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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)

CONTINUING CONNECTED TRANSACTIONS

2024 MASTER PURCHASE AGREEMENT FOR THE PROCUREMENT OF COAL, CORN KERNELS, CORN STARCH AND SUGAR SYRUP AND

2024 MASTER SALES AGREEMENT FOR THE SALE OF CORN STARCH AND OTHER CORN REFINED PRODUCTS

2024 MASTER PURCHASE AGREEMENT

On 17 October 2024, the Company entered into the 2024 Master Purchase Agreement with Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng Trading for the procurement of raw materials including coal, corn kernels, corn starch and sugar syrup by the Group from Ruihao (Guangzhou) Group, DDT Supply Chain Group, Jilin Huasheng Trading Group and their respective associated companies from time to time on an ongoing basis for a period of three years from 1 January 2025 to 31 December 2027.

2024 MASTER SALES AGREEMENT

On 17 October 2024, the Company entered into the 2024 Master Sales Agreement with Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng Trading for the sale 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 from the Group to Ruihao (Guangzhou) Group, DDT Supply Chain Group, Jilin Huasheng Trading Group and their respective associated companies from time to time on an ongoing basis for a period of three years from 1 January 2025 to 31 December 2027.

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; 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; and Jilin Huasheng Trading is owned as to 1% by Mr. Li and as to 99% by Mr. Li Tingsheng, Mr. Li's father, and is the holding company of Hong Kong Huasheng, a substantial Shareholder. Therefore, Ruihao (Guangzhou) is an associate of Mr. Kong and Mr. Wang, DDT Supply Chain is an associate of Mr. Wang, and Jilin Huasheng Trading is an associate of each of Mr. Li and Hong Kong Huasheng. Each of Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng Trading is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio for the proposed annual caps under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement for the three years ending 31 December 2027 is more than 5% and the consideration exceeds HK\$10 million each, the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and their respective proposed annual caps are, therefore, subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be held for the Independent Shareholders to consider, if thought fit, approve the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, as well as the proposed annual caps under the respective agreements.

The IBC comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and the proposed annual caps under the respective agreements, are on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An IFA will be appointed by the Company to advise the IBC and the Independent Shareholders in this regard.

A circular containing, among other information, (i) a letter from the Board containing further information on the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and the proposed annual caps under the respective agreements; (ii) a letter from the IFA containing its advice in connection to the aforesaid; (iii) recommendations of the IBC to the Independent Shareholders; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 12 November 2024.

2024 MASTER PURCHASE AGREEMENT

Date: 17 October 2024

Parties:

- (1) the Company (for itself and on behalf of its subsidiaries from time to time), as purchaser;
- (2) Ruihao (Guangzhou) (for itself and on behalf of its subsidiaries and associated companies of Ruihao (Guangzhou) Group from time to time), as one of the suppliers;
- (3) DDT Supply Chain (for itself and on behalf of its subsidiaries and associated companies of DDT Supply Chain Group from time to time), as one of the suppliers; and
- (4) Jilin Huasheng Trading (for itself and on behalf of its subsidiaries and associated companies of Jilin Huasheng Trading Group from time to time), as one of the suppliers

Principal terms

Pursuant to the 2024 Master Purchase Agreement, the Company (for itself and on behalf of its subsidiaries from time to time), as purchaser, agrees to purchase, and each of Ruihao (Guangzhou) Group, DDT Supply Chain Group, Jilin Huasheng Trading Group, and their respective associated companies (collectively, the “**Raw Material Suppliers**”), as suppliers, agrees to supply to the Group raw materials including coal, corn kernels, corn starch and sugar syrup. The 2024 Master Purchase Agreement shall be effective for a period of three years from 1 January 2025 to 31 December 2027.

Pursuant to the 2024 Master Purchase Agreement, the Group shall enter into separate purchase orders/sales contracts with the Raw Material Suppliers from time to time during the terms of the 2024 Master Purchase Agreement for the purpose of confirming the purchase by the Group and the terms of such transaction. Such purchase orders/sales contracts shall specify the detailed terms of the purchase, including but not limited to form of delivery, payment and remittance time and method, quality warranties and inspection, and the respective rights and obligations of each party, provided that (i) payment shall only be made after the receipt of the products; (ii) the rate of interest that may be charged by any of the Raw Material Supplier(s) for late payment of the Group shall not exceed the rate of interest charged by the Independent Suppliers of the same kind of products to the Group for late payment from time to time; and (iii) such separate purchase orders/sales contracts shall be for a fixed term and in any event not exceeding the term of the 2024 Master Purchase Agreement, at pricing terms and otherwise on terms in compliance with those set out in the 2024 Master Purchase Agreement.

Pricing method

Corn Kernels

Under the 2024 Master Purchase Agreement, the Raw Material Suppliers shall supply corn kernels to the Group at unit prices not exceeding the higher of the below prices (prices exclusive of transportation and storage, interests, handling charges and/or other outgoing charges such as costs of transit):

- (1) the average unit corn transaction price published on the official website of Dalian Commodity Exchange (www.dce.com.cn) of the latest trade matching day before the proposed date of making purchase orders/sales contracts by any member of the Group; or
- (2) the average corn price in Jinzhou Port of Liaoning Province obtained from Sublime China Information (<https://www.sci99.com>), a third party price consulting platform, on the date immediately before the proposed date of making purchase orders/sales contracts by any member of the Group.

Coal, corn starch and sugar syrup

Under the 2024 Master Purchase Agreement, the Raw Material Suppliers shall supply coal, corn starch and sugar syrup to the Group at unit prices (prices exclusive of transportation and storage, interests, handling charges and/or other outgoing charges such as costs of transit) based on market prices from time to time and shall not be higher than the lowest unit prices of the same or similar products, or products of similar quality in the most recent quotations from at least three Independent Suppliers.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the IFA) are of the view that as the prices of the coal, corn kernels, corn starch and sugar syrup to be charged by the Raw Material Suppliers under the 2024 Master Purchase Agreement are to be determined with reference to (i) the commodity prices quoted on an official commodity exchange website and prices quoted from an independent price consulting platform for corn kernels; and (ii) recent prices quoted by the Independent Suppliers for coal, corn starch and sugar syrup, which are either public information or are up-to-date, such pricing term can ensure that the prices of the relevant products will be set at market rates from time to time.

PROPOSED ANNUAL CAPS UNDER THE 2024 MASTER PURCHASE AGREEMENT AND BASIS OF DETERMINATION

(a) Historical transaction amounts

Reference is made to the announcement of the Company dated 31 January 2024 (the “**Rule 14A.60(1) Announcement**”) in relation to, among others, the Existing Master Purchase Agreements entered into between Shanghai Haocheng and each of Ruihao (Guangzhou) and DDT Supply Chain, for the purchase of corn starch and sugar syrup. As disclosed in the Rule 14A.60(1) Announcement, the transactions under the Existing Master Purchase Agreements have become continuing connected transactions of the Company on 21 December 2023 as Ruihao (Guangzhou) and DDT Supply Chain became connected persons of the Company on even date upon the completion of the sale and purchase of 717,965,000 Shares, then representing approximately 47.0% of the entire issued share capital of the Company, held by Global Corn Bio-Chem Technology Company Limited to Mr. Kong and Mr. Wang.

Based on the audited financial statement of the Group as at 31 December 2023, Shanghai Haocheng purchased an aggregate of 54,564 MT (amounted to approximately HK\$179.4 million) (tax exclusive) of corn starch and an aggregate of 6,934 MT (amounted to approximately HK\$21.0 million) (tax exclusive) of sugar syrup from Ruihao (Guangzhou) and DDT Supply Chain under the Existing Master Purchase Agreements, which represented approximately 62.3% and 49.0% of the total corn starch and total sugar syrup purchased by Shanghai Haocheng for the year ended 31 December 2023, respectively.

Based on the unaudited financial statement of the Group as at 30 June 2024, Shanghai Haocheng purchased an aggregate of approximately 55,798 MT (amounted to approximately HK\$197.0 million) (tax inclusive) of corn starch and an aggregate of approximately 18,335 MT (amounted to approximately HK\$57.5 million) (tax inclusive) of sugar syrup from Ruihao (Guangzhou) and DDT Supply Chain under the Existing Master Purchase Agreements, which represented approximately 93.2% and 55.5% of the total corn starch and total sugar syrup purchased by Shanghai Haocheng for the six months ended 30 June 2024, respectively.

(b) Proposed annual caps under the 2024 Master Purchase Agreement

The Company proposes that the below Purchase Annual Caps (tax exclusive) be set for the transactions contemplated under the 2024 Master Purchase Agreement:

	For the year ending 31 December <i>(HK\$ million)</i>		
	2025	2026	2027
Purchase Annual Caps (tax exclusive)	1,508	1,473	1,226

(c) Basis of determination for the Purchase Annual Caps

In determination of the Purchase Annual Caps, the Company estimated the transaction amount for purchase of coal, corn kernels, corn starch and sugar syrup from the Raw Material Suppliers. The Directors took into account (i) the amount of corn starch and sugar syrup purchased by the Group for the six months ended 30 June 2024; (ii) the expected total procurement of coal, corn kernels, corn starch and sugar syrup estimated by the management of the Group for the three years ending 31 December 2027 after the resumption of the Group's Jinzhou production facilities; (iii) the historical transactions between the Group and the Raw Material Suppliers in relation to the procurement of corn starch and sugar syrup; (iv) the corn processing capacity, the coal consumption of heating system and utilisation rate of the Group's Jinzhou production facilities estimated by the management of the Group for the three years ending 31 December 2027 for the estimation of coal and corn kernels required for production; and (v) the recent price of corn kernels as quoted from a third party price consulting platform and the unit purchase prices of coal, corn starch and sugar syrup in the Group's recent purchase from the Independent Suppliers.

REASONS FOR AND BENEFITS OF THE 2024 MASTER PURCHASE AGREEMENT

In respect of purchase of corn kernels and coal, as disclosed in the interim report of the Company for the six months ended 30 June 2024 (the "2024 Interim Report"), the Company intends to use part of the net proceeds from the issuance of Convertible Bonds for the preparation for the resumption of the Group's Jinzhou production facilities, which is expected to take place in the fourth quarter of 2024. Upon resumption of the Group's Jinzhou production facilities, the Group will first resume its upstream operation to sell corn starch and other corn refined products. In order to meet the initial production needs of the Group's Jinzhou production facilities, the Group needs a stable supply of a huge amount of corn kernels and coal, being the major raw material required to drive the upstream production in Jinzhou site. As the Raw Material Suppliers, being wholesalers and traders of primary agricultural products and fossil fuel, maintained close business relationships with corn kernels and fossil fuel suppliers, the Group would like to take advantage of such stable relationships to secure a stable supply of quality corn kernels and coal with better commercial terms in the northeast China.

In respect of purchase of corn starch and sugar syrup, under the Existing Master Purchase Agreements, Ruihao (Guangzhou) and DDT Supply Chain have been providing a stable supply of quality corn starch and sugar syrup to Shanghai Haocheng for use in the Group's Shanghai production site with better commercial terms as compared to those offered by the Independent Suppliers. In light of the increase in output and sales of the downstream products of Shanghai Haocheng after the Existing Master Purchase Agreements becoming effective on 1 January 2023, the Group would like to continue such stable business relationship with Ruihao (Guangzhou) and DDT Supply Chain, and further take advantage of any new source of supply which may be sought from Jilin Huasheng Trading. Even though it is expected that Jinzhou Yuancheng will resume operation in the fourth quarter of 2024 to produce corn starch as one of the Group's upstream products, uncertainty remains as to the actual production volume of the Group's own corn starch and the Group intends to first target its own products for sale in order to swiftly regain its foothold in the market. The management of the Group also believes that sourcing corn starch from the Raw Material Suppliers could improve the Group's liquidity by taking advantage of the better credit terms offered by the Raw Materials Suppliers. In addition, it is not commercially viable to transport the corn starch from the Group's Jinzhou production site to the Group's Shanghai production site in view of their physical distance which would result in disproportionately high transportation costs.

Due to the above reasons, and in contemplation of the expiration of the Existing Master Purchase Agreements on 31 December 2024, the Group entered into the 2024 Master Purchase Agreement with Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng Trading in order to take advantage of the strong and stable business relationships between the Group, Ruihao (Guangzhou) and DDT Supply Chain, and the new source of supply from Jilin Huasheng Trading to better source its required quantity of coal, corn kernels, corn starch and sugar syrup with higher flexibility as the Raw Material Suppliers have always been able to arrange its source of coal, corn kernels, corn starch and sugar syrup internally, as well as to avoid incurring unnecessary transportation costs.

Since the coal, corn kernels, corn starch and sugar syrup to be supplied by the Raw Material Suppliers contemplated under the 2024 Master Purchase Agreement are on terms no less favourable than those generally supplied by the Independent Suppliers of coal, corn kernels, corn starch and sugar syrup of comparable specification or quality, and that the Raw Material Suppliers will be able to offer better credit terms to the Group as compared to direct purchase from the Independent Suppliers, the Group agrees to purchase coal, corn kernels, corn starch and sugar syrup from the Raw Material Suppliers. As the 2024 Master Purchase Agreement is not an exclusive supplier agreement, the Group may still source from the Independent Suppliers if it so wishes.

The terms and conditions of the 2024 Master Purchase Agreement were negotiated between the parties on an arm's length basis. The Directors (excluding the independent non-executive Directors whose views will, after receiving the advice from the IFA, be set out in the letter from the IBC in the circular to be despatched to the Shareholders) are of the view that the terms and conditions of the 2024 Master Purchase Agreement and the continuing connected transactions contemplated thereunder, including the Purchase Annual Caps, are fair and reasonable, on normal commercial terms which are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

2024 MASTER SALES AGREEMENT

Date: 17 October 2024

- Parties:
- (1) the Company (for itself and on behalf of its subsidiaries from time to time), as supplier;
 - (2) Ruihao (Guangzhou) (for itself and on behalf of its subsidiaries and associated companies of Ruihao (Guangzhou) Group from time to time), as one of the purchasers;
 - (3) DDT Supply Chain (for itself and on behalf of its subsidiaries and associated companies of DDT Supply Chain Group from time to time), as one of the purchasers; and
 - (4) Jilin Huasheng Trading (for itself and on behalf of its subsidiaries and associated companies of Jilin Huasheng Trading Group from time to time), as one of the purchasers

Principal terms

Pursuant to the 2024 Master Sales Agreement, the Company (for itself and on behalf of its subsidiaries from time to time), as supplier, agrees to supply, and each of Ruihao (Guangzhou) Group, DDT Supply Chain Group, Jilin Huasheng Trading Group, and their respective associated companies (collectively, the “**Product Purchasers**”), as purchaser, agrees to purchase from the Group 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. The 2024 Master Sales Agreement shall be effective for a period of three years from 1 January 2025 to 31 December 2027.

Pursuant to the 2024 Master Sales Agreement, each of the Product Purchasers shall enter into separate purchase orders/sales contracts with the Group from time to time during the terms of the 2024 Master Sales Agreement for the purpose of confirming the purchase by the Product Purchasers and the terms of such transaction. Such purchase orders/sales contracts shall specify the detailed terms of the purchase, including but not limited to form of delivery, payment and remittance time and method, quality warranties and inspection, and the respective rights and obligations of each party, provided that (i) the rate of interest charged by the Group for late payment of any of the Product Purchaser(s) shall be no less than the rate charged by the Group to the Independent Purchasers of the same kind from time to time; (ii) the rate of interest that may be charged by any of the Product Purchaser(s) for late delivery of products from the Group shall not exceed the rate charged by the Independent Purchasers of the same kind of products to the Group for late delivery from time to time; (iii) payment can be made in advance; and (iv) such separate purchase orders/sales contracts shall be for a fixed term and in any event not exceeding the term of the 2024 Master Sales Agreement, at pricing terms and otherwise on terms in compliance with those set out in the 2024 Master Sales Agreement.

Pricing method

Under the 2024 Master Sales Agreement, the purchase price of corn starch and other corn refined products shall be based on the market prices from time to time and shall be no less than the average unit price (price exclusive of transportation and storage, interests, handling charges and/or other outgoing charges such as costs of transit) of the same or similar products supplied by the Group to the Independent Purchasers for the most recent five occasions.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the IFA) are of the view that as the prices of corn starch and other corn refined products to be supplied by the Group under the 2024 Master Sales Agreement are to be determined with reference to the average unit prices of the relevant products in previous transactions between the Group and the Independent Purchasers, and such prices shall be based on market prices from time to time, such pricing term can ensure that the prices of the relevant products will be set at market rates from time to time.

PROPOSED ANNUAL CAPS UNDER THE 2024 MASTER SALES AGREEMENT AND BASIS OF DETERMINATION

(a) Proposed annual caps under the 2024 Master Sales Agreement

The Company proposes that the below Sales Annual Caps (tax exclusive) be set for the transactions contemplated under the 2024 Master Sales Agreement:

	For the year ending 31 December		
	<i>(HK\$ million)</i>		
	2025	2026	2027
Sales Annual Caps (tax exclusive)	1,140	1,148	932

(b) Basis of determination for the Sales Annual Caps

In determination of the Sales Annual Caps, the Company estimated the transaction amounts for purchase of corn starch and other corn refined products, including gluten meal, corn steep liquor, fibre-based feeds, corn oil and corn germ meals from the Product Purchasers. The Directors took into account (i) the corn processing capacity and utilisation rate of the Group's Jinzhou production facilities estimated by the management of the Group for the three years ending 31 December 2027; (ii) the expected sales of corn starch and other corn refined products for the three years ending 31 December 2027 after the resumption of the Group's Jinzhou production facilities; and (iii) the recent unit prices of corn starch, gluten meal, corn steep liquor, fibre-based feeds, corn oil and corn germ meals from an official commodity exchange website, as an independent price consulting platform.

REASONS FOR AND BENEFITS OF THE 2024 MASTER SALES AGREEMENT

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 of corn sweetener in the Group's Shanghai production site. As disclosed in the 2024 Interim Report, the Company intends to use part of the net proceeds from the issuance of Convertible Bonds for the preparation for the resumption of the Group's Jinzhou production facilities, which is expected to take place in the fourth quarter of 2024. Upon resumption of the Group's Jinzhou production facilities, the Group will resume its upstream operation to produce and sell corn starch and other corn refined products, which will help improve the operating cash flow and profitability of the Group. As the Group's upstream production has been suspended for years, the management of the Group is of the view that time may be needed for past customers to regain confidence in the Group's upstream operation. Therefore, the management of the Group believes that the Group can take advantage of the existing sales network of the Product Purchasers to re-build its brand reputation and gain access to a greater variety of sales channels by entering into the 2024 Master Sales Agreement with Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng Trading. In addition, the Product Purchasers are willing to accept the shorter credit period offered by the Group for the sales of corn starch and other corn refined products, as compared to the normal credit terms offered by the Group to the past Independent Purchasers of corn starch and other corn refined products of the Group. As the 2024 Master Sales Agreement is not an exclusive sales agreement, the Group may still sell corn starch and other corn refined products to the Independent Purchasers if it so wishes, and may reduce sales to the Product Purchasers as it gradually develops other sales channels and regains its foothold in the market.

The terms and conditions of the 2024 Master Sales Agreement were negotiated between the parties on an arm's length basis. The Directors (excluding the independent non-executive Directors whose views will, after receiving the advice from the IFA, be set out in the letter from the IBC in the circular to be despatched to the Shareholders) are of the view that the terms and conditions of the 2024 Master Sales Agreement and the continuing connected transactions contemplated thereunder, including the Sales Annual Caps, are fair and reasonable, on normal commercial terms which are 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), whereas Mr. Wang is one of the beneficial owners of both Ruihao (Guangzhou) and DDT Supply Chain, and Jilin Huasheng Trading is entirely owned by Mr. Li and Mr. Li's father, Mr. Li Tingsheng, each of Mr. Kong, Mr. Wang and Mr. Li is considered to have material interest in the transactions under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement. Mr. Kong, Mr. Wang and Mr. Li have abstained from voting on the Board meeting approving the contemplated transactions under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, as well as the Purchase Annual Caps and the Sales Annual Caps. Save as disclosed, none of the Directors have a material interest in the 2024 Master Purchase Agreement, the transactions contemplated thereunder (including the Purchase Annual Caps), the 2024 Master Sales Agreement and the transactions contemplated thereunder (including the Sales Annual Caps).

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.

Jilin Huasheng Trading

Jilin Huasheng Trading is a company established in the PRC with limited liabilities and principally engaged in the trading of food, beverages, agricultural and sideline products, and fossil fuel. As at the date of this announcement, Jilin Huasheng Trading is owned as to 1% by Mr. Li, and 99% by Mr. Li Tingsheng, Mr. Li's father.

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; 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; and Jilin Huasheng Trading is owned as to 1% by Mr. Li and as to 99% by Mr. Li Tingsheng, Mr. Li's father, and is the holding company of Hong Kong Huasheng, a substantial Shareholder. Therefore Ruihao (Guangzhou) is an associate of Mr. Kong and Mr. Wang, DDT Supply Chain is an associate of Mr. Wang, and Jilin Huasheng Trading is an associate of each of Mr. Li and Hong Kong Huasheng. Each of Ruihao (Guangzhou), DDT Supply Chain and Jilin Huasheng Trading is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio for the proposed annual caps under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement for the three years ending 31 December 2027 is more than 5% and the consideration exceeds HK\$10 million each, the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and their respective proposed annual caps are, therefore, subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be held for the Independent Shareholders to consider, if thought fit, approve the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, as well as the proposed annual caps under the respective agreements (i.e. the Purchase Annual Caps and the Sales Annual Caps).

The IBC comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and the proposed annual caps under the respective agreements (i.e. the Purchase Annual Caps and the Sales Annual Caps), are on normal commercial terms and in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An IFA will be appointed by the Company to advise the IBC and the Independent Shareholders in this regard.

A circular containing, among other information, (i) a letter from the Board containing further information on the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and the proposed annual caps under the respective agreements (i.e. the Purchase Annual Caps and the Sales Annual Caps); (ii) a letter from the IFA containing its advice in connection to the aforesaid; (iii) recommendations of the IBC to the Independent Shareholders; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 12 November 2024.

DEFINITIONS

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

“2024 Master Purchase Agreement”	the agreement dated 17 October 2024 entered into between the Company (for itself and on behalf of its subsidiaries from time to time), as purchaser, 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 Trading (for itself and Jilin Huasheng Trading Group and its associated companies from time to time), as suppliers in relation to the purchase of coal, corn kernels, corn starch and sugar syrup by the Group from the Raw Material Suppliers for the term commencing from 1 January 2025 and ending on 31 December 2027
“2024 Master Sales Agreement”	the agreement dated 17 October 2024 entered into between the Company (for itself and on behalf of its subsidiaries from time to time), as supplier, 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 Trading (for itself and Jilin Huasheng Trading Group and its associated companies from time to time), as purchasers in relation to 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 Product Purchasers from the Group for the term commencing from 1 January 2025 and ending on 31 December 2027
“Board”	the board of Directors
“China” or “PRC”	People’s Republic of China
“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)
“Convertible Bonds”	the RMB120.0 million, 3 year, 5 per cent. convertible bonds issued by the Company to each of Mr. Kong and Mr. Wang, the completion of which took place in two tranches on 3 May 2024 and 19 July 2024, respectively

“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 liabilities
“DDT Supply Chain Group”	DDT Supply Chain and its subsidiaries from time to time
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, as well as their respective annual caps (i.e. the Purchase Annual Caps and the Sales Annual Caps)
“Existing Master Purchase Agreements”	collectively, the DDT Master Purchase Agreement and Ruihao Master Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the PRC
“Hong Kong Huasheng”	Hong Kong Huasheng Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Jilin Huasheng Trading, and a substantial Shareholder
“IBC”	the independent board committee of the Board comprising Ms. Liu Ying, Ms. Li Guichen and Mr. Lo Kwing Yu, being the independent non-executive Directors appointed by the Board for the purpose of advising the Independent Shareholders in relation to the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and their respective annual caps (i.e. the Purchase Annual Caps and the Sales Annual Caps)

“IFA”	the independent financial adviser to be appointed by the Board and approved by the IBC for the purpose of advising the IBC and the Independent Shareholders in relation to the continuing connected transactions contemplated under each of the 2024 Master Purchase Agreement and the 2024 Master Sales Agreement, and their respective annual caps (i.e. the Purchase Annual Caps and the Sales Annual Caps)
“Independent Purchaser(s)”	third party or parties, being purchaser(s) of products of the Group and who and whose ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules)
“Independent Shareholders”	Shareholders other than Mr. Kong, Mr. Wang, Hong Kong Huasheng and their associates, and all other Shareholders interested in the 2024 Master Purchase Agreement, the 2024 Master Sales Agreement and the respective continuing connected transactions contemplated thereunder, including the Purchase Annual Caps and the Sales Annual Caps
“Independent Supplier(s)”	third party or parties, being supplier(s) of the Group and who and whose ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules)
“Jilin Huasheng Trading”	吉林省華生商貿有限公司(Jilin Huasheng Trading Limited*), a company incorporated in the PRC with limited liabilities
“Jilin Huasheng Trading Group”	Jilin Huasheng Trading and its subsidiaries from time to time
“Jinzhou Yuancheng”	錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kong”	Mr. Kong Zhanpeng (孔展鵬), an executive Director

“Mr. Li”	Mr. Li Fangcheng (李方程), an executive Director
“Mr. Wang”	Mr. Wang Tieguaog (王鐵光), an executive Director
“MT”	metric tonnes
“Product Purchasers”	as defined under the paragraph headed “2024 MASTER SALES AGREEMENT – Principal terms” in this announcement
“Purchase Annual Caps”	the proposed annual caps for the three years ending 31 December 2027 under the 2024 Master Purchase Agreement
“Raw Material Suppliers”	as defined under the paragraph headed “2024 MASTER PURCHASE AGREEMENT – Principal terms” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“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 liabilities
“Ruihao (Guangzhou) Group”	Ruihao (Guangzhou) and its subsidiaries from time to time
“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

“Sales Annual Caps” the proposed annual caps for the three years ending 31 December 2027 under the 2024 Master Sales Agreement

“%” per cent.

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

Hong Kong, 17 October 2024

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. Liu Ying, Ms. Li Guichen and Mr. Lo Kwing Yu.

** For identification purposes only*