GLOBAL CORN GROUP LIMITED

大成玉米集團有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03889)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Global Corn Group Limited (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2026 (the "**Period**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	**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)

* *For identification purposes only*

	Notes	Six months ended 30 June **2026** **(Unaudited)** ***HK$'000***	2025 (Unaudited) *HK$'000*
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		**398,357**	343,405
Lease liabilities		**687**	124
Interest-bearing bank and other borrowings		**281,034**	260,500
Due to former fellow subsidiaries		**51,656**	48,838
Due to substantial shareholders' controlled entities		**23,018**	22,257
Due to substantial shareholders		**74,942**	67,847
Convertible bonds (the "**Convertible Bonds**")	*14*	**76,876**	64,788
Derivative financial instruments	*14*	**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)

	Notes	30 June 2026 (Unaudited) *HK$'000*	31 December 2025 (Audited) *HK$'000*
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	*15*	**193,137**	193,137
Reserves		**(629,852)**	(537,164)
TOTAL DEFICIT		**(436,715)**	(344,027)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 (the "**Stock Exchange**") and Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 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$430.4 million (31 December 2025: approximately HK$344.0 million) as at 30 June 2026. In preparing these condensed consolidated financial statements, the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the Company, and the ability of the Group and the Company to attain profit and positive cash flows from operations and obtain additional funding in the immediate and longer term. The Company has taken the following steps to improve the financial position of the Group:

(1) 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 its 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 announcement, Jinzhou Yuancheng is still undergoing the relevant winding-up process and the official liquidators have yet to be appointed.

(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 Property (Guangzhou) Co., Ltd.*) ("**Ruihao (Guangzhou)**", together with its subsidiaries, the "**Ruihao (Guangzhou) Group**"), an associate (as defined under the Listing Rules) of Mr. Kong Zhanpeng and Mr. Wang 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 announcement, such confirmations have not been revoked by any of the relevant parties.

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

The Directors, including all members of the audit committee of the Company (the "**Audit Committee**"), have reviewed the cash flow forecast prepared by the management on the basis that the measures mentioned above shall have a successful and favourable outcome, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the 12 months from 30 June 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.

2.3 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.

(a) Segment results

Six months ended 30 June

	Corn refined products		Corn sweeteners		Total	
	2026	2025	**2026**	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'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	2025	**2026**	2025	**2026**	2025
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'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

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'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	*14*	**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

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Interest on bank and other borrowings		**15,550**	12,929
Interest on amount payable to a former fellow subsidiary		**1,196**	1,126
Interest on amount due to Substantial Shareholders		**2,613**	988
Interest on amount due to Substantial Shareholders' Controlled Entities		**640**	225
Interest on lease liabilities		**115**	7
Imputed interest on the Convertible Bonds	*14*	**7,124**	6,050
		27,238	21,325

6. LOSS BEFORE TAX

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

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'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	*14*	**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	*14*	**(4,525)**	(12,744)
Gain on deregistration of subsidiaries		**—**	(156)

Remark:

(a) Cost of inventories sold includes employee benefit expenses and depreciation amounting to 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 of the Company (the "**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 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)	31 December 2025 (Audited)
	HK$'000	*HK$'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)	31 December 2025 (Audited)
	HK$'000	*HK$'000*
Prepayments	**4,499**	17,266
Deposits and other debtors	**2,208**	6,627
The PRC value-added tax and other tax receivables	**1,493**	1,493
	8,200	25,386

13. TRADE PAYABLES

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
	HK$'000	*HK$'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
	41,141	32,785
To third parties	**74,061**	70,272
	115,202	103,057

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)	31 December 2025 (Audited)
	HK$'000	*HK$'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. 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.

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	**Second Batch of CB**	**First Batch of CB**	**Second Batch of CB**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
At 1 January 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	Second Batch of CB	First Batch of CB	Second Batch of CB	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2025	21,608	47,439	—	(24,319)	44,728
Interest 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

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	**Second Batch of CB**	**Total**
	HK$'000	***HK$'000***	***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	Second Batch of CB	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2025	12,719	28,084	40,803
Gain on fair value change	(11,797)	(23,921)	(35,718)
At 31 December 2025	922	4,163	5,085

15. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS REVIEW

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

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 metric tonnes ("**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 錦州大成食品發展有限公司 (Jinzhou Dacheng Food Development Co., Ltd.*)("**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 amount 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 announcement, 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 amount due to former fellow subsidiaries, the amount due to Substantial Shareholders' Controlled Entities, the amount 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 amount due to Substantial Shareholders and the amount due to Substantial Shareholders' Controlled Entities during the Period.

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in RMB, while export sales, which were mostly denominated in US Dollars, accounted for approximately 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.

DISCLOSURE PURSUANT TO RULES 13.19 AND 13.21 OF THE LISTING RULES

Breach of loan agreements

As detailed in the joint announcement of the Company and Global Bio-chem Technology Group Company Limited dated 25 August 2023, Jinzhou Yuancheng has defaulted on the repayment of the loans it owed to Jinzhou ICBC 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 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*) ("**Dihao Foodstuff**") (the obligations and liabilities under which shall be counter-guaranteed and indemnified under the counter-guarantee provided by the Company to Dihao Foodstuff in respect of the obligations and liabilities that Dihao Foodstuff may incur and suffer under the guarantees provided by Dihao Foodstuff to Jinzhou ICBC in respect of the debts owed by Jinzhou Yuancheng to Jinzhou ICBC under the guarantee agreements dated 11 June 2021 and 27 December 2021). On 10 March 2025, Jinzhou Yuancheng was notified by Jinzhou ICBC that it had entered into a transfer agreement, as transferor, with Jinzhou Huayin, as transferee, pursuant to which Jinzhou ICBC has 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 announcement, the outstanding principal amount of the Transferred Loans is RMB212.5 million, with outstanding interest.

FUNDRAISING ACTIVITIES

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

IMPORTANT EVENTS SUBSEQUENT TO THE PERIOD UNDER REVIEW

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

FUTURE PLANS AND PROSPECTS

In order to maintain the competitiveness of the Group, the Group will optimise its production while maintaining its market presence, diversify its product mix and enhance its capability in developing high value-added products and 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).

INTERIM DIVIDEND

The Board does not recommend the payment of any dividend in respect of the Period (six months ended 30 June 2025: Nil).

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

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

COMPLIANCE WITH THE CG CODE AND THE MODEL CODE

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

To the best knowledge and belief of the Board, the Company has applied and complied with all code provisions as set out in part 2 of the Corporate Governance Code in effect for the Period (the "**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the Period.

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"). Having made specific enquiry of each of the Directors, all the Directors have confirmed to the Company that they have complied with the required standards set out in the Model Code and the Company's code of conduct throughout the Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

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

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

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

Hong Kong, 28 August 2026

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