

GLOBAL BIO-CHEM'S UNAUDITED NET LOSS SUBSTANTIALLY NARROWED BY 82% TO APPROX. HK\$435.4 MILLION

31 March 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 results for the year ended 31 December 2021 (“Year”), with revenue decreased by 12.1 per cent to approximately HK\$746.6 million (2020: HK\$848.9 million). Owing to the recognition of a one-off gain on debt restructuring of approximately HK\$1,325.0 million during the Year, the Group’s net loss narrowed substantially by 82.1 per cent to HK\$435.4 million (2020: HK\$2,433.3 million). The Group recorded EBITDA (i.e. earnings before interest, taxation, depreciation and amortisation) of approximately HK\$783.6 million (2020: LBITDA (i.e. loss before interest, taxation, depreciation and amortisation): HK\$1,229.2 million).

As announced by the Company on 29 March 2022, the audit procedures for the Group’s annual results for the Year have been delayed due to travel, logistics and other restrictions caused by the recent outbreak of the COVID-19 pandemic in Mainland China and Hong Kong. Subject to the completion of the auditing process, the Company will publish the 2021 audited annual results as agreed by the Company’s auditors on or before 30 April 2022.

During the Year, in light of the continued impact of the COVID-19 pandemic, coupled with the consistently high domestic corn price and the recovery pace in the downstream user market lagging behind the rising corn cost, the Group continued to suspend most of its production facilities. The suspension of operations together with the exhaustion of most of the Group’s inventories in prior year have led to a drop in sales volume. Consequently, the consolidated revenue of the Group for the Year decreased.

In late March 2021, upon the completion of the repurchase agreements entered into between the Group, the Company’s subsidiary, Global Sweeteners Holdings Limited (“GSH”, together with its subsidiaries, the “GSH Group”) and Changchun Dajincang Corn Procurement Co., Ltd. (“Dajincang”) and Changchun Rudder Investment Group Co., Ltd. (“Changchun Rudder”), the Group recognised a one-off gain on debt restructuring of approximately HK\$1,325.0 million, and all the obligations pursuant to the financial guarantee contracts in respect of the indebtedness of Dajincang have been discharged.

During the year under review, the Group’s management team continued to focus on negotiating 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.

On 8 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. As of now, all of the Group’s major creditor banks have completed the

transfer of loans. The Group expects further progress of the debt restructuring plan will be made by the end of 2022.

The Group has also continued to introduce strategic investors to increase capital and expand shareholder base. On 19 January 2022, the Company entered into a subscription agreement with Rationale (Holdings) Investment Limited (the "Rationale Holdings"), pursuant to which Rationale Holdings has conditionally agreed to subscribe for an aggregate of 1,781,481,143 new shares issued by the Company at the subscription price of HK\$0.1345 per share (the "Subscription"). Upon the completion of the Subscription, the Group will utilise a portion of the net proceeds of approximately HK\$239.5 million from the Subscription for the partial resumption of the upstream production facilities in the Xinglongshan site. It is expected that the resumption of operation in Xinglongshan will generate operating cash inflow to the Group in 2022.

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 GSH (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 year ended 31 December		
	2021	2020	Change %
	(Unaudited)	(Audited)	
Revenue (HK\$ million)	746.6	848.9	(12.1)
Gross profit (HK\$ million)	48.4	74.1	(34.7)
Loss for the year (HK\$ million)	(435.4)	(2,433.3)	N/A
Basic loss per share (HK cents)	(4.5)	(28.6)	N/A
Proposed final dividend per share (HK cents)	-	-	N/A