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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**

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TO GBT GROUP**

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COUNTER-GUARANTEE AND  
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GROUP**

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TO THE JOINT OFFERORS**

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BY GSH TO THE JOINT  
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FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL THE ISSUED SHARES OF GSH  
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE JOINT  
OFFERORS AND PARTIES ACTING IN CONCERT WITH THEM)**

## APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Joint financial advisers to the Joint Offerors



Financial adviser to GBT



Independent Financial Adviser to the GSH Independent Board Committee



### **DISPOSAL OF APPROXIMATELY 47.00% OF THE ISSUED SHARES IN GSH BY GBT GROUP TO THE JOINT OFFERORS**

On 6 April 2023 (after trading hours), *inter alia*, Global Corn as vendor, and the Joint Offerors as purchasers entered into the GSH SPA, pursuant to which the Joint Offerors have conditionally agreed to acquire, and Global Corn has conditionally agreed to sell, the GSH Sale Shares, being 717,965,000 GSH Shares, representing approximately 47.00% of the entire issued share capital of GSH as at the date of the GSH SPA, at a total consideration of HK\$43,077,900, equivalent to HK\$0.06 per GSH Sale Share.

### **DISPOSAL OF ENTIRE EQUITY INTERESTS IN DIHAO COMPANIES BY GSH GROUP TO GBT GROUP**

On 6 April 2023 (after trading hours), (i) the Dihao Vendor A and the Dihao Vendor B, as vendors, and the Dihao Purchaser, as purchaser, entered into the Dihao SPA I, pursuant to which, among others, the Dihao Vendor A and the Dihao Vendor B have conditionally agreed to sell and the Dihao Purchaser has conditionally agreed to purchase the entire equity interests in Dihao Foodstuff, at the consideration of RMB1.0; and (ii) the Dihao Vendor A and the Dihao Vendor C, as vendors, and the Dihao Purchaser, as purchaser, entered into the Dihao SPA II, pursuant to which, among others, the Dihao Vendor A and the Dihao Vendor C have conditionally agreed to sell and the Dihao Purchaser has conditionally agreed to purchase the entire equity interests in Dihao Crystal Sugar, at the consideration of RMB1.0.

### **PROVISION OF COUNTER-GUARANTEE AND INDEMNITY BY GBT TO GSH**

Upon Dihao Completion, Dihao Foodstuff will cease to be a subsidiary of GSH and become part of the GBT Group. Pursuant to a term of the Dihao SPAs, GBT shall execute and deliver to GSH the GBT Counter-guarantee Deed at Dihao Completion, such that GBT will, among others, provide counter-guarantee and indemnity to GSH in respect of the obligations and liabilities GSH may incur and suffer under the Dihao Foodstuff Guarantee.

## **PROVISION OF COUNTER-GUARANTEE AND INDEMNITY BY GSH TO GBT GROUP**

Upon GSH Completion, GSH will cease to be a subsidiary of GBT. Dihao Foodstuff will also cease to be a subsidiary of GSH and become part of the GBT Group upon Dihao Completion. Pursuant to a term of the Dihao SPAs, GSH shall execute and deliver to GBT and Dihao Foodstuff the GSH Counter-guarantee Deed at Dihao Completion, such that GSH will, among others, provide counter-guarantee and indemnity to GBT and Dihao Foodstuff in respect of the obligations and liabilities GBT and Dihao Foodstuff may incur and suffer under the Jinzhou Yuancheng Guarantees.

## **ISSUE OF CONVERTIBLE BONDS BY GSH TO THE JOINT OFFERORS UNDER SPECIFIC MANDATE**

On 6 April 2023 (after trading hours), GSH entered into the CB Subscription Agreement with the Joint Offerors as subscribers, pursuant to which GSH has conditionally agreed to issue, and the Joint Offerors have conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of RMB120.0 million (equivalent to approximately HK\$138.0 million) at the initial Conversion Price of HK\$0.1 per Conversion Share.

## **POSSIBLE MANDATORY UNCONDITIONAL GENERAL OFFER**

As at the date of this joint announcement and prior to the GSH Completion, save for (i) the 43,264,000 GSH Shares, representing approximately 2.83% of the entire issued share capital of GSH, held by Offeror B; and (ii) the 16,444,000 GSH Shares, representing approximately 1.08% of the entire issued share capital of GSH, held by Rich Mark Profits Limited which is a company wholly-owned by Offeror B, the Joint Offerors and parties acting in concert with them do not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of GSH. Upon GSH Completion, the Joint Offerors and parties acting in concert with them will become interested in a total of 777,673,000 GSH Shares, representing approximately 50.91% of the entire issued share capital of GSH.

Pursuant to Rule 26.1 of the Takeovers Code, upon GSH Completion, the Joint Offerors and the parties acting in concert with them will be required to make a mandatory unconditional general offer in cash for all the issued GSH Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them).

### **Principal terms of the Offer**

Subject to and upon GSH Completion, CCBI Capital and China Galaxy will make the Offer for and on behalf of the Joint Offerors on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

For every Offer Share ..... HK\$0.06 in cash

The Offer Price is the same as the price per GSH Sale Share payable by the Joint Offerors under the GSH SPA. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. There is no outstanding dividend or distribution declared by GSH as at the date of this joint announcement and there is no intention of the GSH Board to declare any dividend or distribution during the offer period.

## **LISTING RULES IMPLICATIONS**

### **GBT**

#### ***GSH Disposal and deemed disposal as a result of CB Subscription***

Under the GSH Disposal, the GBT Group will dispose of 717,965,000 GSH Shares and, upon completion of the GSH Disposal, the GBT Group's interest in GSH will be reduced from approximately 64.04% to 17.04%. As GSH Completion is conditional upon, among others, signing of the CB Subscription Agreement, the GSH Disposal and the CB Subscription are related in substance and should as a whole constitute a disposal of interest in GSH entered into at a time when GSH is a subsidiary of GBT. Hence, the CB Subscription should be considered a deemed disposal of the GBT Group's interest in GSH under Rule 14.29 of the Listing Rules and aggregated with the GSH Disposal. Assuming exercise of the Conversion Rights in full at the initial Conversion Price of HK\$0.1 per Conversion Share, GSH will issue a total of 1,380,000,000 Conversion Shares. Assuming no further change in the shareholding structure of GSH other than the GSH Disposal and full exercise of the Conversion Rights, the GBT Group's shareholding in GSH will be further reduced to approximately 8.96% upon exercise of the Conversion Rights in full.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the GSH Disposal and the CB Subscription (on an aggregate basis) is above 75%, the GSH Disposal and the CB Subscription collectively constitute a very substantial disposal of GBT and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

#### ***Dihao Transfer***

Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT. Hence, the Dihao Transfer, being the transfer of the Dihao Sale Interests from the GSH Group to the GBT Group under the Dihao SPAs whose completion is expected to take place concurrently with GSH Completion, shall constitute a transaction by the GBT Group under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.15(3) of the Listing Rules, when calculating the consideration ratio, a listed issuer shall add any liabilities of the vendors, whether actual or contingent, to be discharged or assumed by the purchaser under the terms of the transactions, to the consideration. Under the GBT Counter-guarantee Deed which shall be executed at Dihao Completion under the Dihao SPAs, GBT shall indemnify GSH against, among others, all payments which are made or demanded to be made by GSH and all liabilities or obligations which GSH is called upon to bear or perform as a result of the Dihao Foodstuff Guarantee. Accordingly, the maximum liability GBT may incur under the GBT Counter-guarantee, which is equivalent to the cap on liability under the Dihao Foodstuff Guarantee of RMB250.0 million, shall be added to the consideration for the Dihao Transfer for the purpose of calculation of the consideration ratio. Since one or more of the applicable percentage ratios in respect of the Dihao Transfer exceeds 5% but all such ratios are less than 25%, the Dihao Transfer constitutes a discloseable transaction by the GBT Group and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### ***GBT Counter-guarantee***

Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT. Hence, the provision by GBT to GSH of the GBT Counter-guarantee, which GBT shall execute and deliver to GSH at Dihao Completion that is expected to take place concurrently with GSH Completion, shall constitute a transaction by the GBT Group under Chapter 14 of the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the GBT Counter-guarantee (based on the maximum liability GBT may incur under the GBT Counter-guarantee) exceeds 5% but all such ratios are less than 25%, the provision of the GBT Counter-guarantee constitutes a discloseable transaction by the GBT Group and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GSH**

### ***CB Subscription***

The Conversion Shares will be issued pursuant to the Specific Mandate proposed to be sought from the GSH Independent Shareholders at the GSH EGM.

### ***GBT Counter-guarantee***

The GBT Counter-guarantee constitutes financial assistance received by the listed issuer group from a connected person but is fully exempt under Rule 14A.90 of the Listing Rules as (1) it is conducted on normal commercial terms or better; and (2) it is not secured by the assets of the GSH Group.

### ***Dihao Transfer***

As one of the relevant percentage ratios exceeds 5% but below 25%, the Dihao Transfer is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GBT is a controlling shareholder of GSH as at the date of this joint announcement and shall remain as a substantial shareholder and a connected person of GSH upon GSH Completion and Dihao Completion. The Dihao Transfer by GSH to GBT therefore constitutes a connected transaction for GSH under Chapter 14A of the Listing Rules. As one of the relevant percentage ratios exceeds 5% but below 25% and the total consideration is less than HK\$10.0 million, the Dihao Transfer is subject to the announcement requirement but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### ***GSH Counter-guarantee***

As the highest applicable percentage ratio in respect of the GSH Counter-guarantee is above 25%, the GSH Counter-guarantee constitutes a major transaction for GSH and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GBT is a controlling shareholder of the GSH as at the date of this joint announcement. GBT is therefore a connected person of GSH and the provision of the GSH Counter-guarantee by GSH to GBT constitutes a connected transaction for GSH under Chapter 14A of the Listing Rules and is therefore subject to the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 13.13 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity by listed issuer exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. As the GSH Counter-guarantee exceeds 8% under the assets ratio of the GSH Group, pursuant to Rule 13.13 of the Listing Rules, GSH is under a general obligation to disclose the details of the GSH Counter-guarantee under Chapter 13 of the Listing Rules.

### **Board approval**

Mr. Wang Guicheng is the chairman of the GSH Board and an executive GSH Director and also an executive GBT Director. As at the date of this joint announcement. Mr. Wang Guicheng holds 500,000 GBT Shares (representing approximately 0.01% of the entire issued share capital of GBT) and 300,000 GSH Shares (representing approximately 0.02% of the entire issued share capital of GSH). Mr. Wang Guicheng has abstained from voting on the GBT Board and GSH Board resolutions approving the transactions in this joint announcement. Save for Mr. Wang

Guicheng, no GBT Director or GSH Director has a material interest in the transactions in this joint announcement and has abstained from voting on the GBT Board and GSH Board resolutions approving the transactions in this joint announcement.

## **TAKEOVERS CODE IMPLICATIONS**

As each of the Dihao Transfer and the GSH Counter-guarantee, i.e. the Special Deals, is an arrangement between GSH and GBT, an existing GSH Shareholder, and such arrangement is not extended to all GSH Shareholders, each of the Dihao Transfer and the GSH Counter-guarantee constitutes a special deal under Rule 25 of the Takeovers Code and requires the consent of the Executive. GSH will make an application to seek the consent of the Executive for the Special Deals and such consent, if granted, will be subject to: (a) the Independent Financial Adviser publicly stating that in its opinion the terms of the Special Deals are fair and reasonable; and (b) the approval of the Special Deals by the GSH Independent Shareholders by way of poll at the GSH EGM.

## **GBT EGM**

A GBT EGM will be convened and held for the GBT Shareholders to consider and, if thought fit, to approve, among other things, the GSH Disposal and the CB Subscription.

No GBT Shareholder has a material interest in the GSH Disposal and the CB Subscription and therefore no GBT Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve, among other things, the GSH Disposal and the CB Subscription.

A circular containing, among other things, further information on the GSH Disposal and the CB Subscription, other information as required under the Listing Rules and a notice of the GBT EGM will be despatched to the GBT Shareholders on or before 15 May 2023 which is more than 15 business days as additional time is required to prepare the information to be contained in the circular.

## **GSH EGM**

A GSH EGM will be convened and held for the GSH Shareholders to consider and, if thought fit, to approve, among other things, the CB Subscription and the Special Deals.

GBT and Global Corn hold 500,000 GSH Shares and 977,778,000 GSH Shares, respectively, representing approximately 0.03% and approximately 64.01% of the entire issued share capital of GSH as at the date of this joint announcement. Offeror B holds 43,264,000 GSH Shares, representing 2.83% of the entire issued share capital of GSH as at the date of this joint announcement. Rich Mark Profits Limited, a company wholly-owned by Offeror B, holds 16,444,000 GSH Shares, representing 1.08% of the entire issued share capital of GSH as at the date of this joint announcement.

Save for GBT, Global Corn, Offeror B and Rich Mark Profits Limited, no GSH Shareholder is interested in or is involved in the CB Subscription and Special Deals and therefore has to abstain from voting on the resolution(s) to be proposed at the EGM to approve, among other things, the CB Subscription and Special Deals.

A circular containing, among other things, further information on the CB Subscription and the Special Deals, the letter of recommendation from the GSH Independent Board Committee and the letter of advice from the Independent Financial Adviser to the GSH Independent Board Committee and the GSH Independent Shareholders, other information as required under the Listing Rules and the Takeovers Code and a notice of the GSH EGM will be despatched to the GSH Shareholders on or before 15 May 2023 which is more than 15 business days as additional time is required to prepare the information to be contained in the circular.

### **GSH INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The GSH Independent Board Committee comprising Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu, all being independent non-executive directors of GSH has been formed to advise the GSH Independent Shareholders in respect of (i) the Special Deals; and (ii) as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Octal Capital Limited, was appointed as the Independent Financial Adviser to the GSH Independent Board Committee to advise the GSH Independent Board Committee and the GSH Independent Shareholders in respect of (i) the Special Deals and in particular as to whether the Special Deals are fair and reasonable and as to voting; and (ii) the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the GSH Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

The letter of advice from the Independent Financial Adviser in respect of the Special Deals will be included in the circular to be despatched to the GSH Shareholders. The letter of advice from the Independent Financial Adviser in respect of the Offer and the recommendation to the GSH Independent Board Committee and the GSH Independent Shareholders will be included in the Composite Document in relation to the Offer to be despatched to the GSH Independent Shareholders.

### **COMPOSITE DOCUMENT**

Given that the conditions precedent to GSH Completion cannot be fulfilled or waived (where applicable) within 21 days of the date of this joint announcement, the Joint Offerors will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code for an extension of the despatch of the Composite Document to a date falling on or before the seventh day after the GSH Completion Date.

It is the intention of the Joint Offerors and GSH to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the form of acceptance) in connection with the Offer setting out, *inter alia*, details of the Offer (including the expected timetable) and information of the GSH Group and incorporating the letter from CCBI Capital and China Galaxy in respect of the Offer, the letter from the GSH Independent Board Committee to the GSH Independent Shareholders containing its recommendation and advice to the GSH Independent Shareholders on the Offer and the letter from the Independent Financial Adviser containing its recommendation and advice to the GSH Independent Board Committee on the Offer, will be issued and despatched jointly by the Joint Offerors and GSH to all the GSH Independent Shareholders.

The GSH Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the GSH Independent Board Committee and the recommendation from the GSH Independent Board Committee to the GSH Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the GSH Independent Shareholders are concerned and its acceptance, before deciding whether or not to accept the Offer.

**WARNING: Shareholders and/or potential investors of GBT and GSH should be aware and take note that the sale and purchase of the GSH Sale Shares are conditional upon satisfaction and/or waiver of the conditions precedent in the GSH SPA and therefore may or may not proceed.**

**The Offer is a possible mandatory unconditional general cash offer and will only be made if GSH Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders, and/or potential investors of GBT and GSH should therefore exercise caution when dealing in the securities of GBT and GSH. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## **DISPOSAL OF APPROXIMATELY 47.00% OF THE ISSUED SHARES IN GSH BY GBT GROUP TO THE JOINT OFFERORS**

The Joint Offerors, GBT and GSH jointly announce that on 6 April 2023 (after trading hours), *inter alia*, Global Corn as vendor, and the Joint Offerors as purchasers entered into the GSH SPA, pursuant to which the Joint Offerors have conditionally agreed to acquire, and Global Corn has conditionally agreed to sell, the GSH Sale Shares, being 717,965,000 GSH Shares, representing approximately 47.00% of the entire issued share capital of GSH as at the date of the GSH SPA.

### **The GSH SPA**

Details of the GSH SPA are set out below:

Date: 6 April 2023

Parties: (i) the Joint Offerors, as the purchasers; and  
(ii) Global Corn, as the vendor.

To the best of the knowledge, information and belief of the GBT Directors having made all reasonable enquiry, the Joint Offerors are third parties independent of and not connected with GBT and its connected persons.

### **GSH Sale Shares**

The GSH Sale Shares comprise 717,965,000 GSH Shares, representing approximately 47.00% of the entire issued share capital of GSH as at the date of the GSH SPA. The number of GSH Sale Shares to be acquired by each of the Joint Offerors shall be as follows:

Offeror A: 358,982,500 GSH Shares

Offeror B: 358,982,500 GSH Shares

Pursuant to the terms of the GSH SPA, the GSH Sale Shares to be acquired by each of the Joint Offerors shall be free from any encumbrance from the GSH Completion Date onwards and carry all rights now and thereafter attaching thereto (including but not limited to all dividends and distributions distributed or declared in respect thereof on or after the GSH Completion Date). As at the date of this joint announcement, there is no declared but unpaid dividend for any GSH Share.

### **Consideration for the GSH Sale Shares**

The total consideration for the GSH Sale Shares is HK\$43,077,900, equivalent to HK\$0.06 per GSH Sale Share, which was determined following arm's length negotiations between the Joint Offerors and Global Corn. The factors taken into account by the Joint Offerors and Global Corn are as follows: (1) the publicly available financial information of the GSH Group, including (a) the deficit attributable to owners of GSH as at 31 December 2022 of approximately HK\$675.0 million; (b) the net borrowings of the GSH Group as at 31 December 2022 of HK\$791.1 million, with a minimal cash and bank balance HK\$4.3 million; and (c) the prolonged loss-making position of the GSH Group, and, in particular, the net losses of the GSH Group of HK\$212.5 million for the year ended 31 December 2022; (2) the closing prices of GSH Shares on the Main Board of the Stock Exchange during the six-month period prior to the date of the GSH SPA which ranged between HK\$0.06 and HK\$0.11 per GSH Share; (3) the poor liquidity of the GSH Shares as reflected by their low trading volume on the Main Board of the Stock Exchange averaging 166,413 GSH Shares per day during the six-month period prior to the date of the GSH SPA, which has made it largely impracticable for the GBT Group to realise its equity interests in GSH in the market; and (4) the fact that the Joint Offerors, after acquiring control over GSH, will need to inject further capital into the GSH Group to maintain its operations and to implement its recovery plan before a turnaround in its business is achieved. In

particular, the consideration per GSH Sale Share has been set at the lower end of the range of closing prices of GSH Shares for the immediately preceding six-month period having regard to the current financial position of the GSH Group (factor (1) above) and the further financial commitments the Joint Offerors will have to make (factor (4) above).

The consideration payable by each Joint Offeror for the respective number of GSH Sale Shares to be acquired is HK\$21,538,950. The Joint Offerors shall pay the consideration as follows:

- (1) HK\$6.0 million and HK\$6.0 million shall be paid by Offeror A and Offeror B respectively as deposit upon signing of the GSH SPA, which shall be applied towards payment of the consideration payable by the Joint Offerors upon GSH Completion; and
- (2) the balance of the consideration, i.e. HK\$15,538,950 and HK\$15,538,950, shall be paid by Offeror A and Offeror B respectively upon GSH Completion.

### **Conditions precedent**

GSH Completion is conditional upon the following conditions precedent being fulfilled or waived (as the case may be):

- (i) the Dihao SPAs having been signed by the parties thereto, and the Dihao Completion taking place concurrently with the GSH Completion;
- (ii) the CB Subscription Agreement having been signed by the parties thereto, and remaining effective and not having been terminated or rescinded as at GSH Completion;
- (iii) where necessary, GBT Shareholders' approval for the GSH SPA and the transactions contemplated thereunder (including but not limited to the sale of the GSH Sale Shares, the signing of the Dihao SPAs and the transactions contemplated thereunder, and the signing of the CB Subscription Agreement and the transactions contemplated thereunder) having been obtained in accordance with the Listing Rules;
- (iv) GSH Independent Shareholders' approval for the Dihao SPAs, the CB Subscription Agreement and the transactions contemplated thereunder having been obtained in accordance with the Takeovers Code and/or the Listing Rules;
- (v) parties to the GSH SPA having obtained all necessary permissions, approvals and consents (including the Executive's consent required in respect of the Special Deals under Rule 25 of the Takeovers Code), from the Executive, the Stock Exchange, other regulatory authorities and/or other third parties in relation to the GSH SPA and the transactions contemplated thereunder (including but not limited to the sale of the GSH Sale Shares, the signing of the Dihao SPAs and the transactions contemplated thereunder, and the signing of the CB Subscription Agreement and the transactions contemplated thereunder), and such permissions, approvals and consent remaining in full force and not revoked;

- (vi) Jinzhou CCB and Jinzhou Yuancheng and other relevant guarantors having executed debt restructuring agreement(s) or similar agreement(s) for debt restructuring or settlement purposes in respect of the Jinzhou CCB Loans (as defined below);
- (vii) the representations and warranties given by Global Corn under the GSH SPA remaining true, accurate and not misleading in all material respects from the date of the GSH SPA to the GSH Completion, and Global Corn having abided by and fulfilled all obligations and undertakings provided under the GSH SPA and not having breached any term thereunder prior to GSH Completion; and
- (viii) the GSH Shares remaining listed and traded on the Stock Exchange (save for any trading halt (a) pending the publication of announcement or circular in respect of the transactions contemplated under the GSH SPA and/or the Offer upon obtaining clearance and approval from the Stock Exchange and/or the Executive; (b) pending the announcement of any inside information pursuant to Part XIVA of the SFO; and (c) for less than 15 consecutive Business Days) and neither the Stock Exchange nor the Executive having indicated on or before the GSH Completion Date that the listing of the GSH Shares on the Stock Exchange will be withdrawn or that it will object to the continued listing of the GSH Shares on the Stock Exchange.

Offeror A (for itself and on behalf of the Joint Offerors) may, at any time, waive the conditions precedent referred to above in writing (other than conditions (i) to (v) , which are incapable of being waived). None of the conditions precedent under the GSH SPA has been fulfilled as of the date of this joint announcement.

For condition (v) above, other than the Executive's consent required under Rule 25 of the Takeovers Code in respect of the Special Deals, the Joint Offerors and GBT are not aware of any other specific permission, approval or consent that is required to be obtained from the Executive, the Stock Exchange, other regulatory authorities and/or other third parties for the GSH SPA and the transactions contemplated thereunder.

If any of the conditions set out above cannot be satisfied or waived (as the case maybe) by the GSH Long Stop Date, the GSH SPA shall cease and determine, and any deposit paid by the Joint Offerors shall be refunded by Global Corn. Thereafter, no party shall have any claim against another in respect of the transfer of the GSH Sale Shares contemplated under the GSH SPA save for any antecedent breach thereof.

### **GSH Completion**

GSH Completion shall take place on the fifth Business Day after all conditions precedent (other than conditions precedent that are stipulated to be fulfilled on the GSH Completion Date) have been fulfilled or waived (as the case may be) or such other date as may be agreed by the parties in writing.

Further announcement(s) will be made as soon as practicable in relation to GSH Completion. Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT.

## **Irrevocable undertaking**

Pursuant to the GSH SPA, Global Corn has irrevocably undertaken to the Joint Offerors that during the period from the date of the GSH SPA and up to the date on which the GSH SPA lapses or is otherwise terminated in accordance with its terms and conditions or the closing date of the Offer (whichever is the earlier), save for the GSH Disposal, it will not (and will procure that GBT will not) (i) sell, offer to sell, contract to sell or, in any other way, transfer or dispose of any GSH Shares then held by it (ii) enter into any swap or other arrangement to transfer ownership of any GSH Shares then held by it; or (iii) accept the Offer in respect of any GSH Shares then held by it. The above irrevocable undertaking will cease to be binding (a) immediately after the GSH Long Stop Date, if any of the conditions set out in the paragraphs headed “Conditions precedent” above cannot be satisfied or waived (as the case maybe) by the GSH Long Stop Date and consequently the GSH SPA lapses; (b) immediately after the termination date of the GSH SPA, if any party to the GSH SPA fails to perform any of its obligations at GSH Completion in accordance with the GSH SPA and consequently the non-defaulting party exercises its rights under the GSH SPA to terminate the GSH SPA; or (c) immediately after the closing date of the Offer, if the GSH SPA has neither lapsed nor been terminated.

## **Financial effects of the GSH Disposal**

For illustrative purpose only, based on (i) the audited book value of the consolidated net liabilities of the GSH Group attributable to owners of GSH as at 31 December 2022 of approximately HK675.0 million; (ii) the consideration for the GSH Sale Shares of HK\$43,077,900; (iii) other expenses attributable to the GSH Disposal of approximately HK\$8.4 million; and (iv) the audited book value of the net liabilities of the Dihao Companies as at 31 December 2022 of approximately HK\$408.6 million, it is expected that the GBT Group will record a gain of approximately HK\$298.0 million in connection with the GSH Disposal (the actual gain shall be subject to the financial impact of the Dihao Completion which is inter-conditional with the GSH Completion, the financial impact of the GBT Counter-guarantee and the GSH Counter-guarantee which shall be given upon the Dihao Completion, and the financial impact of Jinzhou Yuancheng Guarantees and Dihao Foodstuff Guarantee). Such a gain is non-recurring in nature and shall be recognised in the consolidated statement of profit or loss and other comprehensive income of the GBT Group for the financial year ending 31 December 2023. The actual non-recurring gain to be recognised by the GBT Group will be calculated by reference to the financial position of the GSH Group as at the GSH Completion Date and subject to audit by the auditors of GBT, and hence may differ from the above figure.

The GBT Group intends to use the net proceeds from the GSH Disposal to meet the daily administrative and operational expenses of the GBT Group.

Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT. Accordingly, the assets, liabilities and financial results of the GSH Group will no longer be consolidated into the consolidated financial statements of the GBT Group.

## Assets of the GBT Group subsequent to the GSH Disposal

Given the asset-heavy nature of GBT Group's business, the non-current assets consist mainly of property, plant and equipment (by carrying value), while current assets consist mainly of prepayments and other receivables. Set forth below are the details of the major assets of GBT Group as at 31 December 2022 (which is based on the audited consolidated accounts of the GBT Group (taking into account the completion of the Dihao Transfer and the GSH Disposal) as of 31 December 2022).

	<b>as at 31 December 2022</b>
	<i>HK\$'000</i>
Property, plant and equipment ( <i>Note 1</i> )	4,352,132
Right-of-use assets	391,261
Cash and bank balances	80,570
Other assets ( <i>Note 2</i> )	<u>564,357</u>
Total assets	<u><u>5,388,320</u></u>

*Notes:*

(1) "Property, plant and equipment" comprises the following:

	<b>Property, plant and equipment as at 31 December 2022</b>
	<i>HK\$'000</i>
Leasehold buildings*	3,676,940
Plant and machinery	256,440
Leasehold improvements, furniture, equipment and motor vehicles	5,904
Construction in-progress	<u>412,848</u>
Total	<u><u>4,352,132</u></u>

\* Production facilities are mainly booked as 'Leasehold buildings', and leasehold buildings in the value of approximately HK\$700,121,000 are subject to land resumption in the Luyuan District (as defined below). For further details of the land resumption, please refer to the paragraph headed "Reasons for and Benefits of the Dihao Transfer" in this joint announcement.

- (2) “Other assets” comprises (i) deposits paid for acquisition of property, plant and equipment; (ii) intangible assets; (iii) equity investment at fair value through other comprehensive income; (iv) inventories; (v) trade receivables; (vi) prepayments, deposits and other receivables; (vii) amounts due from joint venture; (viii) financial assets at fair value through profit and loss; and (ix) pledged bank deposits.

In line with the industrial nature of their operations, property, plant and equipment and right-of-use assets of GBT Group (taking into account the completion of the Dihao Transfer and the GSH Disposal) (the “**Remaining Group**”) represent approximately 88.0% of their total assets as at 31 December 2022. While the cash and cash equivalents of the Remaining Group amounted to approximately HK\$80.6 million as at 31 December 2022, given that the GBT Board intends to focus the production efforts in the manufacturing of amino acids products in the short run, the production capacity of Changchun Dahe, sale contracts on hand and the expected demand for upstream corn refined products and amino acid products in the coming year, the GBT Board believes that the assets of the Remaining Group are sufficient to support its operations.

The GBT Board is also of the view of that Remaining Group would have sufficient assets to support its operations having regard to the below.

### **Principal business and products**

The Remaining Group shall carry on the business of manufacture and sale of (1) upstream corn refined products; (2) amino acids; (3) corn sweeteners; and (4) polyol chemicals in the PRC, the particular product details of which are set out below.

#### **(1) *Upstream corn refined products***

The upstream corn refined products include (1) corn starch; (2) corn gluten meal; (3) corn fibre and (4) corn oil. The customer base for such products is diverse, generally comprising feed manufacturers, corn sweetener manufacturers, pharmaceutical companies and food additive manufacturers.

#### **(2) *Amino acid products***

Amino acid products of the Remaining Group include (1) 70% lysine, (2) 98% lysine and (3) threonine, all of which are used as additives in animal feed. The customer base for such products are generally animal feed producers in the PRC.

#### **(3) *Corn sweeteners***

The main corn sweeteners manufactured by the Remaining Group by the Dihao Companies include (1) dextrin, which is mainly used as a food additive to enhance flavours and texture; and (2) maltose, which is mainly used as a sweetener in food and beverage. The corn sweetener end-products are sold to beverage manufacturers and pharmaceutical companies.

#### **(4) Polyol chemicals**

The main polyol chemical product of the Remaining Group include (1) ethylene glycol, which is mainly used for processing polyester and making antifreeze agents, cellophane paper, plasticiser and polyester resin; (2) propylene glycol, which is ultimately used in the production of unsaturated polyester resin, ink additives, hydraulic liquids and release agents; (3) resin, a raw material for producing unsaturated polyester resins, and (4) antifreeze products. Customers for polyol chemicals include companies engaged in trading in the bio-chemical and environmental protection fields.

#### **Workforce**

The Remaining Group also places considerable focus on the size and expertise of its workforce, who carry on its operations. As at 31 December 2022, the Remaining Group had approximately 2,822 and 6 employees based in the PRC and Hong Kong, respectively (excluding the GBT Board). As at 31 December 2022, there were approximately 42 employees in the Remaining Group with relevant education, professional experience and/or qualifications in various areas including, among others, process chemistry, agricultural products processing and storage engineering, food engineering, bioengineering and applied chemistry.

The following table sets forth the number of the Remaining Group's employees in the various departments (excluding the GBT Board) as at 31 December 2022:

	<b>Number of employees in</b>	
	<b>the PRC</b>	<b>Hong Kong</b>
Management department	762	6
Sales department	83	–
Production department	<u>1,977</u>	<u>–</u>
Total	<u><u>2,822</u></u>	<u><u>6</u></u>

In addition, it is estimated that, as a result of the Dihao Transfer, an additional 226 management personnel from the Dihao Companies will join the workforce of the Remaining Group.

#### **Latest status of resumed operations**

Since mid-December 2022 and up to 28 February 2023, the Remaining Group has secured over 130 domestic sales contracts for amino acid products and upstream products with aggregate sales volume of over 34,000 metric tonnes with a total contract sum of approximately RMB161.5 million.

## **Reasons for and Benefits of the GSH Disposal**

The GBT Directors consider that the GSH Disposal carries the following strategic benefits from the perspective of the GBT Group:

### ***1. Strategic restructuring of the Group to improve operational efficiency***

The GSH Disposal will be an integral part of the strategic restructuring of the Group. Upon GSH Completion, a clear delineation can be achieved between the business structures and operation sites and locations of the GBT Group and the GSH Group. While the GSH Group will focus on the manufacture and sale of, among others, corn sweeteners targeting the food and beverage and pharmaceutical industries, the GBT Group will direct its business attention to the manufacture and sale of, among others, amino acids products targeting the feed industry. As disclosed in the paragraph headed “Reasons for and Benefits of the Dihao Transfer” in this joint announcement, given that the production facilities of the Dihao Companies are located in the vicinity of the operation sites of the GBT Group in Changchun, the PRC and that sweeteners are intermediate products which could be processed downstream for the production of amino acids and polyol chemicals, following the Dihao Transfer, the production of amino acids by GBT could continue to be supported by the sweeteners supplied by the Dihao Companies. Apart from addressing the internal production needs of the GBT Group, the corn sweetener products of the Dihao Companies may also be sold externally to third parties if a reasonable level of profits can be generated after GSH Completion and Dihao Completion. In view of (1) the significant size of the corn sweetener market in China relative to the production capacities of the Dihao Companies and the GSH Group; and (2) the differences in geographical locations of the production facilities and in target markets of the Dihao Companies and the GSH Group, there is unlikely to be any direct competition between the GBT Group and the GSH Group even if the GBT Group commences to make external sales of corn sweetener products after GSH Completion and Dihao Completion. As regards production and manufacture of crystallised glucose, while this forms the principal business of Dihao Crystal Sugar within the corn sweeteners segment under the GSH Group, the operation of the relevant production facilities has been suspended since 2014, and such production facilities are no longer fit for production. The GBT Group does not have any plan to resume the operation of production facilities of crystallised glucose in the near future, and hence there will be no issue of competition between the GBT Group and the GSH Group in this regard following GSH Completion and Dihao Completion.

By segregating the business of the GSH Group from that of the Group as a whole, the business objectives and goals of the GBT Group will become more clearly defined. This will be conducive to building better cohesion in the GBT Group’s business and thereby increase the ease of both strategic planning and daily management of the GBT Group.

As the GBT Group will primarily be conducting its operations in Jilin province, the PRC subsequent to the GSH Completion, the GBT Group will then also be able to more effectively leverage the standing and connections in Jilin province of its controlling shareholder as a state-owned enterprise.

In addition, the GBT Group will have a streamlined management structure where all major business decisions can be made solely by the GBT Board without the need to seek the approval of, consult or involve the board of directors of any other listed company. The entire internal decision-making process can thus be speeded up, and the GBT Group will benefit from the higher degree of operational efficiency this will bring about. In particular, the GBT Group's plans for resumption of land and properties located in Luyuan District, Changchun and debt restructuring can be executed more swiftly going forward.

On the other hand, as the GBT Group and the GSH Group each has individual production facilities and resources, the GSH Disposal is not expected to cause any material disruption to the daily operations of the GBT Group.

As at the date of this joint announcement, transactions between GBT Group and GSH Group includes (i) an insignificant amount of raw material purchased by Shanghai Haocheng Food Development Co., Ltd\* (上海好成食品發展有限公司), an indirect wholly-owned subsidiary of GSH, from GBT Group, (ii) the reimbursement of costs of utilities on the utilities provided by GBT Group to Dihao Foodstuff; (iii) the leasing of certain land and premises to Dihao Foodstuff by GBT Group, the rental expenses of which were charged based on lease agreements signed between the parties; (iv) a licence agreement entered into between GBT and GSH in respect of the sharing of their head office and principal place of business in Hong Kong; and (v) interest on a loan due from GSH Group to GBT Group for the repayment of the Hongcheng Yuancheng Loan, further details of which are set out in the paragraph headed "3. Improvement of financial position and reduction of gearing level of the GBT Group" in this section. All the aforementioned transactions are either connected transactions or continuing connected transactions that are fully exempted from the shareholders' approval, annual review and disclosure requirements under Chapter 14A of the Listing Rules. Save for the interest on the Hongcheng Yuancheng Loan which the parties have yet to agree on concrete terms of repayment as at the date of this joint announcement and the licensing arrangement between GBT and GSH in respect of their head office and principal place of business in Hong Kong which is expected to continue under the same terms and conditions pursuant to the licence agreement for some time as a transitional period after GSH Completion, the aforementioned transactions are expected not to continue upon GSH Completion and Dihao Completion.

Save as disclosed above, as at the date of this joint announcement, there are no other connected transactions or continuing connected transactions between GBT Group and GSH Group.

As disclosed in the announcements of GBT dated 24 September 2019, 16 December 2019, 10 February 2020 and 29 May 2020, the production activities of operating subsidiaries of the GBT Group, namely Harbin Dacheng, Changchun Dahe and Dacheng Bio-tech have been suspended and the GBT Board has been monitoring local market conditions and the resources of the GBT Group to determine the next steps. As disclosed in the announcement of GBT dated 29 December 2022, Changchun Dahe had resumed its corn-refining and amino acid production operations in mid-December 2022. Set forth below is the background and status of the major production facilities of GBT Group at the date of this joint announcement.

Major subsidiary of GBT Group operating the relevant production facilities	Location	Status of operations and reason for suspension (where applicable)	Date from which such suspension began	Plan for resumption of operations and expected timeline	Approximate amount required for resumption of production	Current plans to obtain funding (Note)
Changchun Dahe	Dehui, Changchun, Jilin, the PRC	Resumed operations in mid-December 2022	December 2019	N/A	N/A	N/A
Dacheng Bio-Tech	Xinglongshan, Changchun, Jilin, the PRC	Operations suspended due to the impact of the then-outbreak of the Severe Respiratory Disease associated with a Novel Infectious Agent in the PRC, the overall capacity utilisation of the upstream corn refinery such that it was not commercially viable for the GBT Group to resume its upstream corn refining operations, and the need for GBT Group to minimise operating cash outflow and optimise the use of resources for its other core business activities.	February 2020	Production may be resumed as early as the fourth quarter of 2023 provided that GBT Group is able to secure financing in the interim.	RMB 0.2 billion to 0.3 billion	Debt restructuring and external financing plans of GBT
Dacheng Bio-Tech and 長春金寶特生物化工有限公司 (Changchun Jinbaote Bio-chem Co., Ltd*)	Xinglongshan, Changchun, Jilin, the PRC	Operations suspended due to sustained adverse market conditions for polyol chemicals production, such as glycols and resins, and weak market demand for corn-based antifreeze.	Polyol chemicals production: 3rd quarter of 2013 Antifreeze production: December 2022	Production may be resumed as early as the fourth quarter of 2023 provided that GBT Group is able to secure financing in the interim.	No resumption plans for polyol chemicals production until market conditions improve  RMB2.0 million for antifreeze production	Debt restructuring and external financing plans of GBT

Major subsidiary of GBT Group operating the relevant production facilities	Location	Status of operations and reason for suspension (where applicable)	Date from which such suspension began	Plan for resumption of operations and expected timeline	Approximate amount required for resumption of production	Current plans to obtain funding (Note)
Hongcheng Bio-Tech	Xinglongshan, Changchun, Jilin, the PRC	Operations suspended due to such production facilities being trial-run facilities, a weak demand for enzymes, its principal product, and the need for GBT Group to minimise operating cash outflow and optimise the use of resources for its other core business activities.	October 2021	Production may be resumed as early as the fourth quarter of 2023 provided that GBT Group is able to secure financing in the interim.	RMB3.0 million	Debt restructuring and external financing plans of GBT
Harbin Dacheng	Harbin, Heilongjiang, the PRC	Operations suspended and is in the process of being liquidated.	September 2019	N/A	N/A	N/A

*Note:* As at the date of this joint announcement, no concrete timeline has yet been agreed upon for the debt restructuring plan of GBT Group. For further details of the preliminary debt restructuring plan, please refer to the paragraph headed “3. Improvement of financial position and reduction of gearing level of the GBT Group” below.

As the GBT Board has determined that resources of the GBT Group shall be focused on the manufacturing and sales of amino acids products, the resumption of operations of the corn refineries are being prioritised in the short run so as to provide necessary feedstock for the production of amino acid products.

## 2. *Mitigation of risks of repayment of interest-bearing bank loans out of the GBT Group’s assets or financial resources*

Reference is made to the joint announcement made by GBT and GSH dated 4 May 2020 and 14 January 2022 in relation to breach of loan agreements. 遼寧省瀋陽市中級人民法院 (Intermediate People’s Court of Shenyang City, Liaoning Province\*) (the “**Shenyang Intermediate Court**”) has granted an order in favour of Jinzhou CCB for preservation of the bank balance (or assets of equivalent value) of GBT and certain subsidiaries of the GSH Group in the aggregate amount of RMB90,103,268.02. The court’s order is in respect of the Jinzhou CCB Loans in the principal amount of RMB189.9 million and the outstanding interest accrued thereon under various loan agreements entered into between Jinzhou Yuancheng, an indirect wholly-owned subsidiary of GSH, and Jinzhou CCB. The Shenyang Intermediate Court may further order enforcement of the mortgage on the land and properties owned by the GBT Group and the GSH Group. GBT and Dihao Foodstuff had also agreed to provide to Jinzhou CCB the Yuancheng CCB Guarantees (as defined below), which covered the obligations of Jinzhou Yuancheng in connection with the Jinzhou CCB Loans. For further details of the Jinzhou CCB

Loans and the Yuancheng CCB Guarantees, please refer to the section headed “Provision of Counter-guarantee and Indemnity by GSH to GBT Group – Background” in this joint announcement.

Following the change in control over the GSH Group as a result of the GSH Disposal, the Joint Offerors, being the new controlling shareholders of GSH, are expected to provide financing and/or assistance to the GSH Group to address its funding needs, including settlement of the Jinzhou CCB Loans and resolution of the disputes with Jinzhou CCB in that connection. As disclosed in the section headed “Issue of Convertible Bonds by GSH to the Joint Offerors under Specific Mandate” in this joint announcement, the Joint Offerors have agreed to subscribe for the Convertible Bonds in the principal amount of RMB120.0 million, and GSH intends to use the net proceeds for repayment of the Jinzhou CCB Loans and funding for the preparation for the resumption of Jinzhou production facilities. Further, as disclosed in the section headed “Provision of Counter-guarantee and Indemnity by GSH to GBT Group – The GSH Counter-guarantee Deed” in this joint announcement, GSH will provide the GSH Counter-guarantee under which GSH shall undertake to indemnify GBT and Dihao Foodstuff against all liabilities and obligations they may incur as a result of the Jinzhou Yuancheng Guarantees (which include the Yuancheng CCB Guarantees covering the obligations of Jinzhou Yuancheng in connection with the Jinzhou CCB Loans). Hence, there will be reduced likelihood that the relevant mortgage or guarantees will be enforced, or that the Jinzhou CCB Loans will otherwise have to be repaid out of the financial resources of the GBT Group.

### **3. *Improvement of financial position and reduction of gearing level of the GBT Group***

The top priority of the management of GBT has always been to continue pushing for its debt restructuring plan, such that the financing costs of the GBT Group can be further reduced. As at 31 December 2022, the Remaining Group’s interest-bearing bank and other borrowings amounted to approximately HK\$6,657.3 million (31 December 2021: HK\$6,937.7 million), while the GSH Group’s interest-bearing bank and other borrowings (excluding those of Dihao Foodstuff and Dihao Crystal Sugar, the entire equity interests in which are to be transferred by the GSH Group to the GBT Group under the Dihao SPAs) amounted to approximately HK\$456.3 million (31 December 2021: HK\$563.6 million). As illustrated in the paragraphs headed “Financial effects of the GSH Disposal” above, it is expected that GBT Group will record a gain of approximately HK\$298.0 million in connection with the GSH Disposal (taking into account the provision of the GBT Counter-guarantee and GSH Counter-guarantee). In addition, following the GSH Disposal, the GSH Group, which has been loss-making for an extended period of time, will no longer be accounted for and consolidated in the consolidated accounts of the GBT Group, and the net proceeds from the GSH Disposal will enrich the working capital of the GBT Group. The GSH Disposal will therefore improve the financial position of the GBT Group and reduce its needs for funding to meet its loan repayment obligations and working capital requirements.

Set forth below is a breakdown of all outstanding loans and borrowings of the GBT Group as at 31 January 2023 and the proposed plan for their respective settlement.

<b>Company name</b>	<b>Approximate amount of outstanding loan/borrowing (RMB'000)</b>	<b>Creditor</b>	<b>Due date of such loan/borrowing</b>	<b>Proposed settlement method</b>
Changchun Dahe	1,588,000	Jilin Cinda	Of this outstanding sum:  (i) RMB240,000,000 due on 7 June 2019  (ii) RMB239,000,000 due on 19 July 2019  (iii) RMB169,000,000 due on 24 January 2020  (iv) RMB400,000,000 due on 8 January 2020  (v) RMB160,000,000 due on 25 June 2021  (vi) RMB180,000,000 due on 25 June 2021  (vii) RMB200,000,000 due on 25 June 2021	Settlement through debt restructuring and external financing ( <i>Note 1</i> )
	592,827	Ningxia Huarong	30 December 2022	Settlement through compensation to be obtained from land resumption ( <i>Note 2</i> )
	200,000	Yatai BOJ	23 June 2023	Renewal of loan facilities for daily operation

Company name	Approximate amount of outstanding loan/borrowing (RMB'000)	Creditor	Due date of such loan/borrowing	Proposed settlement method
	51,150	Nongtou Group	Of this outstanding sum:  (i) RMB25,575,000 due on 4 August 2018  (ii) RMB25,575,000 due on 1 August 2018	Settlement via future operating cash flow of Changchun Dahe
Dacheng Bio-Tech	1,014,828	Jilin Cinda	24 January 2020	Settlement through debt restructuring and external financing ( <i>Note 1</i> )
	108,663	Ningxia Huarong	30 December 2022	Settlement through compensation to be obtained from land resumption ( <i>Note 2</i> )
	300,000	Yatai BOJ	21 December 2023	Renewal of loan facilities for daily operation
長春寶成生化發展有限公司 (Changcheng Baocheng Bio-chem Development Co., Ltd*)	1,485,000	Jilin Cinda	Of this outstanding sum:  (i) RMB520,000,000 due on 8 January 2020  (ii) RMB200,000,000 due on 22 July 2020  (iii) RMB765,000,000 due on 24 January 2020	Settlement through debt restructuring and external financing ( <i>Note 1</i> )

<b>Company name</b>	<b>Approximate amount of outstanding loan/borrowing (RMB'000)</b>	<b>Creditor</b>	<b>Due date of such loan/borrowing</b>	<b>Proposed settlement method</b>
長春大成實業集團進出口有限公司 (Changchun Dacheng Industrial Group Import Export Co., Ltd*)	278,796	Yatai BOJ	23 November 2023	Renewal of loan facilities for daily operation
Harbin Dacheng	50,000	大興安嶺農村商業銀行股份有限公司 (Daxinganling Rural Commercial Bank Co., Ltd.*)	22 December 2020	Harbin Dacheng is insolvent and is in the process of being liquidated
Hongcheng Bio-Tech	40,000	吉林省農業投資集團有限公司 (Jilin Agricultural Investment Group Co., Ltd.)	6 April 2024	RMB34.9 million will be settled via future operating cash flow of Jinzhou Yuancheng after GSH Completion, the remaining balance of RMB5.1 million will be settled by future operating cash flow of Changchun Dahe (Note 3)

*Notes:*

- (1) Such outstanding loan is subject to the debt restructuring plan of GBT Group. GBT has been pursuing debt restructuring plans following negotiations with creditor banks, which entail the assignment of the GBT Group's debts by the creditor banks to asset management companies followed by repayment and cancellation of the assigned debts by the GBT Group at a discounted price. As at the date of this joint announcement, GBT has been exploring the possibility of securing capital injection from strategic investors, the preliminary debt restructuring plan shall be facilitated by the end of 2023, but it is pending and subject to the internal approval from the respective creditors and relevant local government authorities and no concrete timelines have been agreed upon. GBT will make further announcement(s) in relation to any progress or details of the debt restructuring involving the GBT Group as and when appropriate.

- (2) Certain Remaining Luyuan Properties owned by GBT Group with an aggregate book value of approximately RMB444.9 million as at 31 December 2022 and land area of approximately 374,000 square meters have been pledged as security for these loans. It is intended that the sole repayment method of such loans shall be the sale of the Remaining Luyuan Properties (as defined below): if the relevant municipal government proceeds with the resumption of the Remaining Luyuan Properties, the compensation received by the GBT Group shall go towards repayment of the outstanding loans; on the other hand, if land resumption does not take place in time or at all, given that the Remaining Luyuan Properties are pledged as security, the pledgee-lenders may apply for the pledged Remaining Luyuan Properties to be sold by way of auction and receive proceeds of sale as settlement the outstanding loans. For further details of the land resumption process and progress, please refer to the paragraph headed “Reasons for and Benefits of the Dihao Transfer” in this joint announcement.
- (3) Reference is made to the joint announcements of GBT and GSH dated 4 May 2020, 27 April 2021, 24 September 2021, 14 January 2022, 8 September 2022 and 30 September 2022, in relation to, among others, a fixed term loan (the “**Jinzhou BOC Loan**”) due from Jinzhou Yuancheng to 中國銀行股份有限公司錦州港支行 (Jinzhou Port Branch of Bank of China\*) (“**Jinzhou BOC**”). As Jinzhou Yuancheng had failed to adhere to the repayment schedule under a settlement agreement for its breach of the loan agreement extending the Jinzhou BOC Loan, Jinzhou BOC had taken enforcement action against Jinzhou Yuancheng (the “**Claim**”). As part of the negotiation efforts between Jilin SASAC, Jinzhou Yuancheng and Jinzhou BOC to settle the Claim, 吉林省國有資本運營有限責任公司 (Jilin Province State-Owned Capital Operation Co., Ltd.\*) (“**Jilin Capital**”), which is owned as to approximately 90.2% by Jilin SASAC and approximately 9.7% by 吉林省財政廳 (Department of Finance of Jilin Province), and Nongtou, entered into an entrusted loan agreement with Yatai BOJ, pursuant to which Jilin Capital has entrusted Yatai BOJ to provide an entrusted loan in the principal amount of RMB40.0 million (the “**Entrusted Loan**”) to Nongtou for settling the Claim. In turn, Nongtou and Hongcheng Bio-Tech entered into a loan agreement on 30 September 2022, the purpose of which was to advance the Entrusted Loan to Hongcheng Bio-Tech.

Pursuant to a written agreement dated 30 September 2022 entered into between Hongcheng Bio-Tech and Jinzhou Yuancheng (the “**Hongcheng Yuancheng Loan Agreement**”), approximately RMB34.9 million was advanced from Hongcheng Bio-Tech to Jinzhou Yuancheng for repayment of the Jinzhou BOC Loan (the “**Hongcheng Yuancheng Loan**”) and thus the full and final settlement of the Claim. Pursuant to the Hongcheng Yuancheng Loan Agreement, Jinzhou Yuancheng had agreed to repay Hongcheng Bio-Tech such principal and interest accrued thereon. While the Hongcheng Yuancheng Loan has matured on 31 December 2022 and therefore had become due and payable under the Hongcheng Yuancheng Loan Agreement, Jinzhou Yuancheng shall give Hongcheng Bio-Tech the same treatment as all other creditors to whom Jinzhou Yuancheng owes overdue loan, and the arrangements for the repayment of the Hongcheng Yuancheng Loan shall not differ from those for repayment of Jinzhou Yuancheng’s other debts.

Set forth below is a breakdown of all outstanding loans and borrowings of the GSH Group as at 31 January 2023 and the proposed plan for their respective settlement.

Company name	Approximate amount of outstanding loan/borrowing (RMB'000)	Creditor	Due date of such loan/borrowing	Proposed settlement method
Jinzhou Yuancheng	212,500	Tiebei BOJ	Of this outstanding sum:  (i) RMB159,000,000 due on 24 August 2023 (Note 2); and  (ii) RMB53,500,000 due on 26 December 2022 (Note 1)	Renewal of loan facilities for daily operation after GSH Completion (Note 1 and 2)
	189,001	Jinzhou CCB	17 August 2020	First instalment of RMB60.0 million will be settled by proceeds from issue of Convertible Bonds; the then remaining outstanding loan to be settled within 10 months after the repayment of the first instalment by cash flow generated by the Jinzhou production facilities after its resumption of production, and further financing obtained (if necessary)(Note 1)
	34,900	Hongcheng Bio-Tech	31 December 2022	Future operating cash flow of Jinzhou Yuancheng after GSH Completion
Dihao Foodstuff	180,000	Jilin Cinda	17 June 2021	Repayment through debt restructuring and external financing (Note 3)

Company name	Approximate amount of outstanding loan/borrowing (RMB'000)	Creditor	Due date of such loan/borrowing	Proposed settlement method
	113,510	Ningxia Huarong	30 December 2022	Repayment through compensation to be obtained from land resumption (Note 4)
	4,900	Changchun Shuangyang Jiyin Rural Bank Co., Ltd.* (長春雙陽吉銀村鎮銀行股份有限公司)	31 December 2022	Repayment through debt restructuring and external financing

*Notes:*

- (1) The proposed settlement method has been arrived at upon preliminary negotiation between the GSH Group and the creditor, while the GSH Group has yet to enter into any written agreements or receive any written confirmations from the creditor, the GSH Group is optimistic that parties would be able to reach a favourable outcome with the loan to be settled as proposed. GSH will make further announcement(s) in relation to any progress or details of the settlement of the loan as and when appropriate.
- (2) In reaching the proposed settlement method upon preliminary negotiation between the GSH Group and Tiebei BOJ, the GSH Group had notified Tiebei BOJ, and Tiebei BOJ had taken into consideration, of the Dihao Transfer. Obligation of the GSH Group pursuant to this loan and the relevant guarantee (i.e. one of the Yuancheng Tiebei Guarantees) had been fulfilled. It is expected that the Dihao Transfer will not affect the proposed settlement method nor will it trigger a cross default of this loan.
- (3) The Remaining Luyuan Properties owned by Dihao Companies with a book value of approximately RMB62.5 million as at 31 December 2022 and a land area of approximately 76,000 square meters have been pledged as security for this loan. Despite there are Remaining Luyuan Properties pledged as security, it is intended that the sole repayment method of this loan shall be repayment through debt restructuring and external financing as the proceeds from the sale of the Remaining Luyuan Properties shall go towards the repayment of the loan to be repaid to Ningxia Huarong as described in note 4 below.
- (4) The Remaining Luyuan Properties owned by Dihao Companies with a book value of approximately RMB79.8 million as at 31 December 2022 and a land area of approximately 100,000 square meters have been pledged as security for this loan. The Remaining Luyuan Properties that are currently owned by the Dihao Companies will be owned by the GBT Group following the Dihao Completion which shall take place concurrently with the GSH Completion, and this loan will continue to be owed by Dihao Foodstuff, as a member of the GBT Group following the GSH Completion, to Ningxia Huarong. It is intended that the sole repayment method

of this loan shall be through the sale of the Remaining Luyuan Properties: if the relevant municipal government proceeds with the resumption of the Remaining Luyuan Properties, the compensation received by the GBT Group, as the owner of the Remaining Luyuan Properties following the Dihao Completion, shall go towards repayment of the outstanding loan; on the other hand, if land resumption does not take place in time or at all, given that the Remaining Luyuan Properties are pledged as security, the pledgee-lenders may apply for the pledged Remaining Luyuan Properties to be sold by way of auction and receive proceeds of sale as settlement the outstanding loan. For further details of the land resumption process and progress, please refer to the paragraph headed “Reasons for and Benefits of the Dihao Transfer” in this joint announcement.

**4. *Dedication of resources to business segments with higher development potential (such as the amino acids segment) to optimise financial performance of the GBT Group and maximise investment returns of the GBT Shareholders***

Through the GSH Disposal, the business lines of the GBT Group will become more streamlined. This will allow the GBT Group to direct its focus and resources to those operating segments with greater efficiency and readiness to generate cash inflows to the GBT Group, paving its way for further resumption of other operation sites. On 29 December 2022, GBT announced that the operation of its amino acids production facilities at Changchun Dahe has resumed since mid December 2022. Based on the unaudited financial information of the GBT Group currently available to the management of GBT, since mid-December 2022 and up to 28 February 2023, the Remaining Group has secured over 130 domestic sales contracts for amino acid products and upstream products with aggregate sales volume of over 34,000 metric tonnes with a total contract sum of approximately RMB161.5 million. The GBT Group’s amino acids segment has been one of the major revenue contributors of the GBT Group. During the period from the year ended 31 December 2017 to the year ended 31 December 2019, the amino acids segment accounted for approximately 21.7% to 47.8% of the total revenue of the GBT Group for the relevant financial year. The GBT Board believes that the future net cash inflows to be generated by Changchun Dahe will power and benefit the operations of other business segments of the GBT Group. After the GSH Completion, the management can concentrate on utilising the GBT Group’s internally generated funds and resources to revive and develop the various other segments of the GBT Group, such as resumption of upstream production activities at the Xinglongshan sites and research and development work. The GBT Group will thus regain momentum and be in a better position to pursue and/or proceed with its business strategies and future plans.

Given the poor liquidity of the GSH Shares as reflected by their low trading volume on the Main Board of the Stock Exchange, it has been largely impracticable for the GBT Group to realise its equity interests in GSH in the market. As the opportunity presents itself, the GBT Directors consider that the GBT Group should avail itself of the GSH Disposal to achieve business revival.

As regards the consideration, having considered the factors detailed in the paragraph headed “Consideration for the GSH Sale Shares” above, the GBT Directors believe that the pricing basis has catered for the financial interests of both parties to the GSH SPA, with an appropriate balance struck and a fair reflection of the prevailing market value of the GSH Shares.

Having regard to the reasons for and benefits of the transaction as set forth above, the GBT Directors are of the view that the terms of the GSH Disposal (including the consideration) are fair and reasonable and in the interests of GBT and the GBT Shareholders as a whole.

## **DISPOSAL OF ENTIRE EQUITY INTERESTS IN DIHAO COMPANIES BY GSH GROUP TO GBT GROUP**

On 6 April 2023 (after trading hours), the Dihao Vendors and the Dihao Purchaser entered into the Dihao SPAs, pursuant to which, among others, the Dihao Vendors have conditionally agreed to sell and the Dihao Purchaser has conditionally agreed to purchase the entire equity interests in the Dihao Companies, at an aggregate consideration of RMB2.0.

The principal terms of the Dihao SPAs are set out below:

### **Date**

6 April 2023

### **Parties**

Dihao SPA I: (1) Dihao Vendor A and Dihao Vendor B (all being wholly-owned subsidiaries of GSH)

(2) Dihao Purchaser (a wholly-owned subsidiary of GBT)

Dihao SPA II: (1) Dihao Vendor A and Dihao Vendor C (all being wholly-owned subsidiaries of GSH)

(2) Dihao Purchaser (a wholly-owned subsidiary of GBT)

As at the date of this joint announcement and prior to the GSH Completion and the Dihao Completion, the Dihao Vendors are subsidiaries of GBT and the Dihao Purchaser is a connected person of the GSH.

### **Assets to be disposed of**

Pursuant to the Dihao SPA I, (i) Dihao Vendor A and Dihao Vendor B have conditionally agreed to sell, and the Dihao Purchaser has conditionally agreed to purchase, the Dihao Foodstuff Sale Interest. Pursuant to the Dihao SPA II, (ii) Dihao Vendor A and Dihao Vendor C have conditionally agreed to sell, and the Dihao Purchaser has conditionally agreed to purchase, the Dihao Crystal Sugar Sale Interest, free from all encumbrances.

## **Consideration**

The aggregate consideration for the Dihao Transfer is RMB2.0, of which RMB1.0 and RMB1.0 are attributable to the Dihao Foodstuff Sale Interest under the Dihao SPA I and the Dihao Crystal Sugar Sale Interest under the Dihao SPA II, respectively.

The consideration was determined after arm's length negotiations between the Dihao Vendors and the Dihao Purchaser taking into account (i) the net liabilities value of the Dihao Companies as at 31 December 2022 of approximately HK\$408.6 million; and (ii) the loss-making position of the Dihao Companies in recent financial periods as elaborated in the paragraph headed "Reasons for and Benefits of the Dihao Transfer" in this joint announcement; and (iii) the preliminarily estimation of compensation for the resumption of the portion of the Remaining Luyuan Properties owned by the Dihao Companies of approximately RMB270.0 million to RMB290.0 million, the basis of estimation of which is further elaborated in the paragraph headed "Reasons for and Benefits of the Dihao Transfer" in this joint announcement.

## **Payment**

The consideration shall be settled by the Dihao Purchaser by paying the Dihao Vendors in cash on the Dihao Completion Date and shall be satisfied with internal resources of the GBT Group.

## **Conditions Precedent**

Dihao Completion is conditional on, among others, the following conditions being satisfied or waived (if applicable):

1. GSH having obtained all necessary consents and approvals in relation to the Dihao SPAs, GSH Counter-guarantee, all the transactions contemplated thereunder and all other relevant documents thereto from the GSH Independent Shareholders in the GSH EGM;
2. (if necessary) GBT having obtained all necessary consents and approvals in relation to the Dihao SPAs, GBT Counter-guarantee, all the transactions contemplated thereunder and all other relevant documents thereto from the GBT Shareholders in the GBT EGM;
3. the Executive having granted its consent under Rule 25 of the Takeovers Code in respect of the Dihao SPAs and all the transactions contemplated thereunder;
4. all representations, warranties or undertakings given by the Dihao Vendors under the Dihao SPAs remaining true and accurate in all material aspects;
5. the Dihao Purchaser being satisfied with the results of financial, business and legal due diligence on the Dihao Companies, and such results do not show that the Dihao Vendors' representations, warranties or commitments in the Dihao SPAs have been breached or are in any material respect inaccurate and/or misleading;

6. the GSH Completion being concurrent with the Dihao Completion; and
7. the completion of the Dihao SPAs being taken place concurrently.

If one or more of the conditions precedent are not satisfied or waived (as the case may be) on or before the Dihao Long Stop Date, the Dihao SPAs shall lapse and, unless otherwise agreed in the Dihao SPAs, each of the parties shall be released from its obligations and responsibilities thereunder, except for any antecedent breaches.

The conditions numbered 4 and 5 above may be waived in writing by the Dihao Purchaser before the Dihao Long Stop Date. None of the other conditions can be waived.

### Dihao Completion

Dihao Completion for each of the Dihao SPA shall take place concurrently with the other Dihao SPA on the tenth Business Day after all conditions precedent (other than conditions precedent that are stipulated to be fulfilled on the Dihao Completion Date) are being fulfilled or waived (as the case may be) or any other date as agreed by the parties in writing.

### Financial Information of the Dihao Companies

Set out below are the audited financial information of Dihao Companies for the two years ended 31 December 2021 and 2022, prepared in accordance with HKFRSs issued by the HKICPA:

	Revenue		Net (loss)/profit		Net (loss)/profit	
	HK\$'000		before taxation		after taxation	
	HK\$'000		HK\$'000		HK\$'000	
	For the year ended 31		For the year ended 31		For the year ended 31	
	December		December		December	
	2022	2021	2022	2021	2022	2021
Dihao Foodstuff	-	931	(552,215)	65,091	(552,215)	53,632 (Note)
Dihao Crystal Sugar	-	-	(393,133)	(3,606)	(393,133)	(2,992)

As at 31 December 2022, the audited net liabilities value of Dihao Foodstuff and Dihao Crystal Sugar were approximately HK\$364.1 million and HK\$44.5 million, respectively.

*Note:* The net profit of Dihao Foodstuff in 2021 mainly represented the recognition of a one-off gain on debt restructuring of approximately HK\$128.3 million following the completion of the repurchase agreements dated 26 March 2021 entered into between Dihao Foodstuff and 長春潤德投資集團有限公司 (Changchun Rudder Investment Group Co., Ltd.\*), an independent third party which is not a connected person of the Group.

## Reasons for and Benefits of the Dihao Transfer

It came as a much welcome relief when the Joint Offerors expressed their interest in taking over the GSH Group and providing financing for repayment of certain loans and resumption of certain production facilities of the GSH Group, which may help put it back on the road to recovery. The intention of the Joint Offerors is that the Dihao Companies should be segregated from the GSH Group as they acquire control over the GSH Group. The purpose of the Dihao Transfer is to restructure and rationalise the management, financial performance, debt management and administration of land of the GBT Group and the GSH Group after the GSH Group ceases to be subsidiaries of GBT. Each of the benefits of the Dihao Transfer to the GSH Group is further elaborated on in the paragraphs below.

From management perspective, the Dihao Companies are both situated in Changchun, the PRC, where the major production facilities of the GBT Group are situated while all other production facilities of the GSH Group are situated elsewhere in the PRC. As such, the Dihao Transfer would enable the Dihao Companies to be managed under the ambit of the GBT Group with other members of the GBT Group in Changchun, which could enhance the cost and operational efficiency, create potential synergies and reduce the connected transactions between the GBT Group and the GSH Group.

The Dihao Companies have been loss-making since 2014, due to the concentration of low-end users in the sweeteners market in Northeast China, economic slowdown in China in the past years and the protectionist agricultural policy in favour of corn farmers. As such, the GSH Group has scaled down operation of the Dihao Companies since March 2014. Based on the audited financial information as at 31 December 2022, the audited net liabilities value of the Dihao Companies were approximately HK\$408.6 million, the Dihao Transfer will therefore improve the financial position of the GSH Group. Whereas, following the Dihao Transfer, given that the principal activities of the GBT Group is the production of amino acids and the fact that sweeteners are intermediate products which could be processed further downstream for the production of amino acids and polyol chemicals, the production of amino acids by GBT could continue to be supported by the sweeteners supplied by the production facilities of the Dihao Companies located in the vicinity of the operation sites of the GBT Group in Changchun, the PRC. GBT would also have a higher flexibility in reacting to market changes if the Dihao Companies are operated by the GBT Group, as the sweetener products of the Dihao Companies could either be sold to the market directly if it is profitable or be used to support the internal production needs of the GBT Group.

In addition, as announced by GBT and GSH on 23 December 2020 and as described in the paragraph headed “Provision of Counter-guarantee and Indemnity by GBT to GSH” in this joint announcement, Jilin Cinda has agreed to purchase, at a total consideration of approximately RMB414.7 million, all of Nongan ABC’s rights and benefits in, among others, the Dihao Foodstuff Loan with a principal amount of approximately RMB180.0 million and certain loans owed by the GBT Group with a principal amount of approximately RMB920.0 million, together with the aggregate outstanding interests in respect of these loans. It is understood that the aforementioned debt restructuring plan has been facilitated by the relevant lenders owing to the fact that the State-owned Assets Supervision and Administration Commission of the State Council in Jilin (“**Jilin SASAC**”) has indirect control over the relevant borrowers through its controlling shareholding in GBT. Given that GSH and its

subsidiaries will cease to be subsidiaries of GBT following the GSH Completion and no longer be under the indirect control of Jilin SASAC, in order for the debt restructuring plan to continue to be facilitated by the lenders, it is necessary for the Dihao Transfer to be carried out to allow Dihao Foodstuff to remain under the indirect control of Jilin SASAC.

As disclosed in the paragraph headed “3. Improvement of financial position and reduction of gearing level of the GBT Group” in the section headed “Disposal of approximately 47.00% of the issued Shares in GSH by GBT Group to the Joint Offerors” in this joint announcement, the GSH Group has certain outstanding loans and borrowings as at 31 January 2023. The GSH Group had given notification to all of the creditors of the relevant loans about the Dihao Transfer and had fulfilled its obligations pursuant to the respective loan agreements. While the GSH Group has yet to enter into any written agreements or receive any written confirmations from the relevant creditors, it is the preliminary mutual understanding between the GSH Group and each of the creditors that the Dihao Transfer will not be an event triggering such creditors to call for repayment of the loans or enforce the guarantee(s) of the respective loans.

The Dihao Companies and certain members of the GBT Group are owners of the Luyuan Properties, as announced by 長春市人民政府 (The Changchun Municipal Government\*) in 2019 when it confirmed that the Luyuan Properties formed part of the subject properties for redevelopment under the PRC’s Slum Redevelopment Policy. As announced by GBT and GSH on 24 August 2020 and 30 September 2020, the first phase of resumption by 長春市綠園區人民政府 (The People’s Government of Luyuan District of Changchun City\*) (the “**Luyuan Government**”) involving certain Luyuan Properties owned by Dihao Foodstuff was completed in 2020 and Dihao Foodstuff received a total compensation of approximately RMB443.0 million for the land of approximately 149,249 square metres. Despite the fact that the Group has been in negotiation with the Luyuan Government regularly, the emaining Luyuan Properties have remained in the process of resumption ever since due to the prolonged negotiations on areas including the fair amount of compensation to be received and the arrangements with the lenders of the loans for which certain Remaining Luyuan Properties are pledged as security, and the timetable for completion of the resumption remains uncertain as at the date of this joint announcement. It is uncertain as to the amount of compensation that could be received by the Dihao Companies and the GBT Group as a result of the resumption of the Remaining Luyuan Properties. Based on the past experience in the first phase of the resumption of the Luyuan Properties in 2020, the GSH Directors preliminarily estimate the compensation for the portion of the Remaining Luyuan Properties owned by Dihao Companies with a book value of approximately RMB79.8 million as at 31 December 2022 and a land area of approximately 100,000 square meters to be approximately RMB270.0 million to RMB290.0 million by proportioning the amount of compensation received in 2020 for the land which completed resumption in 2020 by the relative sizes of land. As for the GBT Group, the portion of the Remaining Luyuan Properties owned by the GBT Group have an aggregate book value of approximately RMB665.9 million as at 31 December 2022 and land area of approximately 760,000 square meters. As at the date of this joint announcement, the GBT Directors are not able to provide a meaningful preliminary estimate of the compensation to be received due to (i) the significantly larger plot of land involved and (ii) the fact that the first phase of resumption involved land in an adjacent area of a similar size to the Remaining Luyuan Properties of the Dihao Companies and therefore provided a somewhat comparable basis for estimating

compensation to be received; whereas, the Remaining Properties of the GBT Group involve a much larger plot of land and which would be resumed in phases over a period of time, during which the land valuation and compensation amount may vary substantially. It is expected that the proceeds from resumption will merely be sufficient to cover the settlement of certain outstanding loans and interests. If the proceeds from resumption cannot be received before those debts have to be repaid, the GBT Group will seek alternative external financing to satisfy the debts.

The majority of the Remaining Luyuan Properties has been pledged as security for loans. These loans are to be repaid to Jilin Cinda and Ningxia Huarong and have an aggregate outstanding principal amount as at 31 January 2023 of approximately RMB995.0 million. As at 31 December 2022, the book value of such pledged assets attributable to loans to be repaid to Jilin Cinda and Ningxia Huarong were approximately RMB563.4 million. For further details on the particulars of the loans which have Remaining Luyuan Properties pledged as security, please refer to the tables showing the outstanding loans and borrowings of the GBT Group and the GSH Group under the paragraph headed “3. Improvement of financial position and reduction of gearing level of the GBT Group” in this joint announcement. In the case that the resumption fails to be completed and no compensation will be received or the resumption cannot be completed before the lenders request for repayment of the outstanding loans, the lenders may apply for the pledged Remaining Luyuan Properties to be sold by way of auction for settlement of the outstanding loans if alternative external financing cannot be arranged in time, resulting in a reduced asset value for the GBT Group assuming the Dihao Completion takes place. In the case that the Remaining Luyuan Properties have to be sold by way of auction, considering that the site where the Remaining Luyuan Properties are situated have been identified by the local government for resumption and negotiations have been ongoing, it is anticipated that, apart from any other third party who may be interested in bidding for the Remaining Luyuan Properties, at least the land developer appointed by the local government for the resumption will participate in the auction. It could also be foreseen that the lenders that has applied for the auction to take place would set an appropriate reserve price to safeguard their own interests in maximising the amount that could be recovered from the proceeds of sale in the auction. It is not possible or realistic to make an estimation of the reserve price or the hammer price for the sale of the Remaining Luyuan Properties in the auction on the date of this joint announcement due to the similar uncertainties as disclosed above regarding the preliminary estimation of the amount of proceeds that could be received from land resumption. Nonetheless, no additional liabilities are expected to be incurred by GBT Group and Dihao Companies in the case that the land resumption fails to be completed.

In view of the fact that the Dihao Companies only own approximately one-seventh of the Remaining Luyuan Properties and such portion has been used as security for certain loans owed by the Dihao Companies, it would be more efficient for GBT, as the ultimate owner of the majority of the Remaining Luyuan Properties, to be in charge of the negotiation, valuation of land and execution of the land transfer the Remaining Luyuan Properties in the resumption, and quicker decision-making process and less administrative hurdles are expected if only one party is involved. The Dihao Transfer could allow the Remaining Luyuan Properties to remain to be owned by the GBT Group despite the GSH Disposal and could be expedited the process of negotiation with the Luyuan Government in respect of the resumption as such transaction could then be handled by the management of the GBT

Group without involving the new management of the GSH Group following the GSH Disposal. At the same time, GSH could concentrate its effort in its own business operation without having to expend resources to participate in the negotiations for the resumption. With GBT taking the sole charge of the negotiations for the resumption following the Dihao Transfer, there should be an improved prospect for the completion of the resumption of the Remaining Luyuan Properties in around 2024 to 2025, taking into account as the real estate market downturn in PRC recently which necessitates the management of GBT to spend more time to bargain with Luyuan Government and strive for the best interest of the GBT Group.

It follows that the Dihao Transfer, whether on a standalone basis or as a transaction ancillary or incidental to the GSH Disposal, is favourable to the GSH Group. The GBT Group, on the other hand, is disposed to accede to the Joint Offerors' proposal in relation to the Dihao Transfer given its benefits to the GBT Group. These include, among others, the potential increase in operational efficiency and synergies that can be created due to the geographical proximity of the Dihao Companies to the production facilities of the GBT Group, and the expedition in negotiations with the Luyuan Government in respect of resumption of the Remaining Luyuan Properties, as explained in the paragraphs above.

The GBT Directors (including the independent non-executive GBT Directors) consider that the Dihao Transfer and the terms of the Dihao SPAs (including the consideration) are on normal commercial terms and fair and reasonable, and the Dihao Transfer contemplated thereunder is in the interest of GBT and the GBT Shareholders as a whole.

The GSH Directors (excluding the independent non-executive GSH Directors who will express their views after considering the advice of the Independent Financial Adviser) consider that the Dihao Transfer and the terms of the Dihao SPAs (including the consideration) are on normal commercial terms and fair and reasonable, and the Dihao Transfer contemplated thereunder is in the interest of GSH and the GSH Shareholders as a whole.

### **Financial Effect of the Dihao Transfer and Use of Proceeds**

Based on the aggregate net liabilities value of the Dihao Companies of approximately HK\$408.6 million as at 31 December 2022, and the aggregate consideration for the Dihao Sale Interests of RMB2.0, it is expected that the GSH Group, following the Dihao Completion, will record a net gain of approximately HK\$408.6 million as a result of the Dihao Transfer. The actual gain shall be subject to the assessment of the financial effect of the Dihao Foodstuff Guarantee provided by GSH to Dihao Foodstuff, GBT Counter-guarantee and the Jinzhou Yuancheng Guarantees provided by GBT and Dihao Foodstuff to Jinzhou Yuancheng as a result of the change of Dihao Companies from members of the GSH Group to the GBT Group and the final audit to be performed by GSH's auditors.

Upon Dihao Completion which shall be concurrent with the GSH Completion, (i) the GSH Group will cease to hold any interest in the Dihao Companies, which will cease to be subsidiaries of GSH and financial results will no longer be consolidated into the financial statements of GSH Group; and (ii)

the GBT Group will hold the entire equity interest in the Dihao Companies, which will be wholly-owned subsidiaries of GBT and their financial results will be consolidated into the financial statements of the GBT Group.

The GSH Group intends to utilise the net proceeds from the Dihao Transfer for general working capital purpose.

**Shareholders and/or potential investors of GBT and GSH should be aware and take note that the sale and purchase of the Dihao Sale Interests are conditional upon satisfaction and/or waiver of the conditions precedent in the Dihao SPAs and therefore may or may not proceed.**

## **PROVISION OF COUNTER-GUARANTEE AND INDEMNITY BY GBT TO GSH**

### **Background**

Reference is made to the joint announcement of GBT and GSH dated 23 December 2020 (the “**Debt Restructuring Joint Announcement**”). On 13 June 2019, Dihao Foodstuff entered into a loan agreement with Nongan ABC, pursuant to which Nongan ABC granted to Dihao Foodstuff the Dihao Foodstuff Loan with a principal amount of RMB180.0 million and a term of two years from the drawdown date, i.e. 18 June 2019, for debts refinancing purposes. Under the guarantee agreement dated 20 May 2019 entered into between Nongan ABC as lender and GSH as guarantor, GSH, as a holding company of Dihao Foodstuff, had agreed to provide to Nongan ABC the Dihao Foodstuff Guarantee in respect of the debts to be owed by Dihao Foodstuff to Nongan ABC arising during the period from 20 May 2019 to 19 May 2021. Under the Dihao Foodstuff Guarantee, the maximum guaranteed debts amount shall be RMB250.0 million. The Dihao Foodstuff Guarantee covered the obligations of Dihao Foodstuff in connection with the Dihao Foodstuff Loan. The guarantee period shall end two years after the final repayment deadlines of the guaranteed debts.

As further disclosed in the Debt Restructuring Joint Announcement, Jilin ABC has published a public announcement in mid-December 2020 announcing the agreement of Jilin ABC (acting on behalf of Nongan ABC) to sell and the agreement of Jilin Cinda to purchase all of Nongan ABC’s rights and benefits in connection with the loans with an aggregate outstanding principal amount of approximately RMB1,400.0 million. Such transferred loans included, among others, the Dihao Foodstuff Loan.

Upon Dihao Completion, Dihao Foodstuff will cease to be a subsidiary of GSH and become part of the GBT Group. It is a term of the Dihao SPAs that GBT shall execute and deliver to GSH the GBT Counter-guarantee Deed at Dihao Completion, such that GBT will, among others, provide counter-guarantee and indemnity to GSH in respect of the obligations and liabilities GSH may incur and suffer under the Dihao Foodstuff Guarantee.

## **The GBT Counter-guarantee Deed**

The principal terms of the GBT Counter-guarantee Deed are summarised as follows:

Expected execution date: Dihao Completion Date

Parties: (1) GBT (as counter-guarantor); and  
(2) GSH (as provider of the Dihao Foodstuff Guarantee)

GSH and its ultimate beneficial owners as at the expected execution date of the GBT Counter-guarantee Deed (i.e. the Joint Offerors) do not fall within the definition of connected persons of GBT under Chapter 14A of the Listing Rules and hence are third parties independent of GBT Group and connected persons of GBT Group.

As at the Dihao Completion Date, GBT shall remain as a substantial shareholder and a connected person of GSH under Chapter 14A of the Listing Rules.

Undertaking to release the Dihao Foodstuff Guarantee: Under the GBT Counter-guarantee Deed, GBT shall irrevocably and unconditionally undertake to use its best endeavours to procure effective and full release of the obligations and liabilities of GSH under the Dihao Foodstuff Guarantee as soon as practicable and, in any event, within twelve months after Dihao Completion (or such later date as GBT and GSH may agree in writing).

Undertaking to indemnify: Under the GBT Counter-guarantee Deed, GBT shall irrevocably and unconditionally undertake to GSH that, during the term of the GBT Counter-guarantee, GBT shall on demand indemnify and keep GSH indemnified against all payments which are made or demanded to be made by GSH, all losses, damages, debts, and expenses which GSH incurs or suffers, all claims, proceedings, arbitrations or other legal actions which are brought against GSH, and all liabilities or obligations which GSH is called upon to bear or perform as a result of the Dihao Foodstuff Guarantee, provided that any exercise by GSH of its rights under the GBT Counter-guarantee Deed shall be conditional upon the effective and full release of the Jinzhou Yuancheng Guarantees.

Undertaking of no further drawdown:	Under the GBT Counter-guarantee Deed, GBT shall undertake to procure Dihao Foodstuff (as the borrower of the Dihao Foodstuff Loan) not to make any further drawdown under the Dihao Foodstuff Loan.
Maximum liability:	<p>Pursuant to the GBT Counter-guarantee Deed, the maximum principal amount of the debts under the Dihao Foodstuff Guarantee in respect of which GBT shall indemnify GSH is RMB180.0 million, which is equivalent to the outstanding principal amount under the Dihao Foodstuff Loan.</p> <p>The maximum liability GBT may incur under the GBT Counter-guarantee is equivalent to the cap on liability under the Dihao Foodstuff Guarantee, i.e. RMB250.0 million.</p>
Term:	The GBT Counter-guarantee shall be valid from the Dihao Completion Date until the day on which all of the obligations and liabilities of GSH under the Dihao Foodstuff Guarantee are fully and effectively released (both dates inclusive).

### **Reasons for and Benefits of the GBT Counter-guarantee**

The Dihao Foodstuff Guarantee was provided by GSH in respect of the debts to be owed by Dihao Foodstuff as per the request of the lender when GSH was a holding company of Dihao Foodstuff. Following Dihao Completion, Dihao Foodstuff will cease to be a subsidiary of GSH and become part of the GBT Group. In the light of the GSH Completion with the consequential restructuring of the GBT Group and the GSH Group, it will be logical and advisable to procure release of the obligations and liabilities of GSH under the Dihao Foodstuff Guarantee. However, financial resources for full repayment of the Dihao Foodstuff Loan may not be immediately available; change of guarantor under the Dihao Foodstuff Guarantee may also not be immediately achievable because the lender's consent will have to be sought and this will be subject to negotiations with and the internal clearance procedures of the lender. Hence, it is unlikely that release of the obligations and liabilities of GSH under the Dihao Foodstuff Guarantee can be secured in the near future. In the interim, it will make commercial sense for GBT to provide counter-guarantee and indemnity to GSH such that, subsequent to Dihao Completion, GSH will be covered for the obligations and liabilities it may incur under the Dihao Foodstuff Guarantee in connection with the debts owed by Dihao Foodstuff as a then non-group entity of GSH. This will also serve to bring the financial assistance provision arrangements in line with the new ownership structure of Dihao Foodstuff, where GBT will become the *de facto* entity providing guarantee in respect of the debts owned by Dihao Foodstuff as then part of the GBT Group. The GBT Counter-guarantee is therefore a logical consequence and an indispensable part of the Dihao Transfer. The GBT Counter-guarantee Deed at the same time offers due safeguard for the interests of GBT as the rights of GSH under the GBT Counter-guarantee Deed may only be exercised after the Jinzhou Yuancheng Guarantees have been effectively and fully released, when the GBT Group (i.e. GBT and Dihao Foodstuff) will not be required to assume or bear any obligation or liability in respect

of the debts owned by Jinzhou Yuancheng which will then no longer be part of the GBT Group. For these reasons, the parties to the Dihao SPAs have agreed that GBT shall execute and deliver to GSH the GBT Counter-guarantee Deed at Dihao Completion.

Having regard to the reasons for and benefits of the transaction as set forth above, the GBT Directors (including the independent non-executive GBT Directors) consider that the terms of the GBT Counter-guarantee Deed are fair and reasonable and in the interests of GBT and the GBT Shareholders as a whole.

## **PROVISION OF COUNTER-GUARANTEE AND INDEMNITY BY GSH TO GBT GROUP**

### **Background**

On 18 October 2019, Jinzhou Yuancheng, an indirect wholly-owned subsidiary of GSH, entered into three loan agreements with Jinzhou CCB, pursuant to which Jinzhou CCB granted to Jinzhou Yuancheng loans with an aggregate principal amount of RMB189.9 million and a term of ten months from the date of the loan agreements, i.e. 18 October 2019, for debts refinancing purposes (the “**Jinzhou CCB Loans**”). As at 31 December 2022, the outstanding principal amount under the Jinzhou CCB Loans is approximately RMB189.0 million. Under the two guarantee agreements both dated 13 September 2018 entered into between Jinzhou CCB as lender and GBT and Dihao Foodstuff as the respective guarantor, GBT and Dihao Foodstuff, respectively as a holding company and group company of Jinzhou Yuancheng at that time, had each agreed to provide to Jinzhou CCB guarantee (collectively, the “**Yuancheng CCB Guarantees**”) in respect of the debts to be owned by Jinzhou Yuancheng to Jinzhou CCB arising during the period from 13 September 2018 to 31 December 2019 (the “**Loan Period**”). Under each of the Yuancheng CCB Guarantees, the maximum guaranteed principal amount shall be RMB200.0 million. The Yuancheng CCB Guarantees covered the obligations of Jinzhou Yuancheng in connection with the Jinzhou CCB Loans. The guarantee period of the Yuancheng CCB Guarantees shall end three years after the date of expiration of the respective debts repayment period pursuant to the respective loan agreements entered into between Jinzhou Yuancheng and Jinzhou CCB during the Loan Period.

On 25 August 2020 and 27 December 2021 respectively, Jinzhou Yuancheng, as borrower, entered into loan agreements with Tiebei BOJ, as lender, for respective loan with a principal amount of RMB159.0 million and RMB53.5 million for a respective term of three years and one year from the date of the respective loan agreement (collectively, the “**Tiebei BOJ Loans**” together with the Jinzhou CCB Loans, the “**Jinzhou Yuancheng Loans**”) for debts refinancing purposes. Under the two guarantee agreements dated 11 June 2021 and 27 December 2021 respectively entered into between Tiebei BOJ as lender and Dihao Foodstuff as guarantor, Dihao Foodstuff, as a group company of Jinzhou Yuancheng at that time, had agreed to provide to Tiebei BOJ guarantees in respect of each of the Tiebei BOJ Loans, covering the total principal amount of RMB159.0 and RMB53.5 million respectively under Tiebei BOJ Loans, together with the interest accrued thereon, penalty interest, liquidated damages and other compensation to which Tiebei BOJ may be entitled, and all fees and expenses incurred by Tiebei BOJ to enforce the Tiebei BOJ Loans and the Yuancheng Tiebei Guarantees (the “**Yuancheng Tiebei Guarantees**”, together with Yuancheng CCB

Guarantees, the “**Jinzhou Yuancheng Guarantees**”). The guarantee period of the Yuancheng Tiebei Guarantees shall end two years after the respective date of expiration of the respective term of the Tiebei BOJ Loans.

Upon GSH Completion, GSH will cease to be a subsidiary of GBT. Dihao Foodstuff will also cease to be a subsidiary of GSH and become part of the GBT Group upon Dihao Completion. It is a term of the Dihao SPAs that GSH shall execute and deliver to GBT and Dihao Foodstuff the GSH Counter-guarantee Deed at Dihao Completion, such that GSH will, among others, provide counter-guarantee and indemnity to GBT and Dihao Foodstuff in respect of the obligations and liabilities GBT and Dihao Foodstuff may incur and suffer under the Jinzhou Yuancheng Guarantees.

### **The GSH Counter-guarantee Deed**

The principal terms of the GSH Counter-guarantee Deed are summarised as follows:

Expected execution date: Dihao Completion Date

Parties: (1) GSH (as counter-guarantor);  
(2) GBT (as provider of the Yuancheng CCB Guarantees); and  
(3) Dihao Foodstuff (as provider of the Yuancheng CCB Guarantees and the Yuancheng Tiebei Guarantees)

As at the GSH Completion Date and Dihao Completion Date, GBT will remain a substantial shareholder of GSH, whereas Dihao Foodstuff will by then become an indirect wholly-owned subsidiary of GBT. Each of GBT and Dihao Foodstuff will therefore remain connected persons of GSH under Chapter 14A of the Listing Rules and hence the provision of the GSH Counter-guarantee to GBT and Dihao Foodstuff will constitute a connected transaction of GSH under Chapter 14A of the Listing Rules.

Undertaking to release the Jinzhou Yuancheng Guarantees: Under the GSH Counter-guarantee Deed, GSH shall irrevocably and unconditionally undertake to GBT and Dihao Foodstuff to use its best endeavours to procure effective and full release of the obligations and liabilities of GBT and Dihao Foodstuff under the Jinzhou Yuancheng Guarantees as soon as practicable and, in any event, within twelve months after Dihao Completion (or such later date as GSH, GBT and Dihao Foodstuff may agree in writing).

Undertaking to indemnify: Under the GSH Counter-guarantee Deed, GSH shall irrevocably and unconditionally undertake to each of GBT and Dihao Foodstuff that, during the term of the GSH Counter-guarantee, GSH shall on demand indemnify and keep GBT or Dihao Foodstuff (as the case may be) indemnified against all payments which are made or demanded to be made by GBT or Dihao Foodstuff, all losses, damages, debts, and expenses which GBT or Dihao Foodstuff incurs or suffers, all claims, proceedings, arbitrations or other legal actions which are brought against GBT or Dihao Foodstuff, and all liabilities or obligations which GBT or Dihao Foodstuff is called upon to bear or perform as a result of the Jinzhou Yuancheng Guarantees, provided that any exercise by GBT or Dihao Foodstuff of its rights under the GSH Counter-guarantee Deed shall be conditional upon the effective and full release of the Dihao Foodstuff Guarantee.

Undertaking of no further drawdown; Under the GSH Counter-guarantee Deed, GSH shall undertake to procure Jinzhou Yuancheng (as the borrower of the Jinzhou Yuancheng Loans) not to make any further drawdown under the Jinzhou Yuancheng Loans.

Maximum liability: Pursuant to the GSH Counter-guarantee Deed, the maximum principal amount of the debts under the Jinzhou Yuancheng Guarantees in respect of which GSH shall indemnify GBT is RMB401.5 million, which is equivalent to the outstanding principal amount under the Jinzhou Yuancheng Loans.

The maximum liability GSH may incur under the GSH Counter-guarantee is equivalent to the aggregate outstanding principal amount of approximately RMB401.5 million under the Jinzhou Yuancheng Loans, the accrued interest thereon (as at 31 December 2022, the accrued interest was approximately RMB59.0 million) together with the damages, debts and expenses which GBT or Dihao Foodstuff may incur or suffer, all claims, proceedings, arbitrations or other legal actions which are brought against GBT or Dihao Foodstuff, and all liabilities or obligations which GBT or Dihao Foodstuff is called upon to bear or perform pursuant to the Jinzhou Yuancheng Guarantees.

Term: The GSH Counter-guarantee shall be valid from the Dihao Completion Date until the day on which all of the obligations and liabilities of GBT and Dihao Foodstuff under the Jinzhou Yuancheng Guarantees are fully and effectively released (both dates inclusive).

## **Reasons for and Benefits of the GSH Counter-guarantee**

The Jinzhou Yuancheng Guarantees were provided by GBT and Dihao Foodstuff in respect of the debts owed by Jinzhou Yuancheng as per the request of the lenders. Following Dihao Completion, Dihao Foodstuff will cease to be a subsidiary of GSH and become part of the GBT Group. GSH will also cease to be a subsidiary of GBT following the GSH Completion in accordance with the GSH SPA.

In the light of the restructuring of the GSH Group and the GBT Group, it will be logical and advisable to procure release of the obligations and liabilities of GBT and Dihao Foodstuff under the Jinzhou Yuancheng Guarantees as each of GBT and Dihao Foodstuff will no longer be the ultimate holding company and fellow subsidiary of Jinzhou Yuancheng following GSH Completion and Dihao Completion. However, financial resources for full repayment of Jinzhou Yuancheng Loans may not be immediately available; change of guarantors under the Jinzhou Yuancheng Guarantees will require consent of the lenders and may also not be immediately achievable. GSH, GBT and Dihao Foodstuff will have to negotiate with the lenders and the change of guarantors may be subject to clearance that has to be sought under the internal policy and procedures of the lenders. Hence, it is unlikely that release of the obligations and liabilities of GBT and Dihao Foodstuff under the Jinzhou Yuancheng Guarantees can be secured in the near future. In the interim, it will make commercial sense for GSH to provide counter-guarantee and indemnity to GBT and Dihao Foodstuff such that, subsequent to GSH Completion and Dihao Completion, GBT and Dihao Foodstuff will be covered for the obligations and liabilities it may incur under the Jinzhou Yuancheng Guarantees in connection with the debts owed by Jinzhou Yuancheng, a then non-group entity of GBT and Dihao Foodstuff. This will also serve to bring the financial assistance provision arrangements into line with the new structure of the GSH Group, where GSH will become the *de facto* entity providing guarantee in respect of the Jinzhou Yuancheng Loans owed by Jinzhou Yuancheng, its indirect wholly-owned subsidiary. The GSH Counter-guarantee Deed also offers due safeguard for the interests of GSH as the rights of GBT and Dihao Foodstuff under the GSH Counter-guarantee Deed may only be exercised after the Dihao Foodstuff Guarantee has been effectively and fully released, when GSH will not be required to assume or bear any obligation or liability in respect of the debts owed by Dihao Foodstuff which will then no longer be part of the GSH Group. For these reasons, the parties to the Dihao SPAs have agreed that GSH shall execute and deliver to GBT and Dihao Foodstuff the GSH Counter-guarantee Deed at Dihao Completion.

Having regard to the reasons for and benefits of the transaction as set forth above, the GSH Directors (excluding the independent non-executive GSH Directors who will express their views after considering the advice of the Independent Financial Adviser) consider that the terms of the GSH Counter-guarantee Deed are fair and reasonable and in the interests of GSH and the GSH Shareholders as a whole.

## **ISSUE OF CONVERTIBLE BONDS BY GSH TO THE JOINT OFFERORS UNDER SPECIFIC MANDATE**

On 6 April 2023 (after trading hours), GSH entered into the CB Subscription Agreement with the Joint Offerors as subscribers, pursuant to which GSH has conditionally agreed to issue, and the Joint Offerors have conditionally agreed to subscribe for, the Convertible Bonds in the aggregate principal amount of RMB120.0 million (equivalent to approximately HK\$138.0 million) subject to the terms and conditions set out in the CB Subscription Agreement.

Details of the CB Subscription Agreement are set out below:

Date: 6 April 2023 (after trading hours)

Parties: (i) GSH, as the issuer; and  
(ii) the Joint Offerors, as the subscribers.

To the best of the knowledge, information and belief of the GBT Directors and the GSH Directors, and having made all reasonable enquiries, the Joint Offerors are third parties independent of and not connected with GBT and GSH and their respective connected persons as at the date of the CB Subscription Agreement and prior to the GSH Completion.

### **The CB Subscription**

Pursuant to the CB Subscription Agreement, GSH has conditionally agreed to issue and the Joint Offerors, as the subscribers, have conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of RMB120.0 million (equivalent to approximately HK\$138.0 million), which may be converted into the Conversion Shares pursuant to the terms and conditions of the Convertible Bonds. Completion of the CB Subscription shall take place in two tranches. The principal amount of Convertible Bonds to be acquired by each of the Joint Offerors shall be as follows:

Offeror A: RMB60.0 million (subscription of RMB30.0 million upon CB First Completion; and the remaining RMB30.0 million upon CB Second Completion)

Offeror B: RMB60.0 million (subscription of RMB30.0 million upon CB First Completion; and the remaining RMB30.0 million upon CB Second Completion)

## Conditions precedent to the CB Subscription Agreement

CB First Completion is conditional upon the following conditions being fulfilled (or waived, if applicable) on or before 30 September 2023 (or such other date as GSH and the Joint Offerors, as subscribers, shall agree in writing):

- (i) the passing by the GSH Independent Shareholders of the relevant resolution(s) at the GSH EGM approving (i) the transactions contemplated under the CB Subscription Agreement; and (ii) the Specific Mandate;
- (ii) the GSH Shares remaining listed and traded on the Stock Exchange and the listing of the GSH Shares not having been withdrawn by the Stock Exchange from the date of the CB Subscription Agreement to the CB First Completion Date (and in any case, trading of the GSH Shares not being suspended for more than five consecutive trading days, save for any suspension of trading due to the CB Subscription or the GSH Disposal);
- (iii) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, all the Conversion Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds (the “**Listing Approval**”), and such Listing Approval remaining in full force and effect and not revoked before the CB First Completion Date;
- (iv) the GSH Completion;
- (v) there being no material breach by GSH of the representations, warranties and undertakings given by it under the CB Subscription Agreement on or before the CB First Completion Date; and
- (vi) no material adverse effect (or change) on the overall business, financial condition or operating performance of the GSH Group having occurred or being likely to occur before the CB First Completion Date.

Save for the conditions set out in paragraphs (v) and (vi) above which may be waived only by Offeror A, as a subscriber and representative of the Joint Offerors (as subscribers), by way of written notice, none of the other conditions may be waived by any party to the CB Subscription Agreement.

If the aforementioned conditions have not been satisfied or waived (as the case may be) on or before 30 September 2023 (or such other date as GSH and the Joint Offerors, as subscribers, shall agree in writing), then the CB Subscription Agreement shall automatically terminate and be of no further effect. In such event, none of the parties to the CB Subscription Agreement shall assume any responsibility or obligation for, or have any claim of any nature whatsoever against, the other in respect of the CB Subscription Agreement, save for any antecedent breaches of the CB Subscription Agreement before termination.

CB Second Completion is conditional upon the following conditions being fulfilled (or waived, if applicable) on or before the CB Second Completion Date:

- (i) the CB First Completion;
- (ii) the giving of written notice by GSH to the Joint Offerors, as subscribers, in respect of the CB Second Completion;
- (iii) the GSH Shares remaining listed and traded on the Stock Exchange, and the listing of the GSH Shares not having been withdrawn by the Stock Exchange from the CB First Completion Date to the CB Second Completion Date (and in any case, trading of the GSH Shares not being suspended for more than five consecutive trading days);
- (iv) the Listing Approval remaining in full force and effect and not revoked before the CB Second Completion Date;
- (v) there being no material breach by GSH of the representations, warranties and undertakings given by it under the CB Subscription Agreement on or before the CB Second Completion Date; and
- (vi) no material adverse effect (or change) on the overall business, financial condition or operating performance of the GSH Group having occurred or being likely to occur before the CB Second Completion Date.

Save for the conditions set out in paragraphs (v) and (vi) above which may be waived only by Offeror A, as a subscriber and representative of the Joint Offerors (as subscribers), by way of written notice, none of the other conditions may be waived by any party to the CB Subscription Agreement.

If the aforementioned conditions have not been satisfied or waived (as the case may be) on or before the CB Second Completion Date, the responsibilities and obligations of the parties to the CB Second Completion shall terminate immediately and be of no further effect, none of the parties to the CB Subscription Agreement shall assume any responsibility or obligation for, or have any claim of any nature whatsoever against, the other in respect of the CB Second Completion.

## **CB Completion**

CB First Completion shall take place on the CB First Completion Date after the fulfillment and/or waiver (as the case maybe) of the conditions in respect of CB First Completion (other than conditions precedent that are stipulated to be fulfilled on the CB First Completion Date) as set out in the CB Subscription Agreement.

CB Second Completion shall take place on the CB Second Completion Date after the fulfillment and/or waiver (as the case maybe) of the conditions in respect of CB Second Completion (other than conditions precedent that are stipulated to be fulfilled on the CB Second Completion Date) as set out in the CB Subscription Agreement.

## **Specific Mandate**

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate which is subject to GSH Independent Shareholders' approval at the GSH EGM.

## **Principal terms of the Convertible Bonds**

The principal terms of the Convertible Bonds were arrived at after arm's length negotiations between GSH and the Joint Offerors, as subscribers, and are summarised as follows:

Issuer:	GSH
Principal amount:	RMB120.0 million (equivalent to approximately HK\$138.0 million)
Interest rate:	5.0% per annum
Maturity Date:	the date falling on the third anniversary of the issue of the Convertible Bonds (the " <b>CB Maturity Date</b> ")
Conversion Price:	HK\$0.1 per Conversion Share, subject to adjustments.

The initial Conversion Price of HK\$0.1 per Conversion Share represents:

- (i) a premium of approximately 16.3% over the closing price of HK\$0.086 per GSH Share as quoted on the Stock Exchange on the date of the CB Subscription Agreement;

- (ii) a premium of approximately 20.2% over the average of the closing prices of GSH Share for the five consecutive trading days immediately prior to the date of the CB Subscription Agreement as quoted on the Stock Exchange of HK\$0.0832 per GSH Share.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.1 per Conversion Share.

The Conversion Price was determined after arm's length negotiations between GSH and the Joint Offerors, as subscribers, with reference to (i) the par value of the GSH Shares, being the minimum price for issuing new GSH Shares in accordance with the laws of the Cayman Islands; and, (ii) the prevailing market price of the GSH Shares. The GSH Directors consider that the initial Conversion Price is fair and reasonable and in the interests of GSH and the GSH Shareholders as a whole.

Adjustment to Conversion Price: The initial Conversion Price will be subject to adjustments upon the occurrence of the following events:

- (i) if and whenever there shall be an alteration to the share capital of GSH as a result of consolidation or subdivision; and
- (ii) if GSH considers that it would be appropriate for an adjustment to be made to the Conversion Price as a result of event or circumstance not referred to in the subparagraph above, GSH shall at its own expense, request an approved merchant bank or the auditors of GSH to determine (acting as experts) as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment should take effect.

Conversion Shares: The number of GSH Shares to be issued upon conversion of the Convertible Bonds shall be determined by dividing the principal amount of the relevant Convertible Bonds to be converted by the Conversion Price in effect on the relevant conversion date.

Upon exercise of the Conversion Rights in full at the initial Conversion Price of HK\$0.1 per Conversion Share, a total of 1,380,000,000 Conversion Shares will be issued with an aggregate nominal value of HK\$138,000,000, representing:

- (i) approximately 90.34% of the issued share capital of GSH as at the date of this joint announcement; and
- (ii) approximately 47.46% of the issued share capital of GSH as enlarged by the issue of 1,380,000,000 Conversion Shares (assuming there is no other change in the issued share capital of GSH between the date of this joint announcement and the full conversion of the Convertible Bonds).

Conversion period:

The period commencing from the date of issue of the Convertible Bonds up to seven days before (and excluding) the CB Maturity Date (the “**Conversion Period**”)

Conversion Rights:

Each Bondholder shall have the right, exercisable during the Conversion Period, to convert the whole or any part (subject to the terms and conditions of the Convertible Bonds, in the denomination of RMB500,000 and integral multiples thereof) of the outstanding principal amount of the Convertible Bonds held by such Bondholder into GSH Shares subject to adjustments, provided that the public float of the GSH Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued GSH Shares at the relevant time in compliance with the Listing Rules.

Event of default:

Pursuant to the CB Subscription Agreement, if any of the events specified below occurs, GSH shall within 10 days of such event occurring give notice to the Bondholders. Within 10 days after GSH despatches the notice, any Bondholder holding, or one or more Bondholders together holding, at least 75% of the then outstanding principal amount of the Convertible Bonds may give notice to GSH that the Convertible Bonds are immediately due and payable, whereupon they shall become immediately due and payable in the amounts which would otherwise be due on the CB Maturity Date:

- (i) a default is made for more than seven days in any payment of any principal or interest relating to the Convertible Bonds when and as the same ought to be paid in accordance with the conditions of the Convertible Bonds;
- (ii) a default is made by GSH in the performance or observance of any covenant, condition or provision of the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal of the Convertible Bonds) and such default continues for the period of 30 days next following the service by a Bondholder, or Bondholders together, holding at least 51% of the then outstanding principal amounts of Convertible Bonds on GSH of notice requiring such default to be remedied;
- (iii) a resolution is passed or an order of a court of competent jurisdiction is made that GSH be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved in writing by a Bondholder, or Bondholders together, holding at least 51% of the then outstanding principal amounts of Convertible Bonds;
- (iv) an encumbrancer takes possession of or a receiver is appointed over the whole or a material part of the assets or undertaking of GSH or any of its subsidiaries;
- (v) a distress, execution or seizure order before judgement is levied or enforced upon or sued out against the whole or a material part of the property of GSH or any of its subsidiaries (as the case may be) and is not discharged within 40 days thereof;
- (vi) proceedings shall have been initiated against GSH or any of its subsidiaries under any applicable bankruptcy, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 60 days;
- (vii) any event occurs which has an analogous effect to any of the events referred to in sub-paragraphs (i) to (vi) above;

(viii) the listing of the shares of GSH is withdrawn from the Stock Exchange; or

(ix) trading of the shares of GSH are suspended for a consecutive period of more than 90 Business Days.

Redemption at maturity:

The outstanding principal amount of the Convertible Bonds (unless previously converted into GSH Shares or repaid in accordance with the conditions of the Convertible Bonds) and all outstanding interest payable in relation to the Convertible Bonds, shall be repaid by GSH to the Bondholders subject to and in accordance with the terms of the Convertible Bonds on the CB Maturity Date at 100% of the outstanding principal amount of the Convertible Bonds in RMB or HK dollars equivalent.

Early redemption:

Without prejudice to the sub-section headed “Events of Default” above, GSH may, by giving the Bondholders not less than 30 days’ written notice, at any time after 18 calendar months from the issue date of the Convertible Bonds to (and excluding) the CB Maturity Date, redeem all or part of the outstanding principal amount (unless previously converted, redeemed or cancelled) at 100% of the principal amount of the Bonds to be redeemed (together with accrued and unpaid interest, if any, in respect of the Bonds to be redeemed up to and including the redemption date) on a specified redemption date.

GSH and any Bondholders may at any time agree in writing for GSH to redeem all or part of the Convertible Bonds prior to the CB Maturity Date.

Ranking:

The Conversion Shares shall rank *pari passu* in all respects with all other existing GSH Shares outstanding at the Conversion Date and the Bondholders shall be entitled in respect of its Conversion Shares to all dividends and other distributions the record date of which falls on a date on or after the Conversion Date.

Status:

The obligations of GSH arising under the Convertible Bonds constitute general, unsecured obligations of GSH and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of GSH except for obligations accorded preference by mandatory provisions of applicable law.

**Transferability:** The Convertible Bonds are freely assignable and transferrable by the Bondholders subject to the applicable laws and regulations and the Listing Rules, provided that the Convertible Bonds may not be transferred by the Bondholders, without the prior written consent of GSH, to any connected person (as defined in the Listing Rules) of GSH. Any transfer of any Convertible Bond shall be in respect of the whole of the outstanding principal amount or multiples of units of principal amount of RMB500,000 of that Convertible Bond.

**Application for listing:** No application shall be made to the Stock Exchange for the listing of the Convertible Bonds. GSH will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

### **Reasons for the CB Subscription and the Use of Proceeds**

The gross proceeds and the net proceeds from the issue of the Convertible Bonds will be RMB120.0 million (equivalent to approximately HK\$138.0 million). GSH intends to use the net proceeds as follows: (i) RMB60.0 million for repayment of the first installment of the Jinzhou CCB Loans; and (ii) RMB60.0 million for the preparation for the resumption of Jinzhou production facilities such as the expenses in relation to trial run and the procurement of raw materials.

The GSH Directors consider that the issue of the Convertible Bonds allows GSH to secure funding for the repayment of the Jinzhou CCB Loans and to enhance the working capital position of GSH for better preparation for the resumption of production operations of the production bases in Jinzhou. The issue of the Convertible Bonds is considered to be an appropriate means of capital raising for GSH as such issue will not have an immediate dilution effect on the shareholding of the existing GSH Shareholders. From the perspective of GBT, notwithstanding the potential dilutive effect on the GBT Group's shareholding in GSH, the issue of the Convertible Bonds will still be favourable in that it can facilitate and accelerate repayment of the Jinzhou CCB Loans and thereby help secure release of the GBT Group from its obligations under the Yuancheng CCB Guarantees it has provided in respect of the Jinzhou CCB Loans. In addition, the enhancement of the financial position and operational performance of the GSH Group will also benefit the GBT Group in the long term as, following GSH Completion, the GBT Group will remain a GSH Shareholder with aligned financial interests.

Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT and the remaining equity interests in GSH Group will be recognised as financial assets measured at fair value through profit or loss (FVPL). Hence, the further decrease in the GBT Group's shareholding in GSH as a result of the full conversion of the Convertible Bonds, which shall in any event take place subsequent to the GSH Completion, will not result in further gain or loss for GBT. As such, no gain or loss is expected to accrue to GBT in connection with the deemed disposal of the GBT Group's interest in GSH upon the full conversion of the Convertible Bonds.

Having taken into account the above factors, the GBT Directors and the GSH Directors (including the independent non-executive directors of GBT and GSH) are of the view that the terms of the CB Subscription Agreement, which were arrived at arm's length negotiation between GSH and the Joint Offerors, as subscribers, are fair and reasonable, on normal commercial terms and are in the interests of GSH and the GSH Shareholders as a whole.

**Fund raising activity of GSH in the 12 months immediately preceding the date of this joint announcement**

Save for the proposed subscription of GSH Shares as announced by GSH on 25 July 2022 and 30 December 2022 which had been terminated as announced by GSH on 28 February 2023, GSH has not conducted any equity fund raising activities which were completed in the 12 months immediately preceding the date of this joint announcement.

**Completion of the CB Subscription is conditional upon, among other matters, the CB Subscription Agreement becoming unconditional in all respects and having been completed in accordance with its terms, and may or may not proceed. Shareholders and investors of GSH are advised to exercise caution when dealing in the securities of GSH and if they are in doubt about their position, they should consult their professional advisers.**

**POSSIBLE MANDATORY UNCONDITIONAL GENERAL OFFER**

As at the date of this joint announcement and prior to the GSH Completion, save for (i) the 43,264,000 GSH Shares, representing approximately 2.83% of the entire issued share capital of GSH, held by Offeror B; and (ii) the 16,444,000 GSH Shares, representing approximately 1.08% of the entire issued share capital of GSH, held by Rich Mark Profits Limited which is a company wholly-owned by Offeror B, the Joint Offerors and parties acting in concert with them do not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of GSH. Upon GSH Completion, the Joint Offerors and parties acting in concert with them will become interested in a total of 777,673,000 GSH Shares, representing approximately 50.91% of the entire issued share capital of GSH. Pursuant to Rule 26.1 of the Takeovers Code, upon GSH Completion, the Joint Offerors and the parties acting in concert with them will be required to make a mandatory unconditional general offer in cash for all the issued GSH Shares (other than those already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them).

**Principal terms of the Offer**

Subject to and upon GSH Completion, CCBI Capital and China Galaxy will make the Offer for and on behalf of the Joint Offerors on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

For every Offer Share . . . . . HK\$0.06 in cash

The Offer Price is the same as the price per GSH Sale Share payable by the Joint Offerors under the GSH SPA.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. There is no outstanding dividend or distribution declared by GSH as at the date of this joint announcement and there is no intention of the GSH Board to declare any dividend or distribution during the offer period.

### **The Offer Price**

The Offer Price of HK\$0.06 per Offer Share represents:

- (i) a discount of approximately 30.2% to the closing price of HK\$0.086 per GSH Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 29.4% to the average of the closing prices of the GSH Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of HK\$0.085 per GSH Share;
- (iii) a discount of approximately 27.7% to the average of the closing prices of the GSH Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of HK\$0.083 per GSH Share;
- (iv) a discount of approximately 30.2% to the average of the closing prices of the GSH Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of HK\$0.086 per GSH Share; and
- (v) a premium of approximately HK\$0.502 over the audited consolidated net liabilities attributable to shareholders of GSH of approximately HK\$0.442 per GSH Share as at 31 December 2022 (based on audited deficit attributable to owners of GSH of approximately HK\$675.0 million as at 31 December 2022 and 1,527,586,000 GSH Shares in issue as at the date of this joint announcement)

### **Highest and lowest GSH Share prices**

During the six-month period immediately prior to the date of this joint announcement, being the commencement date of the offer period, the highest closing price per GSH Share as quoted on the Stock Exchange was HK\$0.108 on 1 March 2023 and the lowest closing price per GSH Share as quoted on the Stock Exchange was HK\$0.055 on 24 October 2022.

## **Irrevocable undertaking to not accept the Offer**

Global Corn, which holds 977,778,000 GSH Shares, representing approximately 64.01% of the entire issued share capital of GSH, and has conditionally agreed to sell the GSH Sale Shares, being 717,965,000 GSH Shares, representing approximately 47.00% of the entire issued share capital of GSH, has given the irrevocable undertaking under the GSH SPA in favour of the Joint Offerors, that during the period from the date of GSH SPA and up to the date on which the GSH SPA lapses or is otherwise terminated in accordance with its terms and conditions or the closing date of the Offer (whichever is the earlier), save for the GSH Disposal, it will not (and will procure that GBT, which holds 500,000 GSH Shares, representing approximately 0.03% of the entire issued share capital of GSH, will not) (i) sell, offer to sell, contract to sell or, in any other way, transfer or dispose of any GSH Shares then held by it; (ii) enter into any swap or other arrangement to transfer ownership of any GSH Shares then held by it; or (iii) accept the Offer in respect of any GSH Shares then held by it.

## **Value of the Offer**

As at the date of this joint announcement, there are 1,527,586,000 GSH Shares in issue, of which 777,673,000 GSH Shares (representing approximately 50.91% of the issued share capital of GSH) will be held by the Joint Offerors and parties acting in concert with them upon GSH Completion. There are no outstanding warrants, options, derivatives or other securities convertible into GSH Shares and, save for the Convertible Bonds of which the Conversion Rights are expected to be only exercisable after the close of the possible Offer, GSH has not entered into any agreement for the issue of such warrants, options, derivatives or other securities convertible into GSH Shares as at the date of this joint announcement.

On the basis of the Offer Price of HK\$0.06 per Offer Share and 1,527,586,000 GSH Shares in issue as at the date of this joint announcement, the entire issued share capital of GSH would be valued at HK\$91,655,160. On the assumption that the Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 749,913,000 Offer Shares (having excluded the 777,673,000 GSH Shares already owned and/or agreed to be acquired by the Joint Offerors and parties acting in concert with them and included the 260,313,000 GSH Shares subject to the irrevocable undertaking to not accept the Offer given by Global Corn under the GSH SPA), the value of the Offer is HK\$44,994,780.

## **Confirmation of financial resources available for the Offer**

The consideration payable under the Offer shall be payable in cash. The Joint Offerors intend to finance the consideration payable under the Offer by their own financial resources.

CCBI Capital and China Galaxy have been appointed as the joint financial advisers to the Joint Offerors in respect of the Offer and are satisfied that sufficient financial resources are available to the Joint Offerors to satisfy their maximum payment obligations upon full acceptance of the Offer (having excluded the 260,313,000 GSH Shares subject to the irrevocable undertaking to not accept the Offer given by Global Corn under the GSH SPA).

**WARNING: The Offer is a possible mandatory unconditional general cash offer and will only be made if GSH Completion takes place, and GSH Completion is conditional upon the fulfillment or waiver (as the case may be) of certain conditions under the GSH SPA. Accordingly, the sale and purchase of the GSH Sale Shares may or may not be completed and the Offer may or may not proceed. Shareholders and/or potential investors of GBT and GSH should therefore exercise caution when dealing in the securities of GBT and GSH. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

### **Effects of accepting the Offer**

The Offer, subject to GSH Completion taking place, will be unconditional in all respects.

Acceptance of the Offer by any GSH Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, subject to the provisions of the Takeovers Code.

### **Hong Kong stamp duty**

Seller's ad valorem stamp duty at a rate of 0.13% of the market value of the Offer Shares or consideration payable by the Joint Offerors in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant GSH Shareholder on acceptance of the Offer. The Joint Offerors will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting GSH Independent Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) following the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Joint Offerors (or their agent).

## **Taxation advice**

GSH Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors and parties acting in concert with them, GSH, GBT, CCBI Capital, China Galaxy, the Independent Financial Adviser and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Overseas GSH Independent Shareholders**

The Joint Offerors intend to make the Offer available to all GSH Independent Shareholders, including those who are not residents in Hong Kong. The availability of the Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to the GSH Independent Shareholders whose registered addresses are in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such GSH Independent Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the individual GSH Independent Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

In the event that the receipt of the Composite Document by Overseas GSH Independent Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas GSH Independent Shareholders.

Any arrangements for Overseas GSH Independent Shareholders to collect the Composite Document will be set out in a further announcement.

Any acceptance by any GSH Independent Shareholder who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such GSH Independent Shareholder to the Joint Offerors that the local laws and requirements have been complied with. All such GSH Independent Shareholders should consult their professional advisers if in doubt.

### **Other information**

The Joint Offerors confirm that, as at the date of this joint announcement:

- (i) save for (i) the GSH Sale Shares to be acquired by the Joint Offerors under the GSH SPA; (ii) the disposal of 90,000 GSH Shares by Offeror B on the Stock Exchange between 21 October 2022 to 24 October 2022 at an average price of approximately HK\$0.0592 per GSH Share; and (iii) the termination on 28 February 2023 of the subscription agreement entered into by Hartington Profits Limited, a company wholly-owned by Offeror A, dated 24 July 2022 under which it conditionally agreed to subscribe for 305,517,200 new Shares at the subscription price of HK\$0.1 per GSH Share, none of the Joint Offerors or parties acting in concert with them has dealt in any GSH Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of GSH during the six-month period prior to the date of this joint announcement, being the commencement date of the offer period;
- (ii) save for the 43,264,000 GSH Shares held directly by Offeror B and the 16,444,000 GSH Shares held by Rich Mark Profits Limited, a company wholly-owned by Offeror B, the GSH Sale Shares to be held by the Joint Offerors upon GSH Completion and the Convertible Bonds to be held by the Joint Offerors upon CB Completion, none of the Joint Offerors or parties acting in concert with them owns or has control or direction over any voting rights or rights over the GSH Shares, options, derivatives, warrants or other securities convertible into GSH Shares;
- (iii) save for the irrevocable undertaking provided by Global Corn to the Joint Offerors as described in the paragraph headed “Irrevocable undertaking to not accept the Offer” above, none of the Joint Offerors or parties acting in concert with them has received any irrevocable commitment to vote for/against the Special Deals, accept or not to accept the Offer;
- (iv) save for the GSH SPA and the CB Subscription Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Joint Offerors or the GSH Shares and which might be material to the Special Deals and the Offer;
- (v) save for the GSH SPA and the CB Subscription Agreement, there is no agreement or arrangement to which any of the Joint Offerors is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Special Deals and the Offer;

- (vi) none of the Joint Offerors or parties acting in concert with them has entered into any arrangements or contracts in relation to any outstanding derivative in respect of the securities in GSH;
- (vii) none of the Joint Offerors or parties acting in concert with them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in GSH;
- (viii) save for the consideration for the GSH Sale Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Joint Offerors or any parties acting in concert with them to GBT or any parties acting in concert with it in connection with the GSH SPA;
- (ix) other than the transactions contemplated under the GSH SPA and the CB Subscription Agreement, there is no understanding, arrangement or agreement or special deal under Rule 25 of the Takeovers Code between the Joint Offerors or any parties acting in concert with them on the one hand, and GBT or any parties acting in concert with it on the other hand; and
- (x) other than the transactions contemplated under the GSH SPA, there is no understanding, arrangement, agreement or special deal between any GSH Shareholders and the Joint Offerors or any parties acting in concert with them.

GSH confirms that, as at the date of this joint announcement, save for the Special Deals and the GBT Counter-guarantee, there is no understanding, arrangement, agreement or special deal between any GSH Shareholders and GSH, its subsidiaries or associated companies.

## Shareholding Structure of GSH

Set out below is the shareholding structure of GSH (i) as at the date of this joint announcement; (ii) immediately after GSH Completion and before the Offer and CB Completion (assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to the GSH Completion Date and before the Offer and CB Completion); (iii) immediately after the Offer (assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to the date of completion of the Offer and assuming nil public acceptance of the Offer) and before CB Completion; (iv) immediately after full conversion of the Convertible Bonds issued upon CB First Completion (assuming conversion of Convertible Bonds issued upon CB First Completion at a Conversion Price of HK\$0.1 per Conversion Share, and assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to CB First Completion Date); and (v) immediately after full conversion of the Convertible Bonds issued upon CB Second Completion (assuming conversion of Convertible Bonds issued upon CB Second Completion at a Conversion Price of HK\$0.1 per Conversion Share, and assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to CB Second Completion Date):

	As at the date of this joint announcement		Immediately after GSH Completion and before CB Completion and the Offer		After GSH Completion and immediately after the Offer (assuming nil public acceptance of the Offer) and before CB Completion		After GSH Completion and the Offer (assuming nil public acceptance of the Offer), and immediately after full conversion of the Convertible Bonds issued upon CB First Completion and before CB Second Completion		After GSH Completion, the Offer (assuming nil public acceptance of the Offer), and full conversion of the Convertible Bonds issued upon CB First Completion and immediately after full conversion of Convertible Bonds issued upon CB Second Completion	
	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %
GBT (Note 1)	500,000	0.03%	500,000	0.03%	500,000	0.03%	500,000	0.02%	500,000	0.02%
Global Corn (Note 1)	977,778,000	64.01%	259,813,000	17.01%	259,813,000	17.01%	259,813,000	11.72%	259,813,000	8.94%
Joint Offerors and parties acting in concert with them:										
Offeror A	—	—	358,982,500	23.50%	358,982,500	23.50%	703,982,500	31.75%	1,048,982,500	36.08%
Offeror B	43,264,000	2.83%	402,246,500	26.33%	402,246,500	26.33%	747,246,500	33.70%	1,092,246,500	37.57%
Rich Mark Profits Limited (Note 2)	16,444,000	1.08%	16,444,000	1.08%	16,444,000	1.08%	16,444,000	0.74%	16,444,000	0.57%
<b>Sub-total of Joint Offerors and parties acting in concert with them</b>	<b>59,708,000</b>	<b>3.91%</b>	<b>777,673,000</b>	<b>50.91%</b>	<b>777,673,000</b>	<b>50.91%</b>	<b>1,467,673,000</b>	<b>66.19%</b>	<b>2,157,673,000</b>	<b>74.22%</b>
Other public GSH Shareholders	489,600,000	32.05%	489,600,000	32.05%	489,600,000	32.05%	489,600,000	22.07%	489,600,000	16.82%
							(Note 3)		(Note 3)	
<b>Total</b>	<b>1,527,586,000</b>	<b>100.00%</b>	<b>1,527,586,000</b>	<b>100.00%</b>	<b>1,527,586,000</b>	<b>100.00%</b>	<b>2,217,586,000</b>	<b>100.00%</b>	<b>2,907,586,000</b>	<b>100.00%</b>

*Notes:*

- (1) Global Corn is a wholly-owned subsidiary of GBT.
- (2) Rich Mark Profits Limited is wholly owned by the Offeror B.
- (3) This table is for illustrative purpose only. As disclosed in the paragraph headed “Issue of Convertible Bonds by GSH to the Joint Offerors under Specific Mandate – Principal terms of the Convertible Bonds”, Conversion Rights of the Bondholders are only exercisable when and provided that the public float of GSH Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued GSH Shares at the relevant time in compliance with the Listing Rules.

Set out below is the shareholding structure of GSH (i) as at the date of this joint announcement; (ii) immediately after GSH Completion and before the Offer and CB Completion (assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to the GSH Completion Date and before the Offer and CB Completion); (iii) immediately after the Offer (assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to the date of completion of the Offer and assuming full public acceptance of the Offer, and placing down by the Joint Offerors equally to restore minimum public float) and before CB Completion; (iv) immediately after full conversion of the Convertible Bonds issued upon CB First Completion (assuming conversion of Convertible Bonds issued upon CB First Completion at a Conversion Price of HK\$0.1 per Conversion Share, and assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to CB First Completion Date); and (v) immediately after full conversion of the Convertible Bonds issued upon CB Second Completion (assuming conversion of Convertible Bonds issue upon CB Second Completion at a Conversion Price of HK\$0.1 per Conversion Share, and assuming no other changes to the shareholding structure of GSH from the date of this joint announcement to CB Second Completion Date):

	As at the date of this joint announcement		Immediately after GSH Completion and before CB Completion and the Offer		After GSH Completion and immediately after the Offer (assuming full public acceptance of the Offer, and placing down by the Joint Offerors equally to restore minimum public float) and before CB Completion		After GSH Completion and the Offer (assuming full public acceptance of the Offer, and placing down by the Joint Offerors equally to restore minimum public float) and immediately after full conversion of the Convertible Bonds issued upon CB First Completion and before CB Second Completion		After GSH Completion, the Offer (assuming full public acceptance of the Offer, and placing down by the Joint Offerors equally to restore minimum public float) and full conversion of the Convertible Bonds issued upon CB First Completion and immediately after full conversion of Convertible Bonds issued upon CB Second Completion	
	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %	Number of GSH Shares	Approximate %
GBT (Note 1)	500,000	0.03%	500,000	0.03%	500,000	0.03%	500,000	0.02%	500,000	0.02%
Global Corn (Note 1)	977,778,000	64.01%	259,813,000	17.01%	259,813,000	17.01%	259,813,000	11.72%	259,813,000	8.94%
Joint Offerors and parties acting in concert with them:										
Offeror A	—	—	358,982,500	23.50%	412,834,250	27.03%	757,834,250	34.17%	1,102,834,250	37.93%
Offeror B	43,264,000	2.83%	402,246,500	26.33%	456,098,250	29.86%	801,098,250	36.12%	1,146,098,250	39.42%
Rich Mark Profits Limited (Note 2)	16,444,000	1.08%	16,444,000	1.08%	16,444,000	1.08%	16,444,000	0.74%	16,444,000	0.57%
<b>Sub-total of Joint Offerors and parties acting in concert with them</b>	<b>59,708,000</b>	<b>3.91%</b>	<b>777,673,000</b>	<b>50.91%</b>	<b>885,376,500</b>	<b>57.97%</b>	<b>1,575,376,500</b>	<b>71.03%</b>	<b>2,265,376,500</b>	<b>77.92%</b>
Other public GSH Shareholders	489,600,000	32.05%	489,600,000	32.05%	381,896,500	24.99%	381,896,500	17.23%	381,896,500	13.12%
							(Note 3)		(Note 3)	
<b>Total</b>	<b>1,527,586,000</b>	<b>100.00%</b>	<b>1,527,586,000</b>	<b>100.00%</b>	<b>1,527,586,000</b>	<b>100.00%</b>	<b>2,217,586,000</b>	<b>100.00%</b>	<b>2,907,586,000</b>	<b>100.00%</b>

*Notes:*

- (1) Global Corn is a wholly-owned subsidiary of GBT.
- (2) Rich Mark Profits Limited is wholly owned by the Offeror B.
- (3) This table is for illustrative purpose only. As disclosed in the paragraph headed “Issue of Convertible Bonds by GSH to the Joint Offerors under Specific Mandate – Principal terms of the Convertible Bonds”, Conversion Rights of the Bondholders are only exercisable when and provided that the public float of GSH Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued GSH Shares at the relevant time in compliance with the Listing Rules.

## Financial information of GSH Group

The following table sets out a summary of certain financial information of the GSH Group for the two financial years ended 31 December 2021 and 2022:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>(audited)</b>	<b>(audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	359,567	728,099
Loss for the year (before tax)	219,922	97,929
Loss for the year (after income tax credit )	212,491	96,262
	<b>As at 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>(audited)</b>	<b>(audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Net liabilities	680,967	500,575

## Intention of the Joint Offerors in relation to the GSH Group

Following the close of the Offer, the Joint Offerors intend to continue the existing principal businesses of the GSH Group.

The Joint Offerors will conduct a review of the existing principal businesses and the financial position of the GSH Group for the purpose of formulating business plans and strategies for the future business development of the GSH Group. Subject to the results of the review, the Joint Offerors may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the GSH Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Joint Offerors' intention regarding the GSH Group as set out above, as at the date of this joint announcement, no investment or business opportunity has been identified nor have the Joint Offerors entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the GSH Group, and the Joint Offerors have no intention to discontinue the employment of any employees of the GSH Group or to redeploy the fixed assets of the GSH Group other than those in its ordinary and usual course of business.

The Joint Offerors intend to nominate directors to the GSH Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. As at the date of this joint announcement, the Joint Offerors have not decided on the future composition of the GSH Board. Any changes to the GSH Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by GSH as and when appropriate.

### **Maintaining the Listing Status of GSH**

The Joint Offerors intend to maintain the listing of the GSH Shares on the Stock Exchange. The Joint Offerors will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25.0% of the issued share capital of GSH will be held by the public at all times following closing of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than the minimum prescribed percentage applicable to GSH, being 25.0% of the issued GSH Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the GSH Shares; or
- (ii) there are insufficient GSH Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealing in the GSH Shares.

## **INFORMATION OF THE PARTIES TO THE AGREEMENTS IN THIS JOINT ANNOUNCEMENT AND THE OFFER**

### **GBT and the GBT Group**

GBT is (i) the parent company of the vendor under the GSH SPA; (ii) the guarantor under the GBT Counter-guarantee; (iii) the guaranteed party under the GSH Counter-guarantee; and (iv) the parent company (as at Dihao Completion) of the purchaser under the Dihao Transfer.

GBT is a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00809). GBT is an investment holding company. The GBT Group is principally engaged in the manufacture and sale of corn refined products, amino acids and polyol chemicals.

### **GSH and the GSH Group**

GSH is the (i) the company in which the GSH Sale Shares relate to under the GSH SPA; (ii) issuer of the Convertible Bonds; (iii) the guaranteed party under the GBT Counter-guarantee; (iv) the guarantor under the GSH Counter-guarantee; and (v) the parent company (as at Dihao Completion) of the Dihao Vendors under the Dihao Transfer.

GSH is a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03889). GSH is a non wholly-owned subsidiary of GBT and is ultimately owned as to approximately 64.04% by GBT (approximately 64.01% through its wholly-owned subsidiary Global Corn and approximately 0.03% as beneficial owner) as at the date of this joint announcement.

GSH is an investment holding company. The GSH Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners.

### **Global Corn**

Global Corn is the vendor under the GSH SPA.

Global Corn is a wholly-owned subsidiary of GBT which is incorporated in the British Virgin Islands with limited liability. Global Corn is an investment holding company which holds approximately 64.01% of the GSH Shares as at the date of this joint announcement.

### **The Joint Offerors**

The Joint Offerors are (i) the purchasers under the GSH SPA; (ii) the subscribers under the CB Subscription Agreement; and (iii) the Joint Offerors in the possible Offer.

The Offeror A is Mr. Kong Zhanpeng. Mr. Kong, aged 60, has over 30 years of extensive experience in industrial industry, corporate development and management. Mr. Kong holds a bachelor's degree in textile engineering and a diploma in international trade from China Textile University. Mr. Kong is one of the founders of GBT. Mr. Kong was also an executive director of GBT from May 2000 to September 2007 and from December 2013 to May 2014, the chief executive officer of GBT from October 2015 to October 2018 and the chief economist of GBT from December 2018 to December 2019. Mr. Kong was also an executive director of GSH from June 2006 to December 2018.

The Offeror B is Mr. Wang Tiegung. Mr. Wang, aged 58, has over 30 years of extensive experience in sales and marketing. Mr. Wang holds a bachelor's degree in economics from Heilongjiang University. Mr. Wang is one of the founders of GBT. Mr. Wang was an executive director of GBT from September 2000 to September 2010.

The Joint Offerors, through their respective controlled companies, have been engaging in businesses including real property investment and the trading, logistics and storage services of corn and corn related products such as corn starch. The GSH Group has been one of their customers for corn starch.

## **Dihao Vendor A, Dihao Vendor B and Dihao Vendor C and the Dihao Purchaser under the Dihao SPAs**

Each of Dihao Vendor A, Dihao Vendor B and Dihao Vendor C is a limited liability company incorporated in Hong Kong which is wholly owned by GSH as at the date of the announcement and is principally engaged in investment holding.

The Dihao Purchaser is a limited liability company incorporated in Hong Kong which is wholly owned by GBT as at the date of the announcement and is principally engaged in investment holding.

## **Dihao Companies under the Dihao SPAs**

Dihao Foodstuff is (i) one of the Dihao Companies under the Dihao SPAs; and (ii) a guaranteed party under the GSH Counter-guarantee.

Dihao Foodstuff is a wholly foreign-owned enterprise established in the PRC with limited liability, the entire equity interest in which is owned as to approximately 31.4% by Dihao Vendor A and approximately 68.6% by Dihao Vendor B, which are both ultimately wholly-owned by GSH as at the date of this joint announcement and immediately prior to Dihao Completion. Dihao Foodstuff is principally engaged in the manufacture and sale of corn starch, other corn refined products and corn based sweetener products.

Dihao Crystal Sugar is one of the Dihao Companies under the Dihao SPAs.

Dihao Crystal Sugar is a wholly foreign-owned enterprise established in the PRC with limited liability, the entire equity interest in which is owned as to approximately 73.0% by Dihao Vendor A and approximately 27.0% by Dihao Vendor C, which are both ultimately wholly-owned by GBT as at the date of this joint announcement and immediately prior to Dihao Completion. Dihao Crystal Sugar is principally engaged in the manufacture and sale of crystallised glucose.

Each of Dihao Foodstuff and Dihao Crystal Sugar does not have any subsidiary as at the date of this joint announcement.

## **LISTING RULES IMPLICATIONS**

### **GBT**

#### ***GSH Disposal and deemed disposal as a result of CB Subscription***

Under the GSH Disposal, the GBT Group will dispose of 717,965,000 GSH Shares and, upon completion of the GSH Disposal, the GBT Group's interest in GSH will be reduced from approximately 64.04% to 17.04%. As GSH Completion is conditional upon, among others, signing of the CB Subscription Agreement, the GSH Disposal and the CB Subscription are related in substance and should as a whole constitute a disposal of interest in GSH entered into at a time when GSH is a

subsidiary of GBT. Hence, the CB Subscription should be considered a deemed disposal of the GBT Group's interest in GSH under Rule 14.29 of the Listing Rules and aggregated with the GSH Disposal. Assuming exercise of the Conversion Rights in full at the initial Conversion Price of HK\$0.1 per Conversion Share, GSH will issue a total of 1,380,000,000 Conversion Shares. Assuming no further change in the shareholding structure of GSH other than the GSH Disposal and full exercise of the Conversion Rights, the GBT Group's shareholding in GSH will be further reduced to approximately 8.96% upon exercise of the Conversion Rights in full.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the GSH Disposal and the CB Subscription (on an aggregate basis) is above 75%, the GSH Disposal and the CB Subscription collectively constitute a very substantial disposal of GBT and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Dihao Transfer***

Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT. Hence, the Dihao Transfer, being the transfer of the Dihao Sale Interests from the GSH Group to the GBT Group under the Dihao SPAs whose completion is expected to take place concurrently with GSH Completion, shall constitute a transaction by the GBT Group under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.15(3) of the Listing Rules, when calculating the consideration ratio, a listed issuer shall add any liabilities of the vendors, whether actual or contingent, to be discharged or assumed by the purchaser under the terms of the transactions, to the consideration. Under the GBT Counter-guarantee Deed which shall be executed at Dihao Completion under the Dihao SPAs, GBT shall indemnify GSH against, among others, all payments which are made or demanded to be made by GSH and all liabilities or obligations which GSH is called upon to bear or perform as a result of the Dihao Foodstuff Guarantee. Accordingly, the maximum liability GBT may incur under the GBT Counter-guarantee, which is equivalent to the cap on liability, under the Dihao Foodstuff Guarantee of RMB250.0 million, shall be added to the consideration for the Dihao Transfer for the purpose of calculation of the consideration ratio. Since one or more of the applicable percentage ratios in respect of the Dihao Transfer exceeds 5% but all such ratios are less than 25%, the Dihao Transfer constitutes a discloseable transaction by the GBT Group and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

### ***GBT Counter-guarantee***

Upon GSH Completion, the GSH Group will cease to be subsidiaries of GBT. Hence, the provision by GBT to GSH of the GBT Counter-guarantee, which GBT shall execute and deliver to GSH at Dihao Completion that is expected to take place concurrently with GSH Completion, shall constitute a transaction by the GBT Group under Chapter 14 of the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the GBT Counter-guarantee (based on the maximum liability GBT may incur under the GBT Counter-guarantee) exceeds 5% but all such ratios are less than 25%, the provision of the GBT Counter-guarantee constitutes a discloseable transaction by the GBT Group and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GSH**

### ***CB Subscription***

The Conversion Shares will be issued pursuant to the Specific Mandate proposed to be sought from the GSH Independent Shareholders at the GSH EGM.

### ***GBT Counter-guarantee***

The GBT Counter-guarantee constitutes financial assistance received by the listed issuer group from a connected person but is fully exempt under Rule 14A.90 of the Listing Rules as (1) it is conducted on normal commercial terms or better; and (2) it is not secured by the assets of the GSH Group.

### ***Dihao Transfer***

As one of the relevant percentage ratios exceeds 5% but below 25%, the Dihao Transfer is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GBT is a controlling shareholder of GSH as at the date of this joint announcement and shall remain as a substantial shareholder and a connected person of GSH upon GSH Completion and Dihao Completion. The Dihao Transfer by GSH to GBT therefore constitutes a connected transaction for GSH under Chapter 14A of the Listing Rules. As one of the relevant percentage ratios exceeds 5% but below 25% and the total consideration is less than HK\$10.0 million, the Dihao Transfer is subject to the announcement requirement but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### ***GSH Counter-guarantee***

As the highest applicable percentage ratio in respect of the GSH Counter-guarantee is above 25%, the GSH Counter-guarantee constitutes a major transaction for GSH and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

GBT is a controlling shareholder of GSH as at the date of this joint announcement. GBT is therefore a connected person of GSH and the provision of the GSH Counter-guarantee by GSH to GBT constitutes a connected transaction for GSH under Chapter 14A of the Listing Rules and is therefore subject to the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 13.13 of the Listing Rules, a general disclosure obligation arises where the relevant advance to an entity by listed issuer exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. As the GSH Counter-guarantee exceeds 8% under the assets ratio of the GSH Group, pursuant to Rule 13.13 of the Listing Rules, GSH is under a general obligation to disclose the details of the GSH Counter-guarantee under Chapter 13 of the Listing Rules.

### **Board approval**

Mr. Wang Guicheng is the chairman of the GSH Board and an executive GSH Director and also an executive GBT Director. As at the date of this joint announcement, Mr. Wang Guicheng holds 500,000 GBT Shares (representing approximately 0.01% of the entire issued share capital of GBT) and 300,000 GSH Shares (representing approximately 0.02% of the entire issued share capital of GSH). Mr. Wang Guicheng has abstained from voting on the GBT Board and GSH Board resolutions approving the transactions in this joint announcement. No GBT Director or GSH Director has a material interest in the transactions in this joint announcement and has abstained from voting on the GBT Board and GSH Board resolutions approving the transactions in this joint announcement.

### **TAKEOVERS CODE IMPLICATIONS**

As each of the Dihao Transfer and the GSH Counter-guarantee, i.e. the Special Deals, is an arrangement between GSH and GBT, an existing GSH Shareholder, and such arrangement is not extended to all GSH Shareholders, each of the Dihao Transfer and the GSH Counter-guarantee constitutes a special deal under Rule 25 of the Takeovers Code and requires the consent of the Executive. GSH will make an application to seek the consent of the Executive for the Special Deals and such consent, if granted, will be subject to: (a) the Independent Financial Adviser publicly stating that in its opinion the terms of the Special Deals are fair and reasonable; and (b) the approval of the Special Deals by the GSH Independent Shareholders by way of poll at the GSH EGM.

### **GBT EGM**

A GBT EGM will be convened and held for the GBT Shareholders to consider and, if thought fit, to approve, among other things, the GSH Disposal and the CB Subscription.

No GBT Shareholder has a material interest in the GSH Disposal and the CB Subscription and therefore no GBT Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve, among other things, the GSH Disposal and the CB Subscription.

A circular containing, among other things, further information on the GSH Disposal and the CB Subscription, other information as required under the Listing Rules and a notice of the GBT EGM will be despatched to the GBT Shareholders on or before 15 May 2023 which is more than 15 business days as additional time is required to prepare the information to be contained in the circular.

## **GSH EGM**

A GSH EGM will be convened and held for the GSH Shareholders to consider and, if thought fit, to approve, among other things, the CB Subscription and the Special Deals.

GBT and Global Corn hold 500,000 GSH Shares and 977,778,000 GSH Shares, respectively, representing approximately 0.03% and approximately 64.01% of the entire issued share capital of GSH as at the date of this joint announcement. Offeror B holds 43,264,000 GSH Shares, representing 2.83% of the entire issued share capital of GSH as at the date of this joint announcement. Rich Mark Profits Limited, a company wholly-owned by Offeror B, holds 16,444,000 GSH Shares, representing 1.08% of the entire issued share capital of GSH as at the date of this joint announcement.

Save for GBT, Global Corn, Offeror B and Rich Mark Profits Limited, no GSH Shareholder is interested in or is involved in the CB Subscription and Special Deals and therefore has to abstain from voting on the resolution(s) to be proposed at the EGM to approve, among other things, the CB Subscription and Special Deals.

A circular containing, among other things, further information on the CB Subscription and the Special Deals, the letter of recommendation from the GSH Independent Board Committee and the letter of advice from the Independent Financial Adviser to the GSH Independent Board Committee and the GSH Independent Shareholders, other information as required under the Listing Rules and the Takeovers Code and a notice of the GSH EGM will be despatched to the GSH Shareholders on or before 15 May 2023 which is more than 15 business days as additional time is required to prepare the information to be contained in the circular.

## **GSH INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The GSH Independent Board Committee comprising Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu, all being independent non-executive directors of GSH has been formed to advise the GSH Independent Shareholders in respect of (i) the Special Deals; and (ii) as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

Octal Capital Limited, was appointed as the Independent Financial Adviser to the GSH Independent Board Committee to advise the GSH Independent Board Committee and the GSH Independent Shareholders in respect of (i) the Special Deals and in particular as to whether the Special Deals are fair and reasonable and as to voting; and (ii) the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the GSH Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code.

The letter of advice from the Independent Financial Adviser in respect of the Special Deals will be included in the circular to be despatched to the GSH Shareholders. The letter of advice from the Independent Financial Adviser in respect of the Offer and the recommendation to the GSH Independent Board Committee and the GSH Independent Shareholders will be included in the Composite Document in relation to the Offer to be despatched to the GSH Independent Shareholders.

## **COMPOSITE DOCUMENT**

Given that the conditions precedent to GSH Completion cannot be fulfilled or waived (where applicable) within 21 days of the date of this joint announcement, the Joint Offerors will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code for an extension of the despatch of the Composite Document to a date falling on or before the seventh day after the GSH Completion Date.

It is the intention of the Joint Offerors and GSH to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the form of acceptance) in connection with the Offer setting out, *inter alia*, details of the Offer (including the expected timetable) and information of the GSH Group and incorporating the letter from CCBI Capital and China Galaxy in respect of the Offer, the letter from the GSH Independent Board Committee to the GSH Independent Shareholders containing its recommendation and advice to the GSH Independent Shareholders on the Offer and the letter from the Independent Financial Adviser containing its recommendation and advice to the GSH Independent Board Committee on the Offer, will be issued and despatched jointly by the Joint Offerors and GSH to all the GSH Independent Shareholders.

The GSH Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the GSH Independent Board Committee and the recommendation from the GSH Independent Board Committee to the GSH Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the GSH Independent Shareholders are concerned and its acceptance, before deciding whether or not to accept the Offer.

## **GENERAL**

### **Disclosure of dealings in the GSH Shares**

In accordance with Rule 3.8 of the Takeovers Code, the associates (including any person holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code)) of GSH and the Joint Offerors are hereby reminded to disclose their dealings in the securities of GSH pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**WARNING: Shareholders and/or potential investors of GBT and GSH should be aware and take note that the sale and purchase of the GSH Sale Shares are conditional upon satisfaction and/or waiver of the conditions precedent in the GSH SPA and therefore may or may not proceed.**

**The Offer is a possible mandatory unconditional general cash offer and will only be made if GSH Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders, and/or potential investors of GBT and GSH should therefore exercise caution when dealing in the securities of GBT and GSH. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## **DEFINITIONS**

In this joint announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate(s)”	has the meaning ascribed thereto in the Listing Rules or the Takeovers Code (as the case may be)
“Bondholder(s)”	the holder(s) of the Convertible Bonds

“Business Day(s)”	a day (excluding Saturday, Sunday, public holidays in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“CB Completion”	CB First Completion and CB Second Completion
“CB First Completion”	completion of the issuance of the Convertible Bonds in the aggregate principal amount of RMB60.0 million by GSH and the subscription of the aforesaid Convertible Bonds by the Joint Offerors, as subscribers, on the CB First Completion Date pursuant to the terms of the CB Subscription Agreement
“CB First Completion Date”	the 60th Business Day following the date on which the conditions precedent (other than conditions precedent that are stipulated to be fulfilled on the date of CB First Completion) in respect of CB First Completion as set out in the CB Subscription Agreement are fulfilled or waived (as the case may be), or such other date as GSH and the Joint Offerors, as subscribers, shall agree in writing
“CB Second Completion”	completion of the issuance of the remaining Convertible Bonds in the aggregate principal amount of RMB60.0 million and the subscription of the aforesaid remaining Convertible Bonds by the Joint Offerors, as subscribers, on the CB Second Completion Date pursuant to the terms of the CB Subscription Agreement
“CB Second Completion Date”	a business day falling on or within six calendar months from the CB First Completion Date as notified by GSH to the Joint Offerors, as subscribers, by not less than one month’s written notice, or such other date as GSH and the Joint Offerors, as subscribers, shall agree in writing
“CB Subscription”	the subscription of the Convertible Bonds pursuant to the terms of the CB Subscription Agreement
“CB Subscription Agreement”	the conditional subscription agreement entered into between GSH and the Joint Offerors as subscribers dated 6 April 2023 in relation to the CB Subscription
“CCBI Capital”	CCB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the financial advisers to the Joint Offerors and one of the agents making the Offer on behalf of the Joint Offerors

“Changchun Dahe”	長春大合生物技術開發有限公司 (Changchun Dahe Bio Technology Development Co., Ltd.*), an indirect wholly-owned subsidiary of GBT
“China Galaxy”	China Galaxy International Securities (Hong Kong) Co., Limited, a licensed corporation under the SFO, registered to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Joint Offerors and one of the agents making the Offer on behalf of the Joint Offerors
“Composite Document”	the composite document to be issued jointly by the Joint Offerors and GSH in relation to the Offer in accordance with the Takeovers Code containing, amongst other things, further details of the Offer
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Date”	the date on which the Conversion Rights are exercised
“Conversion Price”	the conversion price per Conversion Share at which Conversion Shares will be issued upon exercise of the conversion rights attaching to the Convertible Bonds, being initially HK\$0.1 per Conversion Share, subject to adjustments pursuant to the terms and conditions of the Convertible Bonds
“Conversion Rights”	the rights pursuant to the terms and conditions of the Convertible Bonds attaching to each Convertible Bond to convert the principal amount or a part thereof into GSH Shares
“Conversion Shares”	new GSH Shares fall to be allotted and issued by GSH pursuant to the exercise of the conversion rights attached to the Convertible Bonds pursuant to the terms and conditions of the Convertible Bonds
“Convertible Bonds”	the RMB120.0 million (equivalent to approximately HK\$138.0 million), 3 year, 5 per cent. Convertible bonds to be issued by GSH to the Joint Offerors as subscribers in accordance with the terms of the CB Subscription Agreement
“Dacheng Bio-Tech”	長春大成生物科技開發有限公司 (Changchun Dacheng Bio-Tech Development Co., Ltd.*), an indirect wholly-owned subsidiary of GBT

“Dihao Companies”	Dihao Crystal Sugar and Dihao Foodstuff, the companies to be disposed of under the Dihao SPAs
“Dihao Completion”	completion of the sale and purchase of the Dihao Sale Interests on the Dihao Completion Date in accordance with the Dihao SPAs
“Dihao Completion Date”	the tenth Business Day after all conditions precedent (other than conditions precedent that are stipulated to be fulfilled on the Dihao Completion Date) are being fulfilled or waived (as the case may be) or any other date as agreed by the parties in writing under the Dihao SPAs
“Dihao Crystal Sugar”	長春帝豪結晶糖開發實業有限公司 (Changchun Dihao Crystal Sugar Industry Development Co., Ltd.*), an indirect wholly-owned subsidiary of GSH as at the date of the Dihao SPA II and prior to Dihao Completion
“Dihao Crystal Sugar Sale Interest”	the entire registered capital of Dihao Crystal Sugar for an aggregate sum of USD22,200,000, which had been fully paid-up and owned as to approximately 73.0% by Dihao Vendor A and as to approximately 27.0% by Dihao Vendor C
“Dihao Foodstuff”	長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*), an indirect wholly-owned subsidiary of GSH as at the date of the Dihao SPA I and prior to Dihao Completion
“Dihao Foodstuff Guarantee”	the guarantee provided by GSH to Nongan ABC in respect of the debts to be owed by Dihao Foodstuff to Nongan ABC under a guarantee agreement dated 20 May 2019, being the underlying guarantee to which the GBT Counter-guarantee relates
“Dihao Foodstuff Loan”	a loan with a principal amount of RMB180.0 million and a term of two years from the drawdown date, i.e. 18 June 2019, granted by Nongan ABC to Dihao Foodstuff for debts refinancing purposes, which was subsequently transferred by Jilin ABC (acting on behalf of Nongan ABC) to Jilin Cinda
“Dihao Foodstuff Sale Interest”	the entire registered capital of Dihao Foodstuff for an aggregate sum of RMB725,100,000, RMB307,574,472 of which had been paid up and owned as to approximately 31.4% by Dihao Vendor A and approximately 68.6% by Dihao Vendor B

“Dihao Long Stop Date”	30 September 2023 or such other date as the Dihao Vendors and the Dihao Purchaser may agree in writing, the long stop date under the Dihao SPAs
“Dihao Purchaser”	GLOBAL BIO-CHEM TECHNOLOGY (HK) LIMITED (大成生化科技集團有限公司), a direct wholly-owned subsidiary of GBT, the purchaser under the Dihao SPAs
“Dihao Sale Interests”	collectively, the Dihao Foodstuff Sale Interest and the Dihao Crystal Sugar Sale Interest
“Dihao SPA I”	the sale and purchase agreement dated 6 April 2023 entered into between the Dihao Vendor A and Dihao Vendor B and the Dihao Purchaser for the acquisition of the Dihao Foodstuff Sale Interest
“Dihao SPA II”	the sale and purchase agreement dated 6 April 2023 entered into between the Dihao Vendor A and Dihao Vendor C and the Dihao Purchaser for the acquisition of the Dihao Crystal Sugar Sale Interest
“Dihao SPAs”	the collectively, Dihao SPA I and Dihao SPA II for the acquisition of the Dihao Sale Interests
“Dihao Transfer”	the transfer of the Dihao Sale Interests from GSH Group to GBT Group under the Dihao SPAs
“Dihao Vendor A”	Global Sweeteners (China) Limited (大成澱粉糖(中國)有限公司), a wholly-owned subsidiary of GSH and one of the Dihao Vendors under the Dihao SPA I and Dihao SPA II
“Dihao Vendor B”	Global Starch (Changchun) Investments Limited (大成澱粉(長春)投資有限公司), a wholly-owned subsidiary of GSH and one of the Dihao Vendors under the Dihao SPA I
“Dihao Vendor C”	Global Sorbitol (H.K.) Company Limited (大成山梨醇(香港)有限公司), a wholly-owned subsidiary of GSH and one of the Dihao Vendors under the Dihao SPA II
“Dihao Vendors”	Dihao Vendor A, Dihao Vendor B and Dihao Vendor C, which are the vendors under the Dihao SPAs
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates

“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), which holds 500,000 GSH Shares (representing approximately 0.03% of the entire issued share capital of GSH) as at the date of the GSH SPA
“GBT Board”	the board of the GBT Directors
“GBT Counter-guarantee”	the counter-guarantee and indemnity to be provided by GBT to GSH in respect of the obligations and liabilities GSH may incur and suffer under the Dihao Foodstuff Guarantee
“GBT Counter-guarantee Deed”	the deed of guarantee to be executed by GBT and GSH pursuant to which GBT will, among others, provide the GBT Counter-guarantee to GSH
“GBT Director(s)”	the director(s) of GBT
“GBT EGM”	the extraordinary general meeting of GBT to be convened to consider and, if thought fit, to approve, among other things, the GSH Disposal and the CB Subscription
“GBT Group”	GBT and its subsidiaries but excluding the GSH Group
“GBT Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of GBT
“GBT Shareholder(s)”	holder(s) of the GBT Shares
“Global Corn”	Global Corn Bio-Chem Technology Company Limited, a wholly-owned subsidiary of GBT, which holds 977,778,000 GSH Shares (representing approximately 64.01% of the entire issued share capital of GSH) as at the date of the GSH SPA and prior to the GSH Completion
“Group”	collectively, the GBT Group and the GSH Group prior to the GSH Completion

“GSH”	Global Sweeteners Holdings 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: 03889), of which 978,278,000 GSH Shares are beneficially owned by GBT and Global Corn (representing approximately 64.04% of the entire issued share capital of GSH)
“GSH Board”	the board of the GSH Directors
“GSH Completion”	completion of the sale and purchase of the GSH Sale Shares in accordance with the GSH SPA, which shall take place on the GSH Completion Date
“GSH Completion Date”	the fifth Business Day after all conditions precedent (other than conditions precedent that are stipulated to be fulfilled on the GSH Completion Date) have been fulfilled or waived (as the case may be) or any other date as agreed by the parties in writing, being the completion date under the GSH SPA
“GSH Counter-guarantee”	the counter-guarantee and indemnity to be provided by GSH to GBT and Dihao Foodstuff in respect of the obligations and liabilities that GBT and Dihao Foodstuff may incur and suffer under the Jinzhou Yuancheng Guarantees
“GSH Counter-guarantee Deed”	the deed of counter-guarantee to be executed by GSH, GBT and Dihao Foodstuff pursuant to which GSH will, among others, provide the GSH Counter-guarantee to GBT and Dihao Foodstuff
“GSH Director(s)”	the director(s) of GSH
“GSH Disposal”	the disposal of the GSH Sale Shares under the GSH SPA
“GSH EGM”	the extraordinary general meeting of GSH to be convened to consider and, if thought fit, to approve, among other things, the CB Subscription and the Special Deals
“GSH Group”	GSH and its subsidiaries
“GSH Independent Board Committee”	the independent board committee of GSH comprising Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu, being all independent non-executive GSH Directors for the purpose of making a recommendation to the GSH Independent Shareholders regarding the Special Deals and the terms of the Offer

“GSH Independent Shareholder(s)”	<p>(i) for the purpose of accepting the Offer, the GSH Shareholder(s) other than the Joint Offerors and parties acting in concert with them;</p> <p>(ii) for the purpose of approving the Special Deals (including the GSH Counter-guarantee as a connected transaction under the Listing Rules), the GSH Shareholders other than (a) Offeror B, Rich Mark Profits Limited, a company wholly-owned by Offeror B, and parties acting in concert with each of them; (b) GBT, Global Corn and their respective associates; (c) the GSH Shareholders who are interested in or involved in the Special Deals; and (d) GSH Shareholders who have a material interest in the Special Deals; and</p> <p>(iii) for the purpose of approving the CB Subscription, the GSH Shareholders other than (a) Offeror B, Rich Mark Profits Limited, a company wholly-owned by Offeror B, and their respective close associates; (b) GBT, Global Corn and their respective close associates; and (c) the GSH Shareholders who are materially interested in the CB Subscription</p>
“GSH Long Stop Date”	30 September 2023 or such later date as shall be agreed between GBT and the Joint Offerors in writing, the long stop date under the GSH SPA
“GSH Sale Shares”	717,965,000 GSH Shares held by Global Corn as at the date of the GSH SPA and to be sold to the Joint Offerors under the GSH SPA, representing approximately 47.00% of the entire issued share capital of GSH as at the date of the GSH SPA
“GSH Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of GSH
“GSH Shareholder(s)”	holder(s) of the GSH Shares
“GSH SPA”	the sale and purchase agreement dated 6 April 2023 entered into by the Joint Offerors and Global Corn for the acquisition of the GSH Sale Shares by the Joint Offerors
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Harbin Dacheng”	哈爾濱大成生物科技有限公司 (Harbin Dacheng Bio-Technology Co., Ltd.*), an indirect wholly-owned subsidiary of GBT

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hongcheng Bio-Tech”	長春鴻成生物化工材料技術開發有限公司(Changchun Hongcheng Bio-Technology Materials Technology Development Co., Ltd.*), a wholly-owned subsidiary of GBT
“HKFRSs”	Hong Kong Financial Reporting Standards
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the GSH Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code for the purpose of advising the GSH Independent Board Committee and the GSH Independent Shareholders in respect of (i) the terms of the Special Deals and as to their voting; and (ii) the terms of the Offer and as to their acceptance
“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.*), a lender of Dihao Foodstuff
“Jinzhou CCB”	中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation*), a lender of Jinzhou Yuancheng and a non-shareholder of GSH
“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 GSH
“Jinzhou Yuancheng Guarantees”	the guarantees provided by GBT and/or Dihao Foodstuff to Jinzhou CCB and Tiebei BOJ in respect of the debts to be owed by Jinzhou Yuancheng to Jinzhou CCB and Tiebei BOJ under the guarantee agreements dated 13 September 2018, 20 May 2019 and 27 December 2021, being the underlying guarantees to which the GSH Counter-guarantee relates
“Joint Offerors”	collectively, Offeror A and Offeror B, the purchasers under the GSH SPA and the Joint Offerors under the Offer

“Last Trading Day”	6 April 2023, being the last trading day on which then GSH Shares were traded on the Stock Exchange on the date of issue and publication of this joint announcement
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luyuan Properties”	certain land and buildings in Luyuan District in Changchun owned by the Dihao Companies and the GBT Group that became subject to resumption following the announcement by 長春市人民政府 (The Changchun Municipal Government*) in 2019 that these properties formed part the redevelopment plan under the PRC’s Slum Redevelopment Policy, a portion of which that was owned by Dihao Foodstuff completed resumption in 2020 and the Remaining Luyuan Properties have yet to complete resumption as at the date of this joint announcement
“Ningxia Huarong”	寧夏華融資本拓譽投資中心(有限合夥) (Ningxia Huarong Capital Tuoyu Investment Centre (Limited Partnership*)), a lender of Dihao Foodstuff, Changchun Dahe and Dacheng Bio-Tech
“Nongan ABC”	中國農業銀行股份有限公司農安縣支行 (Nongan Branch of Agricultural Bank of China Limited*), an ex-lender of Dihao Foodstuff whose loan to Dihao Foodstuff has been assigned to Jilin Cinda
“Nongtou”	吉林省農業投資集團有限公司 (Jilin Agricultural Investment Group Co.,Ltd.*)
“Nongtou Group”	Nongtou and its subsidiaries
“Offer”	the mandatory unconditional general cash offer to be made by CCBI Capital and China Galaxy 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 Price”	the price at which the Offer will be made, being HK\$0.06 per Offer Share

“Offer Share(s)”	any and all of the issued GSH Share(s) not already owned or agreed to be acquired by the Joint Offerors and parties acting in concert with them in the Offer
“Offeror A”	Mr. Kong Zhanpeng (孔展鵬), one of the purchasers under the GSH SPA and one of the Joint Offerors under the Offer
“Offeror B”	Mr. Wang Tieguaog (王鐵光), one of the purchasers under the GSH SPA and one of the Joint Offerors under the Offer
“Overseas GSH Independent Shareholder(s)”	GSH Independent Shareholder(s) whose address(es), as shown on the register of members of the GSH, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Remaining Luyuan Properties”	the Luyuan Properties that have not completed resumption as at the date of this joint announcement, approximately one-seventh of which is owned by the Dihao Companies and approximately six-sevenths of which is owned by the GBT Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Special Deals”	(i) GSH Counter-guarantee; and (ii) Dihao Transfer, each of which constitutes a special deal under Rule 25 of the Takeovers Code
“Specific Mandate”	the specific mandate granted to the GSH Board to allot, issue and deal with the Conversion Shares at the relevant extraordinary general meeting of GSH to be convened by GSH
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tiebei BOJ”	錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*), a lender of Jinzhou Yuancheng
“USD”	United States dollars

“Yatai BOJ” 吉林銀行股份有限公司長春亞泰大街支行 (Yatai Main Road Branch of Bank of Jilin\*), a lender of Changchun Dahe and Dacheng Bio-Tech

“%” per cent.

For the purpose of this joint announcement, the exchange rate of RMB1.00 = HK\$1.15 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.

Kong Zhanpeng	Wang Tieguang	By order of the board of Global Bio-chem Technology Group Company Limited Yang Jian Chairman	By order of the board of Global Sweeteners Holdings Limited Wang Guicheng Chairman
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Hong Kong, 6 April 2023

*As at the date of this joint announcement, the GBT Board comprises two executive directors, namely, Mr. Yang Jian and Mr. Wang Guicheng; 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.*

*All GBT Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Joint Offerors, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Joint Offerors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

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

*All GSH Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the GBT Group, the Joint Offerors, their respective associates and parties acting in concert with them (save for GSH Group)), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the GBT Group, the Joint Offerors or their respective director(s) in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The Offeror A accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the GBT Group, the GSH Group, the Offeror B, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the GBT Group, the GSH Group, their respective directors or the Offeror B) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*The Offeror B accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the GBT Group, the GSH Group, the Offeror A, their respective associates and parties acting in concert with them), and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the GBT Group, the GSH Group, their respective directors or the Offeror A) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*

*\*For identification purposes only*