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

2026
Interim Report

*For identification purpose only

CONTENTS

MIX
Paper | Supporting responsible forestry
FSC® C120915

DEFINITIONS

"Audit Committee"	the audit committee of the Company
"Auditor"	the auditor of the Company, Forvis Mazars CPA Limited
"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 for the aforesaid Convertible Bonds by the Initial 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 for the aforesaid remaining Convertible Bonds by the Initial CB Subscribers, on 19 July 2024 pursuant to the terms of 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 Initial 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 falling 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 Initial CB Subscribers in accordance with the terms of the CB Subscription Agreement
"Corporate Governance Committee"	the corporate governance committee of the Company

"DDT (Jinzhou)"	點點通(錦州)商貿有限公司 (DDT (Jinzhou) Trading Co., Ltd.*), a company established in the PRC with limited liability
"DDT Supply Chain"	點點通供應鏈科技(深圳)有限公司 (DDT Supply Chain Technology (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability
"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
"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
"Initial CB Subscribers"	collectively, Mr. Wang Tieguang and Mr. Kong Zhanpeng, the subscribers under the CB Subscription Agreement
"Jilin Huasheng"	吉林省華生商貿有限公司 (Jilin Huasheng Trading Limited*), a company incorporated in the PRC, which is ultimately controlled by Mr. Li Fangcheng, an executive Director
"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 Huayin"	錦州市華銀資產經營有限公司 (Jinzhou Huayin Asset Management Co., Ltd.*)

DEFINITIONS

"Jinzhou ICBC"	中國工商銀行股份有限公司錦州人民街支行 (Jinzhou Renmin Street Branch of Industrial and Commercial Bank of China Limited*) (formerly known as 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*)), a former lender of Jinzhou Yuancheng
"Jinzhou ICBC Loans"	the loans from Jinzhou ICBC to Jinzhou Yuancheng with the aggregate principal amount being RMB212.5 million together with outstanding interest prior to transfer to Jinzhou Huayin
"Jinzhou Dacheng"	錦州大成食品發展有限公司 (Jinzhou Dacheng Food Development Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
"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 applicable for the Period
"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 2026
"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
"RMB"	Renminbi, the lawful currency of the PRC
"Ruihao (Guangzhou)"	鋭豪科創商貿(廣州)有限公司 (Ruihao Tech Innovation Trading (Guangzhou) Co., Ltd.*), a company established in the PRC with limited liability
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company

"Shareholder(s)"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholders"	collectively, (i) Mr. Kong Zhanpeng; (ii) Mr. Wang Tieguang; and (iii) Huasheng
"Substantial Shareholders' Controlled Entities"	collectively, (i) DDT Supply Chain; (ii) DDT (Jinzhou); (iii) Ruihao (Guangzhou); and (iv) Jilin Huasheng
"%"	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*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Tieguang *(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

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1206, 12th Floor
The Metropolis Tower
10 Metropolis Drive
Hung Hom
Kowloon
Hong Kong

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants
42nd Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAWS

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

PRINCIPAL BANKERS

China Merchants Bank Co., Ltd., Shanghai Branch
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
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.global-corn.com

STOCK CODE

03889

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

During the first half of 2026, the global economy maintained a modest growth trajectory. However, ongoing volatility in the United States tariff policies, heightened geopolitical tensions, and conflicts in Iran exacerbated fluctuations in commodity prices, dampening global economic momentum. Although the Chinese economy demonstrated resilience, insufficient domestic demand persisted, resulting in a lacklustre recovery in overall demand across the food and beverage sector. Industries such as agricultural product processing and feed manufacturing generally faced severe operational headwinds characterized by low-capacity utilization and intensified price competition.

During the Period, domestic corn supply remained ample, and corn prices declined after an initial increase. In the sugar sector, domestic sugar production for the 2025/26 crushing season hit a multi-year high. By the end of June 2026, domestic industrial sugar inventories had surged significantly year-on-year, also hovering at historic highs. Affected by high stock levels and a sluggish recovery in downstream consumption, inventory destocking proceeded at a slower-than-expected pace. Coupled with a persistent global sugar surplus, both domestic and international sugar prices continued to weaken, thereby further intensifying pressure on the price competitiveness of the Group's sweetener products.

Faced with industry headwinds, the Group focused on maintaining essential operations, strictly controlling costs and expenses, and adjusting production scale to achieve an optimal operating rate during the Period. These efforts drove steady revenue growth and allowed the Group to preserve its core market share while actively negotiating with relevant parties to secure more favorable long-term settlement schemes for accounts payable, further safeguarding the Group's liquidity. Despite an increase in sales volume during the Period, pressure from both declining selling prices and elevated costs resulted in a year-on-year decline in the Group's gross profit.

In light of the continued slump in the upstream market, and with an attempt to resolve its legacy debt issues, during the Period, the Group, after a prudent evaluation, resolved to voluntarily wind up its indirect wholly-owned subsidiaries, Jinzhou Dacheng and Jinzhou Yuancheng. Given these subsidiaries' financial and operational conditions, the voluntary winding-ups are expected to mitigate the Group's losses and free up resources and management bandwidth for reallocation to the Group's other existing operations. The Group will actively seek strategic collaboration to safeguard the core assets of Jinzhou Dacheng and Jinzhou Yuancheng with a view to resume its upstream operations in the future.

MESSAGE TO SHAREHOLDERS

OUTLOOK

Looking ahead to the second half of 2026, the global economy remains fraught with various uncertainties. Domestic corn prices are expected to maintain a weak trend in the near term. The domestic market is likely to maintain an abundant supply of sweeteners and sugar with continued severe competition in the sweetener sector, leaving little room for a surge in sweetener price. In the face of these challenges, the Group will continue to adopt a prudent and pragmatic management approach, strictly control costs across the board, and make every effort to safeguard cash inflows to consolidate the Group's fundamentals during market adjustment and prepare itself for a gradual rebalance of supply and demand dynamics.

To address its funding shortfall, the Group is actively engaging with industry peers to seek strategic investors for capital injection into its operations while preserving its upstream production facilities, with a view to realize synergistic benefits through upstream and downstream integration in the long run.

Looking forward, with the orderly voluntary winding-ups of Jinzhou Dacheng and Jinzhou Yuancheng, the Group is poised to shed its legacy debt burden. Upon completion of their liquidation, the Group's financial statements will reflect a more robust financial position. Situated in the core region of the Yangtze River Delta, the Group's Shanghai production site enjoys close proximity to customers and markets, with a stable customer base. Through efficient operations and optimized cost management, the Shanghai production site will provide a steady cash flow foundation for the Group.

We would like to express our sincere gratitude to all Shareholders and stakeholders for their continued trust in and support for the Group and its management team. With a leaner and healthier business structure, the Group will seize growth opportunities driven by market recovery, and steadily advance towards sustainable development.

Wang Tieguang
Kong Zhanpeng
Joint chairmen

28 August 2026

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.

In the first half of 2026, the global economy faced significant headwinds. In June 2026, the World Bank revised its global economic growth forecast for 2026 downward from 2.6% to 2.5%, while cautioning that downside risks remain elevated. The Iran conflict, together with rising energy and shipping costs, heightened financial market volatility, and increasing fertilizer prices, collectively weighed on the global growth outlook.

According to data from the National Bureau of Statistics, China's Gross Domestic Product grew by 4.7% year-on-year in the first half of 2026, while the Consumer Price Index ("**CPI**") rose by 1.0% over the same period. Among the CPI components, prices for food, tobacco, alcohol, and dining out edged down by 0.2% year-on-year. Although the Chinese economy remained stable and resilient amid external uncertainties, the structural imbalance between ample supply and weak demand persists, with insufficient effective demand remaining a key constraint on current economic performance.

Regarding corn supply, global corn production for the year 2026/27 is estimated at 1,297.1 million MT (2025/26: 1,327.7 million MT), according to the estimation from the United States Department of Agriculture in July 2026. Despite weather-related disruptions and rising oil prices, total global production remains at a historically high level. International corn prices exhibited volatility and rose from approximately 439.9 US cents per bushel (equivalent to RMB1,179 per MT) in early January 2026 to a peak of around 480.8 US cents per bushel (equivalent to RMB1,289 per MT) in May 2026 and retreated to around 412.7 US cents per bushel (equivalent to RMB1,107 per MT) by late June 2026.

In the PRC, according to the Chinese Agricultural Supply and Demand Estimates Report in July 2026, domestic corn harvest in the year 2026/27 is estimated to produce 306.0 million MT (2025/26: 301.2 million MT) of corn, with consumption volume estimated at 311.7 million MT (2025/26: 312.8 million MT). While domestic corn production increased, overall consumption demand remained broadly stable. In the first half of 2026, domestic corn prices rose from approximately RMB2,200 per MT in January 2026 to above RMB2,400 per MT by March 2026. However, as market supply increased following concentrated inventory releases and downstream demand remained subdued, prices came under pressure and retreated to RMB2,300 by the end of June.

Due to insufficient consumption in the downstream market, profit margins in upstream products remained low. In June 2026, the Group made a strategic decision to initiate the winding-up of Jinzhou Dacheng and Jinzhou Yuancheng aiming to reduce the Group's liabilities, improve its financial position, and allow the reallocation of its resources to other existing businesses.

As for the sugar market, global sugar production for the year 2025/26 is estimated at 186.1 million MT (2024/25: 180.3 million MT) with consumption estimated at 179.9 million MT (2024/25: 175.4 million MT). Lower domestic ethanol prices in Brazil encouraged producers to allocate a greater portion of sugarcane to sugar production, contributing to an increase in supply and a decline in international sugar prices. Additional downward pressure on prices stemmed from the strong pace of sugar exports from Brazil. Reflecting such developments, the FAO Sugar Price Index averaged 89.7 points in June 2026, representing a decrease of 5.7 per cent from May 2026 and 13.3 per cent below its level of a year ago.

In the PRC, domestic sugar production increased to approximately 13.0 million MT (2024/25: approximately 11.2 million MT) in the year 2025/26, while consumption remained stable at 15.7 million MT (2024/25: 15.7 million MT). With a significant increase in domestic sugar supply, the domestic sugar price decreased to RMB5,453 per MT (end of June 2025: RMB6,180 per MT) by the end of June 2026.

Owing to persistent downward pressure on sugar prices and intense competition in the sweetener market, the Group was unable to fully pass on increased raw material costs to end customers. Therefore, the Group's gross profit margin decreased by 6.1 percentage points to 3.5%.

The Group will continue to strengthen its existing businesses through enhanced operational management and tighter cost control, while closely monitoring market conditions and its financial position to enhance operational efficiency and market competitiveness. At the same time, the Group will proceed with the winding-up procedures of Jinzhou Dacheng and Jinzhou Yuancheng, actively seek strategic cooperation where appropriate, and make every effort to safeguard, retain, and protect the core assets of Jinzhou Dacheng and Jinzhou Yuancheng within the Group, with a view to resuming the Group's upstream business in the future.

FINANCIAL PERFORMANCE

During the Period, the average unit selling price of the Group's sweetener products dropped by approximately 3.4%, which was primarily attributable to the persistent oversupply of sweetener products, fierce market competition within the segment, and the narrowing gap between domestic sugar production and consumption. At the same time, the average unit production cost of sweetener products increased by approximately 3.1%, as a result of the increase in purchase price of corn starch. Although the Group sought to mitigate the impact of rising costs through adjustments to its production operation rate and achieved an increase in the sales volume of the Group by approximately 4.9% to approximately 85,000 MT (2025: 81,000 MT), these measures were unable to fully offset the adverse market conditions. As a result of the combined pressure from declining selling prices and rising costs, the gross profit of the Group fell by approximately 61.7% to approximately HK$9.3 million (2025: HK$24.3 million), with the gross profit margin narrowing by 6.1 percentage points to 3.5% (2025: 9.6%).

Upstream products

(Sales amount: Nil (2025: Nil))
(Gross profit: Nil (2025: 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. Due to insufficient consumption in the downstream market, profit margins for upstream products remained persistently low. In June 2026, the Group decided to initiate the winding-up of Jinzhou Yuancheng, which owns the upstream facilities of the Group, in an effort to reduce the Group's liabilities, improve its financial position, and reallocate resources to its other existing businesses.

Corn Sweeteners

Corn syrup

(Sales amount: HK$239.2 million (2025: HK$212.5 million))
(Gross profit: HK$8.7 million (2025: HK$21.4 million))

During the Period, the revenue of the corn syrup segment increased by approximately 12.6% to approximately HK$239.2 million (2025: HK$212.5 million). Such increase was mainly attributable to the increase in sales volume by approximately 13.6% to approximately 75,000 MT (2025: 66,000 MT) due to the Group's adjustment in production volume to achieve an optimal production operation rate. Meanwhile, the average production cost of corn syrup products increased by approximately 2.8% and the average selling price of corn syrup products decreased by approximately 4.5% during the Period. Consequently, the gross profit margin of the corn syrup segment dropped to approximately 3.6% (2025: 10.1%), with a gross profit of approximately HK$8.7 million recorded for the Period (2025: HK$21.4 million).

Corn syrup solid

(Sales amount: HK$29.7 million (2025: HK$41.1 million))
(Gross profit: HK$0.6 million (2025: HK$2.9 million))

As a result of the fierce market competition for the corn syrup solid segment during the Period, the Group scaled down the sales volume of corn syrup solid to approximately 10,000 MT (2025: 15,000 MT), which was entirely maltodextrin. As such, the revenue of corn syrup solid decreased by approximately 27.7% to HK$29.7 million (2025: HK$41.1 million). The average selling price of corn syrup solid decreased by approximately 1.5%. In addition, the average production cost of corn syrup solid increased by approximately 4.0% during the Period. The gross profit margin of the corn syrup solid segment during the Period decreased to approximately 2.0% (2025: 7.1%) with the gross profit of approximately HK$0.6 million (2025: HK$2.9 million).

Export sales

During the Period, export sales accounted for approximately 0.6% (2025: 1.9%) of the Group's total revenue. The Group exported approximately 400 MT (2025: 1,400 MT) of corn sweeteners, which amounted to sales of approximately HK$1.6 million (2025: HK$4.7 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 by approximately 41.3% to approximately HK$9.8 million (2025: HK$16.7 million) during the Period, which was mainly attributable to the decrease in gain on fair value change of derivative components of the Convertible Bonds to approximately HK$4.5 million (2025: HK$12.7 million).

Selling and distribution costs

During the Period, selling and distribution costs decreased by approximately 9.5% to approximately HK$15.2 million (2025: HK$16.8 million), accounting for approximately 5.6% (2025: 6.6%) of the Group's total revenue. Such decrease was mainly attributable to the reduction in logistics expenses during the Period.

Administrative expenses

During the Period, administrative expenses decreased by approximately 16.1% to approximately HK$23.9 million (2025: HK$28.5 million). Such decrease was mainly attributable to reduced pre-operational expenses for the resumption of the Group's Jinzhou production site compared to the prior period.

Other expenses

Other expenses of the Group decreased by approximately 8.5% to approximately HK$34.5 million (2025: HK$37.7 million) during the Period. The amount of other expenses for the Period mainly included amortisation of deferred day-one loss of approximately HK$5.1 million (2025: HK$4.8 million) in relation to the Convertible Bonds issued in 2024 and the expenses in relation to idle capacity of certain suspended production facilities of approximately HK$23.9 million (2025: HK$27.6 million).

Finance costs

During the Period, finance costs of the Group increased by 27.7% to approximately HK$27.2 million (2025: HK$21.3 million), which was mainly attributable to the increase in interest on bank and other borrowings, interest on amounts due to Substantial Shareholders and imputed interest on the Convertible Bonds to approximately HK$15.6 million (2025: HK$12.9 million), HK$2.6 million (2025: HK$1.0 million) and HK$7.1 million (2025: HK$6.1 million), respectively.

Income tax expenses

No deferred tax was recorded for the Period (2025: 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 (2025: Nil).

Net loss of the Company

During the Period, a decrease in gross profit to approximately HK$9.3 million (2025: HK$24.3 million), coupled with the increase in finance costs to approximately HK$27.2 million (2025: HK$21.3 million) and a decrease in gain on fair value change of derivative components of the Convertible Bonds to approximately HK$4.5 million (2025: HK$12.7 million) led to a net loss of the Company of approximately HK$81.8 million (2025: HK$63.3 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 2026 increased by approximately HK$20.5 million to approximately HK$281.0 million (31 December 2025: HK$260.5 million) as a result of net addition of certain bank and other borrowings of approximately HK$11.6 million and the exchange rate adjustment of approximately HK$8.9 million during the Period. On the other hand, cash and bank balances which were mainly denominated in RMB and Hong Kong dollars, increased by approximately HK$9.0 million to approximately HK$10.3 million (31 December 2025: HK$1.3 million, denominated in RMB and Hong Kong dollars) as at 30 June 2026. Consequently, net borrowings of the Group increased to approximately HK$270.7 million (31 December 2025: HK$259.2 million) during the Period.

Structure of interest-bearing bank and other borrowings

As at 30 June 2026, the Group's bank and other borrowings of approximately HK$281.0 million (31 December 2025: HK$260.5 million) were all (31 December 2025: all) denominated in RMB. All (31 December 2025: all) of the Group's interest-bearing bank and other borrowings were wholly repayable within one year. As at 30 June 2026, the interest-bearing bank and other borrowings of the Group amounting to approximately HK$258.0 million (31 December 2025: HK$260.5 million) were charged at fixed interest rates of 4.3% to 12.0% per annum (31 December 2025: 4.3% to 12.0% per annum). Other than that, the rest of the Group's interest-bearing bank and other borrowings were charged with reference to floating interest rate.

Convertible Bonds

On 6 April 2023 (after trading hours), the Company entered into the CB Subscription Agreement with the Initial CB Subscribers, pursuant to which the Company agreed to issue, and the Initial 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 adjustments 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 2026 were divided into liability component and derivative financial instrument component which amounted to approximately HK$76.9 million and HK$0.6 million (31 December 2025: HK$64.8 million and HK$5.1 million), respectively, and effective imputed interest of approximately HK$7.1 million (2025: HK$6.1 million) was charged as at 30 June 2026.

As at the date of this report, each of Mr. Kong Zhanpeng, Mr. Wang Tieguang, Huasheng and Mr. Cui Jilong held the outstanding Convertible Bonds in the principal amount of RMB29.0 million, RMB20.0 million, RMB29.0 million and RMB9.0 million, respectively.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 30 to 90 days, are granted to customers, depending on their credit worthiness and business relationships with the Group. During the Period, trade receivables turnover days increased to approximately 44 days (31 December 2025: 39 days) as longer credit periods were granted to a number of customers with good track records.

During the Period, trade payables turnover days decreased to approximately 80 days (31 December 2025: 84 days) as the Group actively negotiated with creditors on repayment plans mutually agreed among the parties during the Period.

During the Period, the Group's inventory turnover days decreased to approximately 20 days (31 December 2025: 32 days) as the Group sped up stock-out frequency to enhance the liquidity of the Group.

As at 30 June 2026, the current ratio and quick ratio were approximately 0.11 (31 December 2025: 0.13) and approximately 0.08 (31 December 2025: 0.09), respectively. Gearing ratio in terms of debts (i.e. total interest-bearing bank and other borrowings, the amounts due to former fellow subsidiaries, the amounts due to Substantial Shareholders' Controlled Entities, the amounts due to Substantial Shareholders, and the Convertible Bonds and derivative financial instruments) to total assets (i.e. sum of current assets and non-current assets) increased to approximately 85.8% (31 December 2025: 82.0%), which was mainly attributable to the increase in the amounts due to Substantial Shareholders and the amounts due to Substantial 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 2026, the Group did not have any significant contingent liabilities.

CHARGE ON ASSETS

As at 30 June 2026, the Group's interest-bearing bank and other borrowings amounted to approximately HK$281,034,000 (31 December 2025: HK$260,500,000) were secured by a pledge of certain property, plant and equipment of the Group which amounted to approximately HK$236,091,000 (31 December 2025: HK$246,345,000).

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 0.6% (2025: 1.9%) 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.

SUPPLEMENTAL INFORMATION IN RELATION TO THE PERIOD UNDER REVIEW

Reference is made to the announcement of the Company dated 1 June 2026. On 1 June 2026, (i) the sole shareholder of Jinzhou Dacheng passed resolutions to wind up Jinzhou Dacheng and set up a liquidation group to liquidate Jinzhou Dacheng in accordance with the applicable laws and regulations in the PRC; and (ii) the sole shareholder of Jinzhou Yuancheng passed resolutions to wind up Jinzhou Yuancheng and set up a liquidation group to liquidate Jinzhou Yuancheng in accordance with the applicable laws and regulations in the PRC. Pursuant to the respective sole shareholder's resolution of Jinzhou Dacheng and Jinzhou Yuancheng, 北京大成（瀋陽）律師事務所 (Shenyang branch of Beijing Dacheng Law Offices*) has been appointed to exercise the rights of the liquidation group to liquidate Jinzhou Dacheng and Jinzhou Yuancheng.

Jinzhou Dacheng was principally engaged in the downstream processing of corn starch and the manufacture and sale of corn sweeteners. Based on the unaudited management accounts of Jinzhou Dacheng as at 30 June 2026, Jinzhou Dacheng recorded net liabilities of approximately RMB34,250,000. Jinzhou Yuancheng was principally engaged in the manufacture and sale of upstream corn refined products. Based on the unaudited management accounts of Jinzhou Yuancheng as at 30 June 2026, Jinzhou Yuancheng recorded net liabilities of approximately RMB372,007,000, which consisted of Jinzhou ICBC Loans (the "**Transferred Loans**" after completion of transfer to Jinzhou Huayin).

As the operations of Jinzhou Dacheng and Jinzhou Yuancheng have been suspended since 2019 and 2020, respectively, neither company has recorded any revenue since 2020. Taking into account the net loss positions of Jinzhou Dacheng and Jinzhou Yuancheng in the latest financial year, the long-defaulted loans owed by Jinzhou Yuancheng, and the outstanding payables owed by the two companies to multiple suppliers and creditors, the Board is of the view that neither of the companies has reasonable means or prospect of making any material improvement in their respective financial positions or resuming sustainable operations in the foreseeable future, and that it is unlikely for them to be able to generate sufficient cash inflows to meet their respective liabilities. As such, the Board considers that the voluntary winding-up of Jinzhou Dacheng and Jinzhou Yuancheng is appropriate to reduce losses of the Group and reallocate the resources and management effort to the Group's other existing businesses, and such winding-ups are in the interests of the Company and its Shareholders as a whole. Upon the appointment of official liquidators during their respective winding-up processes, each of Jinzhou Dacheng and Jinzhou Yuancheng will cease to be a subsidiary of the Company and their financial positions and results will be deconsolidated from that of the Company. As at the date of this report, the respective winding-up processes of Jinzhou Dacheng and Jinzhou Yuancheng are still ongoing and the official liquidators have yet to be appointed.

FUNDRAISING ACTIVITIES

The Company did not conduct any fundraising activities during the Period.

FUTURE PLANS AND PROSPECTS

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

Meanwhile, the Group will endeavor to proceed with the voluntary winding-up of Jinzhou Dacheng and Jinzhou Yuancheng in order to reduce losses of the Group and reallocate resources and management effort to the Group's other existing businesses. At the same time, the Group will actively seek strategic cooperation to protect the core assets of Jinzhou Dacheng and Jinzhou Yuancheng, with a view to resuming the upstream business in the future.

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 2026, the Group had approximately 400 (30 June 2025: 430) 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 Directors' remuneration) were approximately HK$31.7 million (30 June 2025: approximately HK$35.0 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 2025: Nil).

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

As at 30 June 2026, the 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) 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 of Shares held (a)	Percentage of the Company's issued share capital (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
Li Fangcheng	Interest of a controlled corporation	680,384,764 Shares (L) (f)	35.23

Remarks:

(a) The letter "L" represents the Director's interests in the Shares and underlying Shares of the Company.

(b) Calculated on the basis of 1,931,374,856 Shares in issue as at 30 June 2026.

(c) Amongst 621,949,876 Shares in which Mr. Wang Tieguang was interested as beneficial owner as at 30 June 2026, 219,031,661 Shares represented Shares which may be issued to him upon full 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 Rich 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 beneficial owner as at 30 June 2026, 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.

(f) These Shares were registered in the name of Huasheng, which is wholly-owned by Jilin Huasheng and in turn ultimately controlled by Mr. Li Fangcheng. Amongst such 680,384,764 Shares, 317,595,908 Shares represented Shares which may be issued to Huasheng upon full conversion of the Convertible Bonds with principal amount of RMB29.0 million held by it (based on an illustrative exchange rate of HK$1.0 to RMB0.91311 announced by the People's Bank of China on the date of transfer of the Convertible Bonds to Huasheng). The remaining 362,788,856 Shares were beneficially owned by Huasheng, representing approximately 18.78% of the issued share capital of the Company.

Save as disclosed above, as at 30 June 2026, none of the Directors and the chief executives 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 Tieguang and Mr. Kong Zhanpeng in the Convertible Bonds, the further details of which have been disclosed under the paragraph headed "Convertible Bonds" on page 13 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 Director or any person in whose Shares and debentures any Director 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, 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

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 2026.

(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 49.36% 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 at 30 June 2026, 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.

(f) The entire issued capital of Huasheng is held by Jilin Huasheng which is in turn owned by Mr. Song Libin as to 30% and Mr. Li Fangcheng (an executive Director) as to 70%. Accordingly, each of Jilin Huasheng and Mr. Li Fangcheng is deemed to be interested in the Shares held by Huasheng under the SFO.

Save as disclosed above, as at 30 June 2026, 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.

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 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 CG Code in effect 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 DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

On 12 May 2026, as recommended by the Remuneration Committee and approved by the Board, the annual director's fee of Ms. Liu Ying, an independent non-executive Director, has been increased to HK$240,000 with effect from 1 June 2026.

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 directorships. The Nomination Committee also reviews the structure, size and composition of the Board, develops a list of desirable skills, perspectives and experience for assessing the optimal composition of the Board, assists the Board in maintaining a Board skills matrix and diversity of the Board in conjunction with the evaluation of the Board's performance conducted once every two years. The Nomination Committee shall make recommendations on any proposed changes to the Board, the selection of individuals nominated for directorships and the diversity policies adopted by the Company.

DISCLOSURE OF ADDITIONAL INFORMATION

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.

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 Jinzhou ICBC pursuant to the loan agreements respectively dated 25 August 2020 and 27 December 2021 entered into between Jinzhou Yuancheng and Jinzhou ICBC, which have become immediately due and payable. Such 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 Jinzhou ICBC in respect of the debts owed by Jinzhou Yuancheng to Jinzhou ICBC under the guarantee agreements dated 11 June 2021 and 27 December 2021). On 10 March 2025, Jinzhou Yuancheng was notified by Jinzhou ICBC that it had entered into a transfer agreement, as transferor, with Jinzhou Huayin, as transferee, pursuant to which Jinzhou ICBC has sold to Jinzhou Huayin, all of Jinzhou ICBC's rights and benefits under such loans (i.e. the Transferred Loans after completion of transfer to Jinzhou Huayin). As at the date of this report, the outstanding principal amount of the Transferred Loans is RMB212.5 million, with outstanding interest.

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 2026

	Notes	Six months ended 30 June 2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
REVENUE	4	**268,923**	253,647
Cost of sales		**(259,593)**	(229,368)
Gross profit		**9,330**	24,279
Other income and gains	4	**9,766**	16,746
Selling and distribution costs		**(15,161)**	(16,829)
Administrative expenses		**(23,932)**	(28,500)
Other expenses		**(34,537)**	(37,666)
Finance costs	5	**(27,238)**	(21,325)
LOSS BEFORE TAX	6	**(81,772)**	(63,295)
Income tax expenses	7	**–**	–
LOSS FOR THE PERIOD		**(81,772)**	(63,295)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Hong Kong		**(10,916)**	(6,969)
TOTAL OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(10,916)**	(6,969)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(92,688)**	(70,264)
LOSS PER SHARE	8		
Basic		**HK(4.2) cents**	HK(3.3) cents
Diluted		**HK(4.2) cents**	HK(3.3) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	10	**435,996**	419,098
Right-of-use assets		**41,829**	33,736
Intangible assets		**1,704**	1,704
		479,529	454,538
CURRENT ASSETS			
Inventories		**28,771**	38,649
Trade and bills receivables	11	**65,400**	52,233
Prepayments, deposits and other receivables	12	**8,200**	25,386
Cash and bank balances		**10,268**	1,349
		112,639	117,617
CURRENT LIABILITIES			
Trade payables	13	**115,202**	103,057
Other payables and accruals	14	**398,357**	343,405
Lease liabilities		**687**	124
Interest-bearing bank and other borrowings		**281,034**	260,500
Due to former fellow subsidiaries	18(ii)	**51,656**	48,838
Due to substantial shareholders' controlled entities	18(ii)	**23,018**	22,257
Due to substantial shareholders	18(ii)	**74,942**	67,847
Convertible bonds (the "**Convertible Bonds**")	15	**76,876**	64,788
Derivative financial instruments	15	**560**	5,085
Tax payables		**249**	249
		1,022,581	916,150
NET CURRENT LIABILITIES		**(909,942)**	(798,533)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(430,413)**	(343,995)
NON-CURRENT LIABILITIES			
Lease liabilities		**5,882**	32
Deferred income		**420**	–
		6,302	32
NET LIABILITIES		**(436,715)**	(344,027)
CAPITAL AND RESERVES			
Share capital	16	**193,137**	193,137
Reserves		**(629,852)**	(537,164)
TOTAL DEFICIT		**(436,715)**	(344,027)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *HK$'000*	Share premium *HK$'000*	Properties revaluation reserve *HK$'000*	Statutory reserve fund *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total deficit *HK$'000*
At 1 January 2026	193,137	1,074,879	127,989	41,495	358,328	(2,139,855)	(344,027)
Loss for the period	–	–	–	–	–	(81,772)	(81,772)
Other comprehensive loss for the period							
Items that are reclassified or may be reclassified subsequently to profit or loss:							
– Exchange differences on translation of financial statements of operations outside Hong Kong	–	–	–	–	(10,916)	–	(10,916)
Total other comprehensive loss for the period, net of tax	–	–	–	–	(10,916)	–	(10,916)
Total comprehensive loss for the period	–	–	–	–	(10,916)	(81,772)	(92,688)
At 30 June 2026 (unaudited)	193,137	1,074,879	127,989	41,495	347,412	(2,221,627)	(436,715)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *HK$'000*	Share premium *HK$'000*	Properties revaluation reserve *HK$'000*	Statutory reserve fund *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total deficit *HK$'000*
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							
Items that are reclassified or may be reclassified subsequently to profit or loss:							
– Exchange differences on translation of financial statements of operations outside Hong Kong	–	–	–	–	(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 of the Company (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 CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(81,772)**	(63,295)
Adjustments for:		
Finance costs	**27,238**	21,325
Bank interest income	**(2)**	(3)
Depreciation of		
— Property, plant and equipment	**20,126**	17,537
— Right-of-use assets	**2,513**	1,900
Amortisation of deferred day-one loss	**5,088**	4,814
Amortisation of deferred income	**(22)**	(86)
Gain on deregistration of subsidiaries	**—**	(156)
Gain on fair value change of derivative components of the Convertible Bonds	**(4,525)**	(12,744)
Gain on disposal of property, plant and equipment, net	**(525)**	(30)
Impairment (Reversal of impairment) of trade and bills receivables	**423**	(347)
(Reversal of impairment) Impairment of prepayments, deposits and other receivables, net	**(1,195)**	3,691
Write-down of inventory	**2,149**	—
Changes in working capital:		
Inventories	**8,934**	(6,644)
Trade and bills receivables	**(11,660)**	(4,870)
Prepayments, deposits and other receivables	**19,051**	(5,281)
Trade payables	**11,428**	(13,011)
Other payables and accruals	**1,541**	13,476
Cash used in operations	**(1,210)**	(43,724)
Interest received	**2**	3
Net cash used in operating activities	**(1,208)**	(43,721)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(671)**	(1,422)
Received government grants for property, plant and equipment	**437**	—
Proceeds from disposal of property, plant and equipment	**577**	30
Net cash generated from (used in) investing activities	**343**	(1,392)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from new interest-bearing bank and other borrowings	**36,782**	13,187
Repayment of interest-bearing bank and other borrowings	**(25,230)**	(13,187)
Interest paid	**(1,626)**	—
Payment of lease liabilities	**(469)**	—
Increase in amounts due to substantial shareholders' controlled entities	**—**	20,712
Increase in amounts due to substantial shareholders	**259**	16,449
Net proceeds from issuance of Shares	**—**	4,100
(Decrease) Increase in amounts due to former fellow subsidiaries	**(75)**	1,261
Net cash generated from financing activities	**9,641**	42,522
Net increase (decrease) in cash and cash equivalents	**8,776**	(2,591)
Cash and cash equivalents at beginning of period	**1,349**	5,100
Effect of foreign exchange rate changes, net	**143**	91
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY CASH AND BANK BALANCES	**10,268**	2,600

1. CORPORATE INFORMATION

Global Corn Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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 Company's substantial shareholders are Mr. Kong Zhanpeng, Mr. Wang Tieguang and Hong Kong Huasheng Company Limited ("**Huasheng**") (collectively, the "**Substantial Shareholders**"). The principal activity of the Company is investment holding. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 1206, 12th Floor, The Metropolis Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong. The Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners. There were no significant changes in the nature of the Group's principal activities during the six months ended 30 June 2026 (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 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 2025.

2.2 Going concern

The Group had net current liabilities of approximately HK$909.9 million (31 December 2025: approximately HK$798.5 million) and net liabilities of approximately HK$436.7 million (31 December 2025: approximately HK$344.0 million) as at 30 June 2026. In preparing these condensed consolidated financial statements, the directors of the Company (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:

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

2.2 Going concern *(continued)*

(1) Debt restructuring

As disclosed in the annual report for the year ended 31 December 2025 (the "**Annual Report**"), the Group had been actively discussing details of the debt restructuring arrangements with 錦州市華銀資產經營有限公司 (Jinzhou Huayin Asset Management Co., Ltd.*) ("**Jinzhou Huayin**") in relation to the loans originally granted by 中國工商銀行股份有限公司錦州人民街支行 (Jinzhou Renmin Street Branch of Industrial and Commercial Bank of China Limited*) (formerly known as 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*)) ("**Jinzhou ICBC**") to 錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*) ("**Jinzhou Yuancheng**"), an indirect wholly-owned subsidiary of the Company, in the aggregate principal amount of Renminbi ("**RMB**") 212.5 million, plus outstanding interest, which had been assigned from Jinzhou ICBC to Jinzhou Huayin in March 2025 (the "**Transferred Loans**"), and the parties were aiming to finalise and commence the debt restructuring by the end of June 2026. However, in mid-May 2026, Mr. Kong Zhanpeng and Mr. Wang Tieguang, the joint chairmen of the Company, met with the new management of Jinzhou Huayin, representatives of the Jinzhou Municipal Government (the "**Local Government**") and 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*) (the "**Jinzhou SASAC**"), and Jinzhou Huayin, the Local Government and the Jinzhou SASAC indicated that the original debt restructuring proposal might encounter operational challenges and be subject to protracted administrative approval procedures under the circumstances then prevailing. As such, no definitive implementation timeline could be established and there was no assurance that the original debt restructuring proposal would ultimately be implemented.

Consequently, as disclosed in the Company's announcement (the "**Announcement**") dated 1 June 2026, the sole shareholder of Jinzhou Yuancheng has resolved to wind up Jinzhou Yuancheng and set up a liquidation group to liquidate Jinzhou Yuancheng in accordance with the applicable laws and regulations in the People's Republic of China (the "**PRC**" or "**China**"). As such, Jinzhou Yuancheng will undergo liquidation procedures (and/or bankruptcy procedures, if applicable), and the assets and liabilities, including the Transferred Loans, will be dealt with by the liquidation group in accordance with the applicable laws and regulations in the PRC. Please refer to the Announcement for further details in relation to the voluntary winding-up of Jinzhou Yuancheng.

The abovementioned deviation from the original debt restructuring plan in relation to the Transferred Loans was made after negotiations with Jinzhou Huayin, the Jinzhou SASAC and the Local Government. The Directors, including the independent non-executive Directors, consider that such deviation is in the interests of the Company and the shareholders of the Company (the "**Shareholders**") as a whole as the winding-up of Jinzhou Yuancheng would enable the resolution of all its liabilities, including the Transferred Loans, within a definite timeframe, and the financial position and results of operations of Jinzhou Yuancheng will no longer be consolidated into the financial position and results of operations of the Group. Upon the appointment of official liquidators in the relevant winding-up procedures, Jinzhou Yuancheng will cease to be a subsidiary of the Company, and its financial position and results will be deconsolidated from that of the Group. It is, therefore, expected that the financial position of the Group will be significantly improved thereafter, and the Group will be able to reallocate its resources and management focus to its other existing businesses, which will facilitate the improvement of, and help address, the material uncertainties related to the Group's ability to continue as a going concern.

As at the date of this report, Jinzhou Yuancheng is still undergoing the relevant winding-up process and the official liquidators have yet to be appointed.

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

2.2 Going concern *(continued)*

(2) Active negotiations with banks to obtain banking facilities

As disclosed in the Annual Report, the Group received a 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**") in March 2026, indicating its intention to grant further bank facilities in the aggregate amount of RMB24.0 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.

On 17 April 2026 and 14 August 2026, Shanghai Nanyang granted new loans in the aggregate amount of RMB20.0 million to Shanghai Haocheng. In addition, on 16 April 2026 and 22 April 2026, 招商銀行股份有限公司上海分行 (China Merchants Bank Co., Ltd., Shanghai Branch*) granted new loans in the aggregate amount of RMB20.0 million to Shanghai Haocheng.

It is intended that Shanghai Haocheng will utilize these new banking facilities to strengthen its working capital position, thereby enabling timely procurement and strategic purchasing of raw materials which helps mitigate the impact of price volatility and secure a more stable raw material procurement price and improve overall operational efficiency. The Directors believe that these new banking facilities will significantly enhance the Group's liquidity and overall financial position.

(3) Monitoring the Group's operating cash flows

As part of the ongoing measures, the Company remains committed to enhancing the operating cash flow of the Group and has continued to negotiate with its suppliers, employees and creditors to formulate settlement plans more favourable to the Group regarding some longstanding payables.

(4) Financial support from Substantial Shareholders

The Group has received updated written confirmations all dated 5 August 2026 (the "**Confirmations**") from the Substantial Shareholders as well as (i) 點點通供應鏈科技(深圳)有限公司 (DDT Supply Chain Technology (Shenzhen) Co., Ltd.*) ("**DDT Supply Chain**", together with its subsidiaries, the "**DDT Supply Chain Group**"), an associate (as defined under the Listing Rules) of Mr. Wang Tieguang; (ii) 銳豪科創商貿(廣州)有限公司 (Ruihao Tech Innovation Trading (Guangzhou) Co., Ltd.*) ("**Ruihao (Guangzhou)**", together with its subsidiaries, the "**Ruihao (Guangzhou) Group**"), an associate (as defined under the Listing Rules) of Mr. Kong Zhanpeng and Mr. Wang Tieguang; and (iii) 吉林省華生商貿有限公司 (Jilin Huasheng Trading Limited*) ("**Jilin Huasheng**", together with its subsidiaries, the "**Jilin Huasheng Group**"), an associate (as defined under the Listing Rules) of Huasheng (collectively, the "**Substantial Shareholders' Controlled Entities**"), 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 and agreed that repayment requests will not be made while the financial situation of the Group does not allow. Such assistance received by the Group is not secured by any assets of the Group. As at the date of this report, such confirmations have not been revoked by any of the relevant parties.

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

2.2 Going concern *(continued)*

(4) Financial support from Substantial Shareholders *(continued)*

As at 30 June 2026, the Group's current liabilities (other than the Convertible Bonds) due to the Substantial Shareholders and Substantial Shareholders' Controlled Entities amounted to approximately HK$74.9 million and HK$23.0 million, respectively. The Substantial Shareholders and Substantial Shareholders' Controlled Entities 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 Substantial Shareholders' Controlled Entities would be able to support the operations of the Group by providing a stable supply of coal, corn kernels, corn starch and corn syrup to the Group and by purchasing corn starch and other corn refined products from the Group with normal commercial terms or better pursuant to the agreements dated 17 October 2024 entered into between the Company (for itself and on behalf of its subsidiaries from time to time), and 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.

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 2026.

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

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 2025, 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 HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Annual Improvements to HKFRS Accounting Standards	Volume 11
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity

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 2025: 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.

3. OPERATING SEGMENT INFORMATION *(continued)*

(a) Segment results

Six months ended 30 June

	Corn refined products		Corn sweeteners		Total	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
Segment revenue:						
Sales to external customers	–	–	268,923	253,647	268,923	253,647
Segment results	(29,036)	(41,308)	(19,203)	(2,471)	(48,239)	(43,779)
Reconciliation:						
Unallocated bank interest and other corporate income					2	3
Gain on deregistration of subsidiaries					–	156
Gain on fair value change of derivative components of the Convertible Bonds					4,525	12,744
Corporate and other unallocated expenses					(10,822)	(11,094)
Finance costs					(27,238)	(21,325)
Loss before tax					(81,772)	(63,295)
Income tax expenses					–	–
Loss for the period					(81,772)	(63,295)

(b) Geographical information

Six months ended 30 June

	The PRC		Asian regions and others		Total	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
Segment revenue:						
Sales to external customers	267,303	248,923	1,620	4,724	268,923	253,647

4. REVENUE, OTHER INCOME AND GAINS

	Note	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Revenue from contracts with customers within HKFRS 15			
Sale of goods (a)		**268,923**	253,647
Other income and gains			
Amortisation of deferred income		**22**	86
Bank interest income		**2**	3
Government grants (b)		**227**	109
Sale of scrap raw materials, net of cost		**459**	—
Subcontracting income		**1,868**	2,415
Rental income		**782**	512
Reversal of impairment of trade and bills receivables		**—**	347
Reversal of impairment of prepayment, deposit and other receivables, net		**1,195**	—
Gain on disposal of property, plant and equipment, net		**525**	30
Gain on deregistration of subsidiaries		**—**	156
Gain on fair value change of derivative components of the Convertible Bonds	15	**4,525**	12,744
Others		**161**	344
		9,766	16,746

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.

5. FINANCE COSTS

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Interest on bank and other borrowings		**15,550**	12,929
Interest on amount payables to a former fellow subsidiary	18(i)	**1,196**	1,126
Interest on amounts due to Substantial Shareholders	18(i)	**2,613**	988
Interest on amounts due to Substantial Shareholders' Controlled Entities	18(i)	**640**	225
Interest on lease liabilities		**115**	7
Imputed interest on the Convertible Bonds	18(i)	**7,124**	6,050
		27,238	21,325

6. LOSS BEFORE TAX

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

	Notes	Six months ended 30 June 2026 (Unaudited) HK$'000	2025 (Unaudited) HK$'000
Employee benefit expenses (excluding Directors' remuneration)			
— Wages and salaries		**23,705**	25,323
— Pension scheme contributions		**6,835**	8,564
		30,540	33,887
Cost of inventories sold (a)		**259,593**	229,368
Auditor's remuneration			
— Non-audit service fee		**—**	190
Depreciation			
— Property, plant and equipment		**20,126**	17,537
— Right-of-use assets		**2,513**	1,900
Amortisation of deferred day-one loss	15	**5,088**	4,814
Gain on disposal of property, plant and equipment, net		**(525)**	(30)
Foreign exchange loss, net		**2,053**	1,789
Rental income		**(782)**	(512)
Impairment (Reversal of impairment) of trade and bills receivables		**423**	(347)
(Reversal of impairment) Impairment of prepayments, deposits and other receivables, net		**(1,195)**	3,691
Write-down of inventory		**2,149**	—
Gain on fair value change of derivative components of the Convertible Bonds	15	**(4,525)**	(12,744)
Gain on deregistration of subsidiaries		**—**	(156)

Remark:

(a) Cost of inventories sold includes employee benefit expenses and depreciation amounting to approximately HK$10,613,000 (six months ended 30 June 2025: HK$9,663,000), which are also included in the respective amounts disclosed separately above for each of these types of income and expenses.

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 2025.

During the Period and the six months ended 30 June 2025, 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 PER SHARE

The calculation of the basic loss per Share for the Period is based on the loss attributable to owners of the Company for the Period of approximately HK$81,772,000 (six months ended 30 June 2025: approximately HK$63,295,000) and the weighted average number of ordinary Shares in issue during the Period of 1,931,374,856 (six months ended 30 June 2025: 1,929,109,663) Shares. As the assumed conversion of the Convertible Bonds has an anti-dilutive effect, the diluted loss per Share was equal to the basic loss per Share for the Period and the six months ended 30 June 2025.

9. DIVIDEND

The board of Directors does not recommend the payment of any dividend for the Period (six months ended 30 June 2025: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	30 June 2026 (Unaudited) ***HK$'000***	31 December 2025 (Audited) *HK$'000*
At 1 January	**419,098**	398,408
Additions	**32,260**	49,654
Depreciation	**(20,126)**	(40,187)
Disposal	**(52)**	(149)
Exchange realignment	**4,816**	11,372
At 30 June/31 December	**435,996**	419,098

11. TRADE AND BILLS RECEIVABLES

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Trade receivables	**72,521**	58,420
Bills receivable	**181**	458
	72,702	58,878
Loss allowance	**(7,302)**	(6,645)
	65,400	52,233

The Group normally grants credit terms of 30 to 90 days (31 December 2025: 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 18.3% (31 December 2025: 16.4%) and 55.2% (31 December 2025: 48.8%) 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 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 1 month	**56,105**	36,537
1 to 2 months	**5,354**	10,132
2 to 3 months	**3,218**	2,551
Over 3 months	**723**	3,013
	65,400	52,233

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Prepayments	4,499	17,266
Deposits and other debtors	2,208	6,627
The PRC value-added tax ("**VAT**") and other tax receivables	1,493	1,493
	8,200	25,386

13. TRADE PAYABLES

	Note	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Trade payables			
To related parties			
— Ruihao (Guangzhou)		3,151	2,939
— DDT Supply Chain		29,976	27,624
— Jilin Huasheng		8,014	2,222
	18(ii)	41,141	32,785
To third parties		74,061	70,272
		115,202	103,057

13. TRADE PAYABLES *(continued)*

The Group normally obtains credit terms ranging from 30 to 90 days (31 December 2025: 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 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Within 1 month	40,782	35,310
1 to 2 months	12,378	30,361
2 to 3 months	7,769	4,720
Over 3 months	54,273	32,666
	115,202	103,057

14. OTHER PAYABLES AND ACCRUALS

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Payables for purchases of machinery	99,204	79,358
Customer deposits and receipts in advance	17,900	17,663
VAT and other duties payable	33,634	28,587
Accruals for employee benefits	87,166	74,687
Accrued expenses	32,607	34,108
Interest payables	127,846	109,002
	398,357	343,405

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 Tieguang and Mr. Kong Zhanpeng (collectively, the "**Initial CB Subscribers**"), as subscribers, pursuant to which the Company has agreed to issue, and the Initial CB Subscribers have agreed to subscribe for, the 3 year, 5 per cent Convertible Bonds in the aggregate principal amount of RMB120.0 million (equivalent to approximately HK$138.0 million), which may be converted into a total of 1,380,000,000 new ordinary Shares of HK$0.1 each to be allotted and issued by the Company pursuant to the exercise of the rights pursuant to the terms and conditions of the Convertible Bonds (the "**Conversion Rights**") attached to the Convertible Bonds at an initial conversion price of HK$0.1 (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 Initial CB Subscribers agreed in writing that the completion of the issuance of the first batch of Convertible Bonds in the aggregate principal amount of RMB60.0 million (the "**CB First Completion**") shall take place on even date. The CB First Completion therefore took place on 3 May 2024 in accordance with the terms and conditions thereof, with all the conditions precedent for the CB First Completion under the CB Subscription Agreement fulfilled. The Convertible Bonds in the aggregate principal amount of RMB60.0 million (the "**First Batch of CB**") had been issued to the Initial CB Subscribers, with each of them holding the Convertible Bonds in the principal amount of RMB30.0 million upon the CB First Completion.

Subsequent to the CB First Completion, each of the Initial CB Subscribers exercised their rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with the principal amounts of RMB21.0 million and RMB21.0 million to Huasheng on 3 May 2024 respectively. On 24 May 2024, Huasheng exercised the Conversion Rights to convert the Convertible Bonds with the principal amount of RMB33.0 million into 362,788,856 conversion shares (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.

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

Second Batch of CB

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

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 and the year ended 31 December 2025 are as follows:

	Liability component		Deferred day-one loss		
	First Batch of CB *HK$'000*	Second Batch of CB *HK$'000*	First Batch of CB *HK$'000*	Second Batch of CB *HK$'000*	Total *HK$'000*
At 1 January 2026	25,014	55,224	–	(15,450)	64,788
Interest accrued	(1,034)	(1,724)	–	–	(2,758)
Interest paid	258	–	–	–	258
Imputed interest	2,164	4,960	–	–	7,124
Amortisation of deferred day-one loss	–	–	–	5,088	5,088
Exchange realignment	887	1,963	–	(474)	2,376
At 30 June 2026	27,289	60,423	–	(10,836)	76,876

	Liability component		Deferred day-one loss		
	First Batch of CB *HK$'000*	Second Batch of CB *HK$'000*	First Batch of CB *HK$'000*	Second Batch of CB *HK$'000*	Total *HK$'000*
At 1 January 2025	21,608	47,439	–	(24,319)	44,728
Interest accrued	(1,500)	(3,333)	–	–	(4,833)
Interest paid	291	–	–	–	291
Imputed interest	3,861	8,813	–	–	12,674
Amortisation of deferred day-one loss	–	–	–	9,734	9,734
Exchange realignment	754	2,305	–	(865)	2,194
At 31 December 2025	25,014	55,224	–	(15,450)	64,788

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

The movements of the derivative components of the Convertible Bonds during the Period and the year ended 31 December 2025 are as follows:

	First Batch of CB *HK$'000*	Second Batch of CB *HK$'000*	Total *HK$'000*
At 1 January 2026	**922**	**4,163**	**5,085**
Gain on fair value change	**(840)**	**(3,685)**	**(4,525)**
At 30 June 2026	**82**	**478**	**560**

	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	(11,797)	(23,921)	(35,718)
At 31 December 2025	922	4,163	5,085

16. SHARE CAPITAL

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Number of Shares	*HK$'000*	Number of Shares	*HK$'000*
Authorised: 100,000,000,000 (31 December 2025: 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	**1,931,374,856**	**193,137**	1,890,374,856	189,037
Issuance of Shares upon subscription (a)	**–**	**–**	41,000,000	4,100
At end of the Period/year	**1,931,374,856**	**193,137**	1,931,374,856	193,137

Remark:

(a) As disclosed in the announcements of the Company dated 20 December 2024 and 10 January 2025 respectively, the six independent subscribers (the "**Shares Subscribers**") have 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.

17. CAPITAL COMMITMENTS

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Contracted, but not provided for:		
— Purchase or construction of property, plant and machinery	**8,085**	42,662

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	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
Purchase from DDT Supply Chain		
— Corn starch (a)	**7,937**	—
— Sugar syrup (a)	**6,558**	—
Purchase from Ruihao (Guangzhou)		
— Corn starch (a)	**9,904**	7,689
— Sugar syrup (a)	**—**	358
Purchase from Jilin Huasheng		
— Corn starch (a)	**20,875**	54,205
— Sugar syrup (a)	**2,831**	—
— Other raw materials (b)	**—**	942
Purchases from a former fellow subsidiary		
— Lysine and other raw materials (c)	**—**	393
Interest on amount payables to a former fellow subsidiary	**1,196**	1,126
Interest on amounts due to Substantial Shareholders	**2,613**	988
Interest on amounts due to Substantial Shareholders' Controlled Entities	**640**	225
Imputed interest on the Convertible Bonds	**7,124**	6,050

18. RELATED PARTY TRANSACTIONS *(continued)*

(i) Transactions with related parties *(continued)*

Remarks:

(a) The Group sourced corn starch and sugar syrup from the Contract Parties. These purchases were made at prices based on the 2024 Master Purchase Agreement. These transactions 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.

(ii) Balances with related parties

	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
Due to former fellow subsidiaries		
Due to former fellow subsidiaries (a)	**(11,541)**	(10,060)
Amount payables to a former fellow subsidiary (b)	**(40,115)**	(38,778)
	(51,656)	(48,838)
Due to Substantial Shareholders' Controlled Entities		
— Loan from Substantial Shareholders' Controlled Entities (c)	**(23,520)**	(23,340)
— Interest payables to Substantial Shareholders' Controlled Entities (c)	**(1,520)**	(872)
— Amount payables to Substantial Shareholders' Controlled Entities (g)	**(3)**	(2,763)
— Amount receivables from Substantial Shareholders' Controlled Entities (d)	**2,025**	4,718
	(23,018)	(22,257)
Due to Substantial Shareholders (e)	**(74,942)**	(67,847)
Trade payables to Substantial Shareholders' Controlled Entities (f)	**(41,141)**	(32,785)

18. RELATED PARTY TRANSACTIONS *(continued)*

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

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 2025: 6.0% per annum) and repayable on demand.

(c) The amounts due to Substantial Shareholders' Controlled Entities are unsecured, with a fixed interest rate at 5.5% per annum (31 December 2025: 5.5% per annum) and repayable within 1 year from the end of the reporting period.

(d) The amounts representing the other receivables from 點點通（錦州）商貿有限公司 (DDT (Jinzhou) Trading Co., Ltd.*) ("**DDT (Jinzhou)**") in the amount of HK$2,025,000 (31 December 2025: the other receivables from DDT (Jinzhou) and Ruihao (Guangzhou) in the amounts of HK$1,958,000 and HK$2,760,000, respectively) are unsecured, interest-free and repayable on demand.

(e) The amounts due to Substantial Shareholders amounting to approximately HK$49,910,000 (31 December 2025: HK$49,633,000), are unsecured with a fixed interest rate at 5.5% per annum (31 December 2025: 5.5% per annum) and repayable within 1 year from the end of the reporting period. Other than that, the rest of the amounts due to Substantial Shareholders are unsecured, interest-free and have no fixed term of repayment.

(f) The amounts representing the trade payables to Ruihao (Guangzhou) in the amount of HK$3,151,000 (31 December 2025: HK$2,939,000), Jilin Huasheng in the amount of HK$8,014,000 (31 December 2025: HK$2,222,000) and DDT Supply Chain in the amount of HK$29,976,000 (31 December 2025: HK$27,624,000), respectively, are unsecured, interest-free, repayable on demand and subject to delay payments charge after lapse of credit period.

(g) The amount representing the other payables to DDT Supply Chain in the amount of HK$3,000 (31 December 2025: HK$2,763,000) is unsecured, interest-free and repayable on demand.

(iii) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026 (Unaudited) *HK$'000*	2025 (Unaudited) *HK$'000*
Short-term employee benefits	**1,672**	1,653
Total compensation paid to key management personnel	**1,672**	1,653

19. LITIGATIONS

Delayed payments to suppliers

In previous years, the Group delayed settlement of payables to suppliers due to shortage of working capital. As a result, several subsidiaries in the PRC have been involved in litigations initiated by various suppliers related to overdue payables. Up to the date of this report, a majority of the litigations have been concluded by the court and/or settled, while some of the litigations are still pending judgment. Since the Group has already recorded these payables in the condensed consolidated financial statements, the Directors are of the view that the litigations will not have any significant financial impact on the Group.