



大成玉米集團有限公司*

GLOBAL CORN Group Limited

(incorporated in the Cayman Islands with limited liability)
Stock Code: 03889

2025

Interim Report



*For identification purpose only

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DEFINITIONS

“Audit Committee”	the audit committee of the Company
“Auditor”	the auditor of the Company, Forvis Mazars CPA Limited
“Beipiao GSH”	北票大唐糧食購銷有限公司 (Beipiao GSH Grains Trading Co., Ltd.*), an indirect wholly-owned subsidiary of the Company prior to the completion of the Retail Group Disposal
“Board”	the board of Directors
“CB First Completion”	completion of the issuance of the first batch of Convertible Bonds in the aggregate principal amount of RMB60.0 million and the subscription of the aforesaid Convertible Bonds by the CB Subscribers, on 3 May 2024 pursuant to the terms of the CB Subscription Agreement
“CB Second Completion”	completion of the issuance of the second batch of Convertible Bonds in the aggregate principal amount of RMB60.0 million and the subscription of the aforesaid remaining Convertible Bonds by the CB Subscribers, on 19 July 2024 pursuant to the terms of the CB Subscription Agreement
“CB Subscribers”	collectively, Mr. Wang Tiegung and Mr. Kong Zhanpeng, the subscribers under the CB Subscription Agreement
“CB Subscription”	the subscription of the Convertible Bonds under specific mandate pursuant to the terms of the CB Subscription Agreement
“CB Subscription Agreement”	the conditional subscription agreement entered into between the Company and the CB Subscribers dated 6 April 2023 in relation to the CB Subscription
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules applicable for the Period
“Company”	Global Corn Group Limited (formerly known as Global Sweeteners Holdings Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03889)
“Conversion Price”	the conversion price per Conversion Share at which Conversion Shares will be issued upon exercise of the Conversion Rights attaching to the Convertible Bonds, being initially HK\$0.1 per Conversion Share, subject to adjustments pursuant to the terms and conditions of the Convertible Bonds
“Conversion Rights”	the rights pursuant to the terms and conditions of the Convertible Bonds attaching to each Convertible Bond to convert the principal amount or a part thereof into Shares
“Conversion Share(s)”	new Shares fall to be allotted and issued by the Company pursuant to the exercise of the Conversion Rights attaching to the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds

“Convertible Bonds”	the RMB120.0 million (equivalent to approximately HK\$138.0 million), 3 year, 5 per cent. convertible bonds issued by the Company to the CB Subscribers in accordance with the terms of the CB Subscription Agreement
“Corporate Governance Committee”	the corporate governance committee of the Company
“Dalian Angus”	大連安格斯牛業有限公司 (Dalian Angus Beef Co., Ltd.*), an indirect wholly-owned subsidiary of the Company prior to the completion of the Retail Group Disposal
“Debt Restructuring Agreement”	a debt restructuring agreement entered into between (i) Jilin Cinda, as creditor, (ii) Jinzhou Yuancheng, as debtor, and (iii) Shanghai Haocheng, as guarantor dated 28 December 2023, pursuant to which the Group has agreed to repay to Jilin Cinda RMB88.0 million for the settlement of the Yuancheng CCB Loans
“Dihao Foodstuff”	長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*), a former indirect wholly-owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“GBT”	Global Bio-chem Technology Group Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00809), which holds 500,000 Shares (representing approximately 0.03% of the entire issued share capital of the Company) and indirectly holds 259,813,000 Shares (representing approximately 13.45% of the entire issued share capital of the Company) through Global Corn Bio-Chem as at the date of this report
“Global Corn Bio-Chem”	Global Corn Bio-Chem Technology Company Limited, a wholly-owned subsidiary of GBT, which holds 259,813,000 Shares (representing approximately 13.45% of the entire issued share capital of the Company) as at the date of this report
“GP”	吉林省現代農業產業基金有限公司 (Jilin Province Modern Agricultural Industry Fund Limited*)
“Group”	the Company and its subsidiaries from time to time
“GS Retail”	Global Sweeteners Retail Investment Company Limited, a direct wholly-owned subsidiary of the Company prior to the completion of the Retail Group Disposal
“GS Trade Dalian”	大成糖業貿易發展(大連)有限公司 (Global Sweeteners Trade Development (Dalian) Co., Ltd.*), an indirect wholly-owned subsidiary of the Company prior to the completion of the Retail Group Disposal

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huasheng”	Hong Kong Huasheng Company Limited, a limited liability company incorporated in Hong Kong, one of the substantial Shareholders
“Jilin Cinda”	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 Huasheng”	吉林省華生商貿有限公司 (Jilin Huasheng Trading Limited*), a company incorporated in the PRC
“Jilin SASAC”	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*), a PRC government body within the meaning of the Listing Rules and a substantial shareholder of GBT within the meaning of Part XV of the SFO
“Jinzhou CCB”	中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation*)
“Jinzhou Huayin”	錦州市華銀資產經營有限公司 (Jinzhou Huayin Asset Management Co., Ltd.*)
“Jinzhou Yuancheng”	錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Modern Agricultural”	Modern Agricultural Industry Investment Limited
“Modern Agricultural Holdings”	Modern Agricultural Industry Investment Holdings Limited
“MT”	metric tonnes
“Nomination Committee”	the nomination committee of the Company
“Nongfa”	吉林省農業發展集團有限公司 (Jilin Agricultural Development Group Co., Ltd.*), a controlling shareholder of GBT within the meaning of the Listing Rules
“Period”	the six months ended 30 June 2025
“Pingliang Angus”	平涼安格斯牛業發展有限公司 (Pingliang Angus Beef Development Co., Ltd.*), an indirect wholly-owned subsidiary of the Company prior to the completion of the Retail Group Disposal
“PRC” or “China”	the People’s Republic of China

“PRC LLP”	吉林省現代農業產業投資基金(有限合夥)(Jilin Province Modern Agricultural Industry Investment Fund (LLP)*)
“Remuneration Committee”	the remuneration committee of the Company
“Retail Group”	GS Retail and its subsidiaries, including Beipiao GSH, Dalian Angus, GS Trade Dalian and Pingliang Angus
“Retail Group Disposal”	the disposal of the Retail Group under the Retail Group SPA
“Retail Group SPA”	the sale and purchase agreement dated 17 April 2024 entered into by an independent third party (as a purchaser) and the Company (as a seller) to transfer the Retail Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Haocheng”	上海好成食品發展有限公司 (Shanghai Haocheng Food Development Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shares Subscriber(s)”	the six independent subscriber(s), who respectively entered into the Shares Subscription Agreement(s) with the Company on 20 December 2024
“Shares Subscription(s)”	the subscription(s) of the Subscription Shares by the Shares Subscribers pursuant to the terms and conditions of the respective Shares Subscription Agreements
“Shares Subscription Agreement(s)”	the conditional subscription agreements all dated 20 December 2024 entered into between the Company and each of the Shares Subscribers in relation to the Shares Subscriptions subject to the terms and conditions therein
“Shares Subscription Price”	the subscription price of HK\$0.1 per Subscription Share
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Share(s)”	an aggregate of 41,000,000 new Shares allotted and issued by the Company at the Shares Subscription Price pursuant to the Shares Subscription Agreements
“Tiebei BOJ”	錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*), a lender of Jinzhou Yuancheng

DEFINITIONS

“Tiebei BOJ Loans”	the loans from Tiebei BOJ to Jinzhou Yuancheng with the aggregate principal amount being RMB212.5 million together with outstanding interest prior to transfer to Jinzhou Huayin
“Yuancheng CCB Loans”	the loans from Jinzhou CCB to Jinzhou Yuancheng with the aggregate principal amount being RMB188.7 million together with outstanding interest prior to transfer to Jilin Cinda
“%”	per cent.

Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in this section.

** For identification purposes only*

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Tieguaung (*Joint chairman*)
Mr. Kong Zhanpeng (*Joint chairman*)
Mr. Li Fangcheng

Non-executive Director

Mr. Tai Shubin

Independent non-executive Directors

Ms. Li Guichen
Ms. Liu Ying
Mr. Lo Kwing Yu

COMPANY SECRETARY

Mr. Chan Sing Fai, ACG, HKACG, HKICPA

REGISTERED OFFICE

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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hung Hom
Kowloon
Hong Kong

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants
42nd Floor
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18 Harbour Road
Wanchai
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LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners
40th Floor, Jardine House
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Central
Hong Kong

PRINCIPAL BANKERS

Shanghai Minhang BOS Rural Bank
Nanyang Commercial Bank (China) Limited, Shanghai Branch
Bank of China (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
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Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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17th Floor, Far East Finance Centre
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WEBSITE

www.global-corn.com

STOCK CODE

03889

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

In the first half of 2025, global economies experienced downturn in growth. The United States' tariff policies and its ongoing trade negotiations with multiple countries have escalated geopolitical conflicts and heightened corporate debt risks which created significant headwinds for global trade and economic development. The World Bank has lowered its projection for global economic growth in 2025 by 0.4 percentage point, adjusting the forecast to 2.3%. Although China's gross domestic product ("GDP") recorded a year-on-year growth of 5.3% during the first half of 2025, indicating a stable overall economic development, certain price indicators demonstrated a downward trend driven by the China-United States trade tensions and the persistence of international tariff barriers.

During the Period, the China-United States trade policies have led to a decline in the China's corn imports, resulting in a tightened corn supply and a price upsurge since the beginning of the year. The increase in costs of corn (being a raw material for corn starch) combined with the weak downstream demand for domestic corn starch, have constrained corn starch manufacturers' ability to transfer their cost pressures downstream, further compressing the profit margins across the industry. Meanwhile, as the narrowing of the gap between domestic sugar supply and demand continued, and that sugar imports remained stable, sugar prices declined during the first half of 2025. As such, the domestic sweetener market has become increasingly competitive with retreating prices.

During the Period, the Group focused on the operations of its Shanghai production site and adjusted its production volume to achieve optimal production operation rate. As a result, during the Period, the Group's sales volume and consolidated revenue declined by approximately 18.2% and 23.7% to approximately 81,000 MT and HK\$253.6 million, respectively. Due to the intensified competition in the sweetener segment and narrowing of the supply-demand gap for domestic sugar, the Group's average unit selling price of sweetener products decreased by 7.3% during the Period. However, benefiting from the lower corn starch purchase prices compared with the corresponding prior period and the adjusted production operation rate, the Group's average unit production cost of sweetener products declined by approximately 13.2%, leading to a year-on-year increase of approximately 113.2% in the Group's gross profit to approximately HK\$24.3 million, with gross profit margin rising to 9.6% during the Period.

During the Period, due to (i) the absence of the one-off gains recognised by the Group in the corresponding prior period from the completion of the Debt Restructuring Agreement and the completion of the Retail Group Disposal, (ii) the increased interest expenses resulting from imputed interest in relation to the Convertible Bonds issued last year, and (iii) the amortisation of deferred day-one loss in relation to the Convertible Bonds recognised, the Group recorded a net loss of approximately HK\$63.3 million during the Period.

OUTLOOK

With the expected increase in sugar output from major sugar-producing countries such as India and Thailand, coupled with the declining sugar prices and the narrowing of the supply-demand gap, the sweetener market is expected to remain pressured in the second half of 2025. The Group will continue to implement strategic improvements to optimise production, focus on consolidating its market position, and adapt to market dynamics by promoting product diversification. It will also develop high value-added products and reduce production costs to improve market competitiveness. Following the completion of the refurbishment of its upstream production facilities in Jinzhou at the end of 2024, the Group will continue to assess its financial position and the status of the upstream corn starch market, with the aim to resume operations at the Jinzhou production site as soon as possible. Through vertical integration of upstream and downstream operations, the Group will be able to enhance overall operating efficiency. The Group endeavors to create more favorable conditions for future external financing upon completion of the debt restructuring of the Tiebei BOJ Loans, which will provide additional momentum for the resumption of its upstream production facilities in Jinzhou.

On 20 May 2025, the Company changed its English name to “Global Corn Group Limited” and its Chinese name (for identification purpose only) to “大成玉米集團有限公司”. The new company name reflects the Group’s business nature and strategic direction more accurately, laying a strong brand foundation for the Group’s future development.

We firmly believe that by further resolving the Group’s debts, enhancing synergies across upstream and downstream production, and improving cost management, the Group’s financial position will continue to be strengthened. We sincerely thank the Shareholders and all stakeholders for their continued support. We will further implement pragmatic business strategies to address industry challenges, seize development opportunities and drive steady business growth, thereby creating long-term value for the Shareholders.

Wang Tieguang
Kong Zhanpeng
Joint chairmen

29 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners, categorised into upstream and downstream products. The Group's upstream products include corn starch, gluten meal, corn oil and other corn refined products. Corn starch is refined downstream to produce various corn sweeteners such as corn syrup (which includes glucose syrup, maltose syrup and high fructose corn syrup) and corn syrup solid (which includes maltodextrin).

BUSINESS REVIEW

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

The global economy was projected to show sluggish growth in 2025. The World Bank forecasted a global GDP growth at 2.3% for 2025, being the lowest level since 2008. Challenges including escalating trade tensions, geopolitical uncertainties, and the rise of protectionism persisted throughout the Period. All such factors suggested limited growth momentum in the global economy for the first half of 2025, and the global economy is at risk of long-term stagnation.

According to data from the National Bureau of Statistics, China's GDP grew by 5.3% year-on-year in the first half of 2025. While the economy showed resilience, some price indicators demonstrated a downward trend. In the first half of 2025, China's Consumer Price Index (CPI) recorded a year-on-year decrease of 0.1%, and China's Producer Price Index (PPI) decreased by 2.8% year-on-year. As such, expanding domestic demand and stimulating consumption remain to be the top priorities for 2025.

Regarding corn supply, global corn production for the year 2025/26 is estimated at 1,263.7 million MT (2024/25: 1,225.3 million MT), according to the estimation from the United States Department of Agriculture in July 2025. The total global production is still at a relatively high historical level. With the United States corn supply being abundant, and the rising seasonal supplies in Argentina and Brazil, global corn prices were under pressure. International corn prices fell from 459.2 US cents per bushel at the start of 2025 (equivalent to RMB1,302 per MT) to 420.5 US cents per bushel by the end of June 2025 (equivalent to RMB1,192 per MT) (end of June 2024: 397.0 US cents per bushel (equivalent to RMB1,135 per MT)).

In the PRC, according to the Chinese Agricultural Supply and Demand Estimates Report in July 2025, domestic corn harvest in the year 2025/26 is estimated to produce 296.2 million MT (2024/25: 294.9 million MT) of corn, with consumption volume estimated at 299.7 million MT (2024/25: 298.5 million MT). Due to tighter domestic supply and changes in international trade policies, corn imports continued to fall. It is estimated that China's corn imports for the year 2024/25 will drop sharply to 7.0 million MT – that is 16.4 million MT less than that of the year 2023/2024. Domestic corn prices showed a steady increase in the first half of 2025, rising from RMB2,075 per MT in January 2025 to RMB2,447 per MT by June 2025.

With raw material costs staying high, and the weak downstream demand, China's corn starch industry faced headwinds during the Period. The total operation rate of corn starch production plants was running at about 61%, which was 3 percentage points lower than the corresponding prior period. After completing the refurbishment of its Jinzhou upstream production facilities at the end of 2024, the Group has been carefully evaluating the optimal timing for resuming production based on a comprehensive assessment of industry conditions and overall financial performance, aiming to maximise resource efficiency and returns of the Group.

As for the sugar market, global sugar production for the year 2024/25 is estimated at 180.8 million MT (2023/24: 175.7 million MT) with consumption estimated at 175.4 million MT (2023/24: 176.1 million MT). Due to the increased sugar supply by key producing countries, i.e. Brazil, India and Thailand, the Sugar Price Index of the Food and Agriculture Organisation of the United Nations averaged 103.7 points in June 2025, representing a drop of 5.2% from May 2025, marking the fourth consecutive monthly decline and the lowest level since April 2021.

In the PRC, domestic sugar production increased to approximately 11.2 million MT (2023/24: approximately 10.0 million MT) in the year 2024/25, while consumption also grew slightly to 15.8 million MT (2023/24: 15.5 million MT). As the gap between domestic sugar production and demand has narrowed, the domestic sugar price decreased to RMB6,180 per MT (end of June 2024: RMB6,569 per MT) by the end of June 2025.

The decline in sugar prices, coupled with fierce competition in the sweetener market, had caused the selling price of sweeteners to drop by 7.3% compared with the corresponding prior period. Nevertheless, gross profit margin of the Group increased by 6.2 percentage points to 9.6% as a result of the decrease in average purchase price of corn starch compared to the corresponding prior period and the Group's strategic adjustment to achieve optimal production operation rate for sweetener products during the Period.

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

In the long run, the Group strives to provide excellent customer service and be customer-oriented to better understand their ever-changing demands and product requirements, and further improve cost effectiveness and product mix through continuous research and development.

FINANCIAL PERFORMANCE

During the Period, the Group focused on the operation of its Shanghai production site and adjusted its production volume to achieve the optimal production operation rate. Consequently, the sales volume and the consolidated revenue of the Group decreased by approximately 18.2% and 23.7% to approximately 81,000 MT (2024: 99,000 MT) and HK\$253.6 million (2024: HK\$332.5 million) respectively, during the Period. Due to the intense market competition in the sweeteners segment and the narrowing gap between domestic sugar production and demand, the Group's average unit selling price of sweeteners products dropped by 7.3% during the Period. On the other hand, the Group's average unit production cost of sweeteners products decreased by approximately 13.2% as a result of the decrease in purchase price of corn starch and the Group's adjustment in its production operation rate, leading to the increase in gross profit of the Group by approximately 113.2% to approximately HK\$24.3 million (2024: HK\$11.4 million) while the gross profit margin increased by 6.2 percentage points to 9.6% (2024: 3.4%) during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Upstream products

(Sales amount: Nil (2024: Nil))

(Gross profit: Nil (2024: Nil))

During the Period, no sale of upstream products was recorded as the Group suspended all its upstream operations to minimise financial risks and secure financial resources during the time of economic uncertainty while its inventory had been fully sold in 2021. As a result, no revenue from the sale of corn starch and other corn refined products (2024: Nil and Nil) was recorded during the Period. No internal consumption of corn starch was recorded during the Period (2024: Nil). As the refurbishment of the Group's upstream production facilities in Jinzhou has been completed at the end of 2024, the Group will consider resuming the production of its upstream products after completing the debt restructuring in Jinzhou Yuancheng in relation to the Tiebei BOJ Loans, which will allow the Group to restore its financing capability in order to support the resumption of upstream production in Jinzhou.

Corn Sweeteners

Corn syrup

(Sales amount: HK\$212.5 million (2024: HK\$267.0 million))

(Gross profit: HK\$21.4 million (2024: HK\$8.6 million))

During the Period, the revenue of the corn syrup segment decreased by approximately 20.4% to approximately HK\$212.5 million (2024: HK\$267.0 million). Such decrease was mainly attributable to the Group's adjustment in production volume to achieve an optimal production operation rate. Although the selling price of corn syrup dropped by 7.5% due to the intense market competition during the Period, the average production cost of corn syrup decreased at a faster rate, by 14.4%, as a result of the decrease in purchase price of corn starch and the achievement of optimal production operation rate by the Group during the Period. As such, the Group recorded a gross profit of approximately HK\$21.4 million (2024: HK\$8.6 million) for the corn syrup segment during the Period with the gross profit margin at 10.1% (2024: 3.2%).

Corn syrup solid

(Sales amount: HK\$41.1 million (2024: HK\$65.5 million))

(Gross profit: HK\$2.9 million (2024: HK\$2.8 million))

During the Period, the Group sold approximately 15,000 MT (2024: 21,000 MT) of corn syrup solid, which was entirely maltodextrin. The revenue from maltodextrin decreased by approximately 37.3% to HK\$41.1 million (2024: HK\$65.5 million), which was attributable to the adjustment in production volume by the Group during the Period. Due to the Group's achievement of optimal production operation rate and the decrease in purchase price of corn starch, the average production cost of corn syrup solid decreased by 11.5% while selling price of corn syrup solid dropped by 8.9% during the Period. As such, the gross profit margin and gross profit of the corn syrup solid segment increased to 7.1% (2024: 4.3%) and approximately HK\$2.9 million (2024: HK\$2.8 million), respectively, during the Period.

Export sales

During the Period, export sales accounted for approximately 1.9% (2024: 2.0%) of the Group's total revenue. The Group exported approximately 1,400 MT (2024: 1,700 MT) of corn sweeteners, which amounted to sales of approximately HK\$4.7 million (2024: HK\$6.6 million) during the Period. No export sales of upstream corn refined products were recorded during the Period and the corresponding prior period.

Other income and gains, operating expenses, finance costs, and income tax expenses

Other income and gains

Other income and gains of the Group decreased drastically by approximately 74.0% to approximately HK\$16.7 million (2024: HK\$64.3 million) during the Period, which was mainly attributable to the absence of the one-off gains of approximately HK\$54.1 million recorded in the corresponding prior period in relation to the Retail Group Disposal completed in April 2024.

Selling and distribution costs

During the Period, selling and distribution costs decreased by approximately 5.1% to approximately HK\$16.8 million (2024: HK\$17.7 million), accounting for approximately 6.6% (2024: 5.3%) of the Group's total revenue. Such decrease was mainly attributable to the decrease in sales volume during the Period.

Administrative expenses

During the Period, administrative expenses decreased by approximately 3.4% to approximately HK\$28.5 million (2024: HK\$29.5 million) due to the Group's strict enforcement of cost-saving measures during the Period.

Other expenses

Other expenses of the Group increased by 141.7% to approximately HK\$37.7 million (2024: HK\$15.6 million) during the Period. Such increase was mainly attributable to the recognition of amortisation of deferred day-one loss of approximately HK\$4.8 million in relation to the Convertible Bonds issued in 2024 and increase in depreciation expenses since completion of the refurbishment in the Jinzhou production facilities at the end of 2024.

Finance costs

During the Period, finance costs of the Group increased by 43.9% to approximately HK\$21.3 million (2024: HK\$14.8 million), which was mainly attributable to the recognition of imputed interest of approximately HK\$6.1 million in relation to the Convertible Bonds issued in 2024.

Income tax expenses

No deferred tax was recorded for the Period (2024: Nil) and all subsidiaries of the Group recorded tax losses or their estimated assessable profits were wholly absorbed by tax losses brought forward during the Period. No income tax expenses were recorded for the Period (2024: Nil).

Net (loss) profit of the Company

Despite the increase in gross profit during the Period, the Group recognised the amortisation of deferred day-one loss of approximately HK\$4.8 million and the imputed interest of approximately HK\$6.1 million in relation to the Convertible Bonds issued in 2024. In addition, there was an absence of the recognition of the one-off gains from the completion of the Debt Restructuring Agreement of approximately HK\$167.6 million and from the completion of the Retail Group Disposal of approximately HK\$54.1 million during the Period. As such, the Group recorded a net loss of approximately HK\$63.3 million (2024: net profit of approximately HK\$165.6 million) with LBITDA (i.e. loss before interest, taxation, depreciation and amortisation) of approximately HK\$22.5 million (2024: EBITDA (i.e. earnings before interest, taxation, depreciation and amortisation) of approximately HK\$195.4 million) during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

Capital structure

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

Net borrowing position

The total interest-bearing bank and other borrowings of the Group as at 30 June 2025 increased by approximately HK\$8.4 million to approximately HK\$263.1 million (31 December 2024: HK\$254.7 million) as a result of the exchange rate adjustment of approximately HK\$8.4 million during the Period. On the other hand, cash and bank balances which were mainly denominated in Renminbi and Hong Kong dollars, decreased by approximately HK\$2.5 million to approximately HK\$2.6 million (31 December 2024: HK\$5.1 million, denominated in Renminbi and Hong Kong dollars) as at 30 June 2025. Consequently, net borrowings of the Group increased to approximately HK\$260.5 million (31 December 2024: HK\$249.6 million) during the Period.

Structure of interest-bearing bank and other borrowings

As at 30 June 2025, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$263.1 million (31 December 2024: HK\$254.7 million), all (31 December 2024: all) of which were denominated in Renminbi. All (31 December 2024: all) of the Group's interest-bearing bank and other borrowings were wholly repayable within one year.

As at 30 June 2025, interest-bearing bank and other borrowings amounted to approximately HK\$249.9 million (31 December 2024: HK\$242.0 million) have been charged at fixed interest rates of approximately 4.9% to 8.0% per annum (31 December 2024: 4.9% to 8.0% per annum) for terms of one year to three years. Other than that, the rest of the Group's interest-bearing bank and other borrowings were charged with floating interest rate.

Convertible Bonds

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

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

The Convertible Bonds issued upon the CB First Completion and the CB Second Completion which remained outstanding as at 30 June 2025 were divided into liability component and derivative financial instrument component which amounted to approximately HK\$54.9 million and HK\$28.1 million (31 December 2024: HK\$44.7 million and HK\$40.8 million), respectively, and effective imputed interest of approximately HK\$6.1 million (2024: HK\$1.0 million) was charged as at 30 June 2025.

On 13 January 2025 and 8 May 2025, Mr. Wang Tiegung had exercised his rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with principal amount of RMB3.0 million and RMB6.0 million, respectively, to Mr. Cui Jilong, an independent investor, in accordance with the terms and conditions of the Convertible Bonds. As at the date of this report, each of Mr. Kong Zhanpeng, Mr. Wang Tiegung, Huasheng and Mr. Cui Jilong held outstanding Convertible Bonds in the principal amount of RMB29.0 million, RMB20.0 million, RMB29.0 million and RMB9.0 million, respectively.

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

Pursuant to the Call Option Agreement, the Call Options are granted equally by each of the Substantial Shareholders. Therefore, each of Mr. Kong Zhanpeng, Mr. Wang Tiegung and Huasheng granted to Mr. Ko the Call Options over the Second Batch of CB in the principal amount of RMB9.0 million. The Call Options are exercisable by Mr. Ko (if he so elects) in five batches of principal amounts of RMB6.0 million, RMB6.0 million, RMB6.0 million, RMB6.0 million and RMB3.0 million, respectively. The exercise period of all five batches of Call Options shall commence on 12 May 2025, and each of such exercise periods shall expire successively, with the exercise period of the first batch of Call Options being the shortest and expiring on 11 November 2025, and the exercise period of the last batch of Call Options being the longest and expiring on 24 June 2027. Upon Mr. Ko exercising the Call Options in accordance with the terms of the Call Option Agreement, the relevant Second Batch of CB under a particular batch of Call Options shall be transferred to Mr. Ko by each of the Substantial Shareholders in equal proportions. Mr. Ko may exercise each batch of Call Options in full or in parts (in multiples of the principal amount of RMB1.5 million) during its respective exercise period, provided that any Call Options (in full or in parts) of a subsequent batch shall only be exercised after the full exercise of the immediately preceding batch. If Mr. Ko does not exercise a batch of Call Options in accordance with the terms of the Call Option Agreement in full before the stipulated exercise period expiration date of such batch of Call Options, all remaining unexercised Call Options of the same batch and of the subsequent batch(es) shall automatically lapse and be withdrawn, and shall no longer be exercisable. Up to the date of this report, Mr. Ko has not exercised any batch of Call Options under the Call Option Agreement.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 30 to 90 days, are granted to customers, depending on their credit worthiness and business relationships with the Group. During the Period, trade receivables turnover days increased to approximately 56 days (31 December 2024: 41 days) as longer credit periods were granted to a number of customers with good track records.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, trade payables turnover days increased to approximately 98 days (31 December 2024: 83 days) as part of cash flow management during the Period.

During the Period, the Group's inventory turnover days increased to approximately 33 days (31 December 2024: 21 days) as the Group adjusted its production volume to achieve optimal production operation rate during the Period.

As at 30 June 2025, the current ratio and quick ratio were approximately 0.17 (31 December 2024: 0.17) and approximately 0.13 (31 December 2024: 0.13), respectively. Gearing ratio in terms of debts (i.e. total interest-bearing bank and other borrowings, due to former fellow subsidiaries, due to Shareholders' controlled entities, due to Shareholders, the Convertible Bonds and derivative financial instruments) to total assets (i.e. sum of current assets and non-current assets) increased to approximately 82.3% (31 December 2024: 74.5%), which was mainly attributable to the increase in the amount due to Shareholders' controlled entities during the Period.

MAJOR INVESTMENTS

The Group had no major investments or capital assets during the Period. As at the date of this report, the Group does not have any future plans for material investments or capital assets.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during the Period.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

CHARGE ON ASSETS

As at 30 June 2025, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$263,132,000 (31 December 2024: HK\$254,734,000) were secured by a pledge of certain property, plant and equipment of the Group which amounted to approximately HK\$257,048,000 (31 December 2024: HK\$262,313,000).

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in Renminbi, while export sales, which were mostly denominated in US Dollars, accounted for approximately 1.9% (2024: 2.0%) of the Group's revenue during the Period. The management of the Company has been closely monitoring the Group's exposure to foreign exchange fluctuations in Renminbi and is of the view that there is no material unfavourable exposure to foreign exchange fluctuations. Therefore, the Group currently does not intend to hedge its exposure to foreign exchange fluctuations in Renminbi. 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.

FUTURE PLANS AND PROSPECTS

In order to maintain the competitiveness of the Group, the Group will optimise its production while maintaining its market presence, diversify its product mix and enhance its capability in developing high value-added products and introduce strategic business alliance with prominent market leaders.

Meanwhile, the Group will continue to negotiate with Jinzhou Huayin and the local government of Jinzhou for the debt restructuring arrangement in relation to the Tiebei BOJ Loans, which have been transferred by Tiebei BOJ to Jinzhou Huayin with the aggregate principal amount of RMB212.5 million together with outstanding interest. Once the debt restructuring arrangement mentioned above is completed, the Group will consider resuming operations of its Jinzhou production facilities to maximise its operation rate, subject to the market conditions and the financial resources available in the Group.

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

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2025, the Group had approximately 430 (30 June 2024: 620) full-time employees in Hong Kong and the PRC. The Group appreciates the correlation between human resources and its success, and recognises the value of human resources management as a source of competitive advantage in the increasingly turbulent environment. The Group places great emphasis on the selection and recruitment of new staff, on-the-job training, appraisal and rewards to its employees to align employees' performance with the Group's strategies. The Company also acknowledges the contribution of its employees and strives to maintain competitive remuneration packages and career development opportunities to retain current employees. Remuneration packages include discretionary bonuses payable on a merit basis, which are in line with industrial practice. Staff benefits provided by the Group include mandatory funds, insurance schemes and discretionary bonuses. During the Period, employee benefit expenses (including Director's remuneration) were approximately HK\$35.0 million (30 June 2024: approximately HK\$27.9 million).

DISCLOSURE OF ADDITIONAL INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend in respect of the Period (six months ended 30 June 2024: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) of the Directors and chief executives of the Company as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors	Capacity/ Nature of interest	Number and class of securities of the Company held (a)	Percentage of the relevant class of issued share capital of the Company (b)
Wang Tieguang	Beneficial owner	621,949,876 Shares (L) (c)	32.20
	Interest of a controlled corporation	16,444,000 Shares (L) (d)	0.85
Kong Zhanpeng	Beneficial owner	677,250,123 Shares (L) (e)	35.07

Remarks:

- (a) The letter "L" represents the Director's interests in the Shares and underlying Shares of the Company or its associated corporation.
- (b) Calculated on the basis of 1,931,374,856 Shares in issue as at 30 June 2025.
- (c) Amongst 621,949,876 Shares in which Mr. Wang Tieguang was interested as of 30 June 2025, 219,031,661 Shares represented Shares which may be issued to him upon conversion of the Convertible Bonds with principal amount of RMB20.0 million he held, adopting an illustrative exchange rate of HK\$1.0 to RMB0.91311 as announced by the People's Bank of China on the date of issuance of the relevant Convertible Bonds to Mr. Wang Tieguang. The remaining 402,918,215 Shares were beneficially owned by Mr. Wang Tieguang, representing approximately 20.86% of the issued share capital of the Company.
- (d) These Shares were registered in the name of Rick Mark Profits Limited, which is ultimately wholly-owned by Mr. Wang Tieguang.
- (e) Amongst 677,250,123 Shares in which Mr. Kong Zhanpeng was interested as of 30 June 2025, 317,595,908 Shares represented Shares which may be issued to him upon full conversion of the Convertible Bonds with principal amount of RMB29.0 million he held, adopting an illustrative exchange rate of HK\$1.0 to RMB0.91311 as announced by the People's Bank of China on the date of issuance of the relevant Convertible Bonds to Mr. Kong Zhanpeng. The remaining 359,654,215 Shares were beneficially owned by Mr. Kong Zhanpeng, representing approximately 18.62% of the issued share capital of the Company.

DISCLOSURE OF ADDITIONAL INFORMATION

Save as disclosed above, as at 30 June 2025, none of the Directors and the chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the interests held by Mr. Wang Tieguaung and Mr. Kong Zhanpeng in the Convertible Bonds, the further details of which have been disclosed under the paragraph headed "Convertible Bonds" on page 14 in this report, at no time during the Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or any person in whose Shares and debentures any Directors is deemed to be interested under Part XV of the SFO, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSURE OF ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity/nature of interest	Number of Shares held (a)	Percentage of the Company's issued share capital (b)
Global Corn Bio-Chem	Beneficial owner	259,813,000 (L)	13.45
GBT	Interest of a controlled corporation (c)	259,813,000 (L)	13.45
	Beneficial owner	500,000 (L)	0.03
Modern Agricultural	Interest of a controlled corporation (d)	260,313,000 (L)	13.48
Modern Agricultural Holdings	Interest of a controlled corporation (d)	260,313,000 (L)	13.48
PRC LLP	Interest of a controlled corporation (d)	260,313,000 (L)	13.48
GP	Interest of a controlled corporation (d)	260,313,000 (L)	13.48
Nongfa	Interest of a controlled corporation (d)	260,313,000 (L)	13.48
Jilin SASAC	Interest of a controlled corporation (d)	260,313,000 (L)	13.48
Huasheng	Beneficial owner (e)	680,384,764 (L)	35.23
Jilin Huasheng	Interest of a controlled corporation (f)	680,384,764 (L)	35.23
Li Tingsheng	Interest of a controlled corporation (f)	680,384,764 (L)	35.23
Mr. Ko	Beneficial owner (g)	302,453,923 (L)	15.66

DISCLOSURE OF ADDITIONAL INFORMATION

Remarks:

- (a) The letter “L” denotes the person’s interest in the share capital of the Company.
- (b) Calculated on the basis of 1,931,374,856 Shares in issue as at 30 June 2025.
- (c) These Shares are registered in the name of Global Corn Bio-Chem, which is a wholly-owned subsidiary of GBT. Therefore, GBT is deemed to be interested in all the Shares in which Global Corn Bio-Chem is interested according to the SFO.
- (d) These Shares comprised 259,813,000 Shares registered in the name of Global Corn Bio-Chem and 500,000 Shares registered in the name of GBT, whose issued share capital is beneficially owned as to approximately 35.2% by Modern Agricultural as at the date of this report. The entire issued capital of Modern Agricultural is held by Modern Agricultural Holdings which is in turn wholly-owned by PRC LLP. The sole general partner of PRC LLP is GP. As at the date of this report, the investment capital of PRC LLP is owned as to 60.0% by Nongfa (Nongfa is controlled by Jilin SASAC), as to 26.7% by 銀華長安資本管理(北京)有限公司 (Yinhua Wealth Capital Management (Beijing) Co., Ltd.*) and as to 13.3% by 長春市新興產業股權投資基金有限公司 (Changchun Emerging Industry Equity Investment Fund Co., Ltd.*). Accordingly, each of Modern Agricultural, Modern Agricultural Holdings, PRC LLP, GP, Nongfa and Jilin SASAC is deemed to be interested in the Shares held by GBT under the SFO.
- (e) Amongst 680,384,764 Shares in which Huasheng was interested as of 30 June 2025, 317,595,908 Shares represented Shares which may be issued to it upon full conversion of the Convertible Bonds with principal amount of RMB29.0 million, adopting an illustrative exchange rate of HK\$1.0 to RMB0.91311 as announced by the People’s Bank of China on the date of transfer of the relevant Convertible Bonds to Huasheng. The remaining 362,788,856 Shares were beneficially owned by Huasheng upon its conversion of the Convertible Bonds with principal amount of RMB33.0 million on 24 May 2024, representing approximately 18.78% of the issued share capital of the Company. For details of the conversion of the Convertible Bonds, please refer to the announcement of the Company dated 24 May 2024.
- (f) The entire issued capital of Huasheng is held by Jilin Huasheng which is owned as to 1.0% by Mr. Li Fangcheng, an executive Director, and as to 99.0% by Mr. Li Tingsheng, Mr. Li Fangcheng’s father. Accordingly, each of Jilin Huasheng and Mr. Li Tingsheng is deemed to be interested in the Shares held by Huasheng under the SFO.
- (g) Amongst 302,453,923 Shares in which Mr. Ko was interested as of 30 June 2025, 291,453,923 Shares represented Shares which may be issued to him upon full exercise of Call Options over the Convertible Bonds in the aggregate principal amount of RMB27.0 million which can be exercised in five batches, pursuant to the Call Option Agreement and full conversion of such Convertible Bonds at the initial Conversion Price of HK\$0.1 per Conversion Share, adopting an illustrative exchange rate of HK\$1.0 to RMB0.92639 as announced by the People’s Bank of China on the date of the Call Option Agreement. The remaining 11,000,000 Shares were beneficially owned by Mr. Ko, representing approximately 0.57% of the issued share capital of the Company.

Save as disclosed above, as at 30 June 2025, the Directors are not aware of any persons who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

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

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

DISCLOSURE OF ADDITIONAL INFORMATION

COMPLIANCE WITH THE CG CODE AND THE MODEL CODE

The Company is committed to ensuring a high standard of corporate governance for the interests of its Shareholders and devotes considerable effort in identifying and formalising the best practices.

To the best knowledge and belief of the Board, the Company has applied and complied with all code provisions as set out in part 2 of the CG Code in effect for the Period throughout the Period.

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. 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 throughout the Period.

UPDATE ON DIRECTOR'S INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

Mr. Lo Kwing Yu, an independent non-executive Director, is currently an independent non-executive director of Newtrend Group Holding Co., Ltd. (Stock Code: 02573, which was listed on the Main Board of the Stock Exchange with effect from 10 June 2025).

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems. The Audit Committee comprises all three independent non-executive Directors, namely, Ms. Li Guichen (chairperson of the Audit Committee), Ms. Liu Ying and Mr. Lo Kwing Yu.

The duties of the Audit Committee are, among others, to review the Company's half yearly and annual financial statements and to make recommendations to the Board on appointment and removal of the Auditor. The Audit Committee meets regularly with the Company's senior management, internal audit team and the Auditor to review the Company's financial reporting process, the effectiveness of internal control, audit process and risk management.

The Audit Committee had reviewed the interim results of the Group for the Period and this report and had discussed the accounting principles and policies adopted by the Group with the management of the Company, with no disagreement.

NOMINATION COMMITTEE

The Nomination Committee comprises one executive Director, Mr. Kong Zhanpeng (chairman of the Nomination Committee), and two independent non-executive Directors, being Ms. Liu Ying and Mr. Lo Kwing Yu. The duties of the Nomination Committee are, among others, determining policy for the nomination of the Directors, including the nomination procedures, processes and criteria adopted by the Nomination Committee to select and recommend candidates for directorship. The Nomination Committee also reviews the structure, size and composition of the Board, assists the Board in maintaining a Board skills matrix, evaluates the nomination policy, assesses the independence of the independent non-executive Directors and makes recommendations on any proposed changes to the Board and on the selection of individuals nominated for directorships, and reviews the board diversity policy adopted by the Company.

REMUNERATION COMMITTEE

The members of the Remuneration Committee include one executive Director, Mr. Kong Zhanpeng, and two independent non-executive Directors, being Ms. Liu Ying (chairperson of the Remuneration Committee) and Mr. Lo Kwing Yu. The duties of the Remuneration Committee are, among others, to make recommendations to the Board on the remuneration packages of the Directors and the senior management, as well as on the Group's policy and structure for the remuneration of the Directors and the senior management. The Remuneration Committee also assesses the performance of the Directors and approves the terms of the Directors' service contracts. The Board has adopted remuneration policy of the Directors on the basis of their merit, qualification and competence with reference to the market benchmarks.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee was established in accordance with the requirements of the CG Code for the purposes of determining, developing and reviewing the Company's policies and practices on corporate governance, and providing supervision over the Board and its committees' compliance with their respective terms of reference and relevant requirements under the CG Code, or other applicable laws, regulations, rules and codes. The Corporate Governance Committee comprises one executive Director, Mr. Kong Zhanpeng, and two independent non-executive Directors, being Ms. Li Guichen (chairperson of the Corporate Governance Committee) and Ms. Liu Ying.

The Corporate Governance Committee reviewed the Company's policies and practices on corporate governance, and considered that the Company has complied with all code provisions in part 2 of the CG Code during the Period.

FUNDRAISING ACTIVITIES

The Shares Subscriptions

In order to raise funds for general working capital purposes and relieve immediately the financial pressure of the Company, the Company entered into separate Shares Subscription Agreements with each of the Shares Subscribers on 20 December 2024. Pursuant to the Shares Subscription Agreements, the Shares Subscribers agreed to subscribe for and the Company agreed to allot and issue a total of 41,000,000 Subscription Shares at the shares subscription price of HK\$0.1 per Subscription Share, which is the same as the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on 20 December 2024, being the date of the Shares Subscription Agreements. The Subscription Shares, with a nominal value of HK\$4,100,000 based on the nominal value of HK\$0.1 per Share, represent 2.17% of the total issued share capital of the Company immediately before the completion of the Shares Subscriptions and approximately 2.12% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The gross proceeds from the Shares Subscriptions amounted to approximately HK\$4,100,000. The net proceeds from the Shares Subscriptions (after deduction of the relevant expenses) were approximately HK\$4,000,000, representing a net issue price of approximately HK\$0.098 per Subscription Share. The Company intended to use the net proceeds from the Shares Subscriptions as follows: approximately (i) HK\$2.0 million for repayment of other payables due to the equipment supplier of the Group's Jinzhou production site; and (ii) HK\$2.0 million to fund for general administration expenses of the Group, i.e. salaries and professional fees. Completion of the Shares Subscriptions took place on 10 January 2025. As at the date of this report, the net proceeds from the Shares Subscriptions have been utilised in full in accordance with the intentions previously disclosed by the Company. For further details of the Shares Subscriptions, please refer to the announcements of the Company dated 20 December 2024, 24 December 2024 and 10 January 2025.

DISCLOSURE OF ADDITIONAL INFORMATION

DISCLOSURE PURSUANT TO RULES 13.19 AND 13.21 OF THE LISTING RULES

Breach of loan agreements

As detailed in the joint announcement of the Company and GBT dated 25 August 2023, Jinzhou Yuancheng has defaulted on the repayment of the loans it owed to Tiebei BOJ (i.e. the Tiebei BOJ Loans) pursuant to the loan agreements respectively dated 25 August 2020 and 27 December 2021 entered into between Jinzhou Yuancheng and Tiebei BOJ, which have become immediately due and payable. The Tiebei BOJ Loans are secured by mortgage of certain properties owned by Jinzhou Yuancheng, and also guaranteed by Dihao Foodstuff (the obligations and liabilities under which shall be counter-guaranteed and indemnified under the counter-guarantee provided by the Company to Dihao Foodstuff in respect of the obligations and liabilities that Dihao Foodstuff may incur and suffer under the guarantees provided by Dihao Foodstuff to Tiebei BOJ in respect of the debts owed by Jinzhou Yuancheng to Tiebei BOJ under the guarantee agreements dated 11 June 2021 and 27 December 2021). On 10 March 2025, Jinzhou Yuancheng was notified by Tiebei BOJ that it had entered into a transfer agreement, as transferor, with Jinzhou Huayin, as transferee, pursuant to which Tiebei BOJ has agreed to sell to Jinzhou Huayin, and Jinzhou Huayin has agreed to purchase, all of Tiebei BOJ's rights and benefits under the Tiebei BOJ Loans. As at the date of this report, the outstanding principal amount of the Tiebei BOJ Loans is RMB212.5 million, with outstanding interest. The Group is currently facilitating the debt restructuring in relation to the Tiebei BOJ Loans to further relieve the financial pressure of the Group.

CHANGE OF COMPANY NAME AND LOGO, CHANGE OF STOCK SHORT NAME AND CHANGE OF COMPANY'S WEBSITE ADDRESS

As disclosed in the announcement of the Company dated 11 June 2025, the English name of the Company has been changed from "Global Sweeteners Holdings Limited" to "Global Corn Group Limited" and the Chinese name of the Company for identification purpose only has been changed from "大成糖業控股有限公司" to "大成玉米集團有限公司" (the "**Change of Company Name**"). Following the Change of Company Name, with effect from 11 June 2025, the Company has adopted a new logo to reflect the Change of Company Name (the "**Change of Company Logo**").

The stock short name for trading in the Shares on the Stock Exchange has been changed from "GLOBAL SWEET" to "GLOBAL CORN GP" in English, and from "大成糖業" to "大成玉米集團" in Chinese with effect from 9:00 a.m. on 18 June 2025. The stock code of the Company remains unchanged as "03889".

The corporate website address of the Company has been changed from "www.global-sweeteners.com" to "www.global-corn.com" with effect from 12 June 2025.

The Change of Company Name and Change of Company Logo will not affect any of the rights of the Shareholders or the Group's business nature, daily business operation and its financial position.

IMPORTANT EVENTS SUBSEQUENT TO THE PERIOD UNDER REVIEW

There were no events causing material impacts on the Group from the end of the Period up to the date of this report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	4	253,647	332,475
Cost of sales		(229,368)	(321,104)
Gross profit		24,279	11,371
Other income and gains	4	16,746	64,272
Gain on debt restructuring	6(b)	—	167,615
Selling and distribution costs		(16,829)	(17,739)
Administrative expenses		(28,500)	(29,467)
Other expenses		(37,666)	(15,620)
Finance costs	5	(21,325)	(14,831)
(LOSS) PROFIT BEFORE TAX	6	(63,295)	165,601
Income tax expenses	7	—	—
(LOSS) PROFIT FOR THE PERIOD		(63,295)	165,601
OTHER COMPREHENSIVE LOSS FOR THE PERIOD			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Release of exchange reserve upon disposal of subsidiaries		—	(13,947)
Exchange differences on translation of financial statements of operations outside Hong Kong		(6,969)	(5,033)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		(6,969)	(18,980)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		(70,264)	146,621
(LOSS) EARNINGS PER SHARE	8		
Basic		HK(3.3) cents	HK10.3 cents
Diluted		HK(3.3) cents	HK9.6 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	390,235	398,408
Right-of-use assets		33,322	34,317
Intangible assets		1,704	1,704
		425,261	434,429
CURRENT ASSETS			
Inventories		42,139	34,221
Trade and bills receivables	11	78,093	70,439
Prepayments, deposits and other receivables	12	27,153	24,648
Cash and bank balances		2,600	5,100
		149,985	134,408
CURRENT LIABILITIES			
Trade payables	13	123,648	134,308
Other payables and accruals	14	261,769	228,065
Lease liabilities		122	119
Interest-bearing bank and other borrowings		263,132	254,734
Due to former fellow subsidiaries	18(ii)	47,159	44,608
Due to shareholders' controlled entities	18(ii)	20,712	—
Due to shareholders	18(ii)	59,715	39,151
Convertible bonds (the "Convertible Bonds")	15	54,916	44,728
Derivative financial instruments	15	28,059	40,803
Tax payables		249	249
		859,481	786,765
NET CURRENT LIABILITIES		(709,496)	(652,357)
TOTAL ASSETS LESS CURRENT LIABILITIES		(284,235)	(217,928)
NON-CURRENT LIABILITIES			
Lease liabilities		95	156
Deferred income		88	170
		183	326
NET LIABILITIES		(284,418)	(218,254)
CAPITAL AND RESERVES			
Share capital	16	193,137	189,037
Reserves		(477,555)	(407,291)
TOTAL DEFICIT		(284,418)	(218,254)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Properties revaluation reserve <i>HK\$'000</i>	Statutory reserve fund <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total deficit <i>HK\$'000</i>
At 1 January 2025	189,037	1,074,879	127,989	41,495	356,331	(2,007,985)	(218,254)
Loss for the period	–	–	–	–	–	(63,295)	(63,295)
Other comprehensive loss for the period <i>Item that are reclassified or may be reclassified subsequently to profit or loss:</i>							
Exchange realignment	–	–	–	–	(6,969)	–	(6,969)
Total other comprehensive loss for the period, net of tax	–	–	–	–	(6,969)	–	(6,969)
Total comprehensive loss for the period	–	–	–	–	(6,969)	(63,295)	(70,264)
Transactions with owners of the Company							
Issuance of shares (the “Shares”) upon subscription	4,100	–	–	–	–	–	4,100
Total transactions with owners of the Company	4,100	–	–	–	–	–	4,100
At 30 June 2025 (unaudited)	193,137	1,074,879	127,989	41,495	349,362	(2,071,280)	(284,418)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company							Total	Non-controlling interests	Total deficit
	Share capital	Share premium	Properties revaluation reserve	Statutory reserve fund	Convertible Bonds reserve	Exchange reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024	152,759	1,074,879	102,862	41,513	–	326,684	(2,074,621)	(375,924)	(5,931)	(381,855)
Profit for the period	–	–	–	–	–	–	165,601	165,601	–	165,601
Other comprehensive loss for the period										
<i>Item that are reclassified or may be reclassified subsequently to profit or loss:</i>										
Release of exchange reserve upon disposal of subsidiaries	–	–	–	–	–	(13,947)	–	(13,947)	–	(13,947)
Exchange realignment	–	–	–	–	–	(5,033)	–	(5,033)	–	(5,033)
Total other comprehensive loss for the period, net of tax	–	–	–	–	–	(18,980)	–	(18,980)	–	(18,980)
Total comprehensive (loss) income for the period	–	–	–	–	–	(18,980)	165,601	146,621	–	146,621
Transactions with owners of the Company										
Disposal of subsidiaries	–	–	–	(18)	–	–	18	–	5,931	5,931
Issue of the Convertible Bonds	–	–	–	–	29,303	–	–	29,303	–	29,303
Conversion of the Convertible Bonds	36,278	–	–	–	(16,117)	–	–	20,161	–	20,161
Total transactions with owners of the Company	36,278	–	–	(18)	13,186	–	18	49,464	5,931	55,395
At 30 June 2024 (unaudited)	189,037	1,074,879	102,862	41,495	13,186	307,704	(1,909,002)	(179,839)	–	(179,839)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) Profit before tax	(63,295)	165,601
Adjustments for:		
Finance costs	21,325	14,831
Bank interest income	(3)	(17)
Depreciation of		
– Property, plant and equipment	17,537	12,827
– Right-of-use assets	1,900	2,150
Amortisation of deferred day-one loss	4,814	–
Amortisation of deferred income	(86)	(87)
Gain on debt restructuring	–	(167,615)
Gain on deregistration of subsidiaries	(156)	–
Gain on disposal of subsidiaries	–	(54,084)
Gain on fair value change of derivative components of the Convertible Bonds	(12,744)	–
(Gain) Loss on disposal of property, plant and equipment, net	(30)	280
(Reversal of impairment) Impairment of trade and bills receivables	(347)	114
Impairment of prepayments, deposits and other receivables, net	3,691	316
Changes in working capital:		
Inventories	(6,644)	(1,339)
Trade and bills receivables	(4,870)	(39,506)
Prepayments, deposits and other receivables	(5,281)	(508)
Trade payables	(13,011)	(268)
Other payables and accruals	13,476	4,794
Cash used in operations	(43,724)	(62,511)
Interest received	3	17
Net cash used in operating activities	(43,721)	(62,494)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,422)	(1,526)
Proceeds from disposal of property, plant and equipment	30	1,376
Net cash outflow arising from disposal of subsidiaries	–	(8)
Decrease in amount due from former fellow subsidiaries	–	(9,720)
Net cash used in investing activities	(1,392)	(9,878)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings raised	13,187	—
Repayment of bank borrowings	(13,187)	—
Increase in amount due to shareholders' controlled entities	20,712	—
Increase in amount due to shareholders	16,449	—
Proceeds from issuance of the Convertible Bonds	—	64,752
Net proceeds from issuance of ordinary Shares	4,100	—
Change of amounts due with former fellow subsidiaries, net	1,261	(190)
Net cash generated from financing activities	42,522	64,562
Net decrease in cash and cash equivalents	(2,591)	(7,810)
Cash and cash equivalents at beginning of period	5,100	13,552
Effect of foreign exchange rate changes, net	91	(177)
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY CASH AND BANK BALANCES	2,600	5,565

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The condensed consolidated financial statements of Global Corn Group Limited (formerly known as Global Sweeteners Holdings Limited, the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) were authorised for issue in accordance with a resolution of the board (the “**Board**”) of directors (the “**Directors**”) of the Company passed on 29 August 2025.

The Company was incorporated in the Cayman Islands under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 13 June 2006. The principal activity of the Company is investment holding. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 1206, 12th Floor, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong. The Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners. There was no significant change in the nature of the Group’s principal activities during the Period.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated financial statements for the Period have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2.2 Going concern

The Group had net current liabilities of approximately HK\$709.5 million (31 December 2024: approximately HK\$652.4 million) and net liabilities of approximately HK\$284.4 million (31 December 2024: approximately HK\$218.3 million) as at 30 June 2025. In preparing these condensed 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:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

2.2 Going concern *(continued)*

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

The management of the Group has been actively negotiating with the banks in the People's Republic of China (the "PRC" or "China") to obtain new banking facilities to meet the Group's capital requirements during the Period. Pursuant to the letter of intent given by 南洋商業銀行(中國)有限公司上海分行 (Nanyang Commercial Bank (China) Limited, Shanghai Branch*) ("**Shanghai Nanyang**") dated 18 March 2025, Shanghai Nanyang intended to grant further bank facilities in the aggregate amount of Renminbi ("RMB") 50.0 million to 上海好成食品發展有限公司 (Shanghai Haocheng Food Development Co., Ltd.*) ("**Shanghai Haocheng**"), subject to final approval. The Directors believe that the new banking facilities could further improve the financial position and liquidity of the Group. Meanwhile, the Group has been actively negotiating with 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*) ("**Tiebei BOJ**") in relation to the debt restructuring of the loans from Tiebei BOJ to 錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*) ("**Jinzhou Yuancheng**") with the aggregate principal amount being RMB212.5 million together with outstanding interest (the "**Tiebei BOJ Loans**"). On 10 March 2025, Jinzhou Yuancheng was notified by Tiebei BOJ that it had entered into a transfer agreement as transferor with 錦州市華銀資產經營有限公司 (Jinzhou Huayin Asset Management Co., Ltd.*) ("**Jinzhou Huayin**") as transferee, pursuant to which Tiebei BOJ has agreed to sell to Jinzhou Huayin, and Jinzhou Huayin has agreed to purchase, all of Tiebei BOJ's rights and benefits under the Tiebei BOJ Loans. The management of the Group believes that this marked the first step of the debt restructuring arrangements. Subsequent to the transfer of the Tiebei BOJ Loans, a meeting amongst the representatives of Jinzhou Huayin, 錦州市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Jinzhou Municipal People's Government*), 錦州經濟技術開發區管理委員會 (Jinzhou Economic and Technological Development Zone Management Committee*) and the Group was held in Jinzhou, during which the local government of Jinzhou instructed the parties to endeavor to facilitate the debt restructuring proposal and commence the valuations on Jinzhou Yuancheng. After the meeting, the Group has been actively discussing the details of debt restructuring arrangements with Jinzhou Huayin. Upon the completion of the feasibility study on debt restructuring arrangements, the management of the Group believes Jinzhou Huayin will circulate feedback on the debt restructuring proposal before the end of 2025. Once the debt restructuring of the Tiebei BOJ Loans takes place, the financial position of the Group will be improved significantly and the debt financing capacity of the Group shall be restored. The management of the Group also believes that it will substantially increase the financial liquidity of the Group.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

2.2 Going concern *(continued)*

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

The Group has taken various measures to minimise operating costs and develop new product line to enhance the operating cash flow during market turbulence. During the Period, the Group has adjusted the production volume to achieve the optimal production operation rate. In addition, the Group has been negotiating with certain suppliers, employees and creditors to formulate settlement plans more favourable to the Group regarding some of its long standing payables in order to ease the burden on the Group's operating cash flows. On the other hand, the Group will consider resuming the operation of its upstream production facilities in the Jinzhou production site in order to enhance operating cash flow after completing the debt restructuring of the Tiebei BOJ Loans.

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

The Group has received written confirmations all dated 11 August 2025 (the “**Confirmations**”) from (i) 點點通供應鏈科技(深圳)有限公司 (DDT Supply Chain Technology (Shenzhen) Co., Ltd.*) (“**DDT Supply Chain**”, together with its subsidiaries, the “**DDT Supply Chain Group**”), an associate (as defined under the Listing Rules) of Mr. Wang Tiegung; (ii) 銳豪科創商貿(廣州)有限公司 (Ruihao Property (Guangzhou) Co., Ltd.*) (“**Ruihao (Guangzhou)**”, together with its subsidiaries, the “**Ruihao (Guangzhou) Group**”), an associate (as defined under the Listing Rules) of Mr. Kong Zhanpeng; and (iii) 吉林省華生商貿有限公司 (Jilin Huasheng Trading Limited*) (“**Jilin Huasheng**”, together with its subsidiaries, the “**Jilin Huasheng Group**”), an associate (as defined under the Listing Rules) of Hong Kong Huasheng Company Limited (“**Huasheng**”) (collectively, the “**Associates of Substantial Shareholders**”), respectively, confirming that they would provide financial assistance to the Group in the 12 months following the date of the Confirmations on a going concern basis. Such assistance received by the Group is not secured by any assets of the Group.

As at 30 June 2025, the Group's current liabilities (other than the Convertible Bonds) due to Mr. Kong Zhanpeng, Mr. Wang Tiegung, Huasheng and the Associates of Substantial Shareholders amounted to approximately HK\$134.8 million. The Associates of Substantial Shareholders agreed that repayment request will not be made while the financial situation of the Group does not allow. In addition, the management of the Company is of the view that the Associates of Substantial Shareholders would be able to support the operations of the Group by providing a stable supply of coal, corn kernels, corn starch and corn syrup to the Group and by purchasing corn starch and other corn refined products from the Group with better commercial terms pursuant to the agreements dated 17 October 2024 entered into between the Company (for itself and on behalf of its subsidiaries from time to time), and Ruihao (Guangzhou) (for itself and Ruihao (Guangzhou) Group and its associated companies from time to time), DDT Supply Chain (for itself and DDT Supply Chain Group and its associated companies from time to time) and Jilin Huasheng (for itself and Jilin Huasheng Group and its associated companies from time to time) (collectively, the “**Contract Parties**”), in relation to (i) the purchase of coal, corn kernels, corn starch and sugar syrup by the Group from the Contract Parties for the term commencing from 1 January 2025 and ending on 31 December 2027 (the “**2024 Master Purchase Agreement**”); and (ii) the purchase of corn starch and other corn refined products including but not limited to gluten meal, corn steep liquor, fibre-based feeds, corn oil and corn germ meals by the Contract Parties from the Group for the term commencing from 1 January 2025 and ending on 31 December 2027, respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

2.2 Going concern *(continued)*

The Directors, including all members of the audit committee of the Company, 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 30 June 2025.

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

2.3 Changes in accounting policy and disclosures

The accounting policies adopted in preparing the Group's condensed consolidated financial statements for the Period are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following new/revised HKFRS Accounting Standards which are relevant to the Group and are effective from the Period.

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of the new/revised HKFRS Accounting Standards did not result in substantial changes to the Group's accounting policies and amounts reported for the Period and prior years.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two (six months ended 30 June 2024: two) reportable operating segments as follows:

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

The management, who is 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.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. OPERATING SEGMENT INFORMATION *(continued)*

(a) Segment results

Six months ended 30 June

	Corn refined products		Corn sweeteners		Total	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Segment revenue:						
Sales to external customers	–	–	253,647	332,475	253,647	332,475
Segment results	(41,308)	(23,741)	(2,471)	(11,755)	(43,779)	(35,496)
<i>Reconciliation:</i>						
Unallocated bank interest and other corporate income					3	17
Gain on debt restructuring					–	167,615
Gain on disposal of subsidiaries					–	54,084
Gain on deregistration of subsidiaries					156	–
Gain on fair value change of derivative components of the Convertible Bonds					12,744	–
Corporate and other unallocated expenses					(11,094)	(5,788)
Finance costs					(21,325)	(14,831)
(Loss) Profit before tax					(63,295)	165,601
Income tax expenses					–	–
(Loss) Profit for the Period					(63,295)	165,601

(b) Geographical information

Six months ended 30 June

	The PRC		Asian regions and others		Total	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Segment revenue:						
Sales to external customers	248,923	322,242	4,724	10,233	253,647	332,475

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

4. REVENUE, OTHER INCOME AND GAINS

	Note	Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Revenue from contracts with customers within HKFRS 15			
Sale of goods (a)		253,647	332,475
Other income and gains			
Amortisation of deferred income		86	87
Bank interest income		3	17
Foreign exchange gain, net		—	16
Government grants (b)		109	13
Sale of scrap raw materials, net of cost		—	667
Subcontracting income		2,415	3,794
Rental income		512	424
Reversal of impairment of trade and bills receivables		347	—
Reversal of overprovision of other tax payable		—	4,554
Gain on disposal of property, plant and equipment		30	—
Gain on deregistration of subsidiaries		156	—
Gain on fair value change of derivative components of the Convertible Bonds	15	12,744	—
Gain on disposal of subsidiaries (c)		—	54,084
Others		344	616
		16,746	64,272

Remarks:

- (a) The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time.
- (b) Government grants represent rewards to a subsidiary of the Company with no further obligations and conditions to be complied with.
- (c) On 17 April 2024, the Company (as seller) entered into a sale and purchase agreement with an independent third party (as buyer) under which the Company shall transfer to the independent third party, Global Sweeteners Retail Investment Company Limited, a former wholly-owned subsidiary of the Company, and its subsidiaries (collectively, the “Retail Group”) at a total consideration of HK\$1.0. Immediately upon the completion of the disposal of the Retail Group (the “Retail Group Disposal”) on 17 April 2024, each of the members in the Retail Group is no longer a subsidiary of the Group. The Group recognised a one-off gain of approximately HK\$54.1 million in relation to the Retail Group Disposal.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. FINANCE COSTS

		Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Notes			
Interest on bank and other borrowings		12,929	12,702
Interest on amount payable to a former fellow subsidiary		1,126	1,157
18(i)			
Interest on amount due to shareholders		988	—
18(i)			
Interest on amount due to shareholders' controlled entity		225	—
18(i)			
Interest on lease liabilities		7	6
Imputed interest on the Convertible Bonds		6,050	966
18(i)			
		21,325	14,831

6. (LOSS) PROFIT BEFORE TAX

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

		Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Notes			
Employee benefit expenses (excluding Directors' remuneration)			
— Wages and salaries		25,323	18,637
— Pension scheme contributions		8,564	8,446
		33,887	27,083
Cost of inventories sold (a)		229,368	321,104
Auditor's remuneration			
— Non-audit service fee		190	190
Depreciation			
— Property, plant and equipment		17,537	12,827
— Right-of-use assets		1,900	2,150
Amortisation of deferred day-one loss		4,814	—
15			
(Gain) Loss on disposal of property, plant and equipment, net		(30)	280
Foreign exchange loss (gain), net		1,789	(16)
Rental income		(512)	(424)
(Reversal of impairment) Impairment of trade and bills receivables		(347)	114
Impairment of prepayments, deposits and other receivables, net		3,691	316
Gain on fair value change of derivative components of the Convertible Bonds		(12,744)	—
15			
Gain on deregistration of subsidiaries		(156)	—
Gain on debt restructuring (b)		—	(167,615)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. (LOSS) PROFIT BEFORE TAX *(continued)*

Remarks:

- (a) Cost of inventories sold includes employee benefit expenses and depreciation amounted to HK\$9,663,000 (six months ended 30 June 2024: HK\$8,882,000), which are also included in the respective amounts disclosed separately above for each of these types of income and expenses.
- (b) On 28 December 2023, (i) 中國信達資產管理股份有限公司吉林省分公司 (Jilin Branch of China Cinda Asset Management Co., Ltd.*) (“**Jilin Cinda**”), as creditor, (ii) Jinzhou Yuancheng, as debtor, and (iii) Shanghai Haocheng, as guarantor, entered into the debt restructuring agreement (the “**Debt Restructuring Agreement**”), pursuant to which the Group has agreed to repay to Jilin Cinda RMB88.0 million within 30 days from the date of the Debt Restructuring Agreement (i.e. on or before 26 January 2024) for the settlement of the loans from 中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation*) (“**Jinzhou CCB**”) to Jinzhou Yuancheng with the aggregate principal amount being RMB188.7 million together with outstanding interest (the “**Yuancheng CCB Loans**”) prior to the transfer of such debts from Jinzhou CCB to Jilin Cinda. The Group has transferred a total of RMB88.0 million (equivalent to approximately HK\$93,617,000), to Jilin Cinda in advance for the purpose of the settlement of the Yuancheng CCB Loans as at 31 December 2023.

Jilin Cinda has confirmed in writing that the terms and conditions stipulated in the Debt Restructuring Agreement have been fulfilled and the Debt Restructuring Agreement has been completed in January 2024. As a result, the remaining balance of the loan amount and interest under the Yuancheng CCB Loans has been waived and all repayment obligations of the Group under the Debt Restructuring Agreement have been fulfilled. The Group recognised a one-off gain on debt restructuring of the Yuancheng CCB Loans of approximately HK\$167.6 million in six months ended 30 June 2024.

7. INCOME TAX EXPENSES

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the Period and the six months ended 30 June 2024.

During the Period and the six months ended 30 June 2024, no provision for the PRC enterprise income tax was made as the subsidiaries operating in the PRC incurred tax losses or the estimated assessable profits were wholly absorbed by tax losses brought forward from previous years.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

8. (LOSS) EARNINGS PER SHARE

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Basic (loss) earnings per Share		
(Loss) Profit attributable to owners of the Company (in HK\$'000)	(63,295)	165,601
Number of Shares		
Weighted average of ordinary Shares in issue	1,929,109,663	1,603,751,616
Basic (loss) earnings per Share	HK(3.3) cents	HK10.3 cents

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Diluted (loss) earnings per Share		
(Loss) Profit attributable to owners of the Company (in HK\$'000)	(63,295)	165,601
Imputed interest on the Convertible Bonds (in HK\$'000)	—	966
Adjusted (loss) profit attributable to owners of the Company (in HK\$'000)	(63,295)	166,567
Number of Shares		
Weighted average of ordinary Shares in issue	1,929,109,663	1,603,751,616
Effect of conversion of the Convertible Bonds	—	137,765,104
Weighted average number of ordinary Shares for the purpose of diluted (loss) earnings per Share	1,929,109,663	1,741,516,720
Diluted (loss) earnings per Share	HK(3.3) cents	HK9.6 cents

The calculation of the diluted loss per Share for the Period has not taken into account the effect of the assumed conversion of the Convertible Bonds as this would be anti-dilutive.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. DIVIDEND

The Board does not recommend the payment of any dividend for the Period (six months ended 30 June 2024: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At 1 January	398,408	312,325
Additions	1,422	109,513
Depreciation	(17,537)	(24,433)
Disposal	—	(11,696)
Gain on properties valuation	—	33,503
Exchange realignment	7,942	(20,804)
At 30 June/31 December	390,235	398,408

11. TRADE AND BILLS RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables	84,753	77,243
Bills receivable	—	3
Loss allowance	(6,660)	(6,807)
	78,093	70,439

The Group normally grants credit terms of 30 to 90 days (31 December 2024: 30 to 90 days) to established customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management of the Group.

Trade and bills receivables are non-interest-bearing. At the end of the reporting period, the Group had a concentration of credit risk as 16.0% (31 December 2024: 17.9%) and 43.5% (31 December 2024: 47.2%) of the total trade and bills receivables that were due from the Group's largest customer and the five largest customers respectively.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. TRADE AND BILLS RECEIVABLES *(continued)*

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

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	48,789	53,447
1 to 2 months	20,857	12,755
2 to 3 months	3,777	2,846
Over 3 months	4,670	1,391
	78,093	70,439

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Prepayments	20,086	16,100
Deposits and other debtors	5,560	7,117
The PRC value-added tax (“VAT”) and other tax receivables	1,507	1,431
	27,153	24,648

13. TRADE PAYABLES

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables			
To related parties (a)			
— Ruihao (Guangzhou)	18(ii)	5,905	6,348
— DDT Supply Chain	18(ii)	27,860	59,205
— Jilin Huasheng	18(ii)	20,648	—
		54,413	65,553
To third parties		69,235	68,755
		123,648	134,308

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

13. TRADE PAYABLES *(continued)*

Remark:

- (a) The trade payables to related parties, Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng, are unsecured, interest-free and repayable on demand and subject to delay payments charge after lapse of credit periods.

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2024: 30 to 90 days) from its suppliers.

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

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 1 month	35,676	65,701
1 to 2 months	31,019	14,561
2 to 3 months	3,225	27,851
Over 3 months	53,728	26,195
	123,648	134,308

14. OTHER PAYABLES AND ACCRUALS

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Payables for purchases of machinery	33,103	31,727
Customer deposits and receipts in advance	16,978	15,194
VAT and other duties payable	24,566	18,118
Accruals for employee benefits	67,798	54,797
Accrued expenses	35,939	39,926
Interest payables	83,385	68,303
	261,769	228,065

15. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

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

First Batch of CB

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

Subsequent to the CB First Completion, each of the CB Subscribers had exercised their rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with the principal amounts of RMB21.0 million and RMB21.0 million to Huasheng on 3 May 2024 respectively. On 24 May 2024, Huasheng exercised the Conversion Rights to convert the Convertible Bonds with the principal amount of RMB33.0 million into 362,788,856 conversion shares (the “**Conversion Share(s)**”) at the Conversion Price of HK\$0.1 per Conversion Share, applying the exchange rate of HK\$1.0 to RMB0.90962 as announced by the People’s Bank of China on the date of the conversion notice issued by Huasheng (i.e. 14 May 2024) pursuant to the terms and conditions of the Convertible Bonds. All Conversion Shares rank pari passu in all respects among themselves and with all other existing Shares in issue.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

Second Batch of CB

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

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

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

	Liability component		Deferred day-one loss		Total HK\$'000
	First Batch of CB HK\$'000	Second Batch of CB HK\$'000	First Batch of CB HK\$'000	Second Batch of CB HK\$'000	
At 1 January 2025	21,608	47,439	—	(24,319)	44,728
Interest payables	(742)	(1,649)	—	—	(2,391)
Imputed interest	1,845	4,205	—	—	6,050
Amortisation of deferred day-one loss	—	—	—	4,814	4,814
Exchange realignment	751	1,659	—	(695)	1,715
At 30 June 2025 (Unaudited)	23,462	51,654	—	(20,200)	54,916

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

	First Batch of CB HK\$'000	Second Batch of CB HK\$'000	Total HK\$'000
At 1 January 2025	12,719	28,084	40,803
Gain on fair value change	(4,149)	(8,595)	(12,744)
At 30 June 2025 (Unaudited)	8,570	19,489	28,059

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. SHARE CAPITAL

	30 June 2025 (Unaudited)		31 December 2024 (Audited)	
	Number of Shares	HK\$'000	Number of Shares	HK\$'000
Authorised: 100,000,000,000 (31 December 2024: 100,000,000,000) ordinary Shares of HK\$0.1 each	100,000,000,000	10,000,000	100,000,000,000	10,000,000
Issued and fully paid ordinary Shares of HK\$0.1 each:				
At beginning of the Period/year	1,890,374,856	189,037	1,527,586,000	152,759
Issuance of Shares upon subscription (a)	41,000,000	4,100	—	—
Conversion of the Convertible Bonds (b)	—	—	362,788,856	36,278
At end of the Period/year	1,931,374,856	193,137	1,890,374,856	189,037

Remarks:

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

17. CAPITAL COMMITMENTS

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Contracted, but not provided for:		
— Purchase or construction of property, plant and machinery	75,511	59,410

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions/balances with related parties during the Period and at the end of the reporting period:

(i) Transactions with related parties

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Purchase from DDT Supply Chain		
– Corn starch (a)	–	180,608
Purchase from Ruihao (Guangzhou)		
– Corn starch (a)	7,689	16,432
– Sugar syrup (a)	358	57,492
Purchase from Jilin Huasheng		
– Corn starch (a)	54,205	–
– Other raw materials (b)	942	–
Purchases from a former fellow subsidiary		
– Lysine and other raw materials (c)	393	1,637
Interest on amount payables to a former fellow subsidiary	1,126	1,157
Interest on amount due to shareholders	988	–
Interest on amount payables to shareholders' controlled entity	225	–
Imputed interest on the Convertible Bonds	6,050	966
Licence fee paid to a former fellow subsidiary (d)	–	191

Remarks:

- (a) The Group sourced corn starch and sugar syrup from connected parties. These purchases were made at prices based on (i) the 2024 Master Purchase Agreement; (ii) the agreement dated 1 January 2023 entered into between DDT Supply Chain as supplier and Shanghai Haocheng as purchaser in relation to the purchase of corn starch and sugar syrup by Shanghai Haocheng from DDT Supply Chain for the term commencing from 1 January 2023 and ending on 31 December 2024; and (iii) the agreement dated 1 January 2023 entered into between Ruihao (Guangzhou) as supplier and Shanghai Haocheng as purchaser in relation to the purchase of corn starch and sugar syrup by Shanghai Haocheng from Ruihao (Guangzhou) for the term commencing from 1 January 2023 and ending on 31 December 2024, respectively. These transactions were complied with the requirements under Chapter 14A of the Listing Rules.
- (b) There had been insignificant amount of continuing connected transactions in relation to the purchase of other raw materials from Jilin Huasheng which were fully exempted from shareholders' approval, annual review and disclosure requirements under Chapter 14A of the Listing Rules.
- (c) There had been insignificant amount of continuing connected transactions in relation to the purchase of lysine and other raw materials from a former fellow subsidiary which were fully exempted from shareholders' approval, annual review and disclosure requirements under Chapter 14A of the Listing Rules.
- (d) The Group shares a premise in Hong Kong with a former fellow subsidiary. The licence fee was charged based on the licence agreement entered into between the parties.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. RELATED PARTY TRANSACTIONS *(continued)*

(ii) Balances with related parties

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Due to former fellow subsidiaries			
Due to former fellow subsidiaries (a)		(8,807)	(7,480)
Amount payables to a former fellow subsidiary (b)		(38,352)	(37,128)
		(47,159)	(44,608)
Due to shareholders' controlled entities			
– Loan from shareholders' controlled entity (c)		(23,552)	–
– Interest payables to shareholders' controlled entity		(225)	–
Amount receivables from shareholders' controlled entity (d)		3,065	–
		(20,712)	–
Due to shareholders			
Loans from shareholders (c)		(45,945)	(36,012)
Interest payables to shareholders		(1,199)	(199)
Due to shareholders (e)		(7,681)	(400)
Interest payables on the Convertible Bonds		(4,890)	(2,540)
		(59,715)	(39,151)
Trade payables to DDT Supply Chain (f)	13	(27,860)	(59,205)
Trade payables to Ruihao (Guangzhou) (f)	13	(5,905)	(6,348)
Trade payables to Jilin Huasheng (f)	13	(20,648)	–
		(54,413)	(65,553)

Remarks:

- (a) The amounts due to former fellow subsidiaries are unsecured, interest-free and repayable on demand.
- (b) The amount payables to a former fellow subsidiary is unsecured, interest bearing at 6.0% per annum (31 December 2024: 6.0% per annum) and has no fixed terms of repayment.
- (c) The loans from shareholders and shareholders' controlled entity are unsecured, with a fixed interest rate at 5.5% (2024: 5.5%) and repayable within 1 year from the end of the reporting period.
- (d) The amount receivables from shareholders' controlled entity is unsecured, interest-free and repayable on demand.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. RELATED PARTY TRANSACTIONS *(continued)*

(ii) Balances with related parties *(continued)*

Remarks: *(continued)*

- (e) The amounts due to shareholders are unsecured, interest-free and has no fixed term of repayment.
- (f) The trade payables to related parties, Ruihao (Guangzhou), Jilin Huasheng and DDT Supply Chain, are unsecured, interest-free, repayable on demand and subject to delay payments charge after lapse of credit period.

(iii) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Short-term employee benefits	1,098	843
Total compensation paid to key management personnel	1,098	843