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GLOBAL CORN GROUP LIMITED

大成玉米集團有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03889)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Directors**") of Global Corn Group Limited (formerly known as Global Sweeteners Holdings Limited, the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Period**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'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

* *For identification purposes only*

	Notes	Six months ended 30 June **2025** **(Unaudited)** ***HK$'000***	2024 (Unaudited) *HK$'000*
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		**261,769**	228,065
Lease liabilities		**122**	119
Interest-bearing bank and other borrowings		**263,132**	254,734
Due to former fellow subsidiaries		**47,159**	44,608
Due to shareholders' controlled entities		**20,712**	—
Due to shareholders		**59,715**	39,151
Convertible bonds (the "**Convertible Bonds**")	*14*	**54,916**	44,728
Derivative financial instruments	*14*	**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)

	Notes	**30 June 2025 (Unaudited) *HK$'000***	31 December 2024 (Audited) *HK$'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**95**	156
Deferred income		**88**	170
		183	326
NET LIABILITIES		**(284,418)**	(218,254)
CAPITAL AND RESERVES			
Share capital	*15*	**193,137**	189,037
Reserves		**(477,555)**	(407,291)
TOTAL DEFICIT		**(284,418)**	(218,254)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability 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 (the "**Stock Exchange**") 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:

(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) ***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 Tieguang; (ii) 鋭豪科創商貿(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 Tieguang, Huasheng (collectively, the "**Substantial Shareholders**") 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; and (ii) the purchase of corn starch and other corn refined products including but not limited to gluten meal, corn steep liquor, fibre-based feeds, corn oil and corn germ meals by the Contract Parties from the Group for the term commencing from 1 January 2025 and ending on 31 December 2027, respectively.

The Directors, including all members of the audit committee of the Company (the "**Audit Committee**"), have reviewed the cash flow forecast prepared by the management on the basis that the measures mentioned above shall have a successful and favourable outcome, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the 12 months from 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

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.

(a) Segment results

Six months ended 30 June

	Corn refined products		Corn sweeteners		Total	
	2025	2024	**2025**	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'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)
Reconciliation:						
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	2024	**2025**	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**248,923**	322,242	**4,724**	10,233	**253,647**	332,475

4. REVENUE, OTHER INCOME AND GAINS

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'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	*14*	**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.

5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**12,929**	12,702
Interest on amount payable to a former fellow subsidiary	**1,126**	1,157
Interest on amount due to shareholders	**988**	—
Interest on amount due to a shareholders' controlled entity	**225**	—
Interest on lease liabilities	**7**	6
Imputed interest on the Convertible Bonds	**6,050**	966
	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	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
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	*14*	**4,814**	—
(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	*14*	**(12,744)**	—
Gain on deregistration of subsidiaries		**(156)**	—
Gain on debt restructuring (b)		**—**	(167,615)

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.

8. (LOSS) EARNINGS PER SHARE

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(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 of the Company (the "**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	2024
	(Unaudited)	(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.

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
	84,753	77,246
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.

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

13. TRADE PAYABLES

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

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. 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 Tieguang 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.

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**		
	First Batch of CB	**Second Batch of CB**	**First Batch of CB**	**Second Batch of CB**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***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	**Second Batch of CB**	**Total**
	HK$'000	***HK$'000***	***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**

15. SHARE CAPITAL

	30 June 2025 (Unaudited) Number of Shares	HK$'000	31 December 2024 (Audited) Number of Shares	HK$'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 (the "**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.

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 gross domestic product ("**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 metric tonnes ("**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.

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: 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.

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

Pursuant to the Call Option Agreement, the Call Options are granted equally by each of the Substantial Shareholders. Therefore, each of Mr. Kong Zhanpeng, Mr. Wang Tieguang 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 announcement, 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.

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.

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in RMB, while export sales, which were 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 RMB and is of the view that there is no material unfavourable exposure to foreign exchange fluctuations. Therefore, the Group currently does not intend to hedge its exposure to foreign exchange fluctuations in RMB. The Group will constantly review the economic situation, development of the Group's business segments and its overall foreign exchange risk profile, and will consider appropriate hedging measures in the future as and when necessary.

DISCLOSURE PURSUANT TO RULES 13.19 AND 13.21 OF THE LISTING RULES

Breach of loan agreements

As detailed in the joint announcement of the Company and Global Bio-chem Technology Group Company Limited dated 25 August 2023, Jinzhou Yuancheng has defaulted on the repayment of the loans it owed to 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 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*) ("**Dihao Foodstuff**") (the obligations and liabilities under which shall be counter-guaranteed and indemnified under the counter-guarantee provided by the Company to Dihao Foodstuff in respect of the obligations and liabilities that Dihao Foodstuff may incur and suffer under the guarantees provided by Dihao Foodstuff to 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 announcement, 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.

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 (the "**Shares Subscription Agreement(s)**") 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 announcement, 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.

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 announcement.

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 has 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).

INTERIM DIVIDEND

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

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

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

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 (the "**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 Corporate Governance Code in effect for the Period (the "**CG Code**") as set out in Appendix C1 to the Listing Rules 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"). Having made specific enquiry of each of the Directors, all the Directors have confirmed to the Company that they have complied with the required standards set out in the Model Code and the Company's code of conduct throughout the Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.global-corn.com under "Investor Relations".

The interim report of the Company for the Period will be made available to the Shareholders and will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 29 August 2025

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