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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)

CONTINUING CONNECTED TRANSACTIONS SERVICE AGREEMENT FOR DEBT RESTRUCTURING PLANS

DEBT RESTRUCTURING SERVICE AGREEMENT

On 28 December 2023, the Relevant Subsidiaries and Nongtou entered into the Debt Restructuring Service Agreement in relation to the provision of intermediary services on an ongoing basis by Nongtou to the Relevant Subsidiaries for the Group's debt restructuring plans in relation to the debts owed by the Group to the Relevant Creditors, i.e. the Jilin Cinda Debts and the Changchun Rudder Debts of approximately RMB5,083 million, for a fixed period of three years ending on 27 December 2026.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Nongtou is interested in approximately 35.2% of the entire issued share capital of the Company through its control in 吉林省現代農業產業投資基金 (有限合夥) (Jilin Province Modern Agricultural Industry Investment Fund (LLP)*), which indirectly holds the entire issued share capital of Modern Agricultural. As such, Nongtou is a connected person of the Company. Accordingly, the transactions contemplated under the Debt Restructuring Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since more than one of the applicable percentage ratios for the proposed annual caps under the Debt Restructuring Agreement for the three years ending 27 December 2026 exceed 0.1% but all of them are less than 5%, the continuing connected transactions under the Debt Restructuring Agreement and the proposed annual caps therefore are subject to the reporting, announcement and annual review requirements but exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEBT RESTRUCTURING SERVICE AGREEMENT

Date: 28 December 2023

Parties: (1) the Relevant Subsidiaries
(2) Nongtou

Pursuant to the Debt Restructuring Service Agreement, the Relevant Subsidiaries appointed Nongtou and Nongtou agreed to act, as the Relevant Subsidiaries' intermediary for liaising with Jilin SASAC and the Relevant Creditors and to provide consultancy services for the overall timetabling and execution of the debt restructuring plans in relation to the Jilin Cinda Debts and Changchun Rudder Debts of approximately RMB5,083 million. The Debt Restructuring Service Agreement shall be effective from 28 December 2023 for a period of 3 years and expiring on 27 December 2026 with the Relevant Subsidiaries having the right to serve a one-month written notice to Nongtou to effect early termination of the Debt Restructuring Service Agreement.

Pricing and other terms

Under the Debt Restructuring Service Agreement, Nongtou shall provide intermediary services to the Relevant Subsidiaries and the Relevant Subsidiaries shall pay an annual service fee in arrears to Nongtou before 31 December of the relevant year.

The annual service fee payable by the Relevant Subsidiaries to Nongtou under the Debt Restructuring Service Agreement will be RMB19,800,000 (approximately HK\$21,780,000) for each of the three years ending 27 December 2026, respectively. Such annual service fee is determined with reference to the fee quotations obtained by the Group in the open market, in particular, the fee quotations from two independent service providers with state-owned shareholding structure and a professional assets restructuring advisory company in Jilin Province.

The Directors (including the independent non-executive Directors) are of the view that as the service fees to be charged by Nongtou under the Debt Restructuring Service Agreement are to be determined with reference to the pricing information from the open market, specifically from two independent service providers with similar background as Nongtou and an assets restructuring advisory company available in Jilin Province, the annual service fees under the Debt Restructuring Service Agreement are fair and reasonable.

PROPOSED ANNUAL CAPS

The proposed annual caps in respect of the continuing connected transactions contemplated under the Debt Restructuring Service Agreement will be RMB19,800,000 (approximately HK\$21,780,000) for each of the three years ending 27 December 2026, being the annual service fees to be charged by Nongtou under the Debt Restructuring Service Agreement.

As disclosed in the paragraph headed “DEBT RESTRUCTURING SERVICE AGREEMENT - Pricing and other terms” above, the annual service fee under the Debt Restructure Service Agreement, which is also the proposed annual caps, are determined with reference to the fee quotations obtained by the Group from independent service providers with similar background as Nongtou and a professional assets restructuring advisory company in Jilin Province.

Accordingly, the Directors (including the independent non-executive Directors) are of the opinion that the proposed annual caps for the continuing connected transactions contemplated under the Debt Restructuring Service Agreement for each of the three years ending 27 December 2026 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND NONGTOU

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

Nongtou is principally engaged in the investment in agriculture, sale and purchase of grain, distribution of agricultural products and provision of agricultural science and technology services. As at the date of this announcement, Nongtou is owned as to 90.0% by Jilin SASAC and as to 10.0% by Jilin DOF. Both Jilin SASAC and Jilin DOF are PRC Governmental Bodies.

REASONS FOR AND BENEFITS OF ENTERING INTO THE DEBT RESTRUCTURING SERVICE AGREEMENT

Reference is made to the joint announcements of the Company and GSH respectively dated 23 December 2020, 18 January 2021 and 26 March 2021, and the announcements of the Company respectively dated 8 March 2022 and 24 July 2023, as part of the Group’s debt restructuring plan, four major lending banks of the Group had transferred the loans owed by the Group to Jilin Cinda and Changchun Rudder. As at the date of the Debt Restructuring Service Agreement, the total debts owed by the Group to Jilin Cinda and Changchun Rudder amounted to approximately RMB5,083 million.

As at the date of the Debt Restructuring Service Agreement, Nongtou is owned as to 90.0% by Jilin SASAC and as to 10.0% by Jilin DOF, both of which are PRC Governmental Bodies. To the best knowledge of the Directors, Nongtou is a state-owned enterprise in Jilin Province engaging in investments in the agricultural area, including the sale and purchase of grain, distribution of agricultural products and provision of agricultural science and technology services. Given the

familiarity of Nongtou in the industry which the Group operates in, and the resources and experiences it possesses in liaising with PRC Government Bodies, especially Jilin SASAC, and the banks and financial institutions in Jilin Province, the engagement of Nongtou by the Relevant Subsidiaries as an intermediary to liaise with Jilin SASAC and the Relevant Creditors and to provide consultancy services to the Relevant Subsidiaries for the overall timetabling and execution of debt restructuring plans would facilitate the Group in materialising the debt restructuring plans in relation to the Jilin Cinda Debts and the Changchun Rudder Debts.

The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Debt Restructuring Service Agreement and the continuing connected transactions contemplated thereunder are fair and reasonable. Although the Debt Restructuring Service Agreement and the continuing connected transactions contemplated thereunder are not entered in the ordinary and usual course of business of the Group, given that Nongtou could facilitate the materialisation of the Group's debt restructuring plans with a lower annual service fee as compared to other independent service providers in Jilin Province and that the Group's financial position would improve significantly if the debt restructuring plans can be successfully implemented, the Debt Restructuring Service Agreement and the continuing connected transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

As Mr. Wang Cheng, an executive Director, is also the chairman of Nongtou, he has abstained from voting in respect of the relevant Board resolutions approving, among others, the transactions contemplated under the Debt Restructuring Service Agreement and the proposed annual caps. Save as disclosed, none of the Directors has a material interest in the Debt Restructuring Service Agreement and therefore had to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Nongtou is interested in approximately 35.2% of the entire issued share capital of the Company through its control in 吉林省現代農業產業投資基金(有限合夥) (Jilin Province Modern Agricultural Industry Investment Fund (LLP)*), which indirectly holds the entire issued share capital of Modern Agricultural. As such, Nongtou is a connected person of the Company. Accordingly, the transactions contemplated under the Debt Restructuring Service Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since more than one of the applicable percentage ratios for the proposed annual caps under the Debt Restructuring Agreement for the three years ending 27 December 2026 exceed 0.1% but all of them are less than 5%, the continuing connected transactions under the Debt Restructuring Agreement and the proposed annual caps therefore are subject to the reporting, announcement and annual review requirements but exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Changchun Rudder”	長春潤德投資集團有限公司(Changchun Rudder Investment Group Co., Ltd.*), holder of the Changchun Rudder Debts
“Changchun Rudder Debts”	the outstanding debts of approximately RMB815.0 million owed by the Relevant Subsidiaries to Changchun Rudder as at the date of the Debt Restructuring Service Agreement
“Company”	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 (Stock Code: 00809)
“Debt Restructuring Service Agreement”	the service agreement entered into between the Relevant Subsidiaries and Nongtou on 28 December 2023 under which the Relevant Subsidiaries appointed Nongtou and Nongtou agreed to act, as the Relevant Subsidiaries’ intermediary for liaising with Jilin SASAC and the Relevant Creditors and to provide consultancy services for the overall timetabling and execution of the debt restructuring plans in relation to the Jilin Cinda Debts and Changchun Rudder Debts
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“GSH”	Global Sweeteners Holdings Limited, company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03889), which is directly and indirectly held as to approximately 17.04% by the Company at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jilin Cinda”	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.*), holder of the Jilin Cinda Debts

“Jilin Cinda Debts”	the outstanding debts of approximately RMB4,267.8 million owed by the Relevant Subsidiaries to Jilin Cinda as at the date of the Debt Restructuring Service Agreement
“Jilin DOF”	Jilin Province Department of Finance, a PRC Governmental Body holding 10.0% interests in Nongtou
“Jilin SASAC”	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 Jinlin Provincial People’s Government), a PRC Governmental Body holding 90.0% interests in Nongtou
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Modern Agricultural”	Modern Agricultural Industry Investment Limited, a company incorporated in the British Virgin Islands which is the controlling Shareholder holding approximately 35.2% of the entire issued share capital of the Company as at the date of this announcement
“Nongtou”	吉林省農業投資集團有限公司 (Jilin Agricultural Investment Group Co., Ltd.*), a company established in the PRC which is owned as to 90.0% by Jilin SASAC and as to 10.0% by Jilin DOF
“RMB”	Renminbi, the lawful currency of the PRC
“Relevant Creditors”	collectively, Jilin Cinda and Changchun Rudder
“Relevant Subsidiaries”	collectively, 長春大合生物技術開發有限公司(Changchun Dahe Bio Technology Development Co., Ltd.*), 長春寶成生化發展有限公司 (Changchun Baocheng Bio-chem Development Co., Ltd.*), 長春大成生物科技開發有限公司(Changchun Dacheng Bio-Tech Development Co., Ltd.*) and 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*), each being a wholly-owned subsidiary of the Company as at the date of the Debt Restructuring Service Agreement
“PRC”	the People’s Republic of China
“PRC Governmental Body/(ies)”	has the meaning ascribed to it under the Listing Rules
“Shareholders”	the shareholders of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.10 has been used for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rates or at any other rates.

By order of the Board
Global Bio-chem Technology Group Company Limited
Wang Cheng
Chairman

Hong Kong, 28 December 2023

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Wang Cheng and Mr. Wang Guicheng; one non-executive Director, namely, Mr. Li Yuewen; and three independent non-executive Directors, namely, Ms. Jiang Fangfang, Mr. Tan Chao and Ms. Xie Liangqiu.

** for identification purposes only*