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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

TRANSACTION IN RELATION TO A CORN REFINERY PLANT

**REVISION OF ANNUAL CAPS FOR PROVISION OF UTILITIES SERVICES
UNDER THE UTILITIES MASTER SUPPLY AGREEMENT**

**SALES AGENCY AGREEMENT
IN RESPECT OF SALES OF CORN STARCH AND OTHER CO-PRODUCTS**

DISCLOSEABLE TRANSACTION

**(1) MAJOR AND CONNECTED
TRANSACTION**

**(2) CONTINUING CONNECTED
TRANSACTIONS**

S&P AGREEMENT

On 2 September 2011, GSH entered into the S&P Agreement with the Vendor, being an indirect wholly-owned subsidiary of GBT, for the sale and purchase of the entire issued share capital in, and shareholder's loan of, the Target Company.

* For identification purposes only

As one of the conditions of the S&P Agreement, prior to Completion, the Vendor will procure that the Reorganisation be implemented whereby the Target Company will become the ultimate holding company of Changchun Jincheng, which is principally engaged in the manufacture and sales of corn starch and other Co-products in the PRC.

Pursuant to the S&P Agreement, the Vendor has agreed to sell and GSH has agreed to purchase the Sale Share at a consideration of approximately HK\$510 million and the Shareholder Loans at a consideration of HK\$1. The Sale Share Consideration shall be satisfied by GSH allotting and issuing to Global Corn Bio-chem the Consideration Shares at an issue price of HK\$1.35 per Consideration Share upon Completion. The consideration of the Shareholder Loans shall be payable by GSH in cash on Completion. The Consideration was determined after arm's length negotiations between the Vendor and GSH by reference to the fair value of the entire equity interest of Changchun Jincheng as at 30 June 2011 as appraised by an independent valuer.

Discloseable transaction of GBT

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Transaction are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of GBT under Rule 14.06 of the Listing Rules. As no connected person of GBT is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of GSH and GSH is not an associate of a director (including a person who was a director of GBT within the preceding 12 months), chief executive or substantial shareholder of GBT (in each case disregarding any interest of a connected person of GBT in GSH which is held through GBT), save for being an indirect non-wholly owned subsidiary of GBT, GSH is not a connected person of GBT.

Major and connected transaction of GSH

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Transaction are more than 25% but less than 100%, the Transaction constitutes a major transaction of GSH under Rule 14.06 of the Listing Rules. Besides, as the Vendor is wholly owned by GBT (a controlling shareholder of GSH) and hence is an associate of GBT, the Transaction also constitutes a connected transaction for GSH and is subject to the reporting, announcement and GSH Independent Shareholders' approval requirements under the Listing Rules. GBT, Global Corn Bio-chem, and any other shareholders of GSH having a material interest in the Transaction and their respective associates are therefore required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Transaction.

REVISION OF ANNUAL CAPS FOR PROVISION OF UTILITIES SERVICES UNDER THE UTILITIES MASTER SUPPLY AGREEMENT

Pursuant to the Utilities Master Supply Agreement, Dacheng Corn has been providing electricity, water, steam and wastewater treatment services to the Changchun Group. Upon Completion, Changchun Jincheng will become a member of the Changchun Group and Dacheng Corn will continue to provide electricity, water, steam and wastewater treatment services to Changchun Jincheng. Such service will be provided under and subject to the terms of the Utilities Master Supply Agreement. As Dacheng Corn is wholly owned by GBT and hence an associate of GBT, the transactions contemplated under the Utilities Master Supply Agreement will constitute continuing connected transactions for GSH under Chapter 14A of the Listing Rules upon Completion.

As there will be an expected increase in the fee payable to Dacheng Corn under the Utilities Master Supply Agreement as a result of the provision of utilities service to Changchun Jincheng, the directors of GSH expect that the aggregate amount payable by the Changchun Group to Dacheng Corn under the Utilities Master Supply Agreement will exceed the current annual caps for the years ending 31 December 2011 and 2012 as disclosed in GSH's announcement dated 20 April 2009. In such regard, GSH proposes to revise the annual caps for the continuing connected transactions under the Utilities Master Supply Agreement for each of the two years ending 31 December 2012.

Since the applicable percentage ratios for the Revised Caps is expected to exceed 5% and the annual consideration payable by the Changchun Group in respect of the continuing connected transactions under the Utilities Master Supply Agreement is expected to exceed HK\$10 million, the Revised Caps are subject to the reporting, announcement and the GSH Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. GBT, Global Corn Bio-chem, and any other shareholders of GSH having a material interest in the continuing connected transactions and their respective associates are therefore required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Revised Caps.

SALES AGENCY AGREEMENT IN RESPECT OF SALES OF CORN STARCH AND OTHER CO-PRODUCTS

Pursuant to the S&P Agreement, Changchun Jincheng and Global Corn will enter into the Jincheng Sales Agency Agreement on the date of Completion. Under the Jincheng Sales Agency Agreement, Changchun Jincheng will appoint Global Corn (for itself and on behalf of the GBT Group) as its exclusive agent for the sale of the Co-products and the corn starch in excess of its internal consumption from time to time produced by Changchun Jincheng from the date of Completion to 31 December 2013, renewable by Changchun Jincheng on the same terms and conditions (including its right of renewal) for a successive term of three years upon its expiry.

As at the date of this announcement, Global Corn is wholly owned by GBT and hence an associate of GBT. Changchun Jincheng will become an indirect wholly owned subsidiary of GSH upon Completion. Therefore, upon Completion, the transactions contemplated under the Jincheng Sales Agency Agreement will constitute continuing connected transactions for GSH under Chapter 14A of the Listing Rules.

The transaction contemplated under the Jincheng Sales Agency Agreement and the Yuancheng Sales Agency Agreement are aggregated as a single transaction as they involve the provision of sales agency by the same connected person pursuant to Rule 14A.27 of the Listing Rules. Since it is expected that the maximum aggregate annual monetary value of the costs for the performance by Global Corn under the Sales Agency Agreements to be reimbursed by the GSH Group shall, in aggregate, represent less than 5% of each of the applicable percentage ratios under the Listing Rules, the continuing connected transactions contemplated under the Sales Agency Agreements are only subject to the reporting, announcement and annual review requirements set out in Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

In view of the foregoing, GSH will convene an EGM to seek the approval of the GSH Independent Shareholders by way of poll on the Transaction and the Revised Caps.

A circular containing, among other things, (1) further information on the Transaction and the Revised Caps; (2) the recommendation of the GSH IBC to the GSH Independent Shareholders; (3) the advice from the GSH IFA to the GSH IBC and the GSH Independent Shareholders; and (4) a notice of the EGM, is expected to be despatched to the shareholders of GSH on or before 26 September 2011 in accordance with the Listing Rules.

S&P AGREEMENT

Date 2 September 2011

Parties

Vendor: Global Corn

Purchaser: GSH

Assets involved

Pursuant to the S&P Agreement, GSH has conditionally agreed to purchase the entire issued share capital in, and Shareholder Loans of, the Target Company.

Under the S&P Agreement, in the event of any debts or liabilities become owing by any member of the Target Group to any third parties (other than the Vendor) as at the Completion Date, the Vendor shall settle such amounts owing by the Target Group in full by payment by the Vendor on behalf of the Target Group to all such third party creditors prior to the Completion Date, and any amount of such payment shall form part of the Shareholder Loans and shall be assigned to GSH upon Completion. The above debts and liabilities shall not include (i) the debts and liabilities of Changchun Jincheng as disclosed in its management accounts as at 30 June 2011; (ii) the trade payables incurred by the Target Group in its ordinary and usual course of business; and (iii) a special dividend to be declared by Changchun Jincheng after the date of the S&P Agreement and before Completion for an amount not exceeding the retained profit of Changchun Jincheng as at 31 August 2011 which, if declared, paid or made before completion of the Reorganisation, the Vendor shall pay and procure the then shareholder(s) of Changchun Jincheng to pay such special dividend so received thereby to HK Subsidiary within seven Business Days after such receipt.

Conditions

Completion is conditional upon fulfillment of the following conditions:

- (1) GSH being satisfied with the results of its due diligence review of the Target Group;
- (2) the approval by the GSH Independent Shareholders being obtained in respect of:
 - (a) the S&P Agreement and the transactions contemplated thereby (including without limitation the issue of the Consideration Shares);
 - (b) the revision of the annual caps in respect of the Utilities Master Supply Agreement for each of the two years ending 31 December 2012 as disclosed in the announcement of GSH dated 20 April 2009 to such monetary amounts as satisfactory to GSH;
 - (c) where necessary, the Jincheng Sale Agency Agreement and the transaction contemplated thereunder, and the annual caps in respect thereof for each of the three years ending 31 December 2013 in such amount as satisfactory to GSH;
- (3) the approval by the bondholders of GBT being obtained for the release of guarantee to be given by the Target Company and HK Subsidiary under the Trust Deed;
- (4) GSH receiving a copy of a PRC legal opinion in respect of Changchun Jincheng, in form and substance reasonably satisfactory to GSH;

- (5) the Reorganisation being completed;
- (6) the Listing Committee having granted listing of and permission to deal in the Consideration Shares;
- (7) all approvals, consents and acts (whether required under laws, codes, regulations, the Listing Rules or otherwise) for the purpose of or in connection with the Completion being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such provisions being obtained from the relevant authority (including without limitation the Stock Exchange);
- (8) the warranties given by the Vendor and GSH under the S&P Agreement being true and accurate in all material respects; and
- (9) GSH being satisfied that, as at Completion, there has not been any material adverse change in respect of any member of the Target Group since the date of the S&P Agreement.

GSH may (but not obliged to) waive and/or vary any of the conditions (1), (2)(b), (2)(c), (4), (5), (8) and (9) as stated above. All other conditions as set out above may not be waived or varied by any of the parties to the S&P Agreement. If any of the conditions set out above is not fulfilled or, as the case may be, waived or varied by GSH on or before 12:00 noon on the Long Stop Date, then (with prejudice to any other remedies available to the other party) the obligations of the parties shall cease and determine and neither party shall have any claim under the S&P Agreement against the other save in respect of any antecedent breaches.

Consideration

The Sale Share Consideration shall be approximately HK\$510 million and shall be settled upon Completion by GSH allotting and issuing, credited as fully paid, the Consideration Shares (being 377,778,000 new Shares) to Global Corn Bio-chem at the issue price of HK\$1.35 per Consideration Share at Completion.

The issue price of HK\$1.35 per Consideration Share to be issued by GSH represents:

- (i) a premium of approximately 5.5% over the closing price of HK\$1.280 per GSH Share as quoted on the Stock Exchange on the last trading day of the GSH Shares immediately before the date of the S&P Agreement;
- (ii) a premium of approximately 4.0% to the average closing price of HK\$1.298 per GSH Share as quote on the Stock Exchange for the last five trading days of the GSH Shares immediately before the date of the S&P Agreement; and

- (iii) a premium of approximately 4.6% to the average closing price of HK\$1.291 per GSH Share as quote on the Stock Exchange for the last ten trading days of the GSH Shares immediately before the date of the S&P Agreement.

The Consideration Shares represent approximately 32.9% of the existing issued share capital of GSH and approximately 24.7% of the issued share capital of GSH as enlarged by the issue of the Consideration Shares. GSH will seek the specific mandate from the GSH Independent Shareholders at the EGM for the allotment and issue of the Consideration Shares. GSH will apply to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, the Consideration Shares on the main board of the Stock Exchange.

There is no restriction which applies to the subsequent sale of the Consideration Shares.

The consideration for the purchase of the Shareholder Loans is a nominal amount of HK\$1, which shall be payable in cash on Completion by GSH.

The Consideration was determined after arm's length negotiations among the parties to the S&P Agreement and with reference to the fair value of Changchun Jincheng of approximately RMB443 million (equivalent to approximately HK\$534 million) as at 30 June 2011 as appraised by an independent valuer, using the market approach for the valuation of the entire equity interest of Changchun Jincheng.

The terms of the S&P Agreement have been arrived at after arm's length negotiations between the parties based on normal commercial terms and are considered by the directors of GBT (including the independent non-executive directors of GBT) and the executive directors of GSH to be fair and reasonable and in the interests of the respective shareholders of GBT and GSH as a whole.

Completion

Completion shall take place on the third Business Day after the fulfillment or, as the case may be, waiver of the abovementioned conditions or such other date as agreed in writing among the parties to the S&P Agreement.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of GSH and an indirect non-wholly owned subsidiary of GBT.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structure of GSH (i) as at the date of this announcement; and (ii) immediately upon the issue and allotment of the Consideration Shares pursuant to the Completion are as follows:

Name of shareholders of GSH	As at the date of this announcement		Immediately upon the issue and allotment of the Consideration Shares	
	No. of GSH Shares	Approximate % of issued share capital of GSH	No. of GSH Shares	Approximate % of issued share capital of GSH
Substantial shareholders				
GBT and Global Corn Bio-chem	600,500,000	52.23%	978,278,000	64.04%
<i>Connected persons (other than substantial shareholders) and their respective associates</i>				
Kong Zhanpeng	1,984,000	0.17%	1,984,000	0.13%
Other directors of subsidiaries of GSH	14,000	0.00%	14,000	0.00%
<i>Public shareholders</i>	547,310,000	47.60%	547,310,000	35.83%
Total:	1,149,808,000	100.00%	1,527,586,000	100.00%

REASONS FOR AND BENEFITS OF THE TRANSACTION

Corn starch is one of the principal production materials for the GSH Group. Currently, the GSH Group has been producing corn starch from the production facilities of Jinzhou Yuancheng, as well as sourcing a substantial amount of corn starch from the GBT Group pursuant to the Corn Starch Master Purchase Agreement.

As disclosed in the annual report of GSH for the year ended 31 December 2010, the directors of GSH expect that the market demand for the products of the GSH Group will remain strong in 2011 and the utilization rate of various production facilities will gradually ramp up and reach full utilization. In view of this, the GSH Group plans to expand its production capacity to cope with the rising market demand.

As a result of the PRC government's priority on stabilising the prices of food by its stringent control over the use of corn kernel as raw material for producing ethanol, the PRC government has suspended the issue of corn-processing license for the time being. It is therefore currently not feasible for the GSH Group to construct a new corn-processing plant and the acquisition of an existing corn-processing plant remains the only alternative for the GSH Group.

The directors of GSH consider that the acquisition of the Target Group is beneficial to the GSH Group as it could secure the supply of corn starch for the corn sweeteners production facilities of the GSH Group in Changchun, and reduces the GSH Group's reliance on the supply of corn starch from the GBT Group. Besides, the GSH Group will continue to enjoy the saving of processing, packaging, dehumidifying, storage, transportation and other related costs through the supply of corn starch by Changchun Jincheng to the GSH Group's sweeteners production facility in Changchun in slurry form through a pipeline arrangement. Such vertical integration along the chain of production for the GSH Group also places it in a better position to effectively apply quality control procedures and to monitor and control the production flows of both corn starch and corn sweeteners, thereby minimising the chance of bottlenecks or inventory pile-up, and related administrative costs.

In addition, even if the PRC government re-opens the application for corn-processing license, the directors of GSH estimate that construction of a new corn-processing plant will take about 18 months and the construction cost would amount to about RMB800 million. There is also no assurance that the GSH Group will be able to pass the environmental assessment and obtain the requisite corn-processing licence for the new corn-processing plant.

The directors of GBT are optimistic on the business and future prospects of the GSH Group, and consider that the Transaction offers an opportunity for the GBT Group to increase its stake in the GSH Group.

The directors of GBT also consider the Transaction to be in the interest of its indirect non-wholly owned subsidiaries, the GSH Group, to consume internally a portion of the supplies of its principal production materials, corn starch, in view of the recent change in the regulatory regime. For the reasons as mentioned above, the directors of GBT believe that the cost and operational efficiency of the GSH Group can also be enhanced by securing its own source of key production materials and establishing its own vertically integrated production platform for production of its own corn sweetener products in Changchun via the Transaction.

Financial effects of the disposal by GBT Group

As the Transaction will be regarded as an intra-group transaction of GBT and the Target Group will continue to be accounted for as indirect non-wholly owned subsidiaries of GBT in its financial statements after Completion, no gain or loss will be recognized in the consolidated accounts of the GBT Group.

Listing Rules implications

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Transaction are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of GBT under Rule 14.06 of the Listing Rules. As no connected person of GBT is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of GSH and GSH is not an associate of a director (including a person who was a director of GBT within the preceding 12 months), chief executive or substantial shareholder of GBT (in each case disregarding any interest of a connected person of GBT in GSH which is held through GBT), GSH is not a connected person of GBT.

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Transaction are more than 25% but less than 100%, the Transaction constitutes a major transaction of GSH under Rule 14.06 of the Listing Rules. Besides, as the Vendor is wholly owned by GBT (a controlling shareholder of GSH) and hence is an associate of GBT, the Transaction also constitutes a connected transaction for GSH and is subject to the reporting, announcement and GSH Independent Shareholders' approval requirements under the Listing Rules. GBT, Global Corn Bio-chem, and any other shareholders of GSH having a material interest in the Transaction and their respective associates are therefore required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Transaction.

REVISION OF ANNUAL CAPS FOR PROVISION OF UTILITIES SERVICES UNDER THE UTILITIES MASTER SUPPLY AGREEMENT

Background

Pursuant to the Utilities Master Supply Agreement entered into between Dacheng Corn as supplier and Changchun Dihao (for itself and as trustee for the benefit of other members of the Changchun Group) as purchaser, Dacheng Corn agreed to procure the supply of electricity, water and steam and the provision of wastewater treatment services to the Changchun Group on arm's length basis and with reference to the actual cost incurred by Dacheng Corn for its provision of such services. The fees payable by the Changchun Group are settled on a monthly basis and are payable by the Changchun Group within 90 days after the date of the relevant invoice issued by Dacheng Corn. The Utilities Master Supply Agreement has an initial term expiring on 31 December 2012, with an option by the Changchun Group, but not Dacheng Corn, to renew the term for three years on the expiry of such initial term and on the expiry of every successive period of three years thereafter (subject however to the compliance by GSH and GBT of the applicable Listing Rules), unless terminated earlier by three months' written notice by the Changchun Group. The Utilities Master Supply Agreement remains in full force and effect as at the date of this announcement.

Upon Completion, Changchun Jincheng will become a member of the Changchun Group and Dacheng Corn will continue to provide electricity, water, steam and wastewater treatment services to Changchun Jincheng under and subject to the terms of the Utilities Master Supply Agreement.

Historical figures and annual caps

The approximate aggregate amount payable by the Changchun Group to Dacheng Corn in respect of the provision of utilities services by Dacheng Corn for the year ended 31 December 2010 and the eight months ended 31 August 2011 and the current applicable annual caps for such supply for each of the three years ending 31 December 2012 as disclosed in GSH's announcement dated 20 April 2009 are as follows:

	For the year ended 31 December 2010	For the year ending 31 December 2011	For the year ending 31 December 2012
Actual amount	HK\$87.7 million	HK\$66.2 million (note)	N/A
Current annual caps	HK\$124.3 million	HK\$136.9 million	HK\$150.5 million

Note: The figure represents the approximate aggregate amount payable by the Changchun Group to Dacheng Corn in respect of the provision of utilities services by Dacheng Corn for the period commencing from 1 January 2011 up to 31 August 2011 based on the unaudited management accounts of the Changchun Group for the eight months ended 31 August 2011.

As at the date of this announcement, the current annual cap for the year ending 31 December 2011 has not been exceeded.

The Revised Caps

As there will be an expected increase in the fee payable to Dacheng Corn under the Utilities Master Supply Agreement as a result of the provision of utilities service to Changchun Jincheng, the directors of GSH expect that the aggregate amount payable by the Changchun Group to Dacheng Corn under the Utilities Master Supply Agreement will exceed the current annual caps for the years ending 31 December 2011 and 2012. In such regards, GSH proposes to revise the annual caps for the continuing connected transactions under the Utilities Master Supply Agreement for each of the two years ending 31 December 2012.

The Revised Caps for the continuing connected transactions under the Utilities Master Supply Agreement for each of the two years ending 31 December 2012 are set out below:

	For the year ending 31 December 2011	For the year ending 31 December 2012
Revised Caps	HK\$268 million	HK\$324 million

The Revised Caps are determined by the directors of GSH by reference to the historical aggregate amount payable by the Changchun Group for the provision of utilities services by Dacheng Corn and the current utilities cost of Changchun Jincheng.

The executive directors of GSH are of the view that the Revised Caps are fair and reasonable and in the interests of GSH and the shareholders of GSH as a whole.

Listing Rules implications

As at the date of this announcement, Dacheng Corn is wholly owned by GBT and hence an associate of GBT. Therefore, the provision of utilities service to Changchun Jincheng as contemplated under the Utilities Master Supply Agreement will constitute continuing connected transactions for GSH under Chapter 14A of the Listing Rules upon Completion.

Since the applicable percentage ratios for the Revised Caps is expected to exceed 5% and the annual consideration payable by the Changchun Group in respect of the continuing connected transactions under the Utilities Master Supply Agreement is expected to exceed HK\$10 million, the Revised Caps are subject to the reporting, announcement and the GSH Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. GBT, Global Corn Bio-chem, and any other shareholders of GSH having a material interest in the continuing connected transactions and their respective associates are therefore required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Revised Caps.

SALES AGENCY AGREEMENT IN RESPECT OF SALES OF CORN STARCH AND OTHER CO-PRODUCTS

Pursuant to the S&P Agreement, Changchun Jincheng and Global Corn will enter into the Jincheng Sales Agency Agreement on the date of Completion. Under the Jincheng Sales Agency Agreement, Changchun Jincheng will appoint Global Corn (for itself and on behalf of the GBT Group) as its exclusive agent for the sale of the Co-products and corn starch in excess of its internal consumption from time to time produced by Changchun Jincheng from the date of Completion to 31 December 2013. The Jincheng Sales Agency Agreement is renewable by Changchun Jincheng on the same

terms and conditions (including Changchun Jincheng's right of renewal) for a successive term of three years upon its expiry subject to the compliance by GBT and/or GSH of the applicable announcement and/or shareholders' approval requirement under the Listing Rules in connection with the transaction contemplated under the Jincheng Sales Agency Agreement. The GBT Group will use its best endeavours to procure the sale and marketing of the Co-products and corn starch as exclusive agent of Changchun Jincheng, and will sell the Co-products and corn starch produced by Changchun Jincheng in priority to any Co-products and corn starch produced by any members of the GBT Group (other than those goods produced by Global Corn or any member of the GBT Group for sales in Jilin and Heilongjiang Provinces of the PRC).

Changchun Jincheng shall reimburse the GBT Group for its costs for the performance of its obligations under the Jincheng Sales Agency Agreement on a semi-annual basis and there will not be any other agency fee being charged by the GBT Group for the services rendered.

The transactions contemplated under the Jincheng Sales Agency Agreement and the Yuancheng Sales Agency Agreement are aggregated as a single transaction as they involve the provision of sales agency services by the same connected person pursuant to Rule 14A.27 of the Listing Rules. The following table sets out the expected maximum aggregate annual caps of the costs of the GBT Group to be reimbursed by the GSH Group to the GBT Group under the Sales Agency Agreements for each of the three years ending 31 December 2013:

	Year ending 31 December		
	2011	2012	2013
Expected amounts of costs reimbursable to the GBT Group	HK\$8.5 million	HK\$10.2 million	HK\$12.4 million

The above annual caps have been determined with reference to the average selling expense (after deduction of transportation expenses which is incurred by Jinzhou Yuancheng and will be incurred by Changchun Jincheng directly in the future) per tonne of corn starch and Co-products incurred by the GBT Group in connection with Jinzhou Yuancheng and Changchun Jincheng during the year ended 31 December 2010, the production capacity of Jinzhou Yuancheng and Changchun Jincheng, the expected internal consumption of corn starch by the GSH Group during each of the three financial years ending 31 December 2013 and an annual inflation of the selling expenses at an estimated rate of 5%.

Reasons for the continuing connected transactions

As stated in the annual report of GSH for the year ended 31 December 2010, the GSH Group is expanding its production capacity by establishing new production facilities and enhancing and expanding its existing production facilities. Pending completion of such expansion, the corn starch produced by Changchun Jincheng will be in excess for the internal consumption of the GSH Group. Besides, in the course of production of corn starch, certain co-products including the Co-products

are produced at the same time which are not required by the GSH Group for its own production use. Prior to the Transaction, the GBT Group has been selling corn starch and Co-products produced by Changchun Jincheng for and on its behalf through the distribution network of the GBT Group originated from Changchun. Since the sales teams of the GBT Group are experienced and have already established relationships with prospective customers, and given their established distribution channels for the Co-products and corn starch across the whole of the PRC, the directors of GSH believe that it will be more efficient to sell the Co-products and corn starch in excess of internal consumption produced by Changchun Jincheng to independent third parties by leveraging on the sales teams and network already established by the GBT Group. As such, the arrangements under the Jincheng Sales Agency Agreement can serve to enable the GSH Group to concentrate on its corn sweeteners business while the GBT Group can handle its Co-products and corn starch produced in excess of internal consumption. Based on these factors, Changchun Jincheng and Global Corn agreed to enter into the Jincheng Sales Agency Agreement upon Completion.

As disclosed in GSH's prospectus for its initial public offering dated 10 September 2007, the GSH Board has established the CCT Supervisory Committee for monitoring, review and management of the continuing connected transactions between the GBT Group and the GSH Group from time to time. The CCT Supervisory Committee has reviewed and approved the terms and conditions of the Jincheng Sales Agency Agreement and, subject to Completion, it will, in accordance with its written terms of reference, devise detailed rules and guidelines for the CCT Executive Committee to follow in order to ensure that the continuing connected transactions under the Jincheng Sales Agency Agreement will be entered into in accordance with the terms and conditions of the Jincheng Sales Agency Agreement, on normal commercial terms and on terms that are fair and reasonable and in the interests of GSH and its shareholders as a whole. The continuing connected transactions under the Jincheng Sales Agency Agreement will also be subject to the half-yearly review by the CCT Supervisory Committee and the auditors of GSH, and any findings and any changes to the prescribed guidelines will also be reported by way of announcement on a half-yearly basis, and by inclusion in the corporate governance report in GSH's annual report.

The directors of GSH, including its independent non-executive directors, consider the Jincheng Sales Agency Agreement and the related annual caps of the Sales Agency Agreements are fair and reasonable and in the interests of GSH and its shareholders as a whole.

Listing Rules implications

As at the date of this announcement, Global Corn is wholly owned by GBT and hence an associate of GBT. Changchun Jincheng will become an indirect wholly owned subsidiary of GSH upon Completion. Therefore, upon Completion, the transactions contemplated under the Jincheng Sales Agency Agreement will constitute continuing connected transactions for GSH under Chapter 14A of the Listing Rules.

Since it is expected that the maximum aggregate annual caps of the costs for the performance by the GBT Group under the Sales Agency Agreements to be reimbursed by the GSH Group shall, in aggregate, represent less than 5% of each of the applicable percentage ratios under the Listing Rules, the transactions contemplated under the Sales Agency Agreements are only subject to the reporting, announcement and annual review requirements set out in Rules 14A.45 to 14A.47 and Rules 14A.37 to 14A.40 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GSH will be required to comply with the requirements of Rules 14A.35(3) and (4) of the Listing Rules if any of the above annual caps is exceeded or when the Sales Agency Agreements are renewed or there is a material change to the terms of the Sales Agency Agreements.

INFORMATION ON THE TARGET GROUP

1. Target Company

The Target Company, wholly-owned by the Vendor, is an investment holding company incorporated in the BVI with limited liability.

Based on the management accounts of the Target Company which have been prepared in accordance with generally accepted accounting principles in Hong Kong, the net asset of the Target Company was approximately HK\$7.8 as at 31 August 2011. As the Target Company was recently incorporated, no audited or unaudited financial statements for the past two financial years are available. As at the date of this announcement, the Target Company has no major assets or investment other than its holding of the HK Subsidiary.

The original purchase cost of the Vendor regarding the entire issued share capital of the Target Company was US\$1, being the subscription price for the allotment of Sale Share at par by the Target Company.

2. HK Subsidiary

HK Subsidiary is a company incorporated in Hong Kong and its entire issued share capital is legally, beneficially and wholly-owned by the Target Company. As at the date of this announcement, HK Subsidiary is an investment holding company and has no major assets or investment.

3. Changchun Jincheng

Changchun Jincheng is situated in Changchun Province, the PRC and is a sino-foreign equity joint venture enterprise established on 27 March 2001 under the laws of the PRC with a registered capital of RMB98,700,000.

The principal business of Changchun Jincheng is manufacture and sales of corn starch and the Co-products. It has a corn starch manufacturing plant, situated on a land with a site area of approximately 296,330 sq. m. in Changchun, the PRC, with a gross floor area of approximately 43,026 sq.m. and the production capacity of approximately 420,000 mtpa of corn starch and 180,000 mtpa of Co-products.

Based on the management accounts of Changchun Jincheng prepared in accordance with the generally accepted accounting principles of Hong Kong for the year ended 31 December 2010, the net assets value of Changchun Jincheng was approximately RMB247.1 million as at 31 December 2010. Based on the same management accounts, for each of the two years ended 31 December 2010, the net profit before tax of Changchun Jincheng amounted to approximately RMB43.0 million and approximately RMB41.9 million, respectively and for each of the two years ended 31 December 2010, the net profit after tax attributable to the shareholders of Changchun Jincheng amounted to approximately RMB35.9 million and RMB33.5 million, respectively.

4. Reorganisation

As at the date of this announcement, Changchun Jincheng is an indirect wholly owned subsidiary of GBT, its entire equity interest is owned as to 90% by the Vendor and 10% by Changchun Dacheng.

As one of the conditions of the S&P Agreement, prior to Completion, the Vendor will procure that the Reorganisation be implemented whereby HK Subsidiary will acquire the entire equity interest of Changchun Jincheng and, after such acquisition, Changchun Jincheng will become a wholly owned subsidiary of HK Subsidiary.

BACKGROUND INFORMATION OF THE VENDOR, THE GBT GROUP AND THE GSH GROUP

The Vendor is an indirect wholly owned subsidiary of GBT and is an investment holding company. The GBT Group is principally engaged in the manufacture and sale of corn refined products and corn based biochemical products, categorised into upstream and downstream products.

The GSH Group is principally engaged in the manufacture and sale of corn-based sweetener products.

GENERAL

Each of Mr. Kong Zhanpeng and Mr. Xu Zhouwen, being executive directors of GSH, holds more than 5% of the entire issued share capital in GBT and is therefore regarded as having a material interest in the Transaction, the Utilities Master Supply Agreement and the Jincheng Sales Agency Agreement. Mr. Kong Zhanpeng and Mr. Xu Zhouwen have abstained from voting in the resolutions of the GSH Board approving the Transaction, the Revised Caps and the Jincheng Sales Agency Agreement.

GSH will convene an EGM to seek the approval of the GSH Independent Shareholders by way of poll on the Transaction and the Revised Caps.

A circular containing, among other things, (1) further information on the Transaction and the Revised Caps; (2) the recommendation of the GSH IBC to the GSH Independent Shareholders; (3) the advice from the GSH IFA to the GSH IBC and the GSH Independent Shareholders; and (4) a notice of the EGM is expected to be despatched to the shareholders of GSH on or before 26 September 2011 in accordance with the Listing Rules.

DEFINITIONS

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

“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Business Day”	any day (other than Saturdays) on which licensed banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“CCT Executive Committee”	the independent management team comprising two disinterested directors of GSH, namely Mr. Zhang Fazheng and Mr. Lee Chi Yung, established by the GSH Board and responsible for monitoring, review and management of the continuing connected transactions between the GSH Group and the GBT Group
“CCT Supervisory Committee”	the committee comprising the three independent non-executive directors of GSH established by the GSH Board to supervise the CCT Executive Committee
“Changchun Dacheng”	長春大成實業集團有限公司 (Changchun Dacheng Industrial Group Co., Ltd.), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of GBT

“Changchun Dihao”	長春帝豪食品發展有限公司(Changchun Dihao Foodstuff Development Co., Ltd.), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of GSH
“Changchun Group”	GSH and its subsidiaries which have or will have their production facilities established in Changchun, the PRC and which require the supply and provision of the utilities and wastewater treatment services from Dacheng Corn
“Changchun Jincheng”	長春金成玉米開發有限公司(Changchun Jincheng Corn Development Co., Ltd.), a sino-foreign joint venture enterprise established in the PRC and a wholly owned subsidiary of GBT
“Co-products”	steepwater liquid, corn oil, germ cake, corn fibre feed, corn gluten meal, corn gluten feed pellets and/or such other types of products other than corn starch as being the types of co-products that are to be sold by Changchun Jincheng under the Jincheng Sales Agency Agreement
“Completion”	completion of the S&P Agreement in accordance with its terms
“Completion Date”	the date on which Completion occurs
“Consideration”	the aggregate consideration for the Transaction
“Consideration Share(s)”	an aggregate of 377,778,000 new GSH Shares to be allotted and issued by GSH to the Vendor at the Issue Price per GSH Share at Completion credited as fully paid pursuant to the S&P Agreement
“Corn Starch Master Purchase Agreement”	the agreement dated 16 April 2009 entered into between the GBT Group as supplier and the GSH Group as purchaser relating to the purchase of corn starch by the GSH Group from the GBT Group for the term commencing from 1 January 2010 to 31 December 2012 (both days inclusive)
“Dacheng Corn”	長春大成玉米開發有限公司(Changchun Dacheng Corn Development Co., Ltd.), a sino-foreign joint venture enterprise established in the PRC and a wholly owned subsidiary of GBT
“EGM”	the extraordinary general meeting of GSH to be convened and held to consider and approve the Transaction and the Revised Caps

“GBT”	Global Bio-chem Technology Group Company Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the Stock Exchange
“GBT Board”	the board of directors of GBT
“GBT Group”	GBT and its subsidiaries which, for the purpose of this announcement, excludes the GSH Group
“Global Corn”	Global Corn Investments Limited, a company incorporated in the BVI and a wholly owned subsidiary of GBT
“Global Corn Bio-chem”	Global Corn Bio-chem Technology Company Limited, a company incorporated in the BVI and a wholly owned subsidiary of GBT
“GSH”	Global Sweeteners Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the Stock Exchange
“GSH Board”	the board of directors of GSH
“GSH Group”	GSH and its subsidiaries
“GSH IBC”	the independent board committee of the GSH Board comprising Messrs. Chan Yuk Tong, Gao Yunchun and Ho Lic Ki, being all the independent non-executive directors of GSH, appointed by the GSH Board for the purpose of advising the GSH Independent Shareholders in relation to the Transaction and the Revised Caps
“GSH IFA”	the independent financial advisers to be appointed by the GSH Board and approved by the GSH IBC for the purpose of advising the GSH IBC and the GSH Independent Shareholders in relation to the Transaction and the Revised Caps
“GSH Independent Shareholders”	any shareholder of GSH that is not required to abstain from voting at a general meeting, if necessary, to approve a connected transaction
“GSH Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of GSH
“HK Subsidiary”	Global Starch (Changchun) Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Target Company

“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Price”	the issue price of HK\$1.35 for each Consideration Share
“Jincheng Sales Agency Agreement”	the sales agency agreement in relation to the distribution of the Co-products to be entered into between Changchun Jincheng and Global Corn at Completion
“Jinzhou Yuancheng”	錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.), a wholly foreign owned enterprise established in the PRC and a wholly owned subsidiary of GSH
“Listing Committee”	shall have the same meaning as is in the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling six calendar months after the date of the S&P Agreement, or such later date as the Vendor and GSH may agree
“mtpa”	metric tonnes per annum
“PRC”	People’s Republic of China
“Reorganisation”	the proposed reorganisation of Changchun Jinchang as described in the paragraph headed “Reorganisation” under the section headed “Information on the Target Group” in this announcement
“Revised Caps”	the proposed revised annual caps in respect of the continuing connected transactions under the Utilities Master Supply Agreement of HK\$268 million and HK\$324 million for each of the two years ending 31 December 2012, respectively
“RMB”	Renminbi, the lawful currency in the PRC
“S&P Agreement”	the agreement in relation to the Transaction dated 2 September 2011 entered into between the Vendor and GSH
“Sale Share”	such number of share(s) of US\$1.00 each as shall represent the entire issued share capital in the Target Company immediately before Completion

“Sale Share Consideration”	the consideration for the purchase of the Sale Share, being the sum of approximately HK\$510 million
“Sales Agency Agreements”	the Jincheng Sales Agency Agreement and the Yuancheng Sales Agency Agreement
“Shareholder Loans”	such amount as equals to 100% of the face value of all debts and liabilities owing by any member of the Target Group to the Vendor (whether arising primarily from advances made by or on behalf of the Vendor to any member of the Target Group or derived from any payment by the Vendor on behalf of such member of the Target Group) on Completion, if any
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Global Starch (BVI) Investments Limited, a company incorporated in the BVI with limited liability and wholly-owned by the Vendor
“Target Group”	the Target Company, HK Subsidiary and Changchun Jinchang, and other subsidiary of the Target Company (if any) as of the Completion Date
“Transaction”	the acquisition by GSH and the disposal by the Vendor of the entire issued share capital in, and Shareholder Loans of, the Target Company pursuant to the S&P Agreement
“Trust Deed”	the trust deed dated 16 May 2011 executed by GBT, the subsidiary guarantors named therein and The Hongkong and Shanghai Banking Corporation Limited (as amended and supplemented by the supplemental trust deed to be executed by, among others, the Target Company and HK Subsidiary)
“US\$”	United States dollars, the lawful currency of the United States of America
“Utilities Master Supply Agreement”	the agreement dated 16 April 2009 entered into between Dacheng Corn as supplier and Changchun Dihao (for itself and as trustee for the benefit of other members of the Changchun Group) as customer relating to the supply of electricity, water and steam and the provision of wastewater treatment services for the term commencing from 1 January 2010 to 31 December 2012 (both days inclusive)

“Vendor”	Global Corn Investments (HK) Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of GBT
“Yuancheng Sales Agency Agreement”	the sales agency agreement dated 10 December 2010 and entered into between Jinzhou Yuancheng and Global Corn in relation to the distribution of the Co-products and corn starch for the term commencing from 1 January 2011 to 31 December 2013 (both days inclusive)

By order of the GBT Board
Global Bio-chem Technology Group
Company Limited
Liu Xiaoming **Xu Zhouwen**
Co-Chairman *Co-Chairman*

By order of the GSH Board
Global Sweeteners Holdings Limited
Kong Zhanpeng
Chairman

Hong Kong, 2 September 2011

As at the date of this announcement, the GBT Board comprises five executive directors, namely Mr. Liu Xiaoming, Mr. Xu Zhouwen, Ms. Wang Guifeng, Mr. Zhang Fusheng and Mr. Cheung Chak Fung and three independent non-executive directors, namely Mr. Chan Man Hon, Eric, Mr. Lee Yuen Kwong and Mr. Li Defa.

As at the date of this announcement, the GSH Board comprises four executive directors, namely Mr. Kong Zhanpeng, Mr. Zhang Fazheng, Mr. Xu Zhouwen and Mr. Lee Chi Yung; and three independent non-executive directors, namely Mr. Chan Yuk Tong, Mr. Gao Yunchun and Mr. Ho Lic Ki.

In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.20 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.