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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)**

### **(1) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES; AND**

### **(2) EXPIRY OF NON-COMPETE UNDERTAKING AND ABOLITION OF BOARD COMMITTEES**

#### **(1) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

This announcement is made pursuant to Rule 14A.60(1) of the Listing Rules.

References are made to (i) the joint announcement issued by the Company, GBT, Mr. Kong and Mr. Wang dated 21 December 2023, in relation to, among others, the GSH Completion; (ii) the announcement of the Company dated 28 December 2023 in relation to, among others, the Appointment; and (iii) the joint announcement issued by Mr. Kong, Mr. Wang and the Company dated 17 January 2024 in relation to the close of Offer. After the GSH Completion and immediately after the close of Offer, each of Mr. Kong and Mr. Wang has become interested in 359,654,215 Shares and 419,362,215 Shares respectively, representing approximately 23.5% and 27.5% of the issued share capital of the Company. Accordingly, Mr. Kong and Mr. Wang, as executive Directors and substantial shareholders of the Company, have become connected persons of the Company under Chapter 14A of the Listing Rules.

#### **MASTER PURCHASE AGREEMENTS**

Prior to the GSH Completion, Shanghai Haocheng, as purchaser, had entered into the Ruihao Master Purchase Agreement and DDT Master Purchase Agreement with each of Ruihao (Guangzhou) and DDT Supply Chain, as supplier, respectively for the supply and purchase of

corn starch and sugar syrup. The transactions contemplated under the Master Purchase Agreements have become continuing connected transactions of the Company following the GSH Completion.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Master Purchase Agreements are subject to the annual review and disclosure requirements (including publishing an announcement and annual reporting) if the Group continues to conduct the transactions contemplated under the Master Purchase Agreements. In the event that the Master Purchase Agreements are renewed or its terms are varied, the Company will comply with all applicable connected transaction requirements under Chapter 14A of the Listing Rules.

## **(2) EXPIRY OF THE NON-COMPETE UNDERTAKING AND ABOLITION OF BOARD COMMITTEES**

On 3 September 2007, GBT and Global Corn had given the Non-Compete Undertaking, serving to safeguard the Group from any potential competition from the GBT Group during the relevant period, which pursuant to the Non-Compete Undertaking, means the period commencing from the date of listing of the Company on the Main Board of the Stock Exchange (i.e. 20 September 2007) to the date on which GBT and/or Global Corn ceased to be Controlling Shareholders.

Immediately upon GSH Completion, the shareholdings of GBT and Global Corn in the Company decreased to 500,000 Shares and 259,813,000 Shares, representing approximately 0.01% and 17.01% of the issued share capital of the Company respectively. Accordingly, GBT and Global Corn are no longer Controlling Shareholders and the Non-Compete Undertaking expired on 21 December 2023.

Upon the expiry of the Non-Compete Undertaking, the CCT Executive Committee and the CCT Supervisory Committee, which were established to, among other matters, monitor matters relating to the Non-Compete Undertaking, are no longer required. The Board has therefore resolved to abolish the CCT Executive Committee and CCT Supervisory Committee.

## **(1) CONTINUING CONNECTED TRANSACTIONS PURSUANT TO RULE 14A.60(1) OF THE LISTING RULES**

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approximately 23.5% and 27.5% of the issued share capital of the Company. Accordingly, Mr. Kong and Mr. Wang, as executive Directors and substantial shareholders of the Company, have become connected persons of the Company under Chapter 14A of the Listing Rules.

## **MASTER PURCHASE AGREEMENTS**

Prior to the GSH Completion, Shanghai Haocheng, as purchaser, had entered into the Ruihao Master Purchase Agreement and DDT Master Purchase Agreement with each of Ruihao (Guangzhou) and DDT Supply Chain, as supplier, respectively for the purchase of corn starch and sugar syrup.

### **Principal terms**

Pursuant to the Master Purchase Agreements, Shanghai Haocheng, as purchaser, agrees to purchase, and each of Ruihao (Guangzhou) and DDT Supply Chain, as supplier, agrees to supply to Shanghai Haocheng 240,000 MT of corn starch and 50,000 MT of sugar syrup respectively. The Master Purchase Agreements have become effective on 1 January 2023 and shall expire on 31 December 2024.

Pursuant to the Master Purchase Agreements, Shanghai Haocheng shall enter into purchase contracts with each of Ruihao (Guangzhou) and DDT Supply Chain from time to time during the terms of the Master Purchase Agreements for the purpose of confirming the purchase by Shanghai Haocheng as well as the unit prices of corn starch and sugar syrup. The unit prices of the corn starch and sugar syrup shall be determined based on the prevailing market price, and parties to the Master Purchase Agreements shall, before the 25th of each calendar month, determine the unit price(s) of the products to be delivered in the upcoming one or three months.

The payment terms for the corn starch and sugar syrup shall be set out in the purchase contract for each order to be placed under the Master Purchase Agreements, provided that the purchase price shall be payable by Shanghai Haocheng within 3 days after the date of receipt of the products and the relevant invoice issued by Ruihao (Guangzhou) or DDT Supply Chain.

Under the Master Purchase Agreements, each of Ruihao (Guangzhou) and DDT Supply Chain shall ensure that all corn starch and sugar syrup supplied are in compliance with the relevant national standard applicable in the PRC, and shall also be responsible for the packaging and delivery (including the relevant costs) of the corn starch and sugar syrup to the locations from time to time designated by Shanghai Haocheng.

### **Pricing method**

In order to ascertain the prevailing market price of corn starch and sugar syrup from time to time and to ensure that the terms offered by Ruihao (Guangzhou) and DDT Supply Chain to Shanghai Haocheng are on normal commercial terms or better, prior to Shanghai Haocheng

entering into purchase contract(s) with Ruihao (Guangzhou) or DDT Supply Chain from time to time, the Group shall obtain market selling prices of corn starch and sugar syrup according to the following procedures:

- (1) the Group shall obtain quotation from at least one Independent Supplier and compare it with the terms offered by each of Ruihao (Guangzhou) and DDT Supply Chain for the supply of corn starch and sugar syrup of comparable specifications and quantities to Shanghai Haocheng; and
- (2) the total purchase price and terms for the purchase of corn starch and sugar syrup shall be determined referencing the quotation from Independent Supplier (or the lower of the quotations if more than one have been obtained from Independent Suppliers) for purchase of the corn starch and sugar syrup of comparable specifications and quantities plus (if not included as part of the purchase price) any additional cost (such as transportation, storage, insurance costs and/or finance costs) to be incurred by Shanghai Haocheng in order for Shanghai Haocheng to purchase the products from such Independent Supplier(s) for the relevant purchase order.

### **Transaction amounts**

Based on the unaudited financial statement of the Group as at 31 December 2023, Shanghai Haocheng purchased an aggregate of 54,564 MT (amounted to approximately HK\$161.5 million) of corn starch and 8,990 MT (amounted to approximately HK\$27.9 million) of sugar syrup from Ruihao (Guangzhou) and DDT Supply Chain under the Master Purchase Agreements for the year ended 31 December 2023, which represented approximately 62.3% and 63.5% of the total corn starch and sugar syrup purchased by the Group for the year ended 31 December 2023, respectively.

The Company expects that the aggregate purchase prices payable by Shanghai Haocheng for the purchase of corn starch and sugar syrup from Ruihao (Guangzhou) and DDT Supply Chain for the year ending 31 December 2024 under the Master Purchase Agreements will not exceed the aggregate amount of HK\$463.6 million, which is calculated based on the average purchase prices for the last 12 months ended 31 December 2023 and the production capacity of Shanghai Haocheng estimated by the management of the Group for the year ending 31 December 2024, the estimation is subject to the market condition and financial resources of the Group.

### **Reasons for and benefits of the Master Purchase Agreements**

The Group is principally engaged in the production and sale of corn refined products and corn based sweetener products. Since the mid of 2022, the Group has suspended most of its production facilities and only maintained the production in the Group's Shanghai production site for corn sweetener production. To meet the production needs of the Group's production facilities in Shanghai, Shanghai Haocheng needs to purchase corn starch and sugar syrup for the corn sweetener products. Since the corn starch and sugar syrup supplied by Ruihao (Guangzhou)

and DDT Supply Chain contemplated under the Master Purchase Agreements are on terms no less favourable than those generally supplied by Independent Suppliers for corn starch and sugar syrup of comparable specification, the Group opted to continue to purchase the corn starch and sugar syrup from Ruihao (Guangzhou) and DDT Supply Chain upon the GSH Completion.

As the Master Purchase Agreements are not exclusive supplier agreements, Shanghai Haocheng may still source from other Independent Suppliers if it so wishes. The terms and conditions of the Master Purchase Agreements were negotiated between the parties on an arm's length basis. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Master Purchase Agreements are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Since Mr. Kong is one of the beneficial owners of Ruihao (Guangzhou) and Mr. Wang is one of the beneficial owners of both Ruihao (Guangzhou) and DDT Supply Chain, both Mr. Kong and Mr. Wang are considered to have material interest in the transactions under the Master Purchase Agreements. Mr. Kong and Mr. Wang have abstained from voting on the Board meeting approving the continuation of the transactions under the Master Purchase Agreements. Save as disclosed, none of the Directors have a material interest in the Master Purchase Agreements and the transactions contemplated thereunder.

## **INFORMATION OF THE PARTIES**

### **The Group**

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

### **Ruihao (Guangzhou)**

Ruihao (Guangzhou) is a company established in the PRC with limited liabilities and principally engaged in property management, grain storage and wholesale and trading grain by-products. Ruihao (Guangzhou) is ultimately owned as to 65% by Mr. Kong and 35% by Mr. Wang as at the date of this announcement.

### **DDT Supply Chain**

DDT Supply Chain is a company established in the PRC with limited liabilities and principally engaged in wholesale and trading of primary agricultural products, including but not limited to starch, starch sugar and other corn refinery products. As at the date of this announcement, DDT Supply Chain is owned as to 26% by Mr. Wang, 25% by Ms. Wang Guan who is the daughter of Mr. Wang, 25% by Ms. Kong Fanxi who is the daughter of Mr. Kong and 24% by Mr. Huang Yonghang who is the nephew of Mr. Kong.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the date of this announcement, Ruihao (Guangzhou) is ultimately owned as to 65% by Mr. Kong and 35% by Mr. Wang, whereas DDT Supply Chain is owned as to 51% by Mr. Wang and his family member and 49% by Mr. Kong's family member and relative. Therefore Ruihao (Guangzhou) is an associate of Mr. Kong and DDT Supply Chain is an associate of Mr. Wang and both are connected persons of the Company under Chapter 14A of the Listing Rules and the transactions contemplated under the Master Purchase Agreements have become continuing connected transactions of the Company following the GSH Completion.

Pursuant to Rule 14A.60(1) of the Listing Rules, the Master Purchase Agreements are subject to the annual review and disclosure requirements (including publishing an announcement and annual reporting) if the Group continues to conduct the transactions contemplated under the Master Purchase Agreements. In the event that the Master Purchase Agreements are renewed or its terms are varied, the Company will comply with all applicable connected transaction requirements under Chapter 14A of the Listing Rules.

### **(2) EXPIRY OF THE NON-COMPETE UNDERTAKING AND ABOLITION OF BOARD COMMITTEES**

On 3 September 2007, GBT and Global Corn had given the Non-Compete Undertaking, serving to safeguard the Group from any potential competition from the GBT Group during the relevant period, which pursuant to the Non-Compete Undertaking, means the period commencing from the date of listing of the Company on the Main Board of the Stock Exchange (i.e. 20 September 2007) to the date on which GBT and/or Global Corn ceased to be Controlling Shareholders.

Immediately upon GSH Completion, the shareholdings of GBT and Global Corn in the Company decreased to 500,000 Shares and 259,813,000 Shares, representing approximately 0.01% and 17.01% of the issued share capital of the Company respectively. Accordingly, GBT and Global Corn are no longer Controlling Shareholders and the Non-Compete Undertaking expired on 21 December 2023.

Upon the expiry of the Non-Compete Undertaking, the CCT Executive Committee and the CCT Supervisory Committee, which were established to, among other matters, monitor matters relating to the Non-Compete Undertaking, are no longer required. The Board has therefore resolved to abolish the CCT Executive Committee and CCT Supervisory Committee.

An updated list of Directors and their role and function including the composition of each of the committees of the Board will be made available on the websites of the Stock Exchange and the Company in due course.

## DEFINITIONS

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

“Appointment”	the appointment of each of Mr. Kong and Mr. Wang as executive Director on 28 December 2023
“Board”	the board of Directors
“CCT Executive Committee”	the independent management team which comprised of two representatives from the senior management of the Group, established by the Board and responsible for monitoring, review and management of the continuing connected transactions
“CCT Supervisory Committee”	the committee which comprised of all three independent non-executive Directors established by the Board to supervise the CCT Executive Committee
“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 (Stock Code: 03889)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“DDT Master Purchase Agreement”	the agreement dated 1 January 2023 and entered into between DDT Supply Chain as supplier and Shanghai Haocheng as purchaser in relation to the purchase of corn starch and sugar syrup by Shanghai Haocheng from DDT Supply Chain for the term commencing from 1 January 2023 and ending on 31 December 2024
“DDT Supply Chain”	點點通供應鏈科技(深圳)有限公司 (DDT Supply Chain Technology (Shenzhen) Co., Ltd.*), a company established in the PRC with limited liability
“Director(s)”	director(s) of the Company
“GBT”	Global Bio-chem Technology Group Company Limited, a 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: 00809)
“GBT Group”	GBT and its subsidiaries

“Global Corn”	Global Corn Bio-Chem Technology Company Limited, a wholly-owned subsidiary of GBT
“Group”	the Company and its subsidiaries
“GSH Completion”	completion of the sale and purchase of the GSH Sale Shares in accordance with the GSH SPA, which took place on 21 December 2023
“GSH Sale Shares”	717,965,000 Shares held by Global Corn as at the date of the GSH SPA, representing approximately 47.00% of the entire issued share capital of the Company as at the date of the GSH SPA, and sold to the Joint Offerors under the GSH SPA upon GSH Completion
“GSH SPA”	the sale and purchase agreement dated 6 April 2023 entered into between the Joint Offerors and Global Corn for the acquisition of the GSH Sale Shares by the Joint Offerors
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the PRC
“Independent Supplier(s)”	third party or parties and who and whose ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules)
“Joint Offerors”	collectively, Mr. Kong and Mr. Wang, the purchasers under the GSH SPA and the Joint Offerors under the Offer
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Purchase Agreements”	collectively, the DDT Master Purchase Agreement and Ruihao Master Purchase Agreement
“Mr. Kong”	Mr. Kong Zhanpeng (孔展鵬), an executive Director, one of the purchasers under the GSH SPA and one of the Joint Offerors under the Offer
“Mr. Wang”	Mr. Wang Tieguang (王鐵光), an executive Director, one of the purchasers under the GSH SPA and one of the Joint Offerors under the Offer
“MT”	metric tonne



“Non-Compete Undertaking”	the irrevocable non-compete undertaking given by GBT and Global Corn in favour of the Company on 3 September 2007
“Offer”	the mandatory unconditional general cash offer made by CCB International Capital Limited and China Galaxy International Securities (Hong Kong) Co., Limited for and on behalf of the Joint Offerors to acquire all of the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
“Offer Share(s)”	any and all of the issued Share(s) not already owned or to be acquired by the Joint Offerors and parties acting in concert with them
“PRC”	People’s Republic of China
“Ruihao (Guangzhou)”	銳豪科創商貿(廣州)有限公司 (Ruihao Property (Guangzhou) Co., Ltd.*), a company established in the PRC with limited liability
“Ruihao Master Purchase Agreement”	the agreement dated 1 January 2023 and entered into between Ruihao (Guangzhou) as supplier and Shanghai Haocheng as purchaser in relation to the purchase of corn starch and sugar syrup by Shanghai Haocheng from Ruihao (Guangzhou) for the term commencing from 1 January 2023 and ending on 31 December 2024
“Shanghai Haocheng”	上海好成食品發展有限公司 (Shanghai Haocheng Food Development Co. Ltd*), an indirect wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”

the Hong Kong Code on Takeovers and Mergers

“%”

per cent.

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

Hong Kong, 31 January 2024

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Wang Tieguang and Mr. Kong Zhanpeng; one non-executive Director, namely, Mr. Tai Shubin; and three independent non-executive Directors, namely, Ms. Liu Ying, Ms. Li Guichen and Mr. Lo Kwing Yu.*

\* *For identification purposes only*