

GLOBAL BIO-CHEM'S BACK INTO THE BLACK, WITH A PROFIT OF HK\$500 MILLION FOR THE INTERIM PERIOD

27 August 2021 – Global Bio-chem Technology Group Company Limited (“Global Bio-chem” or the “Company”, stock code: 00809) together with its subsidiaries (the “Group”) reported its unaudited profit for the period for the six months ended 30 June 2021 (the “Period”) of HK\$506.3 million (2020 same period: loss for the period of HK\$902.8 million); with basic earnings per share amounted to HK5.7 cents (2020 same period: loss per share of HK10.5 cents). During the Period, owing to continued suspension of most of the Group’s production facilities, sales volume dropped significantly year-on-year. The Group’s revenue during the Period dropped to HK\$359.9 million (2020 same period: HK\$479.1 million).

During the Period, the continued impact of the COVID-19 pandemic on the Group’s downstream user markets coupled with the slowdown in the recovery in the feed industry as a result of the outbreak of the African Swine Fever in various pig producing regions in China, as well as high corn price in China have narrowed the profit margin of the Group’s corn refined products and lysine products. As a result of the aforesaid factors, the Group continued to suspend most of its production facilities during the first half of the year. Affected by the suspension of operations, the Group’s sales volume and consolidated revenue during the Period decreased significantly. The Group will monitor closely the market conditions to determine the best timing and explore the possibility for resuming the operation of part of the Group’s production facilities.

In March 2021, each of the Group, Global Sweeteners Holdings Limited (“GSH”, together with its subsidiaries, the “GSH Group”), a subsidiary of the Company, and Changchun Dajincang Corn Procurement Co., Ltd. (“Dajincang”) entered into repurchase agreements with Changchun Rudder Investment Group Co., Ltd. (“Changchun Rudder”) for the repurchase of each of their respective loans owed to Changchun Rudder. After the completion of the Repurchase Agreements took effect at the end of March 2021, all the obligations of the Group and the GSH Group as guarantors under the financial guarantee contracts in respect of the Dajincang indebtedness have been discharged. Following the completion of the aforesaid Repurchase Agreements, the Group recognized a one-off gain of over HK\$1.3 billion, which resulted in net profit of the Group for the Period.

Going forward, Global Bio-chem will strive to facilitate the implementation of the debt restructuring plan for the loans owed to its two other lending banks, namely Jilin Branch of Agricultural Bank of China Co., Ltd. and Jilin Branch of China Construction Bank Corporation, which is expected to be completed by the end of 2021.

In September 2020, Changchun Dihao Foodstuff Development Co., Ltd. (“Dihao Foodstuff”), a subsidiary of GSH, entered into a compensation agreement with the local government, for the resumption of certain properties owned by Dihao Foodstuff in Luyuan District. Dihao Foodstuff shall receive a total compensation of approximately RMB443.0 million as a result of the aforesaid resumption of properties, which has been received in full during the Period. The management of Global Bio-chem expects that a substantial part of the properties with an aggregate area of not less than 400,000 square metres owned by the Group and the GSH Group in Luyuan District will be resumed by the end of 2021. The directors of the Group believe that the proceeds from the resumption of the properties will help to relieve the financial and cash flow pressure of the Group during the

period of suspension.

Global Bio-chem has introduced new investors through share subscriptions to expand the Company's shareholder base in the past two years. The Group will continue to explore various types of collaboration with investors and industry players, with an aim to further enrich the Group's capital and expand its business scope.

About Global Bio-chem

Global Bio-chem (stock code: 00809.HK) has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 2001. The Group is principally engaged in the manufacture and sale, research and development of corn-based biochemical products in the People's Republic of China ("PRC"). The Company's production facilities are based in various provinces in the PRC. Global Bio-chem is also the parent company of Global Sweeteners Holdings Limited (stock code: 03889.HK), which is also listed on the Main Board of The Stock Exchange of Hong Kong Limited.

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(Attached with: Global Bio-chem's financial highlights for the six months ended 30 June 2021)

| | For the six months ended 30 June | | |
|--|----------------------------------|-------------|----------|
| | 2021 | 2020 | Change % |
| | (Unaudited) | (Unaudited) | |
| Revenue (HK\$ million) | 539.9 | 479.1 | (24.9) |
| Gross profit (HK\$ million) | 15.2 | 40.9 | (62.8) |
| Profit (Loss) before tax (HK\$ million) | 506.3 | (902.8) | N/A |
| Profit (Loss) for the period (HK\$ million) | 506.3 | (902.8) | N/A |
| Basic earnings (loss) per share (HK cents) | 5.7 | (10.5) | N/A |
| Diluted earnings (loss) per share (HK cents) | 3.9 | (10.5) | N/A |
| Interim dividend per share (HK cents) | Nil | Nil | N/A |