

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONTINUING CONNECTED TRANSACTIONS:

(1) NEW MASTER AGREEMENTS FOR CONTINUING CONNECTED TRANSACTIONS AND (2) THE SUSPENSION OF PRODUCTION AT THE GROUP'S FACILITIES IN JINZHOU

NEW MASTER AGREEMENTS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 30 August 2012 in relation to among others, the Existing Corn Starch Master Purchase Agreement and the Existing Utilities Master Supply Agreement, and the announcements of the Company dated 31 March 2014 and 31 March 2015, respectively, in relation to among others, the suspension and relocation of production operation of the Group at Luyuan District in Changchun.

The Existing Corn Starch Master Purchase Agreement and the Existing Utilities Master Supply Agreement expired on 31 December 2015. As it is expected that members of the Group in Changchun will gradually resume the production of downstream products, the provision and supply of electricity, water, steam and wastewater treatment services and the supply of corn starch by the GBT Group for the production facilities of the Group in Changchun would be required. It is also expected that, after the relocation of the production facilities of the Group to the Xinglongshan Site, the Group will continue to utilise the electricity, water, steam and wastewater treatment facilities of the production facilities of the GBT Group there (which are adjacent to that of the Group) and can continue to source corn starch from the GBT Group. In addition, members of the Group may also purchase corn starch (either in powder or slurry form) from the GBT Group as one of its principal production materials for the Group's production. As such, the Company (for itself and as trustee for the benefit of other members of the Group) will enter into the New Corn Starch Master Purchase Agreement and the New Utilities Master Supply Agreement with GBT (for itself and as trustee for the benefit of other members of the GBT Group) on and with effect from the date of approval by the Independent Shareholders at the EGM to 31 December 2018.

* *For identification purposes only*

In addition, as the GBT Group has not set up any sales office in the Huadong Region while the Group has established an experienced sales team in the Huadong Region, it is commercially desirable for the GBT Group to market and sell its Lysine and Other Products in the Huadong Region utilizing the established sales team of the Group as the GBT Group would be able to benefit from higher efficiency and transparency in its sales operation. As such, GBT (for itself and as trustee for the benefit of other members of the GBT Group) will enter into the Master Sales Agreement with the Company (for itself and as trustee for the benefit of other members of the Group) for the distribution of Lysine and Other Products by the Group in the Huadong Region on and with effect from the date of approval by the Independent Shareholders at the EGM to 31 December 2018.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, GBT is the controlling shareholder of the Company holding approximately 64.04% of the entire issued share capital of the Company. Accordingly, the transactions contemplated under the New Master Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the annual caps under each of the New Master Agreements for each of the three years ending 31 December 2018 are expected to represent more than 5% of each of the applicable percentage ratios under the Listing Rules and are expected to exceed HK\$10 million each, the continuing connected transactions under each of the New Master Agreements and the annual caps therefor are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the foregoing, the Company will seek to obtain the approval of the Independent Shareholders on the continuing connected transactions under the New Master Agreements and the related annual caps at the EGM.

GENERAL

An EGM will be convened and held for, among others, the Independent Shareholders to consider and, if thought fit, to approve the New Master Agreements and the related annual caps for the three years ending 31 December 2018.

The Company has appointed Octal Capital Limited as the IFA for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions contemplated under the New Master Agreements.

A circular including, among other information, (i) a letter from the Board containing further information on the continuing connected transactions under the New Master Agreements and the related annual caps; (ii) a letter from the IFA containing its advice in connection with the aforesaid; (iii) recommendations of the Independent Board Committee to the Independent Shareholders; and (iv) a notice convening the EGM and the proxy form will be despatched to the Shareholders on or before 18 March 2016.

THE SUSPENSION OF PRODUCTION AT THE GROUP'S FACILITIES IN JINZHOU

Considering the poor market sentiment for corn refined products and the provincial variance in government subsidies for corn procurement which results in significantly higher net corn purchase cost in Jinzhou than that in Changchun, the cost of production for the Group's upstream products at its production plant at Jinzhou, particularly corn starch which is produced for the Group's production of its downstream products in Shanghai, had increased substantially. As such, the Group has decided to suspend its production at the Group's facilities in Jinzhou with immediate effect until market conditions improve.

It is expected that the suspension of production facilities of the Group in Jinzhou will not have a material adverse impact on the Group's operations and financial position as the production operations of the Group in Jinzhou had an insignificant contribution to the Group's results for the year ended 31 December 2014 and for the six months ended 30 June 2015.

(A) NEW MASTER AGREEMENTS FOR CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 30 August 2012 in relation to among others, the Existing Corn Starch Master Purchase Agreement and the Existing Utilities Master Supply Agreement, and the announcements of the Company dated 31 March 2014 and 31 March 2015, respectively, in relation to among others, the suspension and relocation of production operation of the Group at Luyuan District in Changchun.

The Existing Corn Starch Master Purchase Agreement and the Existing Utilities Master Supply Agreement expired on 31 December 2015. As it is expected that members of the Group in Changchun will gradually resume the production of downstream products, the provision and supply of electricity, water, steam and wastewater treatment services and the supply of corn starch by the GBT Group for the production facilities of the Group in Changchun would be required. It is also expected that, after the relocation of the production facilities of the Group to the Xinglongshan Site, the Group continue to utilise the electricity, water, steam and wastewater treatment facilities of the production facilities of the GBT Group there (which are adjacent to that of the Group) and can continue to source corn starch from the GBT Group. In addition, members of the Group may also purchase corn starch (either in powder or slurry form) from the GBT Group as one of its principal production materials for the Group's production. As such, the Company (for itself and as trustee for the benefit of other members of the Group) will enter into the New Corn Starch Master Purchase Agreement and the New Utilities Master Supply Agreement with GBT (for itself and as trustee for the benefit of other members of the GBT Group) on and with effect from the date of approval by the Independent Shareholders at the EGM to 31 December 2018.

In addition, as the GBT Group has not set up any sales office in the Huadong Region while the Group has established an experienced sales team in the Huadong Region, it is commercially desirable for the GBT Group to market and sell its Lysine and Other Products in the Huadong Region utilizing the established sales team of the Group as the GBT Group would be able to

benefit from higher efficiency and transparency in its sales operation. As such, GBT (for itself and as trustee for the benefit of other members of the GBT Group) will enter into the Master Sales Agreement with the Company (for itself and as trustee for the benefit of other members of the Group) for the distribution of Lysine and Other Products by the Group in the Huadong Region on and with effect from the date of approval by the Independent Shareholders at the EGM to 31 December 2018.

(a) New Corn Starch Master Purchase Agreement

Principal terms of the New Corn Starch Master Purchase Agreement

Pursuant to the New Corn Starch Master Purchase Agreement, the Group will purchase corn starch in the form of starch slurry or powder from the relevant member of the GBT Group at prices to be from time to time determined by the relevant members of the GBT Group and the Group on arm's length basis and with reference to pricing method and procedures as explained below, and on such other standard terms of sale and purchase from time to time.

Pursuant to the New Corn Starch Master Purchase Agreement, the GBT Group shall be responsible for the delivery of the corn starch to the production plants of the Group or such other locations as from time to time designated by the Group, and the purchase price for corn starch shall be inclusive of transportation and packaging of the corn starch so purchased. In relation to corn starch in the form of starch slurry, the GBT Group will procure the delivery of corn starch slurry to the Group's Changchun production plants by way of starch pipeline. There are meters between the Changchun Group's and the relevant GBT Group member's production plants in Changchun measuring the amount of corn starch slurry consumed. The payment terms for the products will be set out in the purchase order for each order to be placed under the New Corn Starch Master Purchase Agreement, provided that the purchase price shall be payable by the relevant member of the Group within 60 days after the date of the relevant invoice issued by the relevant member of the GBT Group or such longer period as the parties may agree. The New Corn Starch Master Purchase Agreement is for a term of three years commencing on and with effect from the date of approval by the Independent Shareholders at the EGM and expiring on 31 December 2018 unless terminated earlier by three months' written notice by either party.

Pricing method and procedures

In order to ascertain the prevailing market rates of corn starch in the form of starch slurry or powder from time to time and to ensure that the terms offered by the GBT Group to the Group are on normal commercial terms, pursuant to the Prescribed Guidelines, the CCT Executive Committee would obtain market selling prices of corn starch according to the following procedures:

- (1) the CCT Executive Committee will obtain quotation from at least one (or such other number as shall be determined by the CCT Supervisory Committee from time to time) Independent Third Parties supplier(s) and compare it with the terms offered by the GBT Group for supply of corn starch of comparable quantities and specifications to its Independent Third Parties customers;
- (2) the total purchase price and terms for the purchase of corn starch in the form of corn starch slurry shall be determined by using the lower of (i) the average unit selling price of corn starch offered by the GBT Group to its independent customers, less the unit transportation, storage, insurance, dehydration and/or packaging costs saved by reason of the supply of corn starch in slurry form which would otherwise be payable to the GBT Group by its independent customers for the relevant month up to the price determination date; and (ii) the quotations from independent supplier(s) for purchase of corn starch of comparable specifications and quantities plus (if not included as part of the purchase price) any additional cost (such as transportation, storage and/or insurance costs) to be incurred by the Group in order for the Group to purchase corn starch from such independent supplier(s) for the relevant month up to the price determination date; and
- (3) the total purchase price and terms for the purchase of corn starch in the form of corn starch powder shall be determined by using the lower of (i) the average unit selling price of corn starch offered by the GBT Group to its independent customers for the relevant month up to the price determination date; and (ii) the quotations from independent supplier(s) for purchase of corn starch of comparable specifications and quantities plus (if not included as part of the purchase price) any additional cost (such as transportation, storage and/or insurance costs) to be incurred by the Group in order for the Group to purchase corn starch from such independent supplier(s) for the relevant month up to the price determination date.

Proposed annual caps

The Directors expect that the Group will purchase 228,000MT, 264,000MT and 300,000MT of corn starch (either in powder or slurry form) from the GBT Group for each of the three years ending 31 December 2018, which will constitute 25.8%, 29.9% and 34.0% of the total corn starch to be used by the Group for each of the three years ending 31 December 2018, respectively, and the aggregate purchase prices payable by the Group for the purchase of corn starch (either in powder or slurry form) from the GBT Group by the Group for each of the three years ending 31 December 2018 will not exceed HK\$716.1 million, HK\$870.7 million and HK\$1,038.9 million, respectively.

The proposed annual caps for each of the three years ending 31 December 2018 are determined by the Directors by reference to aggregate amount of fees paid by the Group to the GBT Group in respect of the purchase of corn starch from the GBT Group for the three years ended 31 December 2015, which was approximately HK\$113,000, HK\$91.8

million and HK\$55.3 million respectively, the gradual resumption of production of the Group's downstream products and the estimated demand of corn starch by the Group's Changchun and Shanghai operations, the prevailing market price and the expected increase in the price of corn starch at the rate of 5% per year for the three years ending 31 December 2018 taking into consideration of an estimated inflation rate of 5% in the PRC. The Directors expect that approximately 52.6%, 56.8% and 60.0% of the proposed annual caps for the three years ending 31 December 2018 will be directed to serve the production needs of the Changchun Group while the remaining 47.4%, 43.2% and 40.0% of the proposed annual caps for the three years ending 31 December 2018 will be directed to serve the production needs of the Group's Shanghai operations.

Reasons for the continuing connected transactions

Reference is made to the announcements of the Company dated 31 March 2014 and 31 March 2015, respectively, in relation to among others, the suspension and relocation of production facilities of the Group at Luyuan District in Changchun pending its relocation of production facilities to the Xinglongshan Site. Taking into consideration that the extreme cold weather in the region during the first quarter of 2016 would hinder the relocation of production facilities of the Group to the Xinglongshan Site, the Group has halted its relocation of production facilities to the Xinglongshan Site until the end of the first quarter of 2016. In light of the changes of plan and schedule for the relocation of the production facilities of the Group, and in order to optimize the utilization of the Group's production facilities for downstream products to meet the market demand, it is expected that members of the Group in Changchun will gradually resume the production of downstream products, and the provision and supply of, among others, corn starch by the GBT Group for the production facilities of the Group in Changchun would be required. In addition, considering the poor market sentiment for corn refined products and the provincial variance in government subsidies for corn procurement which results in significantly higher net corn purchase cost in Jinzhou than that in Changchun, the cost of production for the Group's upstream products at its production plant at Jinzhou, particularly corn starch which is produced for the Group's production of its downstream products in Shanghai, had increased substantially. As such, the Group has decided to suspend its production at the Group's facilities in Jinzhou with immediate effect until market conditions improve. To meet the production needs of the Group's production facilities at Changchun and Shanghai, members of the Group may purchase corn starch (either in powder or slurry form) from the GBT Group as one of its principal production materials for the Group's corn sweetener products.

After the suspension of production of upstream products, particularly corn starch, at the production facilities of the Group in Changchun in March 2014 and prior to the suspension of production of downstream products at the production facilities of the Group in Luyuan District in Changchun in March 2015, the Group had been sourcing corn starch from the GBT Group as one of the principal production materials for the Group's production. The Directors consider that the purchase of corn starch from the GBT Group under the New

Corn Starch Master Purchase Agreement is beneficial to the Group as the GBT Group has a proven track record of quality products and the Group can source reliable supply and consistent quality of production materials. In addition, in relation to members of the Group and GBT Group in Changchun, owing to the close proximity of the existing production facilities of the Group and the GBT Group in Luyuan District in Changchun and the future production facilities in Xinglongshan in Changchun, the supply of corn starch by the GBT Group to the Group in slurry form through a pipeline arrangement could largely save the Group's processing, packaging, dehumidifying, storage, transportation and other related costs.

The terms and conditions of the New Corn Starch Master Purchase Agreement were negotiated between the parties to it on an arm's length basis. The executive Directors are of the view that the terms and conditions of the New Corn Starch Master Purchase Agreement are on normal commercial terms that are fair and reasonable and the continuing connected transactions under the New Corn Starch Master Purchase Agreement will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

The executive Directors are also of the view that the proposed annual caps for the continuing connected transactions under the New Corn Starch Master Purchase Agreement for each of the three years ending 31 December 2018 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(b) New Utilities Master Supply Agreement

Principal terms of the New Utilities Master Supply Agreement

Pursuant to the New Utilities Master Supply Agreement, the GBT Group shall procure the supply of electricity, water and steam and the provision of wastewater treatment services to the Changchun Group on arm's length basis and with reference to the actual cost incurred by the GBT Group for its provision of such services. The fees payable by the Changchun Group shall be settled on a monthly basis and shall be payable by the Changchun Group within 90 days after the date of the relevant invoice issued by the GBT Group or such longer period as the parties may agree.

The New Utilities Master Supply Agreement shall have a term of three years commencing on and with effect from the date of approval by the Independent Shareholders at the EGM and expiring on 31 December 2018, with an option by the Group, but not the GBT Group, to renew the term for three years on the expiry of such term and on the expiry of every successive period of three years thereafter (subject however to the compliance by the Company and GBT of the applicable Listing Rules), unless terminated earlier by three months' written notice by the Group. The GBT Group shall indemnify and hold the Group fully indemnified against any claims, damages, losses, costs and expenses arising out of or in connection with any breach of obligations in the course of providing its services

under the New Utilities Master Supply Agreement, including any failure to comply with the applicable national and provincial environmental protection laws and regulations in respect of the discharge of wastewater and other waste by its wastewater treatment facilities, or any failure or disruption in providing its services to the Group other than as a result of any force majeure events such as war, calamity or any other events which are beyond the control of the GBT Group.

Proposed annual caps

The Directors expect that the aggregate fees payable by the Changchun Group to the GBT Group for the supply of utilities services by the GBT Group to the Changchun Group for each of the three years ending 31 December 2018 will not exceed HK\$44.6 million, HK\$48.6 million and HK\$60.5 million, respectively.

The proposed annual caps for each of the three years ending 31 December 2018 are determined by the Directors with reference to aggregate amount of fees paid by the Changchun Group to the GBT Group in respect of the provision of utilities services by the GBT Group for the three years ended 31 December 2015 which was approximately HK\$184.3 million, HK\$39.1 million and HK\$3.1 million respectively, the gradual resumption of production of the Group's downstream products and the impact on the inflation rate which took into account the estimated inflation rate in the PRC at 5% per annum.

Reasons for the continuing connected transactions

Due to the reasons as set out in the paragraph headed “(a) New Corn Starch Master Purchase Agreement — Reasons for the continuing connected transactions” above, it is expected that members of the Group in Changchun will gradually resume the production of downstream products, and the provision and supply of, among others, electricity, water, steam and wastewater treatment services by the GBT Group for the production facilities of the Group in Changchun would be required. It is also expected that, after the relocation of the production facilities of the Group to the Xinglongshan Site, the Changchun Group will continue to utilise the electricity, water, steam and wastewater treatment facilities of the production facilities of the GBT Group there (which are adjacent to that of the Group).

Prior to the suspension of operation of all the production facilities of the Group in Changchun in March 2015, the GBT Group has been providing utilities services including electricity, water, steam and wastewater treatment services to the Changchun Group on a recurring basis. The Directors consider that it is for the commercial benefit of the Changchun Group to source utilities services from the GBT Group to achieve economies of scale. The Directors also consider that it is for the commercial benefit of the Changchun Group to source such utilities services from the GBT Group instead of incurring capital expenditure or additional cost for construction of its own facility or sourcing from third party suppliers, as the price is determined with reference to the

actual cost incurred by the GBT Group for its provision of such services, which is on normal commercial terms and on price not higher than that sourced by the Changchun Group from Independent Third Parties. Further, since the GBT Group has been acting as the administrator in dealing with local electricity and water suppliers for the supply of electricity and water for the Changchun Group, administrative time and costs are saved by the Changchun Group in this respect.

The terms and conditions of the New Utilities Master Supply Agreement were negotiated between the parties to it on an arm's length basis. The executive Directors are of the view that the terms and conditions of the New Utilities Master Supply Agreement are on normal commercial terms that are fair and reasonable and the continuing connected transactions under the New Utilities Master Supply Agreement will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

The executive Directors are also of the view that the proposed annual monetary caps for the continuing connected transactions under the New Utilities Master Supply Agreement for each of the three years ending 31 December 2018 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(c) Master Sales Agreement

Principal terms of the Master Sales Agreement

Pursuant to the Master Sales Agreement to be entered into between GBT (for itself and as trustee for the benefit of other members of the GBT Group) and the Company (for itself and as trustee for the benefit of other members of the Group), the GBT Group shall appoint the Group as distributor for the distribution of the GBT Group's Lysine and Other Products in the Huadong Region.

The GBT Group shall maintain the consignment stock of Lysine and Other Products at the premises of the Group at a level as required by the Group from time to time. Prior to the selling of consignment stock of Lysine and Other Products by the Group, the consignment stock remains as property of the GBT Group and GBT Group shall bear the risk of any incidental loss or damages to the consignment stock. The Group, on the other hand, is responsible to insure the consignment stock against fire, theft and detriment by a third party. The purchase price of the consignment stock sold during the relevant calendar month shall be determined on arm's length basis and with reference to pricing method and procedures as explained below. There is no requirement under the Master Sales Agreement in respect of the minimum amount of the Lysine and Other Products to be purchased and/or resold by the Group, or the minimum or recommended selling prices of the Lysine and Other Products to be resold by the Group. The Master Sales Agreement is for a term of three years commencing on and with effect from the date of approval by the Independent Shareholders at the EGM and expiring on 31 December 2018 unless terminated earlier by three months' written notice by either party.

Pricing method and procedures

Under the Master Sales Agreement, the purchase price of the consignment stock of Lysine and Other Products sold by the Group during the relevant calendar month shall be the prevailing ex-factory price of the relevant Lysine and Other Products then offered by the GBT Group to its Independent Third Party distributors or customers, plus the additional packaging, transportation and/or insurance costs to be incurred by the GBT Group for the transportation and delivery of the relevant Lysine and Other Products to the facilities of the members of the Group as from time to time designated by the Group. The parties have further agreed that the terms and conditions of each sale and purchase (including payment terms) shall in any event be no less favourable to the Group than those offered by the GBT Group to Independent Third Party distributor(s) of its Lysine and Other Products, and the purchase prices shall be payable by the Group within 30 days after the date of the relevant invoice issued by the GBT Group to the Group (that is, approximately 60 days from the delivery of the products), or such longer period as the parties may agree.

Proposed annual caps

The Directors expect that through the distribution arrangement mentioned above, the Group will purchase 22,600MT, 37,200MT and 51,600MT of Lysine and Other Products from the GBT Group for each of the three years ending 31 December 2018 respectively, and the aggregate purchase prices payable by the Group for the purchase of Lysine and Other Products from the GBT Group for each of the three years ending 31 December 2018 will not exceed HK\$118.5 million, HK\$222.5 million and HK\$336.0 million, respectively.

The proposed annual caps for each of the three years ending 31 December 2018 are determined by the Directors based on (i) the amount of Lysine and Other Products actually sold by the GBT Group through various sales channels in the Huadong Region for the past years and the expected gradual increase in sales volume upon continual development in the Group's sales channels therefor; (ii) the GBT Group's sales target in Huadong Region; (iii) the expected increase in the market selling price of Lysine and Other Products at the rate of 5% per year for the three years ending 31 December 2018 taking into consideration of an estimated inflation rate of 5% in the PRC.

Reasons for the continuing connected transactions

So far as the Directors understand, the GBT Group has not set up any sales office in the Huadong Region. It has been selling its Lysine and Other Products in the Huadong Region through various sales channels in the past. While the Group has established an experienced sales team in the Huadong Region, it is expected that by entering the Master Sales Agreement, the Group will be able to capture this business opportunity to diversify its source of income by utilizing its established sales team for the marketing and selling of the GBT Group's Lysine and Other Products in the Huadong Region. As Lysine and Other Products would be supplied by the GBT Group to the Group on consignment basis, the

arrangement would pose minimal inventory risk for the Group. Further, as the principal activities of the Group is the manufacture and sale of corn refined products and corn-based sweetener products of the Group, and that the Group's sales team have been serving its customers from the feed manufacturing industry and animal farming industry, the sale of Lysine and Other Products by the Group is expected to create a synergistic effect to the businesses of the Group and allows the Group to offer better product mix to its customers through selling Lysine and Other Products.

The terms and conditions of the Master Sales Agreement were negotiated between the parties to it on an arm's length basis. The executive Directors are of the view that the terms and conditions of the Master Sales Agreement are on normal commercial terms that are fair and reasonable and the continuing connected transactions under the Master Sales Agreement will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

The executive Directors are also of the view that the proposed annual caps for the continuing connected transactions under the Master Sales Agreement for each of the three years ending 31 December 2018 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(B) IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, GBT is the controlling shareholder of the Company holding approximately 64.04% of the entire issued share capital of the Company. Accordingly, the transactions contemplated under the New Master Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

In view of the foregoing, the Company will seek to obtain the approval of the Independent Shareholders on the continuing connected transactions under the New Master Agreements and the related annual caps at the EGM. GBT Group and its associates, and any Shareholders who are materially interested in the continuing connected transactions under the New Master Agreements are required to abstain from voting on the respective resolutions proposed to be passed at the EGM for approving the continuing connected transactions under the New Master Agreements and the related annual caps.

The Company has appointed Octal Capital Limited as the IFA to advise the Independent Board Committee and the Independent Shareholders as to whether the continuing connected transactions under each of the New Master Agreements and the related annual caps are fair and reasonable, whether the continuing connected transactions under each of the New Master Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM.

The Company will establish the Independent Board Committee to advise the Independent Shareholders as to whether the continuing connected transactions under the New Master Agreements and the related annual caps are fair and reasonable, whether the continuing connected transactions under the New Master Agreements are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the IFA.

Mr. Kong Zhanpeng, an executive Director, is interested in the issued share capital of GBT. In addition, Mr. Wang Jian, an executive Director, is also the executive director of GBT. As such, both Mr. Kong and Mr. Wang are considered to have material interests in the New Master Agreements and have abstained from voting on the Board resolutions approving the New Master Agreements. Other than Mr. Kong Zhanpeng and Mr. Wang Jian, no Director has a material interest in the New Master Agreements.

(C) GENERAL

The Group is principally engaged in the production and sale of corn refined products and corn based sweetener products. The GBT Group is principally engaged in the manufacture and sale of corn refined products and corn based biochemical products.

An EGM will be convened and held for, among others, the Independent Shareholders to consider and, if thought fit, to approve the New Master Agreements and the related annual caps for the three years ending 31 December 2018.

A circular including, among other information, (i) a letter from the Board containing further information on the continuing connected transactions under the New Master Agreements and the related annual caps; (ii) a letter from the IFA containing its advice in connection with the aforesaid; (iii) recommendations of the Independent Board Committee to the Independent Shareholders; and (iv) a notice convening the EGM and the proxy form, will be despatched to the Shareholders on or before 18 March 2016.

(D) THE SUSPENSION OF PRODUCTION AT THE GROUP'S FACILITIES IN JINZHOU

Considering the poor market sentiment for corn refined products and the provincial variance in government subsidies for corn procurement which results in significantly higher net corn purchase cost in Jinzhou than that in Changchun, the cost of production for the Group's upstream products at its production plant at Jinzhou, particularly corn starch which is produced for the Group's production of its downstream products in Shanghai, had increased substantially. As such, the Group has decided to suspend its production at the Group's production facilities in Jinzhou with immediate effect until market conditions improve.

In order to optimize the utilization of the Group's production facilities for downstream products to meet the market demand, the Group will gradually resume the production of downstream products in Changchun, and the Group's operations in Shanghai will continue.

It is expected that the suspension of production facilities of the Group in Jinzhou will not have a material adverse impact on the Group's operations and financial position as the production operations of the Group in Jinzhou had an insignificant contribution to the Group's results for the year ended 31 December 2014 and for the six months ended 30 June 2015. As such, the Directors consider that the suspension of production operations of the Group in Jinzhou will not have material adverse impact on the operations and financial position of the Group.

The Board will also closely monitor the market situation of both its upstream and downstream products from time to time, and will further modify and adjust its relocation and production plan accordingly as and when necessary.

(E) DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of Directors
“CCT Executive Committee”	the independent management team comprising two disinterested Directors, namely Mr. Fu Qiang and Ms. Zhang Yaohui, established by the Board and responsible for monitoring, review and management of the continuing connected transactions between the Group and the GBT Group
“CCT Supervisory Committee”	the committee comprising the two independent non-executive Directors established by the Board to supervise the CCT Executive Committee
“Changchun Group”	the Company and its subsidiaries which have or will have their production facilities established in Changchun, the PRC and which require, as the case may be, (i) in respect of the New Utilities Master Supply Agreement, require the supply and provision of the utilities and wastewater treatment services from the GBT Group; and/or (ii) in respect of the New Corn Starch Master Purchase Agreement, require the supply of corn starch in slurry form from members of the GBT Group
“Company”	Global Sweeteners Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened for, among others, considering, and if thought fit, approval by the Independent Shareholders of the continuing connected transactions contemplated under the New Master Agreements and the related annual caps for the three years ending 31 December 2018
“Existing Corn Starch Master Purchase Agreement”	the agreement dated 30 August 2012 and entered into between the GBT Group as supplier and the Group as purchaser in relation to the purchase of corn starch by the Group from the GBT Group for the term commencing from 1 January 2013 and ended on 31 December 2015
“Existing Utilities Master Supply Agreement”	the agreement dated 30 August 2012 and entered into between the GBT Group as supplier and the Group as customer in relation to the supply of electricity, water and steam and the provision of wastewater treatment services by the GBT Group to the Group for the term commencing from 1 January 2013 and ended on 31 December 2015
“GBT”	Global Bio-chem Technology Group Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange and the controlling shareholder of the Company
“GBT Group”	GBT and its subsidiaries which, for the purpose of this announcement, excludes the Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the People’s Republic of China
“Huadong Region”	the eastern coastal area of the PRC that include the provinces of Anhui, Fujian, Jiangsu, Jiangxi, Shangdong and Zhejiang as well as the municipality of Shanghai
“IFA”	Octal Capital Limited, the independent financial adviser appointed by the Board for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions contemplated under the New Master Agreements

“Independent Board Committee”	a board of committee, comprising the independent non-executive Directors, established to advise the Independent Shareholders in respect of the continuing connected transactions contemplated under the New Master Agreements and the related annual caps
“Independent Shareholders”	Shareholder(s) other than GBT and its associates, and all other Shareholders interested in the New Master Agreements
“Independent Third Party(ies)”	third party or parties and who and whose ultimate beneficial owner(s) are independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Lysine and Other Products”	lysine and other products from time to time such as corn starch, gluten meal, feed and modified starch
“Master Sales Agreement”	the agreement to be entered into between the GBT Group as seller and the Group as distributor pursuant to which the GBT Group agreed to appoint the Group as its distributor for the distribution of its Lysine and Other Products for the term commencing on and with effect from the date of approval by the Independent Shareholders at the EGM and ending 31 December 2018
“MT”	metric tonne
“New Corn Starch Master Purchase Agreement”	the agreement to be entered into between the GBT Group as supplier and the Group as purchaser in relation to the purchase of corn starch by the Group from the GBT Group for the term commencing on and with effect from the date of approval by the Independent Shareholders at the EGM and ending 31 December 2018
“New Master Agreements”	collectively, the New Utilities Master Supply Agreement, the New Corn Starch Master Purchase Agreement and the Master Sales Agreement
“New Utilities Master Supply Agreement”	the agreement to be entered into between the GBT Group as supplier and the Group as customer in relation to the supply of electricity, water and steam and the provision of wastewater treatment services by the GBT Group to the Group for the term commencing on and with effect from the date of approval by the Independent Shareholders at the EGM and ending 31 December 2018

“PRC”	People’s Republic of China
“Prescribed Guidelines”	detailed rules and guidelines devised by the CCT Supervisory Committee from time to time in respect of the continuing connected transactions between the Group and the GBT Group
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinglongshan Site”	the production facilities site of the Group in Xinglongshan, Changchun, the PRC
“%”	per cent.

By order of the Board
Global Sweeteners Holdings Limited
Lee Chi Yung
Company Secretary

Hong Kong, 26 February 2016

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Wang Jian and Mr. Kong Zhanpeng; two non-executive directors, namely, Mr. Fu Qiang and Ms. Zhang Yaohui; and two independent non-executive directors, namely, Mr. Ho Lic Ki and Mr. Lo Kwing Yu.