast Electric and Liaoning Electric (i.e. the Contractors), being the successful joint bidders, in relation to the Boiler Refurbishment Project at a maximum consideration of RMB129.1 million.

Under the EPC Contract, the Contractors will be responsible for the project engineering design, procurement, construction, installation, calibration and test running related works in respect of the Boiler Refurbishment Project. The entire term of the EPC Contract shall be inclusive of all the time required for engineering design and review, construction works, calibration and test runs, with 30 November 2025 set as the milestone date for the enclosure of the boiler plants and actual production expected to commence on 31 August 2026. The contract sum is approximately RMB125.1 million (inclusive of tax and excluding any bonus for early completion), comprises design fee of RMB2.2 million, procurement fee of RMB43.41 million, construction and installation fee of RMB78.4 million and calibration fee of RMB1.09 million. The early completion bonus, in the amount of RMB4.0 million, RMB3.0 million or RMB2.0 million, will be granted if the Contractors complete the Boiler Refurbishment Project before 30 June 2026, 31 July 2026 or 31 August 2026, respectively.

In view of the widely use of high-temperature/high-pressure and ultra-high-temperature/ultra-high-pressure boilers in the PRC with greater cost-efficiency, and taking into account the sustainable development of the Group as a whole, there is a need for Changchun Dahe to refurbish its boiler facilities in the production site and undergo a systematic upgrade of its boiler units in order to reduce costs and improve its market competitiveness. By entering into the EPC Contract, the Group will be able to contract out the Boiler Refurbishment Project to appropriate contractors, thereby reducing unnecessary administrative costs and selecting high-quality suppliers via fair competition. The Board is of the view that the terms of the EPC Contract are fair and reasonable and in the interests of the Shareholders as a whole.

## Suppliers Debt Restructuring Arrangement

References are made to the announcements of the Company dated 9 June 2025, 3 July 2025, 8 July 2025 and 2 October 2025. In order to resolve the Suppliers Debt owing to the Relevant Suppliers that had been overdue for more than 10 years, the Group conducted the Suppliers Debt Restructuring Arrangement which primarily involved two major steps: (i) the debt-to-equity conversion in the PRC, converting the Relevant Suppliers' interests in the Suppliers Debt to equity interest in Century Dacheng to be held by the PRC LLP I, PRC LLP III, PRC LLP V, PRC LLP VII and PRC LLP IX (as defined below) (collectively, the “**Suppliers PRC LLPs**”); and (ii) the equity-swap at the Company level, swapping the equity interest in Century Dacheng held by the Suppliers PRC LLPs with the 1,387,643,964 Consideration Shares (the “**Consideration Shares I**”) allotted and issued in the accordance with the terms of SPA I (as defined below) and 1,364,962,013 Consideration Shares (the “**Consideration Shares II**”) allotted and issued in accordance with the terms of SPA II (as defined below). On 9 June 2025, (i) each of the Suppliers PRC LLPs, as the initial creditors and subscribers; (ii) Century Dacheng, as the debtor and the issuer; and (iii) Global Bio-chem Technology (HK) Limited, the immediate shareholder of Century Dacheng, entered into respective debt-to-equity-swap agreements (the “**Debt-to-Equity-Swap Agreements**”). Pursuant to the Debt-to-Equity-Swap Agreements, each of the Suppliers PRC LLPs utilised the respective Suppliers Debt amount they owned (RMB461.1 million in aggregate) to subscribe for new registered capital of Century Dacheng, which, upon completion, are regarded as fully paid-up registered capital, representing approximately 28.98% equity interest in Century Dacheng.

On 8 July 2025, the Company, as purchaser, has entered into (a) a share purchase agreement (“**SPA I**”), with 吉林省盛利壹號企業管理諮詢中心(有限合夥) (Jilin Province Shengli I Corporation Management Advisory Centre (LLP)\*)(“**PRC LLP I**”), 吉林省盛利叁號企業管理諮詢中心(有限合夥) (Jilin Province Shengli III Corporation Management Advisory Centre (LLP)\*)(“**PRC LLP III**”), 吉林省盛利伍號企業管理諮詢中心(有限合夥) (Jilin Province Shengli V Corporation Management Advisory Centre (LLP)\*)(“**PRC LLP V**”), and 吉林省盛利柒號企業管理諮詢中心(有限合夥) (Jilin Province Shengli VII Corporation Management Advisory Centre (LLP)\*)(“**PRC LLP VII**”); and (b) a share purchase agreement (“**SPA II**”, together with SPA I, the “**SPAs**”) with 吉林省盛利玖號企業管理諮詢中心(有限合夥) (Jilin Province Shengli IX Corporation Management Advisory Centre (LLP)\*)(“**PRC LLP IX**”).

Pursuant to the SPAs, the Company conditionally agreed to acquire and the Suppliers PRC LLPs conditionally agreed to sell, the entire issued share capital of (i) ShengLi I International Limited (“**ShengLi I International**”) (a then directly wholly-owned subsidiary of ShengLi I Capital Holdings Limited (“**ShengLi I Capital**”), which was indirectly wholly-owned by PRC LLP I, PRC LLP III, PRC LLP V and PRC LLP VII, and held approximately 19.52% equity interest in Century Dacheng); and (ii) ShengLi IX International Limited (“**ShengLi IX International**”) (a then directly wholly-owned subsidiary of ShengLi IX Capital Holdings Limited (“**ShengLi IX Capital**”), which was directly wholly-owned by PRC LLP IX, and held approximately 9.46% of equity interest of Century Dacheng), respectively. The consideration for the Re-acquisition represents the amount of the Suppliers Debt after applying an overall haircut discount of approximately 34.72%, being RMB151,743,863 under SPA I and RMB149,263,510 under SPA II, respectively. Such consideration shall be settled by the allotment and issue of the Consideration Shares at the issue price of HK\$0.12 per Consideration Share at completion,

representing (i) a premium of 36.6% to the closing price of HK\$0.088 per Share as quoted on the Stock Exchange on the date of the SPAs; and (ii) a premium of approximately 34.23% to the average of the closing price of HK\$0.0894 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the SPAs. Adopting the exchange rate as announced by the People's Bank of China on the date of the SPAs, a total of 1,387,643,964 Consideration Shares I and 1,364,962,013 Consideration Shares II shall be allotted and issued under SPA I and SPA II, respectively. The aggregate nominal value of the Consideration Shares is HK\$275,260,597.70. The resolution to approve the SPAs and the transactions contemplated thereunder, including the Re-acquisition and the grant of the specific mandate for the issue of the Consideration Shares, was passed by way of poll at an EGM held on 18 September 2025.

On 2 October 2025, all the conditions precedent under each of SPA I and SPA II have been fulfilled and completion of the SPAs took place in accordance with the terms and conditions of each of the SPAs. A total of 2,752,605,977 Consideration Shares have been issued, among which 1,387,643,964 Consideration Shares I were issued to ShengLi I Capital, for the acquisition of the 100% equity interest in ShengLi I International pursuant to SPA I; and 1,364,962,013 Consideration Shares II were issued to ShengLi IX Capital, for the acquisition of the 100% equity interest in ShengLi IX International pursuant to SPA II, respectively.

## **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 Year.

## **FUTURE PLANS AND PROSPECTS**

In the short run, the Group will monitor the process of the Boiler Refurbishment Project and, upon completion, utilise the high-temperature/high-pressure and ultra-high-temperature/ultra-high-pressure boilers to reduce production costs, improve market competitiveness and support the sustainable development of the Group as a whole. The Board expects that lysine and other amino acids products will remain as core business of the Group and will stabilise the cash flow in the short term. Reference is also made to the announcement of the Company on 23 May 2025 in relation to the strategic cooperation plan to establish a pilot testing platform at the Group's Xinglongshan site with 合肥和晨生物科技有限公司 (Hefei Hechen Bio-tech Company Limited\*). The Group endeavours to utilise the research centres and pilot testing facilities at the Xinglongshan site for the trial run production of high-value-added biochemical new products for future development.

In the long run, the Group will collaborate with various industry players, universities and biochemical companies in the future to further develop product lines and be suitable for more advanced applications and facilitate full resumption of the 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 2025, the Group had approximately 1,890 (2024: 1,567) full time employees in Hong Kong and the PRC. During the Year, employee cost, including the Directors' remuneration, was approximately HK\$69,697,000 (2024: HK\$107,970,000). 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 12,894,000 Shares on the Stock Exchange with an aggregate consideration of approximately HK\$1,218,328 (before expenses). As confirmed by the Directors, such Share repurchases were conducted on the Stock Exchange and 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. In implementing the Share repurchase programme, the Board has taken into account the prevailing market conditions and considered that the Company's Share price was below its intrinsic value and may not fully reflect the business prospects of the Company. The Board has, therefore, made the below repurchases during the Year to reflect its confidence in the Company's long-term business and growth prospects. All such Shares repurchased were held as Treasury Shares. As at 31 December 2025, the total number of Shares in issue was 16,832,771,527 (including 44,560,000 Treasury Shares). Details of the Shares repurchased are as follows:

| Months      | Number of<br>Shares<br>repurchased | Repurchase price per Share |                  | Aggregate<br>consideration<br>paid<br>(HK\$) |
|-------------|------------------------------------|----------------------------|------------------|--|
|             |                                    | Highest<br>(HK\$)          | Lowest<br>(HK\$) |  |
| <b>2025</b> |                                    |                            |                  |  |
| January     | 6,894,000                          | 0.100                      | 0.099            | 685,506                                      |
| February    | <u>6,000,000</u>                   | <u>0.095</u>               | <u>0.083</u>     | <u>532,822</u>                               |
|             | <u>12,894,000</u>                  |                            |                  | <u>1,218,328</u>                             |

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 (2024: 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<sup>^</sup> (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<sup>^</sup> 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 three meetings during the Year.

## **ANNUAL GENERAL MEETING**

The 2025 annual general meeting (the “**AGM**”) of the Company will be held on Wednesday, 24 June 2026 at 11:00 a.m.. Notice of the AGM will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.globalbiochem.com](http://www.globalbiochem.com)) and made available to the Shareholders in due course.

<sup>^</sup> 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.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members 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 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 Wednesday, 17 June 2026.

## **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](http://www.hkexnews.hk)) and the Company ([www.globalbiochem.com](http://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 opinion or assurance conclusion 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, 27 March 2026

*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 Yuwen; and three independent non-executive Directors, namely, Ms. Jiang Fangfang, Mr. Tan Chao and Ms. Xie Liangqiu.*