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GLOBAL SWEETENERS HOLDINGS LIMITED

大成糖業控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03889)

UPDATE ON DEBT RESTRUCTURING PLAN AND SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report (the “**Annual Report**”) for the year ended 31 December 2022 (the “**Year**”) of the Global Sweeteners Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report.

UPDATE ON DEBT RESTRUCTURING PLAN

The Company would like to provide updated and further information to its Shareholders on the debt restructuring plan as disclosed in the Annual Report.

As disclosed in the joint announcements of the Company and Global Bio-chem Technology Group Company Limited (“**GBT**”, together with its subsidiaries but excluding the Group, the “**GBT Group**”) dated 23 December 2020 and 26 March 2021, as part of the Group’s debt restructuring plan, major lender banks of the Group had transferred the loans owed by the Group to Jilin Cinda and Changchun Rudder.

Further details of the loans and their respective transfer are set out as follows:

- (i) the ABC Transferred Loans, being the loans with an aggregate outstanding principal amount of approximately RMB1,400.0 million (the “**ABC Aggregate Principal**”) together with outstanding interest owed by, among others, the Group, the GBT Group and 長春大金倉玉米收儲有限公司 (Changchun Dajincang Corn Procurement Co., Ltd.*) (“**Dajincang**”), an independent third party to the Group, to Jilin Branch ABC and Nongan Branch ABC, were

transferred to Jilin Cinda at a consideration of approximately RMB414.7 million. Among the ABC Aggregate Principal, approximately RMB180.0 million was owed by Dihao Foodstuff, a subsidiary of the Company, approximately RMB920.0 million was owed by the GBT Group, and the rest of the ABC Aggregate Principal of approximately RMB300.0 million was owed by Dajincang. The Group and the GBT Group are not responsible for the financing of the repayment obligations of debts owed by Dajincang; and

- (ii) the repurchased loans (the “**Repurchased Loans**”), being a portion of loans owed by Dihao Foodstuff that was first transferred by the then creditors to Jilin Cinda, and then further transferred to Changchun Rudder, and finally repurchased by the Group from Changchun Rudder at a consideration of RMB113.5 million on 31 March 2021, with such consideration for the purchase of the Repurchased Loans remaining outstanding.

The Group and the GBT Group has been exploring various possibilities to raise funds to facilitate and implement the next stage of the debt restructuring plan in relation to, among others, the ABC Transferred Loans with the support of 吉林省人民政府辦公廳 (the General Office of the People’s Government of Jilin Province*) and Jilin SASAC. As at the date of this announcement, certain potential investors (the “**Potential Investors**”) have expressed their interests and organised investment fund(s) targeting to set up a fund of approximately RMB1.5 billion to RMB1.6 billion for the Group and the GBT Group to repurchase, among others, the ABC Transferred Loans. Negotiations to date are still at its early stages and no written agreement regarding the same has been entered into. The Potential Investors have yet to make their final decision of investment to the Group and the GBT Group. Further announcement(s) will be made by the Company as and when appropriate. **Shareholders should note that such investment may or may not proceed.**

In relation to the Repurchased Loans, as previously disclosed in the joint announcement of the Company and GBT dated 6 April 2023, the Group and the GBT Group intend to settle the outstanding consideration for the purchase of the Repurchased Loans with the proceeds from the resumption of the Relevant Properties. As certain portion of the remaining land and buildings situated in Luyuan District, Changchun, the PRC held by the Group with an aggregate book value of approximately RMB79.8 million as at 31 December 2022 and land area of approximately 100,000 square meters have been pledged as security for these Repurchased Loans. Even if the land resumption does not take place in time or at all, given that the aforementioned properties have been pledged as security, the pledgee-lenders may apply for the pledged properties to be sold by way of auction and receive proceeds of sale settling the Repurchased Loans.

Meanwhile, as further disclosed in the joint announcement of the Company and GBT dated 6 April 2023 and the circular of the Company dated 31 May 2023, upon the completion of the Dihao Transfer, Dihao Foodstuff will cease to be a subsidiary of the Company and become part of the GBT Group, as such, both the ABC Transferred Loans and the Repurchased Loans will then be owed by the GBT Group after completion of the Dihao Transfer and the Group will be released from its repayment obligations even if the debt restructuring plan and resumption of the Relevant Properties are yet to be completed.

Other than the ABC Transferred Loans and the Repurchased Loans owed by the Group and their respective intended settlement as disclosed above, as at 31 January 2023, the total outstanding principal amount of the loans or borrowings of the Group amounted to approximately RMB441.3 million, among which (i) approximately RMB252.3 million is intended to be settled by the renewal of loan facilities for the Group's daily operation and to be later settled via future operating cash flow; and (ii) in relation to the loan amount of approximately RMB189.0 million owed to Jinzhou CCB by Jinzhou Yuancheng, based on the latest negotiation between the Group and Jinzhou CCB, the parties are exploring a possible debt restructuring arrangement with a substantial discount. It is the current intention of the Company to settle approximately RMB60.0 million, being a portion of the aforementioned loan owed to Jinzhou CCB, by the proceeds from the issue of the Convertible Bonds with the remaining portion to be settled by future operating cash flow generated by Jinzhou Yuancheng.

DISCLAIMER OPINION ISSUED BY THE AUDITOR OF THE COMPANY

The Company would like to provide supplemental information on the disclaimer of opinion (the “**Disclaimer Opinion**”) on the consolidated financial statements of the Company for the Year issued by the auditor of the Company, Mazars CPA Limited (the “**Auditor**”).

Regarding the Disclaimer Opinion, the Audit Committee held discussion with the Auditor and generally understood the concerns of the Auditor and the reasons for the Disclaimer Opinion. The Auditor is of the view that upon completion of all remedial measures as set out in the paragraph headed “Updated Remedial Measures” in the section headed “Management Discussion and Analysis” in the Annual Report and note 2.2 to the consolidated financial statements of the Group for the Year and the debt restructuring plan as mentioned above, where the Group is able to demonstrate a stable improving trend in its financials and operating cash flows, the Auditor will revisit the situation on a dynamic basis and consider removing the audit modification in next year's financial statement of the Group.

Save as disclosed above, the contents of the Annual Report remain unchanged.

For and on behalf of the Board
Global Sweeteners Holdings Limited
Wang Guicheng
Chairman

Hong Kong, 24 July 2023

As at the date of this announcement, the 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.

** For identification purposes only*