

To: Business Editors

GLOBAL BIO-CHEM 2022 FIRST HALF REVENUE REACHED HK\$155.6 MILLION

30 August 2022 – Global Bio-chem Technology Group Company Limited (“Global Bio-chem” or the “Company”, Stock Code: 00809) together with its subsidiaries (the “Group”) announced its unaudited consolidated revenue for the six months ended 30 June 2022 (the “Period”) amounted to approximately HK\$155.6 million (2021: HK\$359.9 million). The Group reported a gross profit of approximately HK\$11.7 million (2021: HK\$15.2 million) and a net loss of HK\$829.2 million (2021: net profit: HK\$506.3 million).

During the Period, to minimise financial risks and secure financial resources amid economic uncertainty, the Group continued to suspend the operation of most of its production facilities. In addition, the Group temporarily suspended its production facilities in Shanghai as a result of the lockdown measures implemented in Shanghai during the first half of 2022. The suspension of operations together with the exhaustion of most of its upstream products and amino acids inventories in prior year have led to a significant drop in sales volume. Consequently, the consolidated revenue and gross profit of the Group for the Period decreased.

In addition, other income of the Group decreased significantly during the Period, mainly due to the absence of the recognition of the one-off gain on debt restructuring recorded in the corresponding period last year subsequent to the completion of the repurchase agreements.

Due to the improvement in corn sweetener prices as driven by rising sugar price during the Period, the average selling price of the Group’s sweetener products had increased, and such increase was sufficient to offset the increase in raw material costs. In addition, the portion of expenses in relation to suspension of operation has been allocated to other expenses. As a result, the gross profit margin of the Group increased by 3.3 percentage points to 7.5 per cent (2021: 4.2 per cent).

During the Period, the Group’s management team continued the discussion with creditors to push forward the debt restructuring plan, while actively working with the local government to proceed with the resumption of the remaining part of the land and properties owned by the Group in Luyuan District, Changchun.

In March 2022, Global Bio-chem was notified by one of its creditor banks, The Export-Import Bank of China (“Export-Import Bank”), that it has entered into transfer agreements with Jilin Branch of China Cinda Asset Management Co., Ltd. (“China Cinda”), pursuant to which Export-Import Bank has transferred to China Cinda all of its rights and benefits under two loans owed by the Group. Upon the completion of the above transfer, the Group will be able to negotiate with creditors to finalise its debt restructuring plan. It is currently expected that the debt restructuring of a portion of the loans owed by the Group will be completed before the end of this year.

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 (the "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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Global Bio-chem's financial highlights

	For the six months ended 30 June		
	2022	2021	Change %
	(Unaudited)	(Unaudited)	
Revenue (HK\$ million)	155.6	359.9	(56.8)
Gross profit (HK\$ million)	11.7	15.2	(23.0)
(Loss) Profit before tax (HK\$ million)	(829.2)	506.3	N/A
(Loss) Profit for the period (HK\$ million)	(829.2)	506.3	N/A
Basic (loss) earnings per share (HK cents)	(8.8)	5.7	N/A
Diluted (loss) earnings per share (HK cents)	(8.8)	3.9	N/A
Interim dividend per share (HK cents)	Nil	Nil	N/A