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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)

DISCLOSEABLE TRANSACTION THE BOILERS REFURBISHMENT CONTRACT IN RELATION TO THE REFURBISHMENT PROJECT FOR THE RESUMPTION OF JINZHOU PRODUCTION FACILITIES

THE BOILERS REFURBISHMENT CONTRACT

On 2 August 2024, as part of the Refurbishment Project, Jinzhou Yuancheng entered into the Boilers Refurbishment Contract with Beijing Lideheng such that Beijing Lideheng will provide repair, remodeling and construction services to Jinzhou Yuancheng in relation to the boilers located in the Group's Jinzhou production site for the lowering of pollutants emissions for the contract sum of RMB26,960,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Boilers Refurbishment Contract, on a standalone basis, exceed 5% but are less than 25%, the Boilers Refurbishment Contract constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 2 August 2024, as part of the Refurbishment Project, Jinzhou Yuancheng entered into the Boilers Refurbishment Contract with Beijing Lideheng such that Beijing Lideheng will provide repair, remodeling and construction services to Jinzhou Yuancheng in relation to the boilers located in the Group's Jinzhou production site for the lowering of pollutants emissions for the contract sum of RMB26,960,000.

BOILERS REFURBISHMENT CONTRACT

The principal terms of the Boilers Refurbishment Contract are summarised below:

- Date : 2 August 2024
- Parties : (1) Jinzhou Yuancheng; and
(2) Beijing Lideheng (as contractor)
- Contract term : 120 calendar days commencing from the first day of on-site construction
- Services to be provided : Beijing Lideheng shall provide repair, remodeling and construction services to Jinzhou Yuancheng in relation to its boilers which principally consist of two parts:
- (i) the remodeling and construction of a desulphurisation and dust removal system for the boilers to meet a higher standard of low-emission requirements; and
 - (ii) the repair and remodeling of the boilers for low-NOx combustion, and the remodeling and construction of a denitrification system for the boilers to limit their NOx emission level.
- Contract sum : RMB26,960,000 (*Note*)
- Payment terms : Jinzhou Yuancheng shall pay Beijing Lideheng:
- (i) RMB5,392,000, being 20% of the contract sum, before 30 August 2024;
 - (ii) RMB8,088,000, being 30% of the contract sum, five days before Beijing Lideheng accepts delivery of large and significant equipments;
 - (iii) RMB10,784,000, being 40% of the contract sum, before 30 June 2025; and
 - (iv) RMB2,696,000, being the remaining 10% of the contract sum, within seven days after the expiry of the 12-month warranty period.

Note: Jinzhou Yuancheng had put the relevant tranches of the Refurbishment Project, including the tranche on refurbishment of boilers, out to tender. Beijing Lideheng, as the successful bidder of the boilers refurbishment project out of four other competitors, was awarded the Boilers Refurbishment Contract. In determining the successful bidder, Jinzhou Yuancheng had made reference to the market prices for similar projects concerning the same industry with a similar production size of the Jinzhou production facilities through market search conducted by the internal consultants and invited bidders to join two rounds of discussions. The management of the Group had made a comprehensive assessment on both of the quality of services/hardware offered and the bidding prices submitted by the bidders to determine the most suitable one.

REASONS FOR AND BENEFITS OF THE BOILERS REFURBISHMENT CONTRACT

References are made to the announcements of the Company dated 3 May 2024 and 19 July 2024 in relation to the completion of issuance of the RMB120.0 million, 3 year, 5 per cent. convertible bonds (the “**Convertible Bonds**”), including the completion of issuance of (i) the first batch of the Convertible Bonds in the aggregate principal amount of RMB60.0 million on 3 May 2024; and (ii) the second batch of the Convertible Bonds in the aggregate principal amount of RMB60.0 million (the “**Second CB**”) on 19 July 2024. The net proceeds of RMB60.0 million from the issuance of the Second CB are intended to be used for the preparation for the resumption of the Group’s Jinzhou production facilities. As such, the Group has endeavored to prepare for the resumption of the Group’s Jinzhou production facilities since the completion of issuance of the Second CB on 19 July 2024.

In contemplation of the resumption of the Group’s Jinzhou production facilities, the Board is of the view that as the upstream and downstream production facilities in the Group’s Jinzhou production site have been suspended since 2019 and 2020, respectively, the facilities in the Jinzhou production site such as boilers, evaporators, canteens and employees’ accommodations are in need of refurbishment and/or development to restore the production capacity and improve market competitiveness. In particular, the eco-friendly systems and facilities ancillary to the boilers in the Jinzhou production site have been used for over a decade and the emission levels of the boilers could no longer meet the current national standards. In order to facilitate the resumption of the Group’s Jinzhou production facilities and taking into account the sustainable development of the Group as a whole, the Directors (including the independent non-executive Directors) consider that the Boilers Refurbishment Contract is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the Boilers Refurbishment Contract is entered into in the ordinary and usual course of business of the Group. No Director has any material interest in the Boilers Refurbishment Contract and is required to abstain from voting on the Board’s decision regarding the entering into of the Boilers Refurbishment Contract.

INFORMATION OF THE PARTIES

Jinzhou Yuancheng

Jinzhou Yuancheng is principally engaged in the production and sale of corn refined products.

Beijing Lideheng

Beijing Lideheng is principally engaged in the provision of construction and installation services and specialises in operation management of flue gas desulphurisation, denitrification, de-dusting and solid waste treatment projects. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Beijing Lideheng and its ultimate beneficial owners, namely, Mr. Lu Laiyin, Mr. Lu Jianan and Ms. Liu Ying, who own approximately 58.5%, 22.4% and 19.1% of Beijing Lideheng, respectively, are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

The Boilers Refurbishment Contract forms part of the Refurbishment Project which the Group has kick-started since July 2024. The Refurbishment Project, with the aim to refurbish and restore the Jinzhou production facilities to a state suitable for production, comprises different segments, and a number of different contractors have been or will be engaged by the Group to provide services for the construction, development, renovation, or refurbishment of different parts of the facilities in the Jinzhou production site. The management of the Group currently expects that the total costs of the Refurbishment Project will be approximately RMB95.0 million.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, all of the contractors under the contracts entered into by the Group in relation to the Refurbishment Project, including Beijing Lideheng, are Independent Third Parties unrelated to one another, and with whom the Group had not entered into any other transactions in the past. Each of such contracts involves the construction, development, renovation, or refurbishment of different parts or assets in the Jinzhou production site for the Group's own use in its ordinary and usual course of business, and are, therefore, not normally required to be aggregated pursuant to Rules 14.23 and 14.23A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Boilers Refurbishment Contract, on a standalone basis rather than aggregated basis, exceed 5% but are less than 25%, the Boilers Refurbishment Contract constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Other than the Boilers Refurbishment Contract, none of the other contracts entered into by the Group as part of the Refurbishment Project as at the date of this announcement, on a standalone basis, has applicable percentage ratios (as defined under the Listing Rules) exceeding 5%, and therefore none constituted discloseable transaction under Chapter 14 of the Listing Rules. Further announcement(s) shall be made by the Company in compliance with the Listing Rules as and when appropriate should any of the contracts to be later entered into under the Refurbishment Project constitute notifiable transactions that are subject to the reporting and announcement requirements.

DEFINITIONS

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

“Beijing Lideheng”	北京利德衡環保工程有限公司 (Beijing Lideheng Environmental Protection Engineering Co., Ltd.*), a company established in the PRC with limited liability
“Board”	the board of Directors
“Boilers Refurbishment Contract”	the boilers refurbishment contract entered into between Jinzhou Yuancheng and Beijing Lideheng (as contractor) on 2 August 2024 for the provision of repair, remodeling and construction services by Beijing Lideheng to Jinzhou Yuancheng in relation to the boilers in the Group's Jinzhou production facilities
“Company”	Global Sweeteners Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03889)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	third party(ies) and who and whose ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules)
“Jinzhou Yuancheng”	錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NO _x ”	nitrogen oxides
“PRC”	People’s Republic of China
“Refurbishment Project”	refurbishment project in preparation of the resumption of the Group’s Jinzhou production facilities
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholders” holders of shares of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

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

Hong Kong, 2 August 2024

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

** For identification purposes only*