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**GLOBAL BIO-CHEM TECHNOLOGY
GROUP COMPANY LIMITED**

大成生化科技集團有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00809)



**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)

JOINT ANNOUNCEMENT

UPDATE ON THE BREACH OF LOAN AGREEMENT

This joint announcement is made by Global Bio-chem Technology Group Company Limited (“**GBT**”, together with its subsidiaries but excluding the GSH Group, the “**GBT Group**”) and Global Sweeteners Holdings Limited (“**GSH**”, together with its subsidiaries, the “**GSH Group**” and together with the GBT Group, the “**Group**”) pursuant to Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the joint announcements made by GBT and GSH dated 4 May 2020, 27 April 2021, 24 September 2021 and 14 January 2022 (the “**Joint Announcements**”) in relation to, among others, the Jinzhou Yuancheng Loan due to Jinzhou BOC. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcements.

As disclosed in the joint announcement made by GBT and GSH dated 14 January 2022, the Shenyang Intermediate Court has confirmed and acknowledged the settlement agreement (the “**Jinzhou Yuancheng Settlement Agreement**”) in respect of the Jinzhou Yuancheng Loan. As at the date of this joint announcement, the outstanding principal amount under the Jinzhou Yuancheng Loan is approximately RMB28.8 million, which has been secured by, among others, mortgage (the “**Shanghai Haocheng Mortgage**”) of the land and properties (the “**Shanghai Haocheng Mortgaged Properties**”) owned by 上海好成食品發展有限公司 (Shanghai Haocheng Food Development Co., Ltd.*) (“**Shanghai Haocheng**”), a wholly-owned subsidiary of GSH. As Jinzhou Yuancheng has failed to adhere to the repayment schedule under the Jinzhou Yuancheng Settlement Agreement, Jinzhou BOC has applied to the Shenyang Intermediate Court

and the Shenyang Intermediate Court has ordered the enforcement (the “**Enforcement Order**”) of the Shanghai Haocheng Mortgage by way of judicial auction sale of the Shanghai Haocheng Mortgaged Properties through an online platform (the “**Online Judicial Auction**”) in order to satisfy the repayment obligation of the outstanding amount under the Jinzhou Yuancheng Loan (the “**Claim**”). On 6 September 2022, an announcement in relation to the Online Judicial Auction of the Shanghai Haocheng Mortgaged Properties (the “**Haocheng Online Judicial Auction**”) has been posted on the relevant website.

According to 《最高人民法院關於人民法院網絡司法拍賣若干問題的規定》(the Provisions of the Supreme People’s Court on Several Issues Concerning Online Judicial Auction by the People’s Courts*) (the “**Online Judicial Auction Provisions**”), the bidding process of the Online Judicial Auction will be divided in three stages: (i) the first stage of the bidding shall take place 30 days after publication of the announcement for the Online Judicial Auction; (ii) if there is no bid offers received during the bidding period of the first stage, another announcement regarding the second stage of the bidding shall be published with the starting price adjusted in accordance with the Online Judicial Auction Provisions. The second stage of the bidding shall take place 15 days after publication of such announcement; and (iii) if the second stage of the bidding fails to conclude, the subjected assets can be put on sale on the same online platform according to the Online Judicial Auction Provisions.

Based on the above timetable, the Haocheng Online Judicial Auction will commence on 7 October 2022. At present, the business operation of Shanghai Haocheng continues as normal. Meanwhile, 吉林省人民政府國有資產監督管理委員會 (The State-Owned Assets Supervision and Administration Commission of the People’s Government of Jilin Province*) (“**Jilin SASAC**”), the indirect controlling shareholder of Modern Agricultural Industry Investment Limited (being the major shareholder of the Group), has stepped in to take part in negotiation with Jinzhou BOC for the suspension of the Haocheng Online Judicial Auction and consider ways to satisfy the Claim while the Group is actively negotiating with different potential investors (including Jilin SASAC) to obtain the necessary funding as working capital for the resumption of operation of the Group’s major production sites. As at the date of this joint announcement, these negotiations are still on-going and the management of the Group believes that the Claim can be solved before the conclusion of the Haocheng Online Judicial Auction.

As at 30 June 2022, the total book value of Shanghai Haocheng Mortgaged Properties with total land area of approximately 31,000 square metres and total gross floor area of approximately 11,000 square metres, together amounted to approximately RMB53.8 million (equivalent to approximately HK\$63.3 million) and accounted for approximately 8.2% of the total assets of the GSH Group and 1.1% of the total assets of the Group. As at the date of this joint announcement, the total debt of Shanghai Haocheng amounted to approximate RMB 7.5 million (equivalent to approximately HK\$8.8 million) and none of the members of the Group has provided any guarantee for any debts of Shanghai Haocheng.

The Haocheng Online Judicial Auction, if successfully concluded, will cause material impact to the operation of the Group as the Group has suspended the operation of most of its production facilities and consolidated its resources in the Shanghai production site.

The GBT Group and the GSH Group will keep their respective shareholders and potential investors informed of any material developments in connection with the Jinzhou Yuancheng Loan by way of further announcement(s) as and when appropriate.

Shareholders and potential investors of GBT and GSH are advised to exercise caution when dealing in the shares of GBT and GSH.

By order of the board of directors
Global Bio-chem Technology Group Company Limited
Zhang Zihua
Acting chairman

By order of the board of directors
Global Sweeteners Holdings Limited
Zhang Zihua
Acting chairman

Hong Kong, 8 September 2022

As at the date of this joint announcement, the board of directors of GBT comprises two executive directors, namely, Mr. Zhang Zihua and Mr. Liu Shuhang; one non-executive director, namely, Mr. Gao Dongsheng; and three independent non-executive directors, namely, Ms. Dong Hongxia, Mr. Ng Kwok Pong and Mr. Yeung Kit Lam.

As at the date of this joint announcement, the board of directors of GSH comprises two executive directors, namely, Mr. Zhang Zihua and Mr. Tai Shubin; and three independent non-executive directors, namely, Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu.

** for identification purposes only*