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## GLOBAL SWEETENERS HOLDINGS LIMITED

### 大成糖業控股有限公司 \*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 03889)**

### ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of Global Sweeteners Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Year**”), together with the comparative figures in the previous year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 December 2024*

	Notes	2024 HK\$'000	2023 HK\$'000
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>	4	<b>623,460</b>	440,813
Cost of sales		<u>(592,157)</u>	<u>(404,195)</u>
Gross profit		<b>31,303</b>	36,618
Other income and gains	4	<b>74,659</b>	11,476
Gain on debt restructuring	5(b)	<b>167,615</b>	—
Selling and distribution costs		<b>(33,758)</b>	(29,282)
Administrative expenses		<b>(66,728)</b>	(62,427)
Other expenses		<b>(81,290)</b>	(58,130)
Finance costs	6	<u><b>(34,552)</b></u>	<u>(42,442)</u>
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	5	<b>57,249</b>	(144,187)
Income tax credit	7	<u><b>9,369</b></u>	<u>4,367</u>
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<u><b>66,618</b></u>	<u>(139,820)</u>

\* For identification purposes only

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>DISCONTINUED OPERATIONS</b>			
<b>PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>		–	429,336
<b>PROFIT FOR THE YEAR</b>		<b>66,618</b>	289,516
<b>OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Release of exchange reserve upon disposal of discontinued operations		–	(60,752)
Release of exchange reserve upon disposal of subsidiaries	15	(14,952)	–
Exchange differences on translation of financial statements of operations outside Hong Kong		<b>44,599</b>	46,965
		<b>29,647</b>	(13,787)
Items that will not be reclassified subsequently to profit or loss:			
– Gain on properties revaluation, net	10	<b>33,503</b>	31,178
– Income tax effect		<b>(8,376)</b>	(7,795)
		<b>25,127</b>	23,383
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>54,774</b>	9,596
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>121,392</b>	299,112
<b>PROFIT ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>66,618</b>	289,516
Non-controlling interests		–	–
		<b>66,618</b>	289,516
<b>PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY ARISING FROM:</b>			
Continuing operations		<b>66,618</b>	(139,820)
Discontinued operations		–	429,336
		<b>66,618</b>	289,516

		2024	2023
	Notes	HK\$'000	HK\$'000
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		121,392	299,112
Non-controlling interests		<u>—</u>	<u>—</u>
		<b><u>121,392</u></b>	<b><u>299,112</u></b>
<b>EARNINGS (LOSS) PER SHARE, ARISING FROM</b>			
	9		
<b>Basic</b>			
Continuing operations		HK3.8 cents	HK(9.2) cents
Discontinued operations		<u>—</u>	<u>HK28.1 cents</u>
		<b><u>HK3.8 cents</u></b>	<b><u>HK18.9 cents</u></b>
<b>Diluted</b>			
Continuing operations		HK2.8 cents	HK(9.2) cents
Discontinued operations		<u>—</u>	<u>HK28.1 cents</u>
		<b><u>HK2.8 cents</u></b>	<b><u>HK18.9 cents</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*At 31 December 2024*

		<b>2024</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>10</i>	<b>398,408</b>	312,325
Right-of-use assets		<b>34,317</b>	38,813
Intangible assets		<b>1,704</b>	1,704
		<b>434,429</b>	352,842
<b>CURRENT ASSETS</b>			
Inventories		<b>34,221</b>	34,154
Trade and bills receivables	<i>11</i>	<b>70,439</b>	67,952
Prepayments, deposits and other receivables	<i>12</i>	<b>24,648</b>	106,857
Cash and bank balances		<b>5,100</b>	13,552
		<b>134,408</b>	222,515
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>13</i>	<b>134,308</b>	138,045
Other payables and accruals		<b>228,065</b>	323,446
Lease liabilities		<b>119</b>	172
Interest-bearing bank and other borrowings		<b>254,734</b>	440,910
Due to GBT Group		<b>44,608</b>	54,038
Due to shareholders		<b>39,151</b>	–
Convertible bonds (the “Convertible Bonds”)	<i>16</i>	<b>44,728</b>	–
Derivative financial instruments	<i>16</i>	<b>40,803</b>	–
Tax payables		<b>249</b>	249
		<b>786,765</b>	956,860
<b>NET CURRENT LIABILITIES</b>		<b>(652,357)</b>	(734,345)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(217,928)</b>	(381,503)

		2024	2023
	Notes	HK\$'000	HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		156	–
Deferred income		170	352
		<u>326</u>	<u>352</u>
<b>NET LIABILITIES</b>		<b><u>(218,254)</u></b>	<b><u>(381,855)</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	189,037	152,759
Reserves		<u>(407,291)</u>	<u>(528,683)</u>
<b>Deficit attributable to owners of the Company</b>		<b>(218,254)</b>	<b>(375,924)</b>
<b>Non-controlling interests</b>		<b><u>–</u></b>	<b><u>(5,931)</u></b>
<b>TOTAL DEFICIT</b>		<b><u>(218,254)</u></b>	<b><u>(381,855)</u></b>

## 1. GENERAL INFORMATION

The Company 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 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, 12<sup>th</sup> 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 Year.

On 6 April 2023, Global Corn Bio-Chem Technology Company Limited (“**Global Corn Bio-Chem**”), a wholly-owned subsidiary of Global Bio-chem Technology Group Company Limited (“**GBT**”, the former immediate and ultimate holding company of the Group, and together with its subsidiaries, the “**GBT Group**”), a company incorporated in the Cayman Islands whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), entered into a sale and purchase agreement (the “**GSH SPA**”) with Mr. Kong Zhanpeng and Mr. Wang Tieguang (the “**Joint Offerors**”) pursuant to which the Joint Offerors have conditionally agreed to acquire and Global Corn Bio-Chem has conditionally agreed to sell 717,965,000 ordinary shares of the Company (the “**GSH Sale Shares**”), representing approximately 47.00% of the entire issued shares of the Company (the “**Shares**”) as at the date of the GSH SPA (the “**GSH Disposal**”). On 21 December 2023, all the conditions precedent under the GSH SPA in respect of the GSH Disposal were fulfilled or waived and completion of the GSH Disposal (the “**GSH Completion**”) took place. Immediately upon the GSH Completion, GBT and Global Corn Bio-Chem are no longer the ultimate and immediate holding company, respectively, of the Group.

### 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange and the Companies Ordinance (Cap. 622).

These consolidated financial statements have been prepared under the historical cost convention, except for certain property, plant and equipment and derivative financial instruments which are measured at revalued amounts/fair value. These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except where otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 2.3.

## 2.2 GOING CONCERN

As at 31 December 2024, the Group had net current liabilities of approximately HK\$652.4 million (31 December 2023: approximately HK\$734.3 million) and net liabilities of approximately HK\$218.3 million (31 December 2023: approximately HK\$381.9 million). In preparing these 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) **Facilitating the debt restructuring on the Tiebei BOJ Loans and active negotiations with banks to obtain adequate banking facilities**

The management of the Group has been actively negotiating with the banks in the People's Republic of China (the "PRC" or "China") to obtain new banking facilities to meet the Group's capital requirements during the Year. The Group has drawn down additional bank borrowing of approximately RMB27.0 million (equivalent to approximately HK\$28.7 million) during the Year. In addition, pursuant to the 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") dated 18 March 2025, Shanghai Nanyang is intended to grant further bank facilities in the aggregate amount of RMB50.0 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. The Directors believe that the new banking facilities could further improve the financial position and liquidity of the Group. Meanwhile, the Group has been actively negotiating with 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.\*) ("Tiebei BOJ") in relation to the debt restructuring for the loans from Tiebei BOJ to 錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.\*) ("Jinzhou Yuancheng") with the aggregate principal amount being RMB212.5 million together with outstanding interests (the "Tiebei BOJ Loans"). Based on the latest negotiation between the Group and Tiebei BOJ, Tiebei BOJ is considering the option of undergoing a debt restructuring of the Tiebei BOJ Loans and the parties are exploring a possible restructuring arrangement. Despite such arrangement is currently under the internal procedures and discussion by Tiebei BOJ and the relevant parties, the management of the Group believes that a positive feedback upon internal discussion of Tiebei BOJ will be given before the third quarter of 2025. Once the debt restructuring of the Tiebei BOJ Loans takes place, the financial position of the Group will be improved significantly and the debts financing capacity of the Group will be restored. The management of the Group also believes that it will substantially increase the financial liquidity of the Group.

## (2) Monitoring of the Group’s operating cash flows

The Group has taken various measures to minimise the operating cost and develop new product line to enhance the operating cash flow during market turbulence. During the Year, the Group has continued to maximise the production capacity of the production facilities in its Shanghai production site and launched a series of high value-added products to increase market sales. In addition, the Group is negotiating with certain of its suppliers, employees and creditors to formulate settlement plans more favourable to the Group regarding some of its long standing payables in order to ease the burden on the Group’s operating cash flows. On the other hand, the Group will resume the operation of its upstream production facilities in the Jinzhou production site in order to enhance operating cash flow in the near future.

## (3) Financial supports from the Associates of Substantial Shareholders

The Group has received written confirmations dated 24 February 2025, 24 February 2025 and 14 March 2025 (the “**Confirmations**”) from (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 (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 Hong Kong Huasheng Company Limited (“**Huasheng**”) (collectively, the “**Associates of Substantial Shareholders**”), respectively, confirming that they would provide financial assistance to the Group in the 12 months following the respective dates of the Confirmations on a going concern basis. Such assistance received by the Group is not secured by any assets of the Group.

As at 31 December 2024, the Group’s current liabilities (other than the Convertible Bonds) due to Mr. Kong Zhanpeng, Mr. Wang Tieguang and Huasheng (collectively, the “**Substantial Shareholders**”) and the Associates of Substantial Shareholders amounted to approximately HK\$104.7 million. The Associates of Substantial Shareholders 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 Associates of Substantial Shareholders would be able to support the operations of the Group by providing a stable coal, corn kernels, corn starch and corn syrup supply to the Group and by purchasing corn starch and other corn refinery products from the Group with better commercial terms 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 31 December 2024.

Accordingly, the Directors consider that it is appropriate to prepare the 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 consolidated financial statements.

## **2.3 CHANGES IN ACCOUNTING POLICIES**

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HK Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

#### **Amendments to HKAS 1: Classification of Liabilities as Current or Non-Current**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### **Amendments to HKAS 1: Non-current Liabilities with Covenants**

The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the consolidated financial statements.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### **Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause**

This interpretation is revised as a consequence of the above amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## **Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements**

The amendments introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## **Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback**

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## **2.4 NEW AND REVISED HKFRSs NOT YET ADOPTED**

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the Year, which the Group has not early adopted.

Amendments to HKAS 21	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Annual Improvements to HKFRSs	Volume 11 <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>4</sup> The effective date to be determined

The management of the Company is in the process of making a detailed assessment of the possible impact on the future adoption of the new/revised HKFRSs. So far the management is of the opinion that the adoption of the new/revised HKFRSs will not have any significant impact on the results of the Group.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two (2023: two) reportable operating segments as follows:

- (a) the corn refined products segment which comprises the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products; and
- (b) the corn sweeteners segment which comprises the manufacture and sale of glucose syrup, maltose syrup, high fructose corn syrup and maltodextrin.

On 21 December 2023, the completion of disposal of 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.\*) (“**Dihao Foodstuff**”), and 長春帝豪結晶糖開發實業有限公司 (Changchun Dihao Crystal Sugar Industry Development Co., Ltd.\*) (collectively, the “**Dihao Companies**”) took place (the “**Dihao Completion**”), the corn sweeteners business in Jilin Province, the PRC which were operated by Dihao Companies were therefore classified as discontinued operations of the Group.

The management, being 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.

(i) Segment results

Year ended 31 December 2024

	(Continuing operations)		(Discontinued operations)	
	Corn refined products	Corn sweeteners	Corn sweeteners	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue</b>				
Revenue from external customers	<u>–</u>	<u>623,460</u>	<u>–</u>	<u>623,460</u>
<b>Segment results</b>	<u>(112,694)</u>	<u>(5,808)</u>	<u>–</u>	<u>(118,502)</u>
<i>Reconciliation:</i>				
Unallocated bank interest income				39
Corporate and other unallocated expenses				(14,412)
Gain an fair value change of derivative components of the Convertible Bonds				14,839
Gain on debt restructuring				167,615
Gain on disposal of subsidiaries				42,222
Finance costs				<u>(34,552)</u>
<b>Profit before tax</b>				57,249
Income tax credit				<u>9,369</u>
<b>Profit for the year</b>				<u>66,618</u>

Year ended 31 December 2023

	(Continuing operations)		(Discontinued operations)	
	Corn refined products	Corn sweeteners	Corn sweeteners	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Segment revenue</b>				
Revenue from external customers	<u>–</u>	<u>440,813</u>	<u>–</u>	<u>440,813</u>
<b>Segment results</b>	<u>(72,791)</u>	<u>(18,076)</u>	<u>(35,785)</u>	(126,652)
<i>Reconciliation:</i>				
Unallocated bank interest income				34
Corporate and other unallocated expenses				(10,912)
Gain on disposal of discontinued operations				476,997
Finance costs				<u>(68,361)</u>
<b>Profit before tax</b>				271,106
Income tax credit				<u>18,410</u>
<b>Profit for the year</b>				<u><u>289,516</u></u>

(ii) Other segment information

Year ended 31 December 2024

	(Continuing operations)		(Discontinued operations)	
	Corn refined products	Corn sweeteners	Corn sweeteners	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital expenditure	96,985	12,528	–	109,513
Sale of scrap raw materials, net of cost	(1,709)	–	–	(1,709)
Depreciation				
– Property, plant and equipment	12,044	12,389	–	24,433
– Right-of-use assets (a)	3,519	142	–	3,661
Reversal of write-down of inventories	(1,063)	–	–	(1,063)
Reversal of impairment of trade and bills receivables	–	(6)	–	(6)
(Reversal of impairment)				
Impairment of prepayments, deposits and other receivables, net	(1,547)	544	–	(1,003)
(Gain) Deficit on properties revaluation, net	(34,906)	1,403	–	(33,503)
Reversal of overprovision of other tax payables	–	(4,554)	–	(4,554)
Loss on disposal of property, plant and equipment	9,910	415	–	10,325

Year ended 31 December 2023

	(Continuing operations)		(Discontinued operations)	
	Corn refined products	Corn sweeteners	Corn sweeteners	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital expenditure	–	588	–	588
Sale of scrap raw materials, net of cost	(678)	–	–	(678)
Depreciation				
– Property, plant and equipment	18,183	39,683	14,884	72,750
– Right-of-use assets (a)	3,597	145	1,256	4,998
Reversal of write-down of inventories, net	(4)	–	–	(4)
Impairment of property, plant and equipment	21,276	–	–	21,276
Reversal of impairment of trade receivables, net	–	(83)	–	(83)
Impairment (Reversal of impairment) of prepayments, deposits and other receivables, net	91	496	(93)	494
Impairment of amount due from GBT Group	–	1,277	1,818	3,095
(Gain) Deficit on properties revaluation, net	(16,591)	2,767	(17,354)	(31,178)
Reversal of overprovision of other tax payables	–	(4,385)	–	(4,385)

Remark:

- (a) Depreciation of right-of-use assets of continuing operations that was not attributable to any of the above segments amounted to HK\$378,000 (2023: HK\$875,000) was included in corporate and other unallocated expenses.



(iii) **Geographical information**

***Revenue information based on locations of customers***

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Continuing operations</b>		
The PRC	616,908	430,580
Asian region and others	6,552	10,233
	<u>623,460</u>	<u>440,813</u>

No revenue generated from discontinued operations during the year ended 31 December 2023.

***Non-current assets information based on locations of assets***

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Continuing operations</b>		
The PRC	434,170	352,550
Hong Kong	259	292
	<u>434,429</u>	<u>352,842</u>
<b>Discontinued operations</b>		
The PRC	<u>–</u>	<u>–</u>

(iv) **Information about major customers**

No revenue from any customer from the corn refined products segment individually accounted for 10% or more of the Group's revenue for the Year (2023: Nil).

Revenue from customers from the corn sweeteners segment individually accounted for 10% or more of the Group's revenue are as follows:

	<b>2024</b>	2023
<b>Continuing operations</b>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
Corn sweeteners:		
Customer A	71,675	*
Customer B	*	72,015
Customer C	*	49,008
	<u>71,675</u>	<u>121,023</u>

\* These customers individually contributed less than 10% of the total revenue from the Group's corn sweeteners segment during the years ended 31 December 2024 and 2023.

#### 4. REVENUE, OTHER INCOME AND GAINS

		2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Continuing operations</b>			
<b>Revenue from contracts with customers within HKFRS 15</b>			
Sale of goods (a)		<b>623,460</b>	440,813
		<b>2024</b>	2023
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Other income and gains</b>			
Amortisation of deferred income		174	178
Bank interest income		39	34
Foreign exchange gain, net		2,540	157
Government grants (b)		250	623
Rental income		1,035	1,119
Reversal of overprovision of other tax payables		4,554	4,385
Reversal of impairment of trade and bills receivables, net		6	83
Reversal of impairment of prepayment, deposit and other receivables, net		1,003	–
Reversal of write-down of inventories, net		1,063	4
Subcontracting income		5,223	3,676
Sale of scrap raw materials, net of cost		1,709	678
Gain on disposal of subsidiaries	15	42,222	–
Gain on fair value change of derivative components of the Convertible Bonds	16	14,839	–
Others		2	539
		<b>74,659</b>	11,476

#### Remarks:

- (a) The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time. The amount of revenue recognised for the Year that was included in the contract liabilities at the beginning of the Year was approximately HK\$45,733,000 (2023: HK\$15,639,000).
- (b) Government grants represent rewards to certain subsidiaries of the Company located in the PRC and Hong Kong with no further obligations and conditions to be complied with.

## 5. PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

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

		2024	2023
	Notes	HK\$'000	HK\$'000
Employee benefits expenses (excluding Directors' remuneration)			
– Wages and salaries		44,586	46,870
– Pension scheme contributions		14,065	16,714
		<u>58,651</u>	<u>63,584</u>
Cost of inventories sold (a)		592,157	404,195
Auditor's remuneration			
– Annual audit		1,000	1,000
– Non-audit service fee		355	546
Amortisation of deferred day one loss	16	4,461	–
Foreign exchange gain, net		(2,540)	(157)
Depreciation			
– Property, plant and equipment	10	24,433	57,866
– Right-of-use assets		4,039	4,617
Reversal of write-down of inventories, net		(1,063)	(4)
Reversal of impairment of trade and bills receivables, net		(6)	(83)
(Reversal of impairment) Impairment of prepayments, deposits and other receivables, net		(1,003)	587
Impairment of property, plant and equipment (included in other expenses)	10	–	21,276
Loss on disposal of property, plant and equipment		10,325	–
Impairment of amount due from GBT Group		–	1,277
Reversal of overprovision of other tax payables		(4,554)	(4,385)
Gain on debt restructuring (b)		(167,615)	–
Gain on fair value change of derivative components of the Convertible Bonds	16	<u>(14,839)</u>	<u>–</u>

Remarks:

- (a) Cost of inventories sold includes employee benefits expenses and depreciation amounted to approximately HK\$18,730,000 (2023: HK\$18,306,000), which are also included in the respective total amounts disclosed separately above for each of these types of income and expenses.

- (b) On 28 December 2023, (i) 中國信達資產管理股份有限公司吉林省分公司 (Jilin Branch of China Cinda Asset Management Co., Ltd.\*) (“**Jilin Cinda**”), as creditor, (ii) Jinzhou Yuancheng, as debtor, and (iii) Shanghai Haocheng, as guarantor, entered into the debt restructuring agreement (the “**Debt Restructuring Agreement**”), pursuant to which the Group has agreed to repay to Jilin Cinda RMB88.0 million within 30 days from the date of the Debt Restructuring Agreement (i.e. on or before 26 January 2024) for the settlement of the loans from 中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation\*) to Jinzhou Yuancheng with the aggregate principal amount being RMB188.7 million together with outstanding interest (“**Yuancheng CCB Loans**”) prior to transfer to Jilin Cinda. The Group has transferred a total of RMB88.0 million (equivalent to approximately HK\$93,617,000), to Jilin Cinda in advance for the purpose of the settlement of Yuancheng CCB Loans as at 31 December 2023.

Jilin Cinda confirmed in writing that the terms and conditions stipulated in the Debt Restructuring Agreement have been fulfilled and the Debt Restructuring Agreement has been completed in January 2024. As a result, the remaining balance of the loan amount and interest under the Yuancheng CCB Loans have been waived and all repayment obligations of the Group under the Debt Restructuring Agreement have been fulfilled. The Group recognised a one-off gain on debt restructuring of Yuancheng CCB Loans of approximately HK\$167.6 million during the Year.

## 6. FINANCE COSTS

	Note	2024 HK\$'000	2023 HK\$'000
<b>Continuing operations</b>			
Interest on bank and other borrowings		25,723	39,886
Interest on amount due to shareholders		199	–
Interest on amount payable to GBT Group		2,327	2,549
Interest on lease liabilities		14	7
Imputed interest on the Convertible Bonds	16	6,289	–
		<u>34,552</u>	<u>42,442</u>

## 7. INCOME TAX CREDIT

Hong Kong profits tax rate is 16.5%. Since 1 April 2018, the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits on the first HK\$2.0 million and 16.5% for any assessable profits in excess of HK\$2.0 million.

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 2024 and 2023.

PRC enterprise income tax was made on the estimated assessable profits of the entities within the Group incorporated in the PRC and was calculated in accordance with the relevant tax rules and regulations of the PRC after considering the available tax refunds and allowances. The general PRC enterprise income tax rate is 25% for the Year (2023: 25%).

No provision for the PRC enterprise income tax has been made as the subsidiaries operating in the PRC incurred tax losses or the estimated assessable profits are wholly absorbed by tax losses brought forward during the years ended 31 December 2024 and 2023.

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Continuing operations</b>		
Deferred tax		
– Origination and reversal of temporary differences, net	<u>(9,369)</u>	<u>(4,367)</u>
Income tax credit	<u><u>(9,369)</u></u>	<u><u>(4,367)</u></u>

## 8. DIVIDENDS

The Board does not recommend the payment of any dividend for the Year (2023: Nil).

## 9. EARNINGS (LOSS) PER SHARE

	<b>2024</b>	2023
<b>Basic earnings (loss) per Share</b>		
Profit (Loss) attributable to owners of the Company arising from (in HK\$'000):		
– Continuing operations	<b>66,618</b>	(139,820)
– Discontinued operations	<u>–</u>	<u>429,336</u>
	<b>66,618</b>	289,516
<b>Number of Shares</b>		
Weighted average of ordinary Shares in issue	<u><b>1,748,241,140</b></u>	<u>1,527,586,000</u>
<b>Basic earnings (loss) per Share</b>		
– Continuing operations	<b>HK 3.8 cents</b>	HK (9.2) cents
– Discontinued operations	<u>–</u>	<u>HK 28.1 cents</u>
	<u><b>HK 3.8 cents</b></u>	<u><b>HK 18.9 cents</b></u>

	2024	2023
<b>Diluted earnings (loss) per Share</b>		
Profit (Loss) attributable to owners of the Company arising from (in HK\$'000):		
– Continuing operations	66,618	(139,820)
– Discontinued operations	–	429,336
	<u>66,618</u>	<u>289,516</u>
<b>Continuing operations</b>		
Gain on fair value change of derivative components of the Convertible Bonds (in HK\$'000)	(14,839)	–
Imputed interest on the Convertible Bonds (in HK\$'000)	6,289	–
Amortisation on deferred day one loss (in HK\$'000)	4,461	–
	<u>(4,089)</u>	<u>–</u>
<b>Adjusted profit (loss) attributable to owners of the Company arising from (in HK\$'000):</b>		
– Continuing operations	62,529	(139,820)
– Discontinued operations	–	429,336
	<u>62,529</u>	<u>289,516</u>
<b>Number of Shares</b>		
Weighted average of ordinary Shares in issue	1,748,241,140	1,527,586,000
Effect of conversion of the Convertible Bonds	502,681,434	–
<b>Weighted average number of ordinary Shares for the purpose of diluted earnings (loss) per Share</b>	<u>2,250,922,574</u>	<u>1,527,586,000</u>
<b>Diluted earnings (loss) per Share</b>		
– Continuing operations	HK 2.8 cents	HK (9.2) cents
– Discontinued operations	–	HK 28.1 cents
	<u>HK 2.8 cents</u>	<u>HK 18.9 cents</u>

The assumed conversion of the Convertible Bonds has a dilutive effect for the Year as shown on the table above.

Diluted earnings (loss) per Share is the same as basic earnings (loss) per Share as there were no potential dilutive ordinary Shares outstanding during the year ended 31 December 2023.

## 10. PROPERTY, PLANT AND EQUIPMENT

		2024	2023
	Notes	HK\$'000	HK\$'000
At 1 January		312,325	507,865
Additions		109,513	588
Disposals		(11,696)	(129,626)
Depreciation	5	(24,433)	(72,750)
Gain on properties revaluation, net		33,503	31,178
Impairment	5	–	(21,276)
Exchange realignment		(20,804)	(3,654)
		<u>398,408</u>	<u>312,325</u>
At 31 December		<u>398,408</u>	<u>312,325</u>

## 11. TRADE AND BILLS RECEIVABLES

	2024	2023
	HK\$'000	HK\$'000
Trade receivables	77,243	138,038
Bills receivable	<u>3</u>	<u>–</u>
	77,246	138,038
Loss allowance	<u>(6,807)</u>	<u>(70,086)</u>
	<u>70,439</u>	<u>67,952</u>

The Group normally grants credit terms of 30 to 90 days (2023: 30 to 90 days) to established customers. The trade and bills receivables are mainly denominated in Renminbi.

Ageing analysis of the trade and bills receivables at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK\$'000	HK\$'000
Within 1 month	53,447	46,582
1 to 2 months	12,755	15,519
2 to 3 months	2,846	4,213
Over 3 months	<u>1,391</u>	<u>1,638</u>
	<u>70,439</u>	<u>67,952</u>



The Group maintains 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 17.9% (2023: 17.8%) and 47.2% (2023: 58.4%) of the Group's total trade and bills receivables were due from the Group's largest customer and the five largest customers respectively.

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Prepayments	16,100	6,006
Prepayments to Jilin Cinda	–	96,703
Deposits and other debtors	7,117	2,314
The PRC value-added tax and other tax receivables	1,431	1,834
	<u>24,648</u>	<u>106,857</u>

## 13. TRADE PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Trade payables</b>		
To related parties (a)		
Ruihao (Guangzhou)	6,348	64,293
DDT Supply Chain	59,205	14,472
	<u>65,553</u>	<u>78,765</u>
To third parties	68,755	59,280
	<u>134,308</u>	<u>138,045</u>

Remark:

- (a) The trade payables to related parties, Ruihao (Guangzhou) and DDT Supply Chain are unsecured, interest-free and repayable on demand.

The Group normally obtains credit terms ranging from 30 to 90 days (2023: 30 to 90 days) from its suppliers. The trade payables are mainly denominated in Renminbi.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 1 month	65,701	46,860
1 to 2 months	14,561	8,253
2 to 3 months	27,851	1,303
Over 3 months	<u>26,195</u>	<u>81,629</u>
	<u><b>134,308</b></u>	<u><b>138,045</b></u>

#### 14. SHARE CAPITAL

	2024 <i>Number of Shares</i>	<i>HK\$'000</i>	2023 <i>Number of Shares</i>	<i>HK\$'000</i>
Authorised: 100,000,000,000 (2023: 100,000,000,000) ordinary Shares of HK\$0.1 each	<u><b>100,000,000,000</b></u>	<u><b>10,000,000</b></u>	<u>100,000,000,000</u>	<u>10,000,000</u>
Issued and fully paid ordinary Shares of HK\$0.1 each:				
At beginning of the years	<b>1,527,586,000</b>	<b>152,759</b>	1,527,586,000	152,759
Conversion of the Convertible Bonds (a)	<u><b>362,788,856</b></u>	<u><b>36,278</b></u>	<u>—</u>	<u>—</u>
At end of the years	<u><b>1,890,374,856</b></u>	<u><b>189,037</b></u>	<u>1,527,586,000</u>	<u>152,759</u>

Remark:

- (a) As disclosed in the announcement of the Company dated 24 May 2024, Huasheng exercised its right 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 (the “**Convertible Price**”) of HK\$0.10 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 on 14 May 2024, pursuant to the terms and conditions of the Convertible Bonds. As a result, the Company allotted and issued 362,788,856 Conversion Shares, which rank pari passu in all respects among themselves and with all other existing Shares in issue, to Huasheng on 24 May 2024.

## 15. DISPOSAL OF SUBSIDIARIES

On 17 April 2024, the Company (as seller) entered into a sale and purchase agreement (the “**Retail Group SPA**”) with an independent third party (as buyer) under which the Company shall transfer to the independent third party, Global Sweeteners Retail Investment Company Limited, a former wholly-owned subsidiary of the Company, and its subsidiaries (collectively, the “**Retail Group**”) at a total consideration of HK\$1.0. Immediately upon the completion of the disposal of the Retail Group (the “**Retail Group Disposal**”) on 17 April 2024, each of the members in Retail Group is no longer a subsidiary of the Group. The Group recognised a one-off gain of approximately HK\$42.2 million in relation to the Retail Group Disposal.

### Details of the Retail Group Disposal

	<i>HK\$'000</i>
Cash consideration received (equivalent to HK\$1.0)	–
Carrying amount of net liabilities disposed of	33,201
Release of exchange reserve upon disposal of subsidiaries	14,952
Release of non-controlling interests upon disposal of subsidiaries	(5,931)
	<u>42,222</u>

The details of the net liabilities disposed of are summarised below:

	<i>HK\$'000</i>
<b>Non-current asset</b>	
Property, plant and equipment	–
<b>Current assets</b>	
Prepayments, deposits and other receivables	685
Cash and bank balances	8
	<u>693</u>
<b>Current liabilities</b>	
Trade payables	(18,828)
Other payables and accruals	(15,066)
	<u>(33,894)</u>
<b>NET LIABILITIES DISPOSED OF</b>	<u>(33,201)</u>

An analysis of net cash flow in respect of the disposal of subsidiaries is as follows:

	<i>HK\$'000</i>
Cash consideration received (equivalent to HK\$1.0)	–
Cash and cash balances disposed of	<u>(8)</u>
Total cash outflow from disposal	<u><u>(8)</u></u>

## 16. 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 the Joint Offerors as subscribers, pursuant to which the Company has conditionally agreed to issue, and the Joint Offerors have conditionally 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) (the “**CB Subscription**”), which may be converted into a total of 1,380,000,000 new ordinary Share(s) 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 per Conversion 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. The initial Conversion Price represented a premium of approximately 16.3% over the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on 6 April 2023, being the date of the CB Subscription Agreement.

### First Batch of CB

On 3 May 2024, the Company and the Joint Offerors had 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 Joint Offerors, 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 Joint Offerors had 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 at the Conversion Price of HK\$0.1 per Conversion Share, applying the exchange rate as announced by the People's Bank of China on the date of conversion 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 Joint Offerors had 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 to the Joint Offerors with each of them acquiring additional Convertible Bonds in the principal amount of RMB30.0 million. Upon the CB Second Completion, each of the Joint Offerors held outstanding Convertible Bonds in the principal amount of RMB39.0 million each. Subsequent to the CB Second Completion, the Company was notified by the Joint Offerors that each of them had exercised his rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with the principal amounts of RMB10.0 million and RMB10.0 million, respectively, to Huasheng on the same date (i.e. 19 July 2024) in accordance with the terms and conditions in the CB Subscription Agreement.

As a result, the Convertible Bonds issued upon the CB First Completion and the CB Second Completion which remained outstanding as at 31 December 2024 were divided into liability component and derivative component which amounted to approximately HK\$44.7 million and HK\$40.8 million (31 December 2023: Nil and Nil) respectively and effective imputed interest of approximately HK\$6.3 million (2023: Nil) was charged as at 31 December 2024.

The effective interest rate of the liability component of the First Batch of CB and Second Batch of CB are 18.74% and 18.74% per annum respectively.

The fair value of above-mentioned Convertible Bonds recognised at the date of issuance were calculated as follows:

	<b>First Batch of CB HK\$'000</b>	<b>Second Batch of CB HK\$'000</b>	<b>2024 HK\$'000</b>
Fair value of the entire Convertible Bonds, at the date of issuance	<b>64,516</b>	<b>92,515</b>	<b>157,031</b>
Fair value of the derivative financial instruments, at the date of issuance	<b>(18,728)</b>	<b>(47,214)</b>	<b>(65,942)</b>
Fair value of the liability component, at the date of issuance	<b>45,788</b>	<b>45,301</b>	<b>91,089</b>

The movements of liability component of the Convertible Bonds are as follows:

	<b>Liability component</b>		<b>Deferred day-one loss</b>		
	<b>First Batch of CB HK\$'000</b>	<b>Second Batch of CB HK\$'000</b>	<b>First Batch of CB HK\$'000</b>	<b>Second Batch of CB HK\$'000</b>	<b>Total HK\$'000</b>
Fair value of the liability component	<b>45,788</b>	<b>45,301</b>	–	–	<b>91,089</b>
Day-one loss of newly issued the Convertible Bonds not recognised in profit or loss (a)	–	–	–	<b>(28,685)</b>	<b>(28,685)</b>
Conversion of the Convertible Bonds	<b>(25,183)</b>	–	–	–	<b>(25,183)</b>
Interest payables	<b>(1,077)</b>	<b>(1,463)</b>	–	–	<b>(2,540)</b>
Imputed interest	<b>2,608</b>	<b>3,681</b>	–	–	<b>6,289</b>
Amortisation of deferred day one loss (a)	–	–	–	<b>4,461</b>	<b>4,461</b>
Exchange realignment	<b>(528)</b>	<b>(80)</b>	–	<b>(95)</b>	<b>(703)</b>
At the end of the Year	<b>21,608</b>	<b>47,439</b>	–	<b>(24,319)</b>	<b>44,728</b>

Remark:

- (a) As the fair value of the Convertible Bonds is determined using valuation models for which involved unobservable inputs, the day-one loss, which represented difference between the nominal value and the fair value of the Convertible Bonds at the date of issuance, is not recognised in profit or loss immediately but is deferred.

The movements of derivative components of the Convertible Bonds are as follows:

	<b>First Batch of CB HK\$'000</b>	<b>Second Batch of CB HK\$'000</b>	<b>2024 HK\$'000</b>
At the date of issuance	<b>18,728</b>	<b>47,214</b>	<b>65,942</b>
Conversion of the Convertible Bonds	<b>(10,300)</b>	<b>–</b>	<b>(10,300)</b>
Gain (Loss) on fair value change, net	<b>4,291</b>	<b>(19,130)</b>	<b>(14,839)</b>
	<hr/>	<hr/>	<hr/>
At the end of the Year	<b>12,719</b>	<b>28,084</b>	<b>40,803</b>
	<hr/>	<hr/>	<hr/>

The fair value of the derivative components of the Convertible Bonds was estimated by an independent professional valuer using Binomial Option Pricing Model at the date of issuance and at the end of the reporting period, which is categorised as Level 3 fair value measurement.

The significant unobservable input used in the fair value measurement is the expected volatility of the First Batch of CB and Second Batch of CB of 80.95% and 82.54% respectively.

As at 31 December 2024, if the expected volatility of the First Batch of CB had been 8.09% higher/lower while all other variables were held constant, the Group's profit for the year would decrease/increase by approximately HK\$660,000.

As at 31 December 2024, if the expected volatility of the Second Batch of CB had been 8.25% higher/lower respectively while all other variables were held constant, the Group's profit for the year would decrease/increase by approximately HK\$1,700,000.

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is the extract of independent auditor’s report from Forvis Mazars CPA Limited, the external auditor (the “**Auditor**”) of the Company, on the Group’s consolidated financial statements for the Year. The report includes particulars of the material uncertainty related to the Group’s ability to continue as a going concern without qualified opinion.

### **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with disclosure requirements of the Companies Ordinance.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to the “Going concern” section in note 2.2 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As at 31 December 2024, the Group had net current liabilities and net liabilities of approximately HK\$652.4 million and HK\$218.3 million respectively. These conditions, along with other matters as set forth in note 2.2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company, having considered the measures being taken by the Group as disclosed in note 2.2 to the consolidated financial statements, are of the opinion that the Group would be able to continue as a going concern. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

The aforesaid “note 2.2 to the consolidated financial statements” in the extract of the independent auditor’s report is disclosed as note 2.2 in this announcement.



## 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.

During the Year, the global economy remained under pressure from various internal and external challenges, including ongoing geopolitical tensions, accumulating debt risk and the United States presidential election. While the PRC's economy has shown signs of stabilisation and China's gross domestic product in 2024 increased by 5% year-on-year, meeting the Chinese government's annual economic target set at the beginning of the Year, data released by the National Bureau of Statistics of China showed that in 2024, the national consumer price index (CPI) rose by only approximately 0.2% year-on-year, and the national producer price index for industrial producers (PPI) fell 2.2% year-on-year, reflecting weak consumer sentiment and sluggish demand. The real estate market downturn continued to weigh on the overall economic recovery, making the path to full economic recovery a complex and uneven process.

According to the estimation published by the United States Department of Agriculture in February 2025, global corn production for the year 2024/25 is expected to reach 1,214.35 million metric tonnes ("MT") (2023/24: 1,230.07 million MT). With the global corn supply remaining at a high level, the corn price experienced a substantial decline during 2024. The international corn price dropped below 400 cents per bushel in the second half of 2024 and closed at 451.5 cents per bushel by the end of 2024 (equivalent to RMB1,298 per MT) (end of 2023: 471.3 cents per bushel (equivalent to RMB1,336 per MT)).

In the domestic market, as a result of the increase in total planted area of corn in China by 1.2%, reaching 44.7 million hectares for the Year, China's corn output recorded an increase in 2024 to 294.9 million MT (2023: 288.8 million MT), representing a year-on-year increase of 2.1% according to grain output data released by the National Bureau of Statistics of China. While the corn supply remained abundant, there had been no significant improvement in demand of downstream products, as such, corn price in the PRC dropped from RMB2,560 per MT at the end of 2023 to RMB2,082 per MT at the end of 2024.

As the corn price experienced downturn during the Year, the corn refineries showed some positive signs in terms of operating rate and profit during the Year. The atmosphere of upstream products has turned around during the Year, with the average operating rate of corn starch production in China reaching 69.26% in 2024, demonstrating an increase of 7.59% from 61.67% in 2023. The Group had seized the chance to initiate the resumption of its Jinzhou upstream production facilities and completed the refurbishment of the Jinzhou upstream production facilities (the “**Refurbishment Projects**”) at the end of 2024. The Group will resume its upstream business in 2025 and continue to expand its production capacity to maintain the upstream product market presence.

As for the sugar market, global sugar production for the year 2023/24 was 183,827,000 MT (2022/23: 179,145,000 MT) with consumption estimated at 177,567,000 MT (2022/23: 176,430,000 MT). Global sugar supply has become more relaxed and the Food and Agriculture Organisation Sugar Price Index averaged 125.7 points in 2024, dropped 13.3% from 2023, which was mainly attributable to a drastic increase in exports from Brazil and the relaxation of the sugar export restriction policy implemented by Indian government during 2024.

In the China market, according to statistics from the China Sugar Association, China produced a total of 9.96 million MT of sugar and sold a total of 9.61 million MT of sugar with a production and sales rate of 96.4% in 2023/2024 sugar production period. Domestic sugar price in the PRC decreased to RMB6,277 per MT by the end of 2024 (end of 2023: RMB6,758 per MT). The decline in sugar prices, coupled with the fierce competition in the corn sweetener market, have driven down the corn sweetener prices and directly impacted the Group's profitability. As a result, the Group's gross profit of the sweetener segment decreased by 14.5% year-on-year to approximately HK\$31.3 million.

With the completion of renovation of the Group's Shanghai production facilities and the Refurbishment Projects, the Group will diversify its revenue streams in the short run. Once the Group's upstream operations resume, the Group will benefit from the synergistic effect between its upstream and downstream operations, thereby improving operational efficiency, enhancing control over raw material costs for downstream products, and increasing overall flexibility.

In the long run, the Group will resume its Jinzhou downstream production facilities while balancing its market presence, as well as strengthening its market position with better utilisation of its brand name, striving to provide excellent customer service and being customer-oriented to better understand their ever-changing demands and product requirements, and further improve cost effectiveness and product mix through continuous research and development efforts.

## **FINANCIAL PERFORMANCE**

### **Continuing Operations**

During the Year, the Group focused on the operation of its Shanghai production site and endeavored to facilitate the resumption of the Group's Jinzhou upstream production facilities. Consequently, the sales volume and consolidated revenue of the Group increased by approximately 60.3% and 41.4% to approximately 186,000 MT (2023: 116,000 MT) and HK\$623.5 million (2023: HK\$440.8 million), respectively during the Year. On the other hand, the average unit production cost of sweetener products decreased by approximately 9.4% as a result of the decrease in the average unit price of raw materials. However, due to the intense market competition in the sweeteners segment and the narrowing of the gap between domestic sugar production and demand, the average unit selling price of sweeteners products dropped by 12.5% during the Year. As such, the gross profit margin of the Group decreased by 3.3 percentage points to 5.0% (2023: 8.3%), and the consolidated gross profit of the Group for the Year decreased by approximately 14.5% to approximately HK\$31.3 million (2023: HK\$36.6 million).

### ***Upstream products***

(Sales amount: Nil (2023: Nil))

(Gross profit: Nil (2023: Nil))

During the Year, 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. As a result, no revenue from the sale of corn starch and other corn refined products (2023: Nil and Nil) were recorded during the Year. No internal consumption of corn starch was recorded during the Year (2023: Nil). The Group has kick-started the preparation of resumption of its Jinzhou upstream production facilities during the Year, and the Refurbishment Projects have been completed at the end of 2024. As such, the Group expects that the sale of corn starch and other corn refined products will resume in 2025.

### ***Corn sweeteners***

#### **Corn syrup**

(Sales amount: HK\$498.3 million (2023: HK\$383.1 million))

(Gross profit: HK\$22.5 million (2023: HK\$31.8 million))

During the Year, the revenue of the corn syrup segment increased by approximately 30.1% to approximately HK\$498.3 million (2023: HK\$383.1 million). Such increase was mainly attributable to the increase in sales volume by approximately 46.5% to approximately 145,000 MT (2023: 99,000 MT) as the Group focused on the operation of its Shanghai production site and strived to maximise its production capacity. Yet, the average selling price of corn syrup products dropped at an even faster rate than the average production cost of corn syrup products during the Year. The corn syrup segment, therefore, recorded gross profit of approximately HK\$22.5 million (2023: HK\$31.8 million) for the Year, with gross profit margin decreased to 4.5% (2023: 8.3%).

## Corn syrup solid

(Sales amount: HK\$125.2 million (2023: HK\$57.7 million))

(Gross profit: HK\$8.8 million (2023: HK\$4.8 million))

During the Year, the Group sold approximately 41,000 MT (2023: 17,000 MT) of corn syrup solid, which was entirely maltodextrin. The revenue of maltodextrin increased by approximately 117.0% to HK\$125.2 million (2023: HK\$57.7 million) which was attributable to the increase in production volume during the Year as the Group focused on the operation of its Shanghai production site and strived to maximise its production capacity. The gross profit of the corn syrup solid segment increased to approximately HK\$8.8 million (2023: HK\$4.8 million). However, due to the intense market competition, the selling price of corn syrup solid dropped by 10.4% while the average production cost of corn syrup solid dropped by 9.2% during the Year. As such, the gross profit margin of the corn syrup solid segment during the Year decreased to 7.0% (2023: 8.3%).

## ***Export sales***

During the Year, export sales accounted for approximately 1.1% (2023: 2.3%) of the Group's total revenue. The Group exported approximately 1,700 MT (2023: 2,500 MT) of corn sweeteners which amounted to sales of approximately HK\$6.6 million (2023: HK\$10.2 million) during the Year.

## ***Other income and gains***

On 17 April 2024, the Company (as seller) entered into the Retail Group SPA with an independent third party (as buyer) under which the Company shall transfer to the independent third party, the Retail Group at a total consideration of HK\$1.0. Immediately upon the completion of the Retail Group Disposal on 17 April 2024, each of the members in the Retail Group is no longer a subsidiary of the Group. As a result, the Group recognised a one-off gain of approximately HK\$42.2 million in relation to the Retail Group Disposal and other income and gains of the Group increased drastically by approximately 549.6% to approximately HK\$74.7 million (2023: HK\$11.5 million).

## ***Selling and distribution costs***

During the Year, the selling and distribution costs increased by approximately 15.4% to approximately HK\$33.8 million (2023: HK\$29.3 million), accounting for approximately 5.4% (2023: 6.6%) of the Group's revenue. Such increase was mainly attributable to the increase in sales volume during the Year.

### ***Administrative expenses***

During the Year, administrative expenses increased by approximately 6.9% to approximately HK\$66.7 million (2023: HK\$62.4 million). Such increase was mainly attributable to the increase in salaries for preparation of resumption of the Group's Jinzhou production site.

### ***Other expenses***

Other expenses of the Group increased to approximately HK\$81.3 million (2023: HK\$58.1 million) during the Year. Such increase was mainly attributable to the increase in repair and maintenance expense of existing plant and equipments for resumption of the Group's Jinzhou production site.

### ***Finance costs***

During the Year, finance costs of the Group decreased by approximately 18.4% to approximately HK\$34.6 million (2023: HK\$42.4 million) which was mainly attributable to the completion of the Debt Restructuring Agreement during the Year which significantly decreased the interest bearing borrowings of the Group.

### ***Income tax credit***

Due to the recognition of temporary differences, the Group recorded deferred tax credit of approximately HK\$9.4 million (2023: HK\$4.4 million) during the Year. Meanwhile, as all the subsidiaries of the Group recorded tax losses or the estimated assessable profits are wholly absorbed by tax losses brought forward during the Year, no income tax expenses were recorded for the Year (2023: Nil). As a result, the Group recorded tax credit of approximately HK\$9.4 million (2023: HK\$4.4 million) during the Year.

### ***Discontinued Operations***

Upon the Dihao Completion, the financial results of Dihao Companies were no longer consolidated into the consolidated financial statements of the Group and the financial results of Dihao Companies of 2023 have been classified as discontinued operations in the prior year's consolidated financial statements of the Group.

## **Net profit attributable to owners of the Company arising from continuing operations**

Despite the decrease in gross profit, the Group recognised a one-off gain from completion of the Retail Group Disposal and a one-off gain from the completion of the Debt Restructuring Agreement of approximately HK\$42.2 million and HK\$167.6 million, respectively. As such, the Group recorded a net profit of the Company arising from continuing operations of approximately HK\$66.6 million (2023: net loss of the Company arising from continuing operations of approximately HK\$139.8 million) with EBITDA arising from continuing operations (i.e. earnings before interest, taxation, depreciation and amortisation) of approximately HK\$124.7 million (2023: LBITDA arising from continuing operations (i.e. loss before interest, taxation, depreciation and amortisation) of approximately HK\$39.3 million) during the Year.

Along with the completion of the CB Subscription and the introduction of various investors, the Directors believe that the working capital, the financial position and gearing level of the Group will be improved concurrently. In the meantime, the management of the Group will continue to devote its energy in facilitating the restructuring of the Tiebei BOJ Loans to further relieve the financial pressure of the Group.

## **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 to achieve the optimal capital structure for the Group.

### **Net borrowing position**

The total borrowings of the Group as at 31 December 2024 decreased by approximately HK\$186.2 million to approximately HK\$254.7 million (31 December 2023: HK\$440.9 million). The decrease in total borrowings was mainly attributable to the completion of the Debt Restructuring Agreement in January 2024 for the settlement of loans in approximately HK\$203.1 million and the exchange gains adjustment of approximately HK\$11.8 million during the Year; partially offset by the additional loans granted by Shanghai Nanyang and 上海閔行上銀村鎮銀行股份有限公司 (Shanghai Minhang BOS Rural Bank\*) in the aggregate amount of approximately HK\$28.7 million. On the other hand, cash and bank balances which were mainly denominated in Renminbi and Hong Kong dollars decreased



by approximately HK\$8.5 million to approximately HK\$5.1 million (31 December 2023: HK\$13.6 million, mainly denominated in Renminbi and Hong Kong dollars) as at 31 December 2024. Consequently, the net borrowings of the Group decreased to approximately HK\$249.6 million (31 December 2023: HK\$427.3 million).

### **Structure of interest-bearing bank and other borrowings**

As at 31 December 2024, the Group's bank and other borrowings of approximately HK\$254.7 million (31 December 2023: HK\$440.9 million) were all (31 December 2023: all) denominated in Renminbi. All (31 December 2023: all) of the Group's interest-bearing bank and other borrowings were wholly repayable within one year. As at 31 December 2024, interest-bearing bank and other borrowings amounted to approximately HK\$242.0 million (31 December 2023: HK\$233.5 million) have been charged at fixed interest rates of 4.9% to 8.0% (31 December 2023: 7.0% to 8.0% per annum) for terms of one year to three years. 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 Joint offerors as subscribers, pursuant to which the Company has conditionally agreed to issue, and the Joint Offerors have conditionally 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 Share(s) 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, 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. The initial Conversion Price represented a premium of approximately 16.3% over the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on 6 April 2023, being the date of the CB Subscription Agreement. The net proceeds from the issue of the Convertible Bonds is RMB120.0 million. The Company originally intended to use the net proceeds as follows: (i) RMB60.0 million for repayment of the first installment of the Yuancheng CCB Loans; and (ii) RMB60.0 million for the preparation for the resumption of operation of the Group's Jinzhou production facilities.



On 3 May 2024, the Company and the Joint Offerors had agreed in writing that 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 had been issued to the Joint Offerors, with each of them holding the Convertible Bonds in the principal amount of RMB30.0 million upon the CB First Completion. The gross proceeds and net proceeds from the issue of the Convertible Bonds upon the CB First Completion is RMB60.0 million. As disclosed in the announcement of the Company dated 4 January 2024 (the “**Change in Use of Proceeds Announcement**”), the Company intends to use such proceeds for the repayment to the relevant creditors of the Group in respect of the loan provided to the Group for the settlement of the Yuancheng CCB Loans. As at 31 December 2024, the gross proceeds and net proceeds of RMB60.0 million have been utilised in full for the purpose disclosed in the Change in Use of Proceeds Announcement.

Subsequent to the CB First Completion, each of the Joint Offerors had 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. 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 at the Conversion Price of HK\$0.1 per Conversion Share, applying the exchange rate as announced by the People’s Bank of China on the date of conversion 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.

On 18 July 2024, the Company and the Joint Offerors had agreed in writing that 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 had been issued to the Joint Offerors with each of them acquiring additional Convertible Bonds in the principal amount of RMB30.0 million. Upon the CB Second Completion, each of the Joint Offerors held the outstanding Convertible Bonds in the principal amount of RMB39.0 million each. Subsequent to the CB Second Completion, the Company was notified by the Joint Offerors that each of them had exercised his rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with the principal amounts of RMB10.0 million and RMB10.0 million, respectively, to Huasheng on the same date (i.e. 19 July 2024) in accordance with the terms and conditions in the CB Subscription Agreement. The gross proceeds and net proceeds from the issue of the Convertible Bonds upon the CB Second Completion of RMB60.0 million, as set out in the Change in Use of Proceeds Announcement,

were intended to be applied towards the preparation for the resumption of Jinzhou production facilities, had been utilised in full accordingly as at 31 December 2024.

As a result, the Convertible Bonds issued upon the CB First Completion and the CB Second Completion which remained outstanding as at 31 December 2024 were divided into liability component and derivative financial instrument component which amounted to approximately HK\$44.7 million and HK\$40.8 million (31 December 2023: Nil and Nil) respectively and effective imputed interest of approximately HK\$6.3 million (2023: Nil) was charged as at 31 December 2024.

On 13 January 2025, Mr. Wang Tieguang had exercised his rights under the terms and conditions of the Convertible Bonds to transfer the Convertible Bonds with principal amount of RMB3.0 million to Mr. Cui Jilong, an independent investor, in accordance with the terms and conditions of the Convertible Bonds. 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, RMB26.0 million, RMB29.0 million and RMB3.0 million, respectively.

#### **Turnover days, liquidity ratios and gearing ratios**

Credit terms, normally 30 to 90 days, are granted to the Group's customers depending on their credit worthiness and business relationships with the Group. During the Year, trade receivables turnover days decreased to approximately 41 days (31 December 2023: 56 days) as the Group had maintained a stringent credit control during the Year.

During the Year, trade payables turnover days decreased to approximately 83 days (31 December 2023: 125 days) as the Group had settled a portion of payables by using the proceeds from the CB First Completion during the Year.

As at 31 December 2024, the Group's inventory turnover days decreased to approximately 21 days (31 December 2023: 31 days) as the Group increased stock out frequency to enhance the liquidity of the Group.

As at 31 December 2024, the current ratio and quick ratio were approximately 0.17 (31 December 2023: 0.23) and approximately 0.13 (31 December 2023: 0.20) respectively. Gearing ratio in terms of debts (i.e. total interest-bearing bank and other borrowings and the Convertible Bonds) to total assets (i.e. sum of current assets and non-current assets) decreased to approximately 59.8% (31 December 2023: 76.6%), which was mainly attributable to the improvement of net liabilities of the Group as a result of the completion of the Debt Restructuring Agreement during the Year.

## FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in Renminbi, while export sales accounting for approximately 1.1% (2023: 2.3%) of the Group's revenue in which most of these transactions were denominated in US Dollars. The Board has been closely monitoring the Group's exposure to foreign exchange fluctuations in Renminbi 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 Renminbi. 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.

## IMPORTANT TRANSACTION DURING THE YEAR

### The Boilers Refurbishment Contract

Reference is made to the announcement of the Company dated 2 August 2024. Jinzhou Yuancheng and 北京利德衡環保工程有限公司 (Beijing Lideheng Environmental Protection Engineering Co., Ltd.\*) (**"Beijing Lideheng"**) (as contractor) entered into the boilers refurbishment contract (the **"Boilers Refurbishment Contract"**) for the provision of repair, remodeling and construction services by Beijing Lideheng in relation to the boilers located in the Group's Jinzhou production site for the lowering of pollutants emissions (the **"Boilers Refurbishment Project"**) for a contract sum of RMB26,960,000 on 2 August 2024. The Boilers Refurbishment Contract will expire after 120 calendar days commencing from the first day of on-site construction. As at the date of this announcement, the Boilers Refurbishment Project has been completed.

### Mandatory unconditional general offer

Upon the GSH Completion, the Joint Offerors and the parties acting in concert with them became interested in a total of 777,673,000 Shares, representing approximately 50.91% of the then entire issued share capital of the Company. The Joint Offerors and the parties acting in concert with them were therefore required to make the mandatory unconditional general cash offer (the **"Offer"**) for all the then issued shares of the Company (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them) (the **"Offer Shares"**) pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the **"Takeovers Code"**). CCB International Capital Limited and China Galaxy International Securities (Hong Kong) Co., Limited made the Offer on behalf of the Joint Offerors on the terms set out in the composite document jointly issued by the Company and

the Joint Offerors dated 27 December 2023 (the “**Composite Document**”) in compliance with the Takeovers Code setting out details of the Offer with an offer price of HK\$0.06 in cash for every Offer Share (the “**Offer Price**”). The Offer Price was the same as the price per GSH Sale Share payable by the Joint Offerors under the GSH SPA. Upon the close of Offer on 17 January 2024, the Joint Offerors and the parties acting in concert with them became interested in a total of 779,016,430 Shares, representing approximately 51.00% of the then entire issued share capital of the Company.

For further details of the Offer, please refer to the joint announcements issued by the Company, GBT, and the Joint Offerors dated 6 April 2023, 19 September 2023, 21 December 2023 and 17 January 2024, the circular of the Company dated 31 May 2023 and the Composite Document.

## **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 in the repayment of the loans it owed to Tiebei BOJ pursuant to the loan agreements respectively dated 25 August 2020 and 27 December 2021 entered into between Jinzhou Yuancheng and Tiebei BOJ, which have become immediately due and payable. The Tiebei BOJ 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 Tiebei BOJ in respect of the debts owed by Jinzhou Yuancheng to Tiebei BOJ under the guarantee agreements dated 11 June 2021 and 27 December 2021). As at the date of this announcement, the outstanding principal amount under the Tiebei BOJ Loans is RMB212.5 million, with outstanding interests. The Group is currently facilitating the debt restructuring in relation to the Tiebei BOJ Loans to further relieve the financial pressure of the Group.

## **IMPORTANT EVENTS AFFECTING THE GROUP SUBSEQUENT TO THE YEAR UNDER REVIEW**

### **The Shares Subscriptions**

In order to raise fund for general working capital purposes and relieve immediately financial pressure of the Company, the Company entered into separate share subscription agreements (the “**Shares Subscription Agreement(s)**”) with each of the six independent subscribers (the “**Shares Subscriber(s)**”) on 20 December 2024. Pursuant to the Shares Subscription Agreements, the Shares Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 41,000,000 new Shares (the “**Subscription Shares**”) at the shares subscription price of HK\$0.1 (the “**Shares Subscriptions**”), which is the same as the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on 20 December 2024, being the date of the Shares Subscription Agreements. The Subscription Shares, with a nominal value of HK\$4,100,000 based on the nominal value of HK\$0.10 per Share, represent 2.17% of the total issued share capital of the Company immediately before the completion of the Shares Subscriptions and approximately 2.12% of the total issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The gross proceeds from the Shares Subscriptions amounts to approximately HK\$4,100,000. The net proceeds from the Shares Subscriptions (after deduction of the relevant expenses) is approximately HK\$4,000,000, representing a net issue price of approximately HK\$0.098 per Subscription Share. The Company intends to use the net proceeds from the Shares Subscriptions as follows: approximately (i) HK\$2.0 million for repayment of other payables due to the equipment supplier of the Group’s Jinzhou production site; and (ii) HK\$2.0 million to fund for general administration expenses of the Group, i.e. salaries and professional fees. The completion of the Shares Subscriptions has taken place on 10 January 2025. As at the date of this announcement, the net proceeds from the Share Subscriptions had been utilised in full in accordance with the intentions previously disclosed by the Company. For further details of the Shares Subscriptions, please refer to the announcements of the Company dated 20 December 2024, 24 December 2024 and 10 January 2025.

### **FUTURE PLANS AND PROSPECTS**

With respect to the operating aspect of the Group, upon the completion of the Refurbishment Projects, the Group will continue to maximise the upstream production capacity of the Jinzhou production site to enhance market presence. Meanwhile, the Group will diversify its product mix and develop high value-added products to maintain market competitiveness and introduce strategic business alliance with prominent market leaders.

In addition, the Group will continue to monitor closely the market conditions as well as the financial conditions of the Group and be cautious in making decisions on the Group's business strategies as to resumption of the Group's Jinzhou downstream production facilities to benefit from the synergistic effect between the upstream and downstream operations in its Shanghai production site and Jinzhou production site.

The Group will continue to strengthen its market position by better utilising its brand name, strive to provide excellent customer service and be customer-oriented to understand better their ever-changing demands and product requirements, dedicate more time and energy in resources conservation and development of green products and further improve the cost effectiveness and product mix through continuous research and development efforts.

With respect to the financial position of the Group, the Group will endeavour to facilitate the debt restructuring of the Tiebei BOJ Loans in 2025 to improve the financial position of the Group and resume its debts financing ability with the aim to obtain various new banking facilities for further enhancement of the Group's cash flow.

## **NUMBER AND REMUNERATION OF EMPLOYEES**

As at 31 December 2024, the Group had approximately 530 (2023: 620) full time employees in Hong Kong and in 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. For the Year, staff costs of continuing operations (including Directors' remuneration) of the Group amounted to approximately HK\$60,655,000 (2023: approximately HK\$64,183,000).

## **FINAL DIVIDEND**

The Board has resolved not to recommend the payment of a final dividend for the Year (2023: 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 Year.

## **COMPLIANCE WITH THE CG CODE AND THE MODEL CODE**

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

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 during the Year.

## **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. As at the date of this announcement, the members of the Audit Committee are Ms. Li Guichen (chairperson of the Audit Committee), Ms. Liu Ying and Mr. Lo Kwing Yu.

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 Group's annual results for the Year have been reviewed by the Audit Committee without disagreement and the Audit Committee held three meetings during the Year.

## **FULL DETAILS OF FINANCIAL INFORMATION**

The Company's annual report for the Year, including the information required by the Listing Rules, will be published on the websites of the Company ([www.global-sweeteners.com](http://www.global-sweeteners.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and made available to the shareholders of the Company (the “**Shareholders**”) in due course.

## **ANNUAL GENERAL MEETING**

The 2024 annual general meeting (the “**AGM**”) of the Company will be held on Friday, 9 May 2025 at 2:00 p.m.. Notice of the AGM will be published on the websites of the Company ([www.global-sweeteners.com](http://www.global-sweeteners.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and made available to the Shareholders in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025, both days inclusive, during which period no transfer of Shares will be registered, in order to determine the Shareholders' entitlements to the attendance at the AGM.

Shareholders are reminded that in order to qualify for the attendance at the AGM, they must ensure that all transfers, accompanied by the relevant share certificates and the appropriate transfer forms, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 7 May 2025.



## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in this announcement have been agreed by the Auditor, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by the Auditor on this announcement.

By order of the Board  
**Global Sweeteners Holdings Limited**  
**Wang Tieguang**  
*Joint Chairman*

Hong Kong, 28 March 2025

*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.*