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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)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 20 December 2024 (after trading hours), the Company entered into separate Subscription Agreements with each of the Subscribers. Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 41,000,000 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share.

The Subscription Shares in aggregate represent (i) approximately 2.17% of the total number of issued Shares as at the date of this announcement and (ii) approximately 2.12% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there will be no other change in the number of issued Shares after the date of this announcement and before completion of the Subscriptions).

THE SUBSCRIPTIONS

The Board is pleased to announce that on 20 December 2024 (after trading hours), the Company entered into separate Subscription Agreements with each of the Subscribers. Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 41,000,000 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share.

The Subscription Agreements

The principal terms of the Subscription Agreements are set out as follows:

- Date : 20 December 2024 (after trading hours)
- Parties : (a) the Company, as issuer; and
- (b) the Subscribers (being not less than six in number), as subscribers

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscribers (all being individuals) are seasoned individual investors, are independent of each other and are third parties independent of, and are not connected with the Company and its connected persons. Based on the information provided by the Subscribers, none of them held any Shares before entering into the Subscription Agreements, and none of them is subscribing for 5% or more of the total number of issued Shares as enlarged by the Subscription Shares.

Subscription Shares

Pursuant to the Subscription Agreements, the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 41,000,000 Subscription Shares, at the Subscription Price of HK\$0.1 per Subscription Share. The details of the number of Subscription Shares to be subscribed by each Subscriber are set out below:

	Number of Subscription Shares to be subscribed	Total Subscription price (HK\$)
Subscriber 1	11,000,000	1,100,000
Subscriber 2	10,000,000	1,000,000
Subscriber 3	10,000,000	1,000,000
Subscriber 4	6,000,000	600,000
Subscriber 5	3,000,000	300,000
Subscriber 6	1,000,000	100,000
Total	<u>41,000,000</u>	<u>4,100,000</u>

The Subscription Shares represent:

- (i) approximately 2.17% of the total number of issued Shares as at the date of this announcement; and

- (ii) approximately 2.12% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares only (assuming there will be no change in the number of issued Shares between the date of this announcement and the date of completion of the Subscriptions).

The aggregate nominal value of the Subscription Shares is HK\$4,100,000.

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscription Shares including all dividends declared or payable or distributions made or proposed on or after the date of execution of the Subscription Agreements.

Conditions precedent to the Subscription Agreements

Completion of the Subscription under each of the Subscription Agreements is conditional upon fulfilment (or waiver, as the case maybe) of the following conditions prior to 4:00 p.m. on or before the Long Stop Date:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) (where necessary) the Company obtaining all approvals and/or filings required for the Subscription Shares and other related transactions under the Subscription Agreements in accordance with the relevant laws and regulations of the PRC; and
- (c) all the warranties given under the respective Subscription Agreements remaining true, accurate and not misleading in all material respects.

Pursuant to each of the Subscription Agreements, if the Company cannot fulfil any of the above conditions precedent, the Company shall serve a written notice to inform the Subscriber(s). The Subscriber(s) may at its absolute discretion waive condition precedent (c) above. In the event that any of the conditions of the Subscription are not fulfilled or waived (only applicable to condition precedent (c)) at or prior to 4:00 p.m. on or before the Long Stop Date (or such later date as may be agreed between the Company and the Subscriber(s) in writing), the respective Subscription Agreements shall terminate and all obligations of the Company and the Subscribers under the respective Subscription Agreements shall cease and determine and neither the Company nor the Subscribers shall have any claim against the other in respect of any matter arising out of or in connection with the respective Subscription Agreements except for any antecedent breach of any obligations and any liabilities under the respective Subscription Agreements.

Subscription completion

Upon and subject to the Subscribers' due payment of the respective Subscription Price, completion of the Subscription under each of the Subscription Agreements shall take place on the third Business Day after the fulfilment (or waiver, as the case may be) of the conditions precedent set out in the paragraphs headed "Conditions precedent to the Subscription Agreements" in this announcement (or on such other Business Day as may be agreed between the Company and the respective Subscribers in writing).

Completion of each of the Subscription Agreements is not inter-conditional.

Subscription Price

The Subscription Price is HK\$0.1 per Subscription Share, which:

- (a) is the same as the closing price of HK\$0.1 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) represents a discount of approximately 2.3% to the average closing price of HK\$0.1024 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the Last Trading Day.

Taking into account the estimated expenses of the Subscriptions in the amount of approximately HK\$100,000, the net price to the Company of each Subscription Share is estimated to be approximately HK\$0.098.

The Subscription Price was arrived at after arm's length negotiations between the Company and the respective Subscribers with reference to (i) recent market price of the Shares and current market condition; and (ii) the financial situation of the Company. The Directors consider that the Subscription Price is fair and reasonable.

REASONS FOR THE SUBSCRIPTIONS

As at 30 June 2024, the Group had an unaudited total cash and cash equivalents of approximately HK\$5.6 million while the Group had an unaudited current liabilities of approximately HK\$646.6 million, which mainly consisted of (i) interest-bearing bank and other borrowings of approximately HK\$228.5 million which are repayable within 12 months; (ii) other payables and accruals of approximately HK\$260.4 million; and (iii) trade payables of approximately HK\$114.1 million. While the Group has utilised over HK\$110.0 million for the refurbishment project in preparation for the resumption of the Group's Jinzhou production facilities, the Group would like to further enhance its financial resources by entering into the Subscription Agreements to raise fund for general working capital purposes and relieve its immediately financial pressure.

The Directors (including the independent non-executive Directors) are of the view that the terms of each of the Subscription Agreements are fair and reasonable, on normal commercial terms and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

USE OF NET PROCEEDS

The gross proceeds from the Subscriptions will amount to approximately HK\$4,100,000. It is estimated that the net proceeds from the Subscriptions, after the deduction of relevant expenses, will be approximately HK\$4,000,000.

Details on the intended use of the net proceeds from the Subscriptions are as follows:

Proposed use of the net proceeds	Expected timeline of use	Approximate amount (HK\$)
Repayment of other payables due to the equipment supplier of the Group's Jinzhou production site	December 2024 to January 2025	2,000,000
Fund for general administration expenses of the Group, i.e. salaries and professional fees	December 2024 to January 2025	2,000,000

FUNDRAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not carried out other fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of initial announcement	Date of completion	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
6 April 2023	First completion: 3 May 2024	Issue of Convertible Bonds under specific mandate	RMB 60.0 million	Repayment to relevant creditors of the Group in respect of the loan provided to the Group for the settlement of loans	Fully utilised as intended

Date of initial announcement	Date of completion	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
6 April 2023	Second completion: 19 July 2024	Issue of Convertible Bonds under specific mandate	RMB 60.0 million	Preparation for the resumption of the Group's Jinzhou production facilities	Fully utilised as intended

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 1,890,374,856 Shares in issue. Set out below is a table, for illustration purpose only, showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Subscription Shares in full (assuming there will be no change in the issued share capital of the Company between the date of this announcement and the date of completion of the respective Subscription Agreements, save for the allotment and issue of the Subscription Shares):

Name of Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<i>Connected persons</i>				
– GBT (Note 1)	260,313,000	13.77	260,313,000	13.48
– Huasheng (Note 2)	362,788,856	19.19	362,788,856	18.79
<i>Directors and their associates</i>				
– Mr. Kong (Note 3)	359,654,215	19.03	359,654,215	18.62
– Mr. Wang (Note 3 & 4)	402,918,215	21.31	402,918,215	20.86
– Rich Mark Profits Limited (Note 4)	16,444,000	0.87	16,444,000	0.85
<i>Public Shareholders</i>				
– Subscribers	–	–	41,000,000	2.12
– Other public Shareholders	488,256,570	25.83	488,256,570	25.28
Total:	1,890,374,856	100.00	1,931,374,856	100.00

Notes:

- (1) As at the date of this announcement, amongst the 260,313,000 Shares held by GBT, 500,000 Shares were held by GBT as beneficial owner, the remaining 259,813,000 Shares were held by GBT through Global Corn Bio-chem Technology Company Limited (“**Global Corn Bio-chem**”), a wholly-owned subsidiary of GBT. Therefore, GBT is deemed to be interested in all the Shares in which Global Corn Bio-chem is interested in according to the SFO.
- (2) Huasheng is wholly-owned by 吉林省華生商貿有限公司 (Jilin Huasheng Trading Limited*) (“**Jilin Huasheng**”), a company established in the PRC with a principal business of food, beverage and tobacco trading, which is owned as to 1.0% by Mr. Li Fangcheng (“**Mr. Li**”), an executive Director, and as to 99.0% by Mr. Li Tingsheng, Mr. Li’s father. Mr. Li is also the director of Huasheng. As at the date of this announcement, Huasheng remains to hold the Convertible Bonds in the principal amount of RMB29.0 million.
- (3) As at the date of this announcement, each of Mr. Kong and Mr. Wang holds the Convertible Bonds in the principal amount of RMB29.0 million.
- (4) Rich Mark Profits Limited is wholly-owned by Mr. Wang.
- (5) The Company does not have any treasury shares (as defined under the Listing Rules) as at the date of this announcement.

GENERAL

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted by the Shareholders to the Directors at the postponed annual general meeting of the Company held on 28 June 2024, on which date the total number of Shares in issue was 1,527,586,000. As at the date of this announcement, the Board has not utilised the aforesaid General Mandate and the number of Shares available for issue under the General Mandate is 305,517,200 Shares. The 41,000,000 Subscription Shares to be allotted and issued to the Subscribers will utilise approximately 13.42% of the aforesaid General Mandate. As the Subscription Shares are to be issued under the General Mandate, the Subscriptions are not subject to Shareholders’ approval.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

As the respective Subscription Agreements may or may not complete, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and any public holidays and any day on which a tropical cyclone warning no. 8 or above, an “extreme condition” caused by super typhoon, or a “black” rainstorm warning is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks generally are open for business in Hong Kong
“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)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Convertible Bonds”	the RMB120.0 million (equivalent to approximately HK\$138.0 million), 3-year, 5 per cent. convertible bonds issued by the Company pursuant to the terms of the convertible bonds subscription agreement dated 6 April 2023 entered into between the Company as issuer and each of Mr. Kong and Mr. Wang as subscribers
“Director(s)”	the director(s) of the Company
“GBT”	Global Bio-chem Technology Group Company 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: 00809)
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Shareholders passed on 28 June 2024 to allot, issue and deal with up to 305,517,200 Shares, representing 20% of the total number of issued Shares as at 28 June 2024
“Group”	the Company and its subsidiaries from time to time

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huasheng”	Hong Kong Huasheng Company Limited, a company incorporated in Hong Kong with limited liability with a principal business of investment holdings
“Last Trading Day”	20 December 2024, being the date of the Subscription Agreements
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	10 January 2025 (or such later date as may be agreed between the Company and the Subscriber(s) in writing)
“Mr. Kong”	Mr. Kong Zhanpeng, an executive Director and a Shareholder
“Mr. Wang”	Mr. Wang Tieguaang, an executive Director and a Shareholder
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renmibi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber(s)”	the subscriber(s), being not less than six in number, who respectively entered into the Subscription Agreement(s) with the Company on 20 December 2024

“Subscription(s)”	the subscription(s) of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the respective Subscription Agreements
“Subscription Agreement(s)”	the conditional subscription agreements all dated 20 December 2024 entered into between the Company and each of the Subscribers in relation to the Subscriptions subject to the terms and conditions therein
“Subscription Share(s)”	an aggregate of 41,000,000 new Shares to be allotted and issued by the Company at the Subscription Price pursuant to the Subscription Agreements
“Subscription Price”	the subscription price of HK\$0.1 per Subscription Share
“%”	per cent

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

Hong Kong, 20 December 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 purpose only*