
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Global Sweeteners Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the Form of Acceptance.

KONG ZHANPENG
孔展鵬

WANG TIEGUANG
王鐵光



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)

COMPOSITE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFER BY CCBI CAPITAL AND CHINA GALAXY FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL THE ISSUED SHARES OF GLOBAL SWEETENERS HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING IN CONCERT WITH THEM)

Joint financial advisers to the Joint Offerors



Independent Financial Adviser to the Independent Board Committee



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from CCBI Capital and China Galaxy containing, among other things, details of the terms of the Offer is set out on pages 10 to 17 of this Composite Document.

A letter from the Board is set out on pages 18 to 23 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offer is set out on pages IBC-1 to IBC-2 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee in respect of the Offer, is set out on pages IFA-1 to IFA-26 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar as soon as possible and in any event no later than 4:00 p.m. (Hong Kong time) on Wednesday, 17 January 2024 (or such later time and/or date as the Joint Offerors may decide and the Joint Offerors and the Company may jointly announce in accordance with the requirements under the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in the paragraphs headed "Overseas Independent Shareholders" in the "Letter from CCBI Capital and China Galaxy" and "7. OVERSEAS INDEPENDENT SHAREHOLDERS" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Independent Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements. Overseas Independent Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

This Composite Document will remain on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.global-sweeteners.com.

* for identification purposes only

27 December 2023

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made by the Joint Offerors and the Company in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and dates.

Event	Time & Date
	2023
Despatch date of this Composite Document and the Form of Acceptance (<i>Note 1</i>)	Wednesday, 27 December
Offer opens for acceptance (<i>Note 1</i>).....	Wednesday, 27 December
	2024
Latest time and date for acceptance of the Offer (<i>Note 2</i>)	4:00 p.m. on Wednesday, 17 January
Closing Date (<i>Note 2</i>).....	Wednesday, 17 January
Announcement of the results of the Offer (or its extension or revision, if any) on the website of the Stock Exchange (<i>Note 2</i>).....	no later than 7:00 p.m. on Wednesday, 17 January
Latest date for posting of remittances in respect of valid acceptances received at or before the latest time for acceptance of the Offer (<i>Note 3</i>)	Friday, 26 January

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the paragraph headed “6. RIGHT OF WITHDRAWAL” in Appendix I to this Composite Document.

EXPECTED TIMETABLE

2. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offer is 4:00 p.m. on Wednesday, 17 January 2024 unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code. The Joint Offerors have the right under the Takeovers Code to extend the Offer until such date as they may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be jointly issued by the Joint Offerors and the Company on the website of the Stock Exchange by no later than 7:00 p.m. on the Closing Date stating the result of the Offer and whether the Offer has been revised or extended or has expired. In the event that the Joint Offerors decide to revise the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.

If there is a tropical cyclone warning signal number 8 or above or “extreme conditions” caused by super typhoons or a “black” rainstorm warning signal:

- (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the Closing Date, the time and date of the close of the Offer will remain at 4:00 p.m. on the same Business Day ;
or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Closing Date, the time and date of the close of the Offer will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time (i) between 9:00 a.m. and 4:00 p.m. or (ii) after 12:00 noon, or such other day as the Executive may approve.
3. Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code. The latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” caused by super typhoons or a “black” rainstorm warning signal, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances. In such cases, the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time after 12:00 noon.

Save as mentioned above, if the latest time for acceptance of the Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Joint Offerors and the Company will notify the Shareholders any changes to the expected timetable as soon as practicable by way of announcement(s).

IMPORTANT NOTICES

NOTICE TO THE OVERSEAS INDEPENDENT SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Independent Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions. The Joint Offerors and parties acting in concert with them, the Company, CCBI Capital, China Galaxy, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please refer to the paragraphs headed “Overseas Independent Shareholders” in the “Letter from CCBI Capital and China Galaxy” and “7. OVERSEAS INDEPENDENT SHAREHOLDERS” in Appendix I to this Composite Document for further information.

As confirmed by the Company, as at the Latest Practicable Date, the Company has no Shareholder whose registered address is outside Hong Kong.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Joint Offerors and the Company assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable laws and regulations, including the Takeovers Code.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“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 the Company 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 the Company 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 by the Company 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 the Company to the Joint Offerors, as subscribers, by not less than one month’s written notice, or such other date as the Company and the Joint Offerors, as subscribers, shall agree in writing
“CB Subscription”	the subscription of the Convertible Bonds under Specific Mandate pursuant to the terms of the CB Subscription Agreement

DEFINITIONS

“CB Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Joint Offerors as subscribers dated 6 April 2023 in relation to the CB Subscription
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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 joint financial advisers to the Joint Offerors and one of the agents making the Offer on behalf of the Joint Offerors
“China Galaxy”	China Galaxy International Securities (Hong Kong) Co., 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 joint financial advisers to the Joint Offerors and one of the agents making the Offer on behalf of the Joint Offerors
“Circular”	the circular dated 31 May 2023 issued by the Company in relation to, among the other things, the Special Deals, and contains a notice to convene the extraordinary general meeting of the Company which held on Tuesday, 20 June 2023
“Closing Date”	Wednesday, 17 January 2024, being the closing date of the Offer which is 21 days following the date on which this Composite Document is posted (or if the Offer is extended, any subsequent closing date as may be determined by the Joint Offerors and jointly announced by the Joint Offerors and the Company in accordance with the Takeovers Code)
“Company” or “GSH”	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)
“Composite Document”	this composite offer and response document jointly issued by the Joint Offerors and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer

DEFINITIONS

“Conversion Share(s)”	new Shares fall to be allotted and issued by the Company 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% convertible bonds to be issued by the Company to the Joint Offerors as subscribers in accordance with the terms of the CB Subscription Agreement
“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 the Company as at the date of the Dihao SPA II and prior to completion of the sale and purchase in accordance with the Dihao SPAs
“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 the Company as at the date of the Dihao SPA I and prior to the completion of the sale and purchase in accordance with 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 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 entire registered capital of Dihao Foodstuff of 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 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 the entire registered capital of Dihao Crystal Sugar of 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 SPAs”	collectively, the Dihao SPA I and Dihao SPA II

DEFINITIONS

“Dihao Transfer”	the transfer of (i) the entire registered capital of Dihao Foodstuff, and (ii) the entire registered capital of Dihao Crystal Sugar from the Group to GBT Group in accordance with the Dihao SPAs, further details of which were set out in the Joint Announcement and the Circular
“Dihao Vendor A”	Global Sweeteners (China) Limited (大成澱粉糖(中國)有限公司), a wholly-owned subsidiary of the Company and one of the 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 the Company and one of the 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 the Company and one of the vendors under the Dihao SPA II
“Director(s)”	the director(s) of the Company
“Encumbrances”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director, as defined in the Takeovers Code
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“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 Shares (representing approximately 0.03% of the entire issued share capital of the Company) and indirectly held 259,813,000 Shares (representing approximately 17.01% of the entire issued share capital of the Company) through Global Corn as at the Latest Practicable Date

DEFINITIONS

“GBT Counter-guarantee”	the counter-guarantee and indemnity to be provided by GBT to the Company in respect of the obligations and liabilities the Company may incur and suffer under the guarantee provided by the Company to 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*) in respect of the debts to be owed by Dihao Foodstuff to Nongan Branch of Agricultural Bank of China Limited* under a guarantee agreement dated 20 May 2019, being the underlying guarantee to which the GBT Counter-guarantee relates
“GBT Counter-guarantee Deed”	the deed of guarantee to be executed by GBT and the Company pursuant to which GBT will, among others, provide the GBT Counter-guarantee to the Company
“GBT Group”	GBT and its subsidiaries which, for the purpose of this Composite Document, excludes the Group
“Global Corn”	Global Corn Bio-Chem Technology Company Limited, a wholly-owned subsidiary of GBT, which held 259,813,000 Shares (representing approximately 17.01% of the entire issued share capital of the Company) as at the Latest Practicable Date
“Group”	the Company and its subsidiaries from time to time
“GSH Completion”	completion of the sale and purchase of the GSH Sale Shares in accordance with the GSH SPA, which took place on 21 December 2023
“GSH Counter-guarantee”	the counter-guarantee and indemnity provided by the Company to GBT and Dihao Foodstuff in respect of the obligations and liabilities GBT and Dihao Foodstuff may incur and suffer under the guarantees provided by GBT and/or Dihao Foodstuff to 中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation*) and 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*) in respect of the debts to be owed by 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 under the guarantee agreements dated 13 September 2018, 20 May 2019 and 27 December 2021
“GSH Counter-guarantee Deed”	the deed of counter-guarantee to be executed by the Company, GBT and Dihao Foodstuff pursuant to which the Company will, among others, provide the GSH Counter-guarantee to GBT and Dihao Foodstuff

DEFINITIONS

“GSH Sale Shares”	717,965,000 Shares held by Global Corn as at the date of the GSH SPA, representing approximately 47.00% of the entire issued share capital of the Company as at the date of the GSH SPA, and sold to the Joint Offerors under the GSH SPA upon GSH Completion
“GSH SPA”	the sale and purchase agreement dated 6 April 2023 entered into between the Joint Offerors and Global Corn for the acquisition of the GSH Sale Shares by the Joint Offerors
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu, being all independent non-executive Directors for the purpose of making a recommendation to the Independent Shareholders regarding the terms of the Offer
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to their acceptance
“Independent Shareholders”	the Shareholders other than the Joint Offerors and parties acting in concert with them
“Joint Announcement”	the announcement jointly issued by the Joint Offerors, the Company and GBT dated 6 April 2023 in relation to, among other things, the Special Deals and the Offer pursuant to Rule 3.5 of the Takeovers Code
“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 the Shares were traded on the Stock Exchange on the date of the Joint Announcement

DEFINITIONS

“Latest Practicable Date”	22 December 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MT”	metric tonnes
“Offer”	the mandatory unconditional general cash offer 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 Period”	the period from 6 April 2023, being the date of the Joint Announcement, to the Closing Date
“Offer Price”	the price at which the Offer is made, being HK\$0.06 per Offer Share
“Offer Share(s)”	any and all of the issued Share(s) not already owned or to be acquired by the Joint Offerors and parties acting in concert with them
“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 Tieguang (王鐵光), one of the purchasers under the GSH SPA and one of the Joint Offerors under the Offer
“Overseas Independent Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, which, for the purpose of this Composite Document, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period from 6 October 2022, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date

DEFINITIONS

“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)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“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 Board to allot, issue and deal with the Conversion Shares at the relevant extraordinary general meeting of the Company held on 20 June 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“USD”	United States dollars
“%”	per cent.

For the purpose of this Composite Document, 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.

LETTER FROM CCBI CAPITAL AND CHINA GALAXY



27 December 2023

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
CCBI CAPITAL AND CHINA GALAXY
FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL
THE ISSUED SHARES OF GLOBAL SWEETENERS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

Reference is made to (i) the Joint Announcement in relation to, among other things, the CB Subscription, the GSH SPA and the Offer; (ii) the Circular issued by the Company dated 31 May 2023 in relation to, among others, the Special Deals; and (iii) the joint announcements issued by the Joint Offerors and Company respectively dated 23 May 2023, 20 June 2023, 20 July 2023, 18 August 2023, 19 September 2023, 19 October 2023 and 20 November 2023 in relation to, among others, the monthly updates on the possible Offer. It was mentioned in the Joint Announcement that on 6 April 2023, the Joint Offerors conditionally agreed to acquire the GSH Sale Shares, being 717,965,000 Shares, representing approximately 47.00% of the entire issued share capital of the Company, at a total consideration of HK\$43,077,900, equivalent to HK\$0.06 per GSH Sale Share. Upon the GSH Completion, the Joint Offerors will become interested in a total of 777,673,000 Shares, representing approximately 50.91% of the entire issued share capital of the Company, and will be required to make a mandatory unconditional general cash offer to acquire all the Offer Shares. Reference is also made to the announcement jointly published by the Joint Offerors, GBT and the Company on 21 December 2023 which announced that the sale and purchase of the GSH Sale Shares contemplated under the GSH SPA was completed on 21 December 2023. As at the Latest Practicable Date, all the conditions under the CB Subscription Agreement (other than conditions precedent that are stipulated to be fulfilled on the date of CB First Completion) were fulfilled or waived (as the case may be), and the CB First Completion Date is expected to take place on 21 March 2024.

This letter forms part of this Composite Document which sets out, among other things, the details of the Offer, information on the Joint Offerors and the intention of the Joint Offerors regarding the Group. Further terms and procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, “Letter from the Independent Board Committee” and “Letter from the Independent Financial Adviser” as set out in this Composite Document, the appendices as set out in this Composite Document and the Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

PRINCIPAL TERMS OF THE OFFER

CCBI Capital and China Galaxy are, on behalf of the Joint Offerors, making the Offer in compliance with the Takeovers Code on the terms set out on the following basis:

The Offer

CCBI Capital and China Galaxy are making the Offer pursuant to Rule 26.1 of the Takeovers Code, for and on behalf of the Joint Offerors on the terms to be set out below in compliance with the Takeovers Code on the following basis:

For every Offer ShareHK\$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 is unconditional in all aspects when it is made and is not conditional upon acceptances being received in respect of a minimum number of Offer Shares.

Comparison of value

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

- (i) a discount of approximately 32.6% to the closing price of HK\$0.089 per Share as quoted on the Stock Exchange on the Lastest Practicable Date;
- (ii) a discount of approximately 30.2% to the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 30.2% to the closing price of HK\$0.086 per Share as quoted on the Stock Exchange on 4 April 2023, being the last business day immediately preceding the Last Trading Day;
- (iv) a discount of approximately 29.4% to the average of the closing prices of the 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 Share;
- (v) a discount of approximately 27.7% to the average of the closing prices of the 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 Share;

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

- (vi) a discount of approximately 30.2% to the average of the closing prices of the 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 Share;
- (vii) a premium of approximately HK\$0.502 over the audited consolidated net liabilities attributable to Shareholders of approximately HK\$0.442 per Share as at 31 December 2022 (based on audited deficit attributable to owners of the Company of approximately HK\$675.0 million as at 31 December 2022 and 1,527,586,000 Shares in issue as at the Latest Practicable Date); and
- (viii) a premium of approximately HK\$0.518 over the unaudited consolidated net liabilities attributable to Shareholders of approximately HK\$0.458 per Share as at 30 June 2023 (based on unaudited deficit attributable to owners of the Company of approximately HK\$699.2 million as at 30 June 2023 and 1,527,586,000 Shares in issue as at the Latest Practicable Date).

Value of the Offer

As at the Latest Practicable Date, there were 1,527,586,000 Shares in issue, of which 777,673,000 Shares (representing approximately 50.91% of the issued share capital of the Company) is held by the Joint Offerors and parties acting in concert with them. There are no outstanding warrants, options, derivatives or other securities convertible into 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, the Company has not entered into any agreement for the issue of such warrants, options, derivatives or other securities convertible into Shares as at the Latest Practicable Date.

On the basis of the Offer Price of HK\$0.06 per Offer Share and 1,527,586,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company 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 Shares already held by the Joint Offerors and parties acting in concert with them and included the 260,313,000 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 Joint Offerors intends to finance the consideration payable under the Offer by their own financial resources.

CCBI Capital and China Galaxy, being the joint financial advisers to the Joint Offerors in respect of the Offer, 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 Shares subject to the irrevocable undertaking to not accept the Offer given by Global Corn under the GSH SPA).

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

Effects of accepting the Offer

The Offer is unconditional in all respects.

Acceptance of the Offer by any 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 Encumbrances 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 this Composite Document.

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

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% 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 Shareholder on acceptance of the Offer.

The Joint Offerors will arrange for payment of the sellers' ad valorem stamp duty on behalf of accepting 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 in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Settlement

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after 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 its agent) to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Offer will be rounded up to the nearest cent.

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

Overseas Independent Shareholders

The Joint Offerors intend to make the Offer available to all 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 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 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 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).

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

Tax advice

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, the Company, 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.

INFORMATION ON 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. 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 from June 2006 to December 2018. Mr. Kong is an independent non-executive director of JX Energy Ltd., a company incorporated in Alberta with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03395), from 1 August 2023.

The Offeror B is Mr. Wang Tiegung. Mr. Wang, aged 58. Mr. Wang was an executive director of GBT from September 2000 to September 2010.

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the paragraph headed “INFORMATION ON THE GROUP” in the “Letter from the Board” in this Composite Document.

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Following the close of the Offer, the Joint Offerors intend to continue the existing principal businesses of the Group, and have no plan and/or intention to downsize or change the scale of the Group’s existing principal businesses.

The Joint Offerors will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the 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 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 Group as set out above, as at the Latest Practicable Date, 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 Group, and the Joint Offerors have no intention to discontinue the employment of any employees of the Group or to redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

The Board is currently made up of five Directors, comprising two executive Directors, being Mr. Wang Guicheng and Mr. Tai Shubin; and three independent non-executive Directors, being Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu.

The executive Director Mr. Wang Guicheng has tendered resignation to take effect from a date which is no earlier than such date as permitted under Rule 7 of the Takeovers Code (i.e. after the close of the Offer).

The Joint Offerors intend to nominate Offeror A and Offeror B as the executive Director of the Board. The biographies of Offeror A and Offeror B are set out in the paragraph headed “INFORMATION OF THE JOINT OFFERORS” above. The appointment of the new executive Directors will take effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. Any changes to the composition of the Board will be made in compliance with the Takeovers Code and the Listing Rules.

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

As at the Latest Practicable Date, save for Offeror A being an independent non-executive director of JX Energy Ltd., a company incorporated in Alberta with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03395), Offeror A and Offeror B did not hold any other directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. As at the Latest Practicable Date, save for the GSH Sale Shares, Offeror A did not have any interest in the Shares (within the meaning of Part XV of the SFO), and Offeror B held 43,264,000 Shares, representing 2.83% of the entire issued share capital of the Company. Rich Mark Profits Limited, a company wholly-owned by Offeror B, holds 16,444,000 Shares, representing 1.08% of the entire issued share capital of the Company.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Joint Offerors intend the Company to remain listed on the Stock Exchange after the closing of Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25.0% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

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

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon closing of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares. The Joint Offerors (also as the proposed new Directors to be appointed to the Board) have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

COMPULSORY ACQUISITION

The Joint Offerors do not intend to exercise any power of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

GENERAL

All documents and remittances to be sent to the Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as they appear in the registers of the members of the Company and in the case of joint holders, to such holder whose name appears first in the relevant registers. The Joint Offerors and parties acting in concert with it, the Company, CCBI Capital, China Galaxy, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates or any other parties involved in the Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

LETTER FROM CCBI CAPITAL AND CHINA GALAXY

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” contained in this Composite Document.

Yours faithfully,
for and on behalf of
CCB International Capital Limited
Gilman Siu
Managing Director, Mergers & Acquisitions

Yours faithfully
For and on behalf of
China Galaxy International Securities
(Hong Kong) Co., Limited
Steven Chiu
Managing Director

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Wang Guicheng (*Chairman*)

Mr. Tai Shubin

Independent non-executive Directors:

Mr. Fan Yeran

Mr. Fong Wai Ho

Mr. Lo Kwing Yu

Registered office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 1002, 10th Floor

Tower A, Cheung Kei Center

18 Hung Luen Road

Hung Hom, Kowloon

Hong Kong

27 December 2023

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
CCBI CAPITAL AND CHINA GALAXY
FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL
THE ISSUED SHARES OF GLOBAL SWEETENERS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the GSH SPA and the Offer.

** for identification purposes only*

LETTER FROM THE BOARD

GBT, the Joint Offerors and the Company jointly announced that on 6 April 2023 (after trading hours), 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 Shares, representing approximately 47.00% of the entire issued share capital of the Company 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. GSH Completion took place on 21 December 2023.

Immediately prior to GSH Completion, the Joint Offerors and parties acting in concert with them held 59,708,000 Shares, representing approximately 3.91% of the entire issued share capital of the Company. Immediately after the GSH Completion and as at the Latest Practicable Date, the Joint Offerors and parties acting in concert with them were interested in 777,673,000 Shares, representing approximately 50.91% of the issued share capital of the Company. The Joint Offerors are therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Joint Offerors and parties acting in concert with them).

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) information relating to the Group, the Joint Offerors and the Offer; (ii) the letter from CCBI Capital and China Galaxy containing, among other things, details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned and on acceptance in respect of the Offer; and (v) Form of Acceptance.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance of the offer.

The Independent Board Committee, comprising all independent non-executive Directors, namely, Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu, has been established for the purpose of making recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

Octal Capital, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are respectively set out on pages IBC-1 to IBC-2 and pages IFA-1 to IFA-26 of this Composite Document. You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE OFFER

As disclosed in the “Letter from CCBI Capital and China Galaxy”, CCBI Capital and China Galaxy are making the Offer for and on behalf of the Joint Offerors in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.06 in cash

As at the Latest Practicable Date, there were 1,527,586,000 Shares in issue and the Company did not have any outstanding options, warrants or derivatives or securities which are convertible or exchangeable into Shares. Save for the Convertible Bonds, which the Company has conditionally agreed to issue, and the Joint Offerors have conditionally agreed to subscribe for pursuant to the CB Subscription Agreement, the Company had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights 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 despatch of this Composite Document.

As at the Latest Practicable Date, the Company had not declared any dividend and the Board did not have any intention to make, declare or pay any dividend or other distribution before the close of the Offer Period of the Offer.

The Offer is unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Offer Shares or other conditions.

Further details of the Offer are set out in the “Letter from CCBI Capital and China Galaxy” on pages 10 to 17 of this Composite Document and the additional information contained in appendices to this Composite Document and the accompanying Form of Acceptance.

INFORMATION ON THE GROUP

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

Financial and general information in relation to the Group are set out in Appendix II and Appendix IV to this Composite Document.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to GSH Completion; and (ii) immediately after GSH Completion and as at the Latest Practicable Date:

Shareholders	Immediately prior to GSH Completion		Immediately after GSH Completion and as at the Latest Practicable Date	
	Numbers of Shares held	Approximate shareholding (%) (Note 1)	Numbers of Shares held	Approximate shareholding (%) (Note 1)
GBT (Note 2)	500,000	0.03	500,000	0.03
Global Corn (Note 2)	977,778,000	64.01	259,813,000	17.01
Director				
– Mr. Wang Guicheng	300,000	0.02	300,000	0.02
Joint Offerors and parties acting concert with them:				
– Offeror A	–	–	358,982,500	23.50
– Offeror B	43,264,000	2.83	402,246,500	26.33
– Rich Mark Profits Limited (Note 3)	16,444,000	1.08	16,444,000	1.08
Sub-total of Joint Offerors and parties acting in concert with them	59,708,000	3.91	777,673,000	50.91
Other public Shareholders	489,300,000	32.03	489,300,000	32.03
Total	1,527,586,000	100.00	1,527,586,000	100.00

Notes:

- (1) The percentage had been calculated on the basis of 1,527,586,000 issued Shares as at the Latest Practicable Date.
- (2) Global Corn is a wholly-owned subsidiary of GBT.
- (3) Rich Mark Profits Limited is wholly-owned by Offeror B.

INFORMATION ON THE JOINT OFFERORS

Your attention is drawn to the paragraph headed “INFORMATION ON THE JOINT OFFERORS” in the “Letter from CCBI Capital and China Galaxy” and Appendix III to this Composite Document.

LETTER FROM THE BOARD

INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Please refer to the paragraph headed “INTENTION OF THE JOINT OFFERORS IN RELATION TO THE GROUP” in the “Letter from CCBI Capital and China Galaxy” of this Composite Document for detailed information on the Joint Offerors’ intention on the business and management of the Group.

The Board noted that the Joint Offerors will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the 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 Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. As at the Latest Practicable Date, no investment or business opportunity had 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 Group.

Save for the Joint Offeror’s intention regarding the Group as set out above, the Board is pleased to note the Joint Offerors (i) intend to continue the existing principal businesses of the Group; (ii) have no intention to discontinue the employment of the employees or to redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; and (iii) have no plan and/or intention to downsize or change the scale of the Group’s existing principal businesses.

The Board is willing to render reasonable cooperation to the Joint Offerors to support their intention regarding the Group if it considers that it is in the interests of the Company and Shareholders as a whole.

PROPOSED CHANGE TO THE BOARD COMPOSITION

The Board is aware that the Joint Offerors intend to nominate new Directors to the Board in accordance with the relevant requirements of the Takeovers Code, the Listing Rules or other applicable regulations. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules. As at the Latest Practicable Date, the Joint Offerors intends to nominate 2 executive Directors to the Board. For better delineation of business and management between the Group and the GBT Group, Mr. Wang Guicheng, an executive Director, who is also an executive director of GBT, has tendered his resignation as an executive Director which shall only take effect until after the publication of the closing announcement on the first closing date of the Offer in accordance with Rule 7 of the Takeovers Code. Please refer to the paragraph headed “PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY” in the “Letter from CCBI Capital and China Galaxy” in this Composition Document for the biographical information of the proposed Directors.

LETTER FROM THE BOARD

Having assessed and reviewed the suitability of the proposed Directors, the nomination committee of the Board has recommended and the Board intends to nominate the proposed Directors to the 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. The above appointments will be made as and when appropriate in accordance with the Takeovers Code and the Listing Rules. Further announcement(s) and/or disclosure(s) will be made upon any changes to the composition to the Board as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As mentioned in the paragraph headed “MAINTAINING THE LISTING STATUS OF THE COMPANY” in the “Letter from CCBI Capital and China Galaxy” of this Composite Document, the Joint Offerors intend the Company to remain listed on the Stock Exchange. The Joint Offerors (also as the proposed new Directors to be appointed to the Board) have undertaken to the Stock Exchange to take appropriate steps to ensure that not less than 25.0% of the issued share capital of the Company will be held by the public at all times following the close of the Offer.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages IBC-1 to IBC-2 of this Composite Document, which contains the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages IFA-1 to IFA-26 of this Composite Document, which contains the advice and recommendation of the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Offer and the principal factors considered by it before arriving at its recommendation.

Your attention is further drawn to the additional information contained in the appendices to this Composite Document. You are urged to read both letters and other information contained in this Composite Document carefully before taking any action in respect of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

By order of the Board
GLOBAL SWEETENERS HOLDINGS LIMITED
Wang Guicheng
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

27 December 2023

To the Independent Shareholders

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
CCBI CAPITAL AND CHINA GALAXY
FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL
THE ISSUED SHARES OF GLOBAL SWEETENERS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE JOINT OFFERORS
AND PARTIES ACTING IN CONCERT WITH THEM)**

INTRODUCTION

We refer to the Composite Document dated 27 December 2023 issued jointly by the Joint Offerors and the Company, of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the Offer and to make a recommendation to you as to whether, in our opinion, the Offer is fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof.

Octal Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the fairness and reasonableness of the Offer and as to the acceptance of the Offer. Your attention is drawn to the “Letter from the Independent Financial Adviser” set out on pages IFA-1 to IFA-26 of the Composite Document which contains the details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offer.

** for identification purposes only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from CCBI Capital and China Galaxy” set out on pages 10 to 17 of the Composite Document which contains, *inter alia*, information about the Offer, the “Letter from the Board” set out on pages 18 to 23 of the Composite Document and the additional information set out in the Composite Document, including the appendices to the Composite Document in respect of the terms of the Offer and acceptance and settlement procedures for the Offer and the accompanying Form of Acceptance.

You are advised to read all the letters set out in the Composite Document and the additional information contained in the appendices to the Composite Document carefully before taking any action in respect of the Offer.

RECOMMENDATION

Taking into account the terms of the Offer and the independent advice from the Independent Financial Adviser as set out in the “Letter from the Independent Financial Adviser”, and the principal factors and reasons taken into account in arriving at its recommendation, we consider that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the terms and procedures for acceptance of the Offer as detailed in the Composite Document and the accompanying Form of Acceptance.

For and on behalf of the
Independent Board Committee
GLOBAL SWEETENERS HOLDINGS LIMITED

Mr. Fan Yeran
Independent
non-executive Director

Mr. Fong Wai Ho
Independent
non-executive Director

Mr. Lo Kwing Yu
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Octal Capital Limited to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of incorporation in the Composite Document.



Octal Capital Limited
801-805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

27 December 2023

To the Independent Board Committee and Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
CCBI CAPITAL AND CHINA GALAXY
FOR AND ON BEHALF OF THE JOINT OFFERORS TO ACQUIRE ALL
THE ISSUED SHARES OF GLOBAL SWEETENERS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE JOINT OFFERORS AND PARTIES ACTING
IN CONCERT WITH THEM)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. Details of the Offer are set out in the composite document of the Company dated 27 December 2023 (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

GBT, the Joint Offerors and the Company jointly announced that on 6 April 2023 (after trading hours), 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 Shares, representing approximately 47.00% of the entire issued share capital of the Company 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. GSH Completion took place on 21 December 2023.

Immediately prior to GSH Completion, the Joint Offerors and parties acting in concert with them held 59,708,000 Shares, representing approximately 3.91% of the entire issued share capital of the Company. Immediately after the GSH Completion and as at the Latest Practicable Date, the Joint Offerors and parties acting in concert with them were interested in 777,673,000 Shares, representing approximately 50.91% of the issued share capital of the Company. The Joint Offerors are therefore required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Joint Offerors and parties acting in concert with them).

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CCBI Capital and China Galaxy are making the Offer for and on behalf of the Joint Offerors in compliance with the Takeovers Code on the following basis:

For each Offer ShareHK\$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 shall be acquired free from all Encumbrances and together with all rights attaching thereto, including the rights 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 despatch of the Composite Document. As set out in the Letter from the Board, as at Latest Practicable Date, the Company had not declared any dividend and the Board did not have any intention to make, declare or pay any dividend or other distribution before the close of the Offer Period of the Offer.

Further details of the terms and conditions of the Offer, including the procedures for acceptance of the Offer, are set out in the Composite Document.

INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, who have no direct or indirect interest in the Offer, namely Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu, has been established for the purpose of making recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

We, Octal Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Our appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

During the last two years, we were appointed as the independent financial adviser of the Company in relation to the Special Deals and the CB Subscription (the “**Previous Engagement**”), details of which can be referred to the Circular. Under the Previous Engagement, we were required to express our opinion on and give recommendations to the independent board committee of the Company (comprising all the independent non-executive Directors) and the independent Shareholders in respect of the relevant transactions. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Joint Offerors or the Company or any party acting, or presumed to be acting, in concert with any of them. Therefore, we are considered eligible to give independent advice on the Offer under the requirement of the Listing Rules. As at the Latest Practicable Date, we are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company or the Joint Offerors, and we are not associated with the Joint Offerors or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had any connection,

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financial assistance or otherwise, with either the Joint Offerors or the Company or the controlling shareholder(s) of either of them, therefore we are considered independent and suitable to give independent advice to the Independent Board Committee and the Independent Shareholders pursuant to Rule 2.6 of the Takeovers Code.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Composite Document and have assumed that all information and representations made or referred to in the Composite Document were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and the management of the Company regarding the Group, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Directors and the management of the Company in the Composite Document were reasonably made after due enquiry. We consider that we have reviewed sufficient information, among other things, (i) the Joint Announcement and the Circular; (ii) the annual reports of the Company for the years ended 31 December 2021 and 2022 and the interim reports of the Company for the six months ended 30 June 2022 and 2023; (iii) other information as set out in the Composite Document; and (iv) the relevant market data and information available from public sources, to reach an informed view and justify our reliance on the accuracy of the information contained in the Composite Document and to provide a reasonable basis for our advice.

We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or the Joint Offerors or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document were true, accurate and complete in all material respects and not misleading or deceptive up to the time of the Latest Practicable Date, and there are no other matters the omission of which would make any statement herein or the Composite Document misleading.

Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the close of the Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Offer (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offer and, if in any doubt, should consult their own professional advisers.

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PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFER

In assessing the Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners, categorised into upstream and downstream products. The Group's upstream products include corn starch, gluten meal, corn oil and other corn refined products (“**Upstream Products**”). Corn starch is refined downstream to produce various corn sweeteners such as corn syrup (which includes glucose syrup, maltose syrup and high fructose corn syrup) and corn syrup solid (which includes maltodextrin) (collectively “**Downstream Products**”).

As at the Latest Practicable Date, the Group's production in the Shanghai site is in operation while the production in the Jinzhou site is still suspended. Since the completion of Dihao Transfer took place on 21 December 2023, all production facilities located in Xinglongshan site have been transferred to the GBT Group.

As at the Latest Practicable Date, the Group's production facilities are summarized as below:

Location of production site	Major subsidiaries of the Group operating the relevant production facilities	Manufacture and sale of	Production status as at the Latest Practicable Date
Shanghai	上海好成食品發展有限公司 (Shanghai Haocheng Food Development Co. Ltd*)	Downstream Products	In operation
Jinzhou	錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*) (“ Jinzhou Yuancheng ”)	Upstream Products	Suspension of production since 2019
Jinzhou	錦州大成食品發展有限公司 (Jinzhou Dacheng Food Development Co. Ltd.*) (“ Jinzhou Dacheng ”)	Downstream Products	Suspension of production since 2020

As advised by the management of the Company, the production in Jinzhou site may resume provided that the Group is able to secure financing to support the production resumption. If the production in Jinzhou site can be resumed, the Group's overall production capacity is expected to increase.

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2. Historical financial performance and prospects of the Group

The table below sets out the audited financial information of the Group for the years ended 31 December 2020, 2021 and 2022 (the “FY2020”, “FY2021” and “FY2022”) and the unaudited financial information of the Group for the six months ended 30 June 2022 and 2023 (the “6M2022” and “6M2023”) extracted from the annual reports of the Company for FY2021 (the “2021 Annual Report”) and FY2022 (the “2022 Annual Report”) and interim report of the Company for 6M2023 (the “2023 Interim Report”).

	6M2023 (Unaudited) HK\$'000	6M2022 (Unaudited) HK\$'000	FY2022 (Audited) HK\$'000	FY2021 (Audited) HK\$'000	FY2020 (Audited) HK\$'000
Revenue					
— Corn refined products	—	—	—	774	210,930
— Corn sweeteners	193,661	154,972	359,567	727,325	558,094
	193,661	154,972	359,567	728,099	769,024
Gross profit	19,980	11,191	27,267	41,588	77,866
Gross profit margin	10.3%	7.2%	7.6%	5.7%	10.1%
Loss after tax	(83,939)	(117,503)	(212,491)	(96,262)	(8,726)
Excluding one-off / non-recurring items:					
(a) Gain on resumption of the properties owned by Dihao Foodstuff (the “Dihao Foodstuff Properties”) ^(Note 1)	—	—	—	—	(289,356)
(b) Gain on debt restructuring ^(Note 2)	—	—	—	(128,279)	—
Adjusted loss after tax	(83,939)	(117,503)	(212,491)	(224,541)	(298,082)

Note 1: On 30 September 2020, Dihao Foodstuff entered into a compensation agreement with the 長春市綠園區人民政府 (The People’s Government of Luyuan District of Changchun City*) (the “Luyuan Government”), pursuant to which Dihao Foodstuff surrendered the properties owned by Dihao Foodstuff to the Luyuan Government upon the signing of the agreement and Dihao Foodstuff received a total compensation of approximately RMB443.0 million (equivalent to approximately HK\$497.7 million). The relevant one-off gain is derived from the difference between the total compensation of approximately RMB443.0 million (equivalent to approximately HK\$497.7 million) and the carrying amount of the properties surrendered by Dihao Foodstuff with the relevant relocation costs in aggregate of approximately HK\$208.4 million.

Note 2: During FY2021, the Company recognized 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.*) (“Changchun Rudder”), an independent third party of the Group. The one-off gain of approximately HK\$128.3 million (equivalent to approximately RMB106.5 million) represented the difference between (a) the value of the repurchased indebtedness which consisted of the aggregate principal amount of approximately RMB198.6 million together with the outstanding interests of approximately RMB21.4 million (the “Repurchased Indebtedness”) and (b) the consideration paid for the purchase of the Repurchased Indebtedness under the aforementioned repurchase agreements which amounted to approximately RMB113.5 million.

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FY2020 vs FY2021

The Group's revenue decreased from approximately HK\$769.0 million for FY2020 to approximately HK\$728.1 million for FY2021, and the gross profit declined from approximately HK\$77.9 million for FY2020 to approximately HK\$41.6 million for FY2021. The Group's revenue was mainly derived from the sales of corn sweeteners and most of these products were produced from Shanghai production site. During FY2020 and FY2021, the Group suspended the operations of the sweeteners production facilities in Jinzhou and Xinglongshan sites and consolidated its resources into the Shanghai production site to increase the operational efficiency and reduce the operation costs of non-utilized production facilities. The suspension of production facilities in Jinzhou site resulted from the outbreak of the coronavirus disease ("COVID-19") and economic slowdown in the PRC which had an impact on the overall demand for corn refined products as downstream consumption shrunk, leading to a significant drop in the prices of the upstream products of the Group. As a result, the production facilities of Jinzhou Yuancheng, which are engaged in the production of Upstream Products, have been operating in low utilization during the first quarter of 2020. Under such circumstance, the Board concluded that it was more favorable for the Group to suspend its upstream operation in the second quarter of 2020 and remained its suspension in FY2021. Therefore, the revenue of the Upstream Products was adversely affected during FY2021.

As disclosed in the announcement of the Company dated 29 May 2020, the slowdown in procurement activities of corn kernels as a result of the outbreak of COVID-19 and the PRC government's intention to increase its grain reserves led to the tightening supply of corn kernels. Consequently, domestic corn prices were driven up significantly. On the other hand, the outbreak of COVID-19 and economic slowdown in the PRC had an impact on the overall demand for corn-refined products as downstream consumption shrunk, which caused the prices of the upstream products of the Group to drop significantly. In view of such difficult operating environment, the upstream production in both Jinzhou Yuancheng and 長春大成生物科技開發有限公司 (Changchun Dacheng Bio-Tech Development Co, Ltd.*) (which is a subsidiary of GBT) suspended since second quarter of 2020 and first quarter of 2020 respectively, thus the supply of corn starch (the major raw material for the downstream production of corn sweeteners) was cut-off until now. As advised by the management of the Company, it was not cost-efficient for Dihao Foodstuff to purchase corn starch in powder form or in slurry form from independent third parties and carry out additional reprocessing procedures, considering the then market price of corn starch and the reprocessing cost. The poor sentiments in the sweeteners market as a result of the economic slowdown and the suspension of most of the commercial activities in the PRC during the first quarter of 2020 dragged down the prices of the Downstream Products. As such, the downstream production of both Dihao Foodstuff and Jinzhou Dacheng remained suspended in FY2020 and FY2021.

During FY2020, the Group recorded a one-off gain from the resumption of Dihao Foodstuff Properties of approximately HK\$289.4 million and thus net loss of the Group was substantially reduced to approximately HK\$8.7 million. During FY2021, the Group recorded a net loss of approximately HK\$96.3 million, which included a one-off gain on debt restructuring of approximately HK\$128.3 million. If the one-off gain on resumption of the Dihao Foodstuff Properties in FY2020 and the one-off gain on debt restructuring in FY2021 were excluded, the Group's adjusted loss would be approximately HK\$298.1 million and HK\$224.5 million for FY2020 and FY2021, respectively.

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FY2021 vs FY2022

During FY2022, the Group recorded revenue of approximately HK\$359.6 million, representing a dramatic reduction of approximately 50.6% as compared to that in FY2021. The main reasons were due to (i) the suspension of the upstream and downstream production facilities in Jinzhou and Xinglongshan sites; and (ii) the suspension of operation of the Group's production facilities in Shanghai in the second quarter of FY2022 for almost two months due to the lockdown measures implemented in Shanghai. The production output of the Group reduced substantially and the financial performance of the Group was negatively affected. Despite the dramatic decline in revenue and gross profit during FY2022, the Group's gross profit margin improved by approximately 1.9% to approximately 7.6% in FY2022. During FY2022, the sugar price in the PRC market was increasing and the Group was able to sell its corn sweeteners at a higher price. The Group's selling price increased at a larger extent as compared to the increment in the raw material prices, leading to higher gross profit margin in FY2022.

In FY2021, the Group recorded a one-off gain on debt restructuring of approximately HK\$128.3 million and hence the Group recorded net loss after tax of approximately HK\$96.3 million. In FY2022, due to the absence of the above-mentioned one-off gain on debt restructuring and the dramatic reduction in the gross profit, the Group recorded adjusted loss of approximately HK\$212.5 million.

6M2022 vs 6M2023

During 6M2023, the Group's revenue reached approximately HK\$193.7 million, showing a growth of approximately 25.0% as compared to 6M2022. This improvement was primarily driven by the increase in sales volume of sweeteners following the resumption of the Group's Shanghai production site. The production resumption of the Group, coupled with a decrease in the price of corn starch (which is one of the major raw material for the Shanghai production site), improved the Group's gross profit during 6M2023. The Group's gross profit margin showed an improvement of approximately 3.1%, reaching approximately 10.3% in 6M2023 as compared to 6M2022.

As the expenses related to idle production facilities in Shanghai were reduced, other expenses decreased by approximately HK\$5.5 million from approximately HK\$35.5 million for 6M2022 to approximately HK\$30.0 million for 6M2023. Additionally, the Group recorded an income of deferred tax credit of approximately HK\$19.5 million during the 6M2023, while no such income was recognized in 6M2022. Consequently, the Group's net loss after tax narrowed down to approximately HK\$83.9 million in 6M2023, as compared to that of approximately HK\$117.5 million in 6M2022.

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Major items of the consolidated financial position of the Group as at 31 December 2020, 31 December 2021, 31 December 2022, 30 June 2022 and 30 June 2023 extracted from 2021 Annual Report, 2022 Annual Report, 2022 Interim Report and 2023 Interim Report are summarized in the following table.

	As at 30 June		As at 31 December		
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2022 (Audited) HK\$'000	2021 (Audited) HK\$'000	2020 (Audited) HK\$'000
Property, plant and equipment	482,896	562,246	507,865	611,280	622,975
Other non-current assets	50,874	62,448	56,997	68,266	69,743
Non-current assets	533,770	624,694	564,862	679,546	692,718
Inventories	44,640	55,935	42,434	65,612	61,602
Trade receivables	36,286	52,561	48,960	99,667	96,047
Cash and bank balance	7,909	5,531	4,275	7,827	21,281
Prepayments, deposits and other receivables	33,129	20,239	26,576	48,750	432,876
Due from fellow subsidiaries ^{Notes 1}	—	16,460	—	33,675	—
Current assets	121,964	150,726	122,245	255,531	611,806
Total assets	655,734	775,420	687,107	935,077	1,304,524
Interest-bearing bank and other borrowings	—	—	—	—	184,524
Other non-current liabilities	25,929	50,309	39,045	54,574	47,958
Non-current liabilities	25,929	50,309	39,045	54,574	232,482
Trade payables	69,527	75,193	85,882	113,804	253,200
Interest-bearing bank and other borrowings	747,030	870,122	795,353	927,540	811,039
Due to fellow subsidiaries ^{Note 1}	64,140	—	34,113	—	90,804
Other current liabilities	453,858	380,750	413,681	339,734	341,857
Current liabilities	1,334,555	1,326,065	1,329,029	1,381,078	1,496,900
Total liabilities	1,360,484	1,376,374	1,368,074	1,435,652	1,729,382
Net current liabilities	1,212,591	1,175,339	1,206,784	1,125,547	885,094
Net liabilities	704,750	600,954	680,967	500,575	424,858
Interest-bearing bank and other borrowings (current and non-current)	747,030	870,122	795,353	927,540	995,563
Gearing ratio ^{Note 2}	113.9%	112.2%	115.8%	99.2%	76.3%

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Note 1: After receiving the compensation of Dihao Foodstuff Properties, the Group has settled part of the current account with the GBT Group in relation to the long outstanding debts but the other part of other receivable amounts due from the subsidiaries of GBT in HK and PRC have been maintained. Therefore, the amount due to fellow subsidiaries of approximately HK\$ 90.8 million in FY2020 has been changed to amount due from fellow subsidiaries of approximately HK\$33.7 million in FY2021.

Note 2: The gearing ratio is calculated based on total interest-bearing bank and other borrowings divided by total assets.

The Group has been in net current liabilities and net liabilities positions in the past three and half years due to its heavy indebtedness level and its loss-making status. The Group had approximately HK\$995.6 million, HK\$927.5 million, HK\$795.4 million and HK\$747.0 million of interest-bearing bank and other borrowings as at 31 December 2020, 31 December 2021, 31 December 2022 and 30 June 2023 respectively. During FY2021, the Group entered into a debt repurchase agreement with Changchun Rudder pursuant to which the Group purchased its debt owed to Changchun Rudder in an aggregate principal amount of approximately RMB198.6 million with outstanding interest of approximately RMB21.4 million at the consideration of approximately RMB113.5 million, the Group's financial obligations in relation to the said indebtedness have been discharged. During FY2022, as a result of net repayment of certain bank and other borrowings of approximately HK\$68.9 million and the exchange rate adjustment of approximately HK\$63.2 million, the interest-bearing bank and other borrowings had been reduced to approximately HK\$795.4 million. However, due to the continuous loss-making status of the Group, the Group's net liabilities position was further increased to approximately HK\$704.8 million as at 30 June 2023 from approximately HK\$424.9 million as at 31 December 2020.

The Group recorded prepayments, deposits and other receivables of approximately HK\$432.9 million as at 31 December 2020, which included receivables from resumption of the Dihao Foodstuff Properties of approximately HK\$418.3 million and such amount was fully received in FY2021. Such compensation was used for repayment of certain borrowings, amount due to fellow subsidiaries and trade payables during FY2021. Subsequently, the Group's prepayments, deposits and other receivables dropped to approximately HK\$48.8 million as at 31 December 2021, which included frozen deposits by banks for settlement of loans of approximately HK\$28.8 million. Since such amount was used for loan settlement, the prepayments, deposits and other receivables reduced to HK\$26.6 million as at 31 December 2022. As at 30 June 2023, the prepayment, deposits and other receivables increased to approximately HK\$33.1 million because there was an increment in the prepayment balance in relation to corn starch for the higher production activity level in the Shanghai site during 6M2023.

Taking into account the reduction of total assets and the interest-bearing bank and other borrowings by approximately HK\$369.4 million and approximately HK\$68.0 million in FY2021, respectively, the gearing ratio of the Group surged from approximately 76.3% as at 31 December 2020 to approximately 99.2% as at 31 December 2021. Due to a greater reduction in total assets of approximately HK\$248.0 million as compared to the reduction

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of bank and other borrowings of approximately HK\$132.2 million, the gearing ratio of the Group increased further to 115.8% in FY2022. In 6M2023, there was a parallel decline in total assets and interest-bearing bank and other borrowings by approximately HK\$31.4 million and approximately HK\$48.3 million respectively. This led to a slight decline in gearing ratio to approximately 113.9% as at 30 June 2023.

Matters in relation to the auditor's opinion

As disclosed in the 2022 Annual Report, the auditor of the Company has raised material uncertainty relating to the ability of the Group to continue as a going concern in the 2022 Annual Report because the Group had net current liabilities and net liabilities of approximately HK\$1,206.8 million and approximately HK\$681.0 million as at 31 December 2022 respectively, and the Group reported net loss of approximately HK\$212.5 million for FY2022. The auditor of the Company considered that the Group's financial conditions indicated the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As disclosed in the 2023 Interim Report, the Group is taking the following measures to address the going concern issue, including (i) negotiating with banks and creditors for the debt restructuring plan to improve its financial position; (ii) streamlining corporate structure to facilitate the smooth negotiation and implementation of the debt restructuring plan; and (iii) monitoring the Group's operating cash flows.

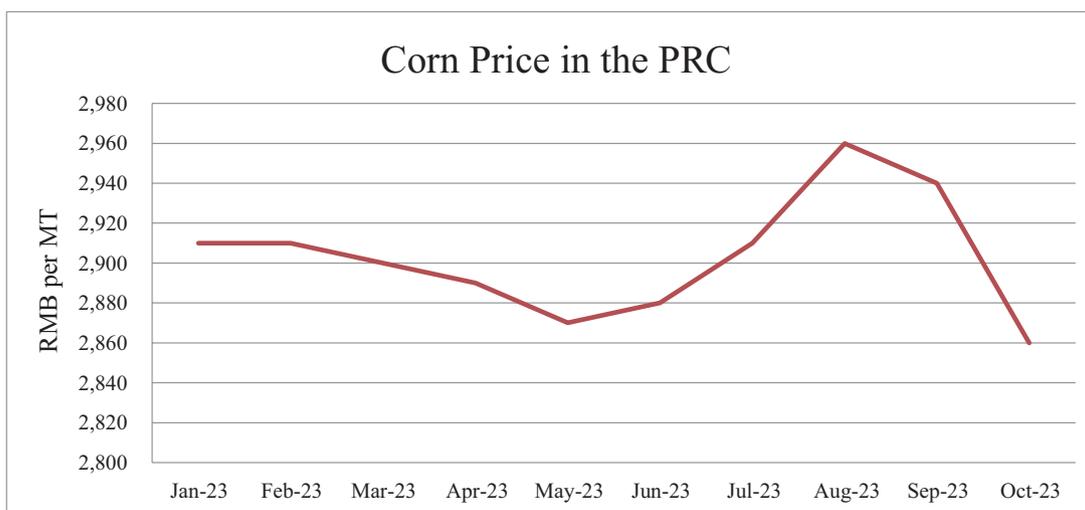
As disclosed in the Circular, the aggregate net liabilities value of Dihao Foodstuff and Dihao Crystal Sugar of approximately HK\$408.6 million as at 31 December 2022 and their financial results will no longer be consolidated into the financial statements of the Group upon the completion of Dihao Transfer. Accordingly, the net liability position of the Group is expected to be improved. Moreover, the sales revenue of the Group for 6M2023 reported an improvement as compared to the same period of 2022. As disclosed in the announcement of the Company dated 24 July 2023, the total outstanding principal amount of the loans or borrowings of the Group amounted to approximately RMB441.3 million as at 31 January 2023, among of which 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. As further advised by the management of the Company, the Company was informed by 中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank Corporation*) ("**Jinzhou CCB**") that Jinzhou CCB entered into a transfer agreement with 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.*) (the "**Jilin Cinda**") pursuant to which Jinzhou CCB has agreed to sell to Jilin Cinda, in relation to the loan amount of approximately RMB189.0 million and the accrued loan interests owed by Jinzhou Yuancheng to Jilin Cinda ("**Jinzhou CCB Loans**"). As advised by the management of the Company, Jilin Cinda becomes the new creditor of the Jinzhou CCB Loans. As at the Latest Practicable Date, the Company is in negotiation with Jilin Cinda regarding the settlement arrangement of Jinzhou CCB Loans.

Having considered the corporate actions taken by the Group, we are of the view that the Company has been taking appropriate measures in addressing the going concern issue.

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Prospect of the Group

The Group are principally engaged in the manufacture and sale of corn refined products and corn sweeteners, categorised into upstream and downstream products. The Group's upstream products include corn starch, gluten meal, corn oil and other corn refined products. Corn starch is refined downstream to produce various corn sweeteners such as corn syrup (which includes glucose syrup, maltose syrup and high fructose corn syrup) and corn syrup solid (which includes maltodextrin). The selling prices of the Group's products are affected by the price of major raw materials (i.e. corn kernels), the demand and supply of each of the products and their respective substitutes in the market and the variety of product specifications.



Source: National Bureau of Statistics (國家統計局)

Note: The corn price was sourced from 31 provinces in the PRC and includes the relevant operating cost, profit margin and value-added tax.

According to the above graph, the corn price was fluctuated within a narrow range between RMB2,860 per MT and RMB2,960 per MT during the period between January 2023 to October 2023.

According to the National Bureau of Statistics of China, China's real GDP growth rate was 3.0% in 2022 due to the COVID-19 pandemic. Since the PRC government has uplifted the COVID-19-related restrictive measures in 2023, the PRC economy is gradually recovering. According to a recent research conducted by International Monetary Fund, International Monetary Fund estimates that the China's GDP growth rate forecasts to be 5.4 % in 2023 and 4.6 % in 2024, which has not yet returned to the pre-pandemic level of 6.0% in 2019. The pace of economic recovery in China has been impacted by domestic challenges such as the property market slump and the high unemployment rate of younger generation. The continued weakness in China's property sector would slow down China's economic growth which affects the overall domestic consumption sentiment. The end-user demand for the sweeteners may grow at a slower pace.

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During 6M2023, in view of the limited working capital of the Group, the Group only maintained its production in the Shanghai site, and other production facilities in Jinzhou and Changchun were still suspended. During 6M2023, the Group recorded revenue of approximately HK\$193.7 million and loss after tax of approximately HK\$83.9 million, and the net liability position of the Group further increased to approximately HK\$704.8 million. The management of the Company indicated that the Group is expected to resume the Group's production capacity with a view to improve sales volume and sales revenue, and generate higher cash inflow.

The GSH Completion and completion of Dihao Transfer took place on 21 December 2023. After deconsolidating the result, assets and liabilities of Dihao Foodstuff and Dihao Crystal Sugar, the Group's net liabilities will be improved significantly. By then, the Group will focus on enhancing operational efficiency, and allow its business to regain growth momentum. In addition, the new controlling Shareholders (i.e. the Joint Offerors) have expressed its future development strategy of the Group which is to focus on the manufacture and sale of high-value added corn sweeteners (in particular high fructose corn syrup) targeting the food and beverage and pharmaceutical industries. The Group's principal production site in Shanghai can serve the market in Huadong region where many food and beverages factories for the production of bottled drinks, candies, packaged sweets, juice beverages and fast food, etc. are located. The geographical advantage of the Shanghai production site is beneficial for the Group to serve its potential customers in Huadong region. In the recent years, there is a growing concern on the consumption of natural ingredients in the PRC market. The Chinese consumers have been switching to natural sugar sources such as corn syrup over artificial sweeteners. According to the National Bureau of Statistics in the PRC, (i) the finished good value in the food manufacturing market was around RMB102.0 billion in 2022 and (ii) the wholesales value of beverage market was around RMB108.4 billion in 2022. Together with the growing concern on food safety and natural-based ingredients, there is an increasing demand on high value-added corn sweeteners with higher nutrition value which cater for the consumers' diet preference. Therefore, the food and beverage industry is playing a major role in the growth of corn sweeteners market. On the other hand, the corn sweeteners are widely used in the pharmaceutical formulations. According to the National Bureau of Statistics in the PRC, in 2022, the value of finished goods in the pharmaceutical manufacturing market was approximately RMB229.1 billion and there are at least 9,000 pharmaceutical manufacturers in the PRC. The large market size of pharmaceutical products in the PRC creates opportunities for the Group to increase its sales coverage to pharmaceutical manufacturers.

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Pursuant to the CB Subscription Agreement and as disclosed in the Circular, the Joint Offerors will provide new funding to the Group in which (i) RMB60.0 million of proceeds from CB Subscription will be used 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; and (ii) the remaining RMB60.0 million of proceeds from CB Subscription will be used for repayment of the first instalment of the bank loans of Jinzhou Yuancheng. With the financial support from the Joint Offerors, the Group is planning to restart the production activities of Jinzhou site in 2024 with a view to restore the overall production capacity of the Group back to the pre-pandemic level. The Company believes that production and sale activities of sweeteners are getting on track and the future net cash inflows to be generated by the operating activities will relieve the Group's cash flow pressure, and eventually the Group's performance can be improved.

As set out in the Letter from CCBI Capital and China Galaxy in the Composite Document, the Joint Offerors intend to continue the existing principal business of the Group substantially in the current state following the close of the Offer. The Joint Offerors will conduct a review of the existing principal business and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the 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 Group. As at the Latest Practicable Date, no investment or business opportunity had been identified nor have the Joint Offerors entered into any arrangement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group.

The Joint Offerors intend to nominate Offeror A and Offeror B as the executive Directors of the Board. As disclosed in Letter from CCBI Capital and China Galaxy in the Composite Document and the Circular, the Offeror A is one of the founders of GBT and used to be an executive Director of the Company from June 2006 to December 2018 whereas the Offeror B was an executive director of GBT from September 2000 to September 2010. Given the background and experience of the Joint Offerors and their network of the corn refinery industry, we consider that both of them have solid and hand-on experience in the manufacture and sale of corn refined products and corn sweeteners. The Joint Offerors should be familiar with strategies, standards and requirements of the Group and are capable to maintain the business connection with the Group's customers and suppliers. Independent Shareholders are advised to closely monitor the development of the business of the Group.

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On the basis that (i) the Group's revenue has improved during 6M2023; (ii) the proceeds of CB Subscription will reduce the indebtedness of the Group and relieve the cash flow pressure; as well as provide funding for the plan of resumption of Jinzhou production facilities; (iii) the Joint Offerors plan to assist the Group back on the road to recovery in particular to resume certain production capacity of the Group; (iv) the Group has off-loaded two loss-making and high-indebted subsidiaries; (v) the Group has been actively negotiating with creditors for the debt restructuring of remaining bank borrowings of Jinzhou Yuancheng; (vi) the gradual recovery of the economic activities in the PRC may increase the sweetener demand; and (vii) the Joint Offerors have over decades of experience and solid industry knowledge in the China sweeteners market, we are of the view that the Group is at the turning point to resume normal production and sales activities whilst the future prospect of the Group is improving. Notwithstanding the outlook of the food and beverage industry and the pharmaceutical industry are large and growing, the Group will continue to operate under difficult financial conditions and challenging business environment in view of the high debt level and slowly recovering economy.

3. Information of the Joint Offerors

As disclosed in the Letter from CCBI Capital and China Galaxy in the Composite Document and the Circular, the background of the Joint Offerors are summarized as below,

- a. 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 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 the Company from June 2006 to December 2018. Mr. Kong is an independent non-executive director of JX Energy Ltd., which is listed on the Main Board of the Stock Exchange (Stock Code: 03395), from 1 August 2023.
- b. 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 was an executive director of GBT from September 2000 to September 2010.

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4. Principal terms of the Offer

(a) Comparison of Offer Price

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

	Price per Share at approximately	A discount of approximately
i. the closing price per Share as quoted on the Stock Exchange as at the Latest Practicable Date;	HK\$0.089	32.6%
ii. the closing price per Share as quoted on the Stock Exchange on the Last Trading Day;	HK\$0.086	30.2%
iii. the average closing price per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;	HK\$0.085	29.4%
iv. the average closing price per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;	HK\$0.083	27.7%
v. the average closing price per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;	HK\$0.086	30.2%
vi. the average closing price per Share as quoted on the Stock Exchange for the 180 consecutive trading days up to and including the Last Trading Day;	HK\$0.081	25.9%
vii. the audited consolidated net liabilities attributable to shareholders of the Company of HK\$0.442 per Share as at 31 December 2022 (based on audited deficit attributable to owners of the Company of approximately HK\$675.0 million as at 31 December 2022 and 1,527,586,000 Shares in issue as at the Latest Practicable Date);	N/A	A premium of HK\$0.502
viii. the unaudited consolidated net liabilities attributable to shareholders of the Company of HK\$0.458 per Share as at 30 June 2023 (based on unaudited deficit attributable to owners of the Company of approximately HK\$699.2 million as at 30 June 2023 and 1,527,586,000 Shares in issue as at the Latest Practicable Date)	N/A	A premium of HK\$0.518

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(b) *Historical Price Performance*

In order to assess the fairness and reasonableness of the Offer Price, we have performed a review on the daily closing prices and trading volume of the Shares from 6 April 2022 up to and including the Last Trading Day (the “**Pre-Announcement Period**”) (being a period of approximately 12 months prior to and including the Last Trading Day), and the period from 7 April 2023 up to and including the Latest Practicable Date (the “**Post-Announcement Period**” and collectively “**Review Period**”) and compared with the Offer Price. We consider that the Pre-Announcement Period together with Post-Announcement Period is an adequate period, which is not only covering the annual operating cycle of the Company (including low and high seasons of sales and publication of financial result), but also covering almost twelve months of 2023 after the relaxation of COVID-19 pandemic control in China for analysis purpose, to illustrate the general trend and level of movement of the daily closing price and trading volume of the Shares.

The graph below illustrates the closing prices of the Shares during the Review Period.



Pre-Announcement Period

During the Pre-Announcement Period, the Shares were traded at a price ranging from HK\$0.055 (the “**Lowest Share Price**”) to HK\$0.118 (the “**Highest Share Price**”). The Offer Price represented a discount of approximately 49.2% to the Highest Share Price and a premium of approximately 9.1% to the Lowest Trading Price. The average closing price per Share for the Pre-Announcement Period was approximately HK\$0.083, and the Offer Price represented a discount of approximately 27.6% to such average closing price. We note that the Offer Price is below the trading price of the Shares for most of the trading days during the Pre-Announcement Period.

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During the period from 6 April 2022 to 22 July 2022, the Shares were traded within a range of HK\$0.070 to HK\$0.095 with an average trading price around HK\$0.082. On 24 July 2022, the Company and a subscriber (which is wholly-owned by Mr. Kong Zhanpeng) entered into a share subscription agreement pursuant to which such subscriber would subscribe for Shares at a price of HK\$0.10 per Share. The Share price surged to HK\$0.116 per Share on 25 July 2022 and was trading above HK\$0.10 for a period of time until the end of August 2022. After the Company announced the interim result of the Group for 6M2022, the Share price dropped to HK\$0.055 on 24 October 2022 and the price of Shares slightly rebounded and was hovering between HK\$0.06 per Share and HK\$0.08 per Share afterwards.

Since the early January 2023, the Share price gradually surged and reached HK\$0.102 per Share in the middle of February 2023. Afterwards, the prices of Shares have been declining in general and the price was closed at HK\$0.086 per Share on the Announcement Date.

Post-Announcement Period

After the publication of the Joint Announcement, the Share price increased for a short period of time and reached HK\$0.106 on 28 April 2023. Afterward, the Share price was going down in general and dropped to HK\$0.074 by the end of July 2023, and closed at HK\$0.089 per share on the Latest Practicable date. During the Post-Announcement Period, the average closing price of Shares was approximately HK\$0.086 which is higher than the Offer Price by approximately 43.3%. We consider that the short-term increase in the Share price after the Joint Announcement may reflect the market anticipation of the favourable effects to be brought by the Dihao Transfer, the CB Subscription and the change of the controlling shareholder of the Company upon the GSH Completion.

Shareholders should note that the information set out above is not an indication of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price as at the Latest Practicable Date.

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(c) Trading liquidity

The table below summarizes the trading volume of the Shares for the following period:

Month	Total trading volume of Shares (Shares)	Highest daily trading volume of Shares (Shares)	Number of trading days (days)	Approximate average daily trading volume of the Shares (Shares) (Note 1)	Approximate percentage of average daily trading volume to the total number of issued Shares held by public Shareholders (Note 2)
Pre-Announcement Period					
2022					
April	2,976,000	1,962,000	16	186,000	0.04%
May	13,816,000	7,016,000	20	690,800	0.14%
June	12,840,000	4,072,000	20	642,000	0.13%
July	41,883,000	30,133,000	20	2,094,150	0.43%
August	6,622,000	1,764,000	23	287,913	0.06%
September	9,653,965	4,894,000	21	459,713	0.09%
October	626,000	184,000	20	31,300	0.01%
November	2,399,368	820,000	22	109,062	0.02%
December	1,076,300	632,000	20	53,815	0.01%
2023					
January	882,000	358,000	18	49,000	0.01%
February	6,038,001	1,768,000	20	301,900	0.06%
March	3,406,654	1,338,000	23	148,115	0.03%
1 April to the Last Trading Day	52,000	52,000	3	17,333	0.01%
Post-Announcement Period					
2023					
7 April to 30 April	6,166,000	2,882,000	14	440,429	0.09%
May	1,162,000	482,000	21	55,333	0.01%
June	858,000	306,000	21	40,857	0.01%
July	4,130,000	1,052,000	20	206,500	0.04%
August	3,689,610	2,678,000	23	160,418	0.03%
September	3,338,000	820,000	19	175,684	0.04%
October	2,214,051	488,000	20	110,703	0.02%
November	3,046,000	1,002,000	22	138,455	0.03%
1 December to the Latest Practicable Date	1,394,000	422,000	16	87,125	0.02%

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Notes:

1. Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the months/period.
2. As at the Latest Practicable Date, the number of Shares held by the public Shareholders are 489,300,000 Shares.

During the Pre-Announcement Period, the average monthly trading volume of the Shares ranged between 31,300 and 2,094,150, representing approximately 0.01% to 0.43% of the total number of issued Shares held by public Shareholders as at the end of the relevant months, respectively. During the Pre-Announcement Period, except for July 2022, the average daily trading volume of the Shares in each month did not exceed 700,000 Shares. Moreover, there are no transactions for 55 trading days out of 247 trading days during the Pre-Announcement Period. We are aware that there was high daily trading volume of 30,133,000 Shares on 25 July 2022, which was after the Company published an announcement in relation to the subscription of new Shares under general mandate by Offeror A.

During the Post-Announcement Period, we noted that there was a surge in trading volume of approximately 2,882,000 Shares and 1,518,000 Shares on 11 and 12 April 2023, respectively. During May 2023 to December 2023, the average daily trading volume of each month/period was falling to the range between 40,857 Shares to 206,500 Shares, representing approximately 0.01% to 0.04% of the total number of issued Shares held by public Shareholders for the respective months. We considered that such short-term increment in the trading volume on 11 and 12 April 2023 may be caused by the market anticipation of the favourable effects in relation to those transactions published in the Joint Announcement. During the Post-Announcement Period, 62 days out of 176 trading days have no trading volume of Shares.

Taking into consideration the low trading volume of the Shares during the Review Period, it is uncertain that the liquidity of the Shares will be increased in the near future and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market. The Offer provides an exit alternative for the Independent Shareholders who would like to realise their investments in the Shares, especially for those holding a large block of the Shares, at the Offer Price.

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Despite the Offer Price is below the average closing price of the Shares during the Review Period, we considered other crucial factors, including that (i) the Group has been loss-making consecutively since 2012 and a majority of production facilities has been suspended since 2019; (ii) the Group recorded net liability position since 2017; (iii) the Group's net liability position as at 30 June 2023 increased to HK\$704.8 million with gearing ratio of 114%; (iv) the trading volume was rather thin during the Review Period, in particular 117 days out of 423 trading days during the Review Period have no trading of Shares; and there is no guarantee that the trading price of the Shares will sustain at a level higher than the Offer Price after the Offer Period; (v) the uncertainty whether there would be sufficient liquidity in the future for the Independent Shareholders to dispose of their Shares in the open market without depressing the Share price, and (vi) the Offer Price represents a significant premium over the audited net liabilities attributable to the Shareholders as at 31 December 2022 of approximately HK\$0.442 per Share and the unaudited net liabilities attributable to the Shareholders as at 30 June 2023 of approximately HK\$0.458 per Share. With reference to the Circular, upon the completion of Dihao Transfer, the Group is expected to record a net gain of approximately HK\$408.6 million which is subject to the assessment of the financial effect of the Dihao Foodstuff Guarantee provided by the Company 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 Foodstuff and Dihao Crystal Sugar from members of the Group to members of the GBT Group and the final audit to be performed by the auditor of the Company. Even taking into account of the estimated one-off gain on disposal of these two companies, the Offer Price still represents a premium over the estimated net liabilities attributable to the Shareholders per Share, we are of the view that the Offer Price is fair and reasonable.

5. Market comparable analysis

Price-earnings ratio ("P/E Ratio"), Price-to-book ratio ("P/B Ratio") and Price-to-sales ratio ("P/S Ratio")

We have attempted to assess the fairness and reasonableness of the Offer Price from the perspective of the P/E Ratio and P/B Ratio. However, due to the fact that the Group recorded loss after tax of approximately HK\$212.5 million for FY2022 and approximately HK\$83.9 million for 6M2023, P/E ratio is not applicable for our analysis. On the other hand, P/B Ratio is commonly used in valuing asset-intensive entity. As disclosed in the 2023 Interim Report, the Group recorded property, plant and equipment of approximately HK\$482.9 million, representing around 73.6% of the total assets of the Group, indicating the Group is asset-intensive enterprise. However, the Group has been highly-indebted with total bank and other borrowings of approximately HK\$747.0 million as at 30 June 2023, leading to the net liabilities attributable to the Shareholders of approximately HK\$699.2 million as at 30 June 2023. Under such financial conditions, the P/B Ratio is not applicable for our analysis. The Independent Shareholders should notice that the Offer Price represents a significant premium over the net liabilities attributable to the Shareholders of approximately HK\$0.442 per Share as at 31 December 2022 and approximately HK\$0.458 per Share as at 30 June 2023 and we considered that the level of the Offer Price is favorable to the Independent Shareholders from the P/B Ratio perspective.

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On the other hand, we attempt to assess the Offer Price with reference to the P/S Ratio, which is calculated by dividing the market capitalization of a company by its sales revenue and is another common valuation method to value the market value of a non-profitable listed company. Given the total revenue of the Group is mainly derived from the sales of corn sweeteners, we have tried to identify companies which are (i) listed on the Main Board of the Stock Exchange; and (ii) principally engaged in the production and sales of sweeteners in the PRC. Based on the above criteria, we have identified an exhaustive list of two companies which are China Starch Holdings Limited (Stock Code: 3838) and Fufeng Group Limited (Stock Code: 546). China Starch Holdings Limited's starch-based sweetener revenue accounted for approximately 4.5% of its total revenue for FY2022. Fufeng Group Limited's starch sweetener revenue accounted for approximately 6.6% of its revenue for FY2022. Taking into account of the sweetener revenue of these two companies are small, we consider that these two companies are not comparable companies. Considering that the corn sweeteners of the Group are used in the production of processed foods and drinks as food additive, we consider that it is also relevant to make reference to companies which are (i) listed on the Main Board of the Stock Exchange; and (ii) principally engaged in the production and sales of food additives in the PRC and its relevant revenue is more than 50% of the total revenue. Based on these revised set of criteria, we have identified an exhaustive list of six companies (the “**Comparable Companies**”). Details of the Comparable Companies are summarized in the below table.

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No.	Stock code	Company name	Principal business	The relevant revenue relative to the total revenue (%)	Market capitalization as at Last Trading Day (Note 1) (HK\$'000)	Total revenue of their respective latest financial year (HK\$'000)	P/S Ratio (times)	P/E Ratio (Note 3) (times)	P/B Ratio (Note 4) (times)
1	660	Wai Chun Bio-Technology Limited	Manufacturing and sales of modified starch and other biochemical products	100.0	21,606	719,313	0.03	N/A	N/A
2	1587	Shineroad International Holdings Limited	Distribution and sales of food ingredients and food additives	52.0	421,600	801,139	0.53	8.04	0.85
3	1084	Green Future Food Hydrocolloid Marine Science Company Limited	Manufacturing and sales of carrageenan, agar-agar, seaweed, konjac products, and blended products	99.6	982,055	1,643,818	0.60	4.23	1.04
4	3838	China Starch Holdings Limited	Manufacturing and sales of cornstarch, lysine, starch-based sweetener, modified starch and ancillary corn-based and corn-refined products	100.0	1,204,821	13,143,737	0.09	3.11	0.30
5	336	Huabao International Holdings Limited	Manufacturing and sales of flavors and fragrances, food ingredients, tobacco raw materials, aroma raw materials and condiment products	64.0	11,798,923	4,211,882	2.80	N/A	0.85
6	546	Fufeng Group Limited	Manufacturing and sales of food additives, animal nutrition, high-end amino acid, colloid and other products such as fertilizers and synthetic ammonia and pharmaceuticals	95.8	10,701,663	30,222,103	0.35	2.52	0.63
						Maximum	2.80	8.04	1.04
						Minimum	0.03	2.52	0.30
						Average	0.73	4.48	0.73
						Median	0.44	3.67	0.85
		The Company (Offer Price)			91,655 (Note 2)	359,567	0.25	N/A	N/A

Note:

1. The market capitalizations of the respective companies are calculated based on the closing share price and total issued shares of the respective companies as at the Last Trading Day.
2. The Company's market capitalization is calculated by multiplying the Offer Price of HK\$0.06 per Offer Share to the Company's total issued shares as at Last Trading Day.

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3. The P/E Ratios of the respective companies are based on the market capitalization as at the Last Trading Day and the net profit attributable to the owners of the company as disclosed in their latest published annual reports.
4. The P/B Ratios of the respective companies are based on the market capitalization as at the Last Trading Day and the net assets attributable to the owners of the company as disclosed in their latest published annual reports or interim reports.
5. The P/E Ratio and P/B Ratio are not applicable for Wai Chun Bio-Technology Limited and the Company because they recorded net liabilities and net loss.
6. The P/E Ratio is not applicable for Huabao International Holdings Limited because it recorded net loss.

As illustrated in the table set out above, the P/S Ratio of the Comparable Companies ranged from approximately 0.03 times to approximately 2.80 times, with an average of approximately 0.73 times and a median of approximately 0.44 times. The Group's implied P/S Ratio of approximately 0.25 times is lower than the average and median of the Comparable Companies. We noticed that the revenue level of the Group is substantially lower than that of the Comparable Companies and the Group has been in net liability position with liquidity problem. Thus, the Independent Shareholders should note that the P/S Ratio, which focuses on the revenue performance without considering the profitability and the leverage level of an entity, may not yield a meaningful result for our comparison purpose. Due to the limitations of the P/S Ratio and the Company's high-indebtedness and prolonged loss-making performance, it would not be appropriate to conclude that the Offer Price is low solely based on the result of P/S Ratio analysis. Therefore, we have not put a strong weighting on the result of P/S Ratio analysis and it is for reference only. We advise the Independent Shareholders taking a holistic approach to consider various factors as discussed in this letter to justify the fairness and reasonableness of the Offer Price.

6. Other considerations

Maintaining the public float and the listing status of the Company

The Joint Offerors intend to maintain the listing of the Shares on the Stock Exchange. The Joint Offerors (also as the new Directors to be appointed to the Board) have undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

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RECOMMENDATIONS

In making our recommendation, we have considered the foregoing and, the following principal reasons:

1. the Group has been loss-making since 2012. However, the Group's revenue has been improved and the loss after tax has been narrowed down to approximately HK\$83.9 million during 6M2023. The Joint Offerors have over decades of experiences in the China sweetener market with solid industry knowledge in the PRC market and plan to assist the Group to resume certain production capacity. Notwithstanding, the future prospects of the Group is improving and the outlook of the food and beverage industry and the pharmaceutical industry are large and growing, the Group will continue to operate under difficult financial conditions and challenging business environment in view of the high debt level and slowly recovering economy;
2. the Group recorded net liabilities and net current liabilities for the last three and half financial years. As discussed above, the aggregate net liabilities value of Dihao Foodstuff and Dihao Crystal Sugar are approximately HK\$408.6 million as at 31 December 2022. After the completion of Dihao Transfer, their financial result will be deconsolidated from the Group's financial statement. Hence, the net liabilities of the Group are expected to improve. However, the remaining bank and other borrowings of the Group are subject to the ongoing negotiation between the Group and the creditors and remain uncertain at the Latest Practicable Date. Before the debt restructuring plan of the remaining bank borrowings of the Group could be implemented successfully, the Group will remain at a net liability position;
3. since the Group has tight working capital, the Group is only able to maintain the production activities in Shanghai while the operations of other facilities are still suspended. Upon the completion of CB Subscription, the proceeds from the CB Subscription will provide funding to reduce the indebtedness of the Group to ease the cash flow pressure, as well as to finance the resumption of Jinzhou production facilities. As at the Latest Practicable Date, the Group have not yet finalized the resumption timetable of the Jinzhou production activities;
4. the Offer Price represents a significant premium over the audited consolidated net liabilities attributable to shareholders of the Company of HK\$0.442 per Share as at 31 December 2022 (based on audited deficit attributable to owners of the Company of approximately HK\$675.0 million as at 31 December 2022 and 1,527,586,000 Shares in issue as at the Latest Practicable Date);
5. the Offer Price represents a significant premium over the unaudited consolidated net liabilities attributable to shareholders of the Company of HK\$0.458 per Share as at 30 June 2023 (based on unaudited deficit attributable to owners of the Company of approximately HK\$699.2 million as at 30 June 2023 and 1,527,586,000 Shares in issue as at the Latest Practicable Date). Even taking into account of the recognition of a possible one-off gain on disposal of Dihao Foodstuff and Dihao Crystal Sugar during the year ending 31 December 2023, the Offer Price still represents a premium over the estimated net liabilities attributable to the Shareholders per Share;

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6. despite the Offer Price has been below the closing prices of Shares for most of the trading days during the Review Period, the Group has been in high deficit position with huge amount of debts and loss-making for the past ten years. From the investor's perspective, the investment value of the Group is relatively low under the Group's current circumstance;
7. the average daily trading volume of the Shares has been rather thin during the Review Period, in which 117 trading days out of 423 trading days have no trading of Shares. The Shareholders may find it difficult to dispose of a significant number of Shares in the open market without causing a downward pressure on the market price of Shares;

we consider that, on balance, the future prospect of the Group carry uncertainties and risk around the debt restructuring plan of the remaining bank and other borrowings, the production resumption and the business recovery of the Group. Consequently, we are of the opinion that the Offer is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Offer.

However, the Independent Shareholder should note that the Joint Offerors have taken control on the Group and provided funding to increase the production utilization rate. Under the leadership of the Joint Offerors, the Group plans to resume certain production capacity of the Group with an objective to improve the financial performance of the Group and regain the market share in the PRC. For those Independent Shareholders who are optimistic about the future prospects of the Group under the new ownership and/or have a relatively long term investment horizon, they may retain their investment in the Shares by not accepting the Offer. These Independent Shareholders are reminded to monitor the development of the Group, in particular the Joint Offeror's business strategy, the utilization of production facilities of the Group, the result of the debt restructuring of the remaining bank borrowings of the Group and any announcements of the Company during and after the Offer Period.

Moreover, the Independent Shareholder should note that the Shares has been trading above the Offer Price during the Post-Announcement period and up to the Latest Practicable Date. As such, we would like to remind the Independent Shareholders, who would like to realise part or all of their investments in the Shares, to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer. The Independent Shareholders, who believe that they will not be able to sell the Shares in the market at a price higher than the Offer Price because of their size of the shareholding, may consider the Offer as an alternative exit of their investments.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in the Composite Document and are strongly advised that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Yours faithfully
For and on behalf of
Octal Capital Limited

Alan Fung
Managing Director

Louis Chan
Director

Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 28 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Louis Chan has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2008. Mr. Chan has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong.

1. PROCEDURES FOR ACCEPTANCE OF THE OFFER

- (a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, being Tricor Investor Services Limited, at 17th Floor, Far East Financial Center, 16 Harcourt Road, Hong Kong, by post or by hand, marked “Global Sweeteners Holdings Limited General Offer” on the envelope, as soon as possible and in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code.
- (c) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:
 - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “Global Sweeteners Holdings Limited General Offer” the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “Global Sweeteners Holdings Limited General Offer” the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.
- (d) If the Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered in an envelope marked "Global Sweeteners Holdings Limited General Offer" to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "Global Sweeteners Holdings Limited General Offer" to the Registrar together with the transfer receipt(s) duly signed by yourself and other document(s) of title (as the case may be). Such action will be deemed to be an irrevocable authority to the Joint Offerors and/or CCBI Capital and/or China Galaxy and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

- (f) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded the Form of Acceptance and any relevant documents required by the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (g) No acknowledgement of receipt of any Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. SETTLEMENT OF THE OFFER

Provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects in accordance with the Takeovers Code and have been received by the Registrar no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code, a cheque for the amount (rounding up to the nearest cent) representing the cash consideration due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by it/him/her under the Offer will be despatched to such Independent Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event no later than seven (7) Business Days after the date on which all the relevant documents which render such acceptance complete and valid are received by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save for with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Joint Offerors may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised in accordance with the Takeovers Code. The Offer is unconditional.
- (b) The Joint Offerors reserve the right to revise the terms of the Offer in accordance with the Takeovers Code. If the Joint Offerors revise the terms of the Offer, all the Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.
- (c) If the Offer is extended or revised, the announcement of such extension or revision will state the next closing date or a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer, and an announcement will be released. The revised Offer will be kept open for at least 14 days thereafter.
- (d) If the Closing Date of the Offer is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.
- (e) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Independent Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraph headed "6. RIGHT OF WITHDRAWAL" of this appendix below and duly do so.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENT

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Joint Offerors must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Joint Offerors must post an announcement on the Stock Exchange's website in accordance with the requirement of the Listing Rules by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended, or has expired.

The announcement will state the total number of Shares:

- (i) for which acceptances of the Offer have been received;
- (ii) held, controlled or directed by the Joint Offerors and/or parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired during the Offer Period by the Joint Offerors and/or parties acting in concert with them.

The announcement must include details of any relevant securities (as defined in the Takeovers Code) in the Company which the Joint Offerors and/or any parties acting in concert with them have borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by the number of securities as referred to above in this paragraph.

In computing the total number of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this appendix, and which have been received by the Registrar respectively no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised in accordance with the Takeovers Code, shall be included.

- (b) As required under the Takeovers Code, all announcements in relation to the Offer which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.
- (b) If the Joint Offerors are unable to comply with the requirements set out in the paragraph headed “5. ANNOUNCEMENT” of this appendix above, the Executive may require that the Independent Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Joint Offerors shall, as soon as possible but in any event no later than seven (7) Business Days after receipt of the notice of withdrawal, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholder(s) at his/her/its own risks.

7. OVERSEAS INDEPENDENT SHAREHOLDERS

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 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 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 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 but not limited to 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 the acceptance of Offer in such jurisdictions).

As confirmed by the Company, as at the Latest Practicable Date, the Company had no Shareholder whose registered address is outside Hong Kong.

Acceptance of the Offer by any Overseas Independent Shareholder will be deemed to constitute a representation and warranty from such Overseas Independent Shareholder to the Joint Offerors that all the laws and requirements of the relevant jurisdictions have been complied with. The Overseas Independent Shareholders should consult their professional advisers in case of any doubt.

8. HONG KONG STAMP DUTY

Seller's ad valorem stamp duty calculated at a rate of 0.1% 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 Shareholder on acceptance of the Offer.

The Joint Offerors will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

9. TAXATION ADVICE

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, the Company, CCBI Capital, China Galaxy, the Independent Financial Adviser, the Registrar 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.

10. GENERAL

- (a) All communications, notices, Form of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. None of the Joint Offerors, the Company, CCBI Capital, China Galaxy, the Independent Financial Adviser, the Registrar, any of their respective directors and professional advisers and any other parties involved in the Offer and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.

- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Joint Offerors, CCBI Capital, China Galaxy, the Registrar or such person or persons as the Joint Offerors may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Joint Offerors, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Joint Offerors, the Company, CCBI Capital and China Galaxy that the Shares acquired under the Offer are sold by such person or persons free from all Encumbrances and together with all rights accruing or attaching thereto including (without limitation) the rights to receive in full any and all dividends and distributions declared, made or paid on or after the date on which the Offer is made.
- (g) References to the Offer in this Composite Document and the Form of Acceptance shall include any revision and/or extension thereof.
- (h) Acceptance of the Offer by any person who is an Overseas Independent Shareholder will be deemed to constitute a warranty by such person to the Joint Offerors and the Company that he, she or it has observed the laws of all relevant jurisdictions in connection therewith, obtained all requisite governmental, exchange control or other consents, complied with other necessary formalities or legal requirements and paid any transfer or other taxes due from him, her or it in connection with such acceptance in all relevant jurisdictions, that he, she or it has not taken or omitted to take any action which will, or which may result in the Joint Offerors, the Company, CCBI Capital, China Galaxy or any other persons acting or being in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his or her or its acceptance, and he, she or it is permitted under all applicable laws to accept the Offer and any revision thereof, and that such acceptance is valid and binding in accordance with all applicable laws.
- (i) Acceptances of the Offer by any persons will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws and regulations. Any such persons will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable by such persons.

- (j) Subject to the Takeovers Code, the Joint Offerors reserve the right to notify any matter (including the making of the Offer) to all or any Independent Shareholders with registered address(es) outside Hong Kong or whom the Joint Offerors or CCBI Capital or China Galaxy knows to be nominees, trustees or custodians for such persons by announcement in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Independent Shareholders to receive or see such notice, and all references in this Composite Document to notice in writing shall be construed accordingly.
- (k) In making their decision, the Independent Shareholders must rely on their own examination of the Joint Offerors, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Joint Offerors and parties acting in concert with them, CCBI Capital, China Galaxy, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, professional advisers or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (l) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Joint Offerors that the number of Offer Shares, in respect of which it is indicated in the Form of Acceptance, is the aggregate number of Offer Shares held by such nominee for such beneficial owners who accept the Offer.
- (m) The English text of this Composite Document and the Form of Acceptance shall prevail over the respective Chinese text for the purpose of interpretation.

1. FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for the three years ended 31 December 2020, 2021, 2022 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 and 30 June 2022 (the “**Financial Statements**”), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information. The Financial Statements are set out in the following documents which have been published on both the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.global-sweeteners.com), and can be accessible by the links as follows:

- Annual report of the Company for the year ended 31 December 2020 (“**FY2020**”) (pages 52 to 121): <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042300663.pdf>
- Annual report of the Company for the year ended 31 December 2021 (“**FY2021**”) (pages 50 to 121): <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0512/2022051200386.pdf>
- Annual report of the Company for the year ended 31 December 2022 (“**FY2022**”) (pages 51 to 121): <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400679.pdf>
- Interim report of the Company for the six months ended 30 June 2022 (“**6M2022**”) (pages 23 to 40): <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0909/2022090900329.pdf>
- Interim report of the Company for the six months ended 30 June 2023 (“**6M2023**”) (pages 25 to 44): <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0913/2023091300574.pdf>

The Financial Statements (but not any other part of the aforementioned documents in which they appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

2. FINANCIAL SUMMARY

The following is a summary of the consolidated financial results of the Group for each of FY2020, FY2021, FY2022, 6M2023 and 6M2022 as extracted from the annual reports of the Company for FY2020, FY2021, FY2022 and the interim reports of the Company for 6M2023 and 6M2022, respectively:

Summary of the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the three years ended 31 December 2022 and the six months ended 30 June 2023 and 30 June 2022

	FY2020	FY2021	FY2022	6M2023	6M2022
	<i>HKS '000</i>	<i>HKS '000</i>	<i>HKS '000</i>	<i>HKS '000</i>	<i>HKS '000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	769,024	728,099	359,567	193,661	154,972
Cost of sales	(691,158)	(686,511)	(332,300)	(173,681)	(143,781)
Gross profit	77,866	41,588	27,267	19,980	11,191
Other income and gains	309,129	145,690	16,303	4,522	3,478
Selling and distribution costs	(61,252)	(53,087)	(32,076)	(16,135)	(16,203)
Administrative expenses	(94,741)	(92,582)	(97,846)	(46,928)	(43,734)
Other expenses	(111,413)	(61,640)	(64,593)	(30,025)	(35,456)
Finance costs	(110,103)	(77,898)	(68,977)	(34,819)	(36,779)
Profit (loss) before tax	9,486	(97,929)	(219,922)	(103,405)	(117,503)
Income tax (expenses) credit	(18,212)	1,667	7,431	19,466	–
Loss for the year/period	(8,726)	(96,262)	(212,491)	(83,939)	(117,503)
Other comprehensive (loss) income:					
Items that are reclassified or may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of financial statements of foreign operations outside Hong Kong	(12,097)	(6,943)	32,099	36,773	17,124
Reclassification adjustment in respect of exchange reserve upon deregistration of a subsidiary	401	–	–	–	–
	(11,696)	(6,943)	32,099	36,773	17,124

APPENDIX II
FINANCIAL INFORMATION OF THE GROUP

	FY2020 <i>HK\$'000</i> <i>(audited)</i>	FY2021 <i>HK\$'000</i> <i>(audited)</i>	FY2022 <i>HK\$'000</i> <i>(audited)</i>	6M2023 <i>HK\$'000</i> <i>(unaudited)</i>	6M2022 <i>HK\$'000</i> <i>(unaudited)</i>
Items that will not be reclassified subsequently to profit or loss:					
Gain on properties revaluation	–	36,651	–	31,178	–
Income tax effect	–	(9,163)	–	(7,795)	–
	–	27,488	–	23,383	–
Total other comprehensive income for the year, net of tax	(11,696)	20,545	32,099	60,156	17,124
Total comprehensive loss for the year/period	<u>(20,422)</u>	<u>(75,717)</u>	<u>(180,392)</u>	<u>(23,783)</u>	<u>(100,379)</u>
Loss attributable to:					
Owners of the Company	(8,726)	(96,262)	(212,491)	(83,939)	(117,503)
Non-controlling interests	–	–	–	–	–
	<u>(8,726)</u>	<u>(96,262)</u>	<u>(212,491)</u>	<u>(83,939)</u>	<u>(117,503)</u>
Total comprehensive (loss) income attributable to:					
Owners of the Company	(19,991)	(75,560)	(180,843)	(24,115)	(100,612)
Non-controlling interests	(431)	(157)	451	332	233
	<u>(20,422)</u>	<u>(75,717)</u>	<u>(180,392)</u>	<u>(23,783)</u>	<u>(100,379)</u>
Loss per share					
Basic	HK(0.6) cent	HK(6.3) cents	HK(13.9) cents	HK(5.5) cents	HK(7.7) cents
Diluted	HK(0.6) cent	HK(6.3) cents	HK(13.9) cents	HK(5.5) cents	HK(7.7) cents

Save for the Offer, the Special Deals and the CB Subscription (further details of which have been set out in the Circular), there have been no other significant events of the Company after 31 December 2022, being the date when the last published audited accounts of the Company were made up.

There was no payment of dividends for each of FY2020, FY2021, FY2022, 6M2023 and 6M2022. Hence dividends per Share for each of FY2020, FY2021, FY2022, 6M2023 and 6M2022 was inapplicable. Save as disclosed above, there are no other items of income or expense which are material for each of FY2020, FY2021, FY2022, 6M2023 and 6M2022.

The auditors of the Company, Mazars CPA Limited, have issued disclaimer opinion for the consolidated financial statements of the Group for each of FY2020, FY2021 and FY2022 respectively as extracted below.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

Relevant extracts of the auditor's report in respect of the disclaimer opinion for the consolidated financial statements of the Group for each of FY2020, FY2021 and FY2022 are produced below:

For FY2020

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Global Sweeteners Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on page 52 to page 121, which comprise the consolidated statement of financial position at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS OF DISCLAIMER OF OPINION

As a result of similar limitations of audit scope as mentioned below, a disclaimer of opinion was expressed by us in our report dated 26 March 2020 on the consolidated financial statements of the Group for the year ended 31 December 2019.

(i) **Financial guarantee contracts**

As mentioned in notes 2.2 and 26 to the consolidated financial statements, a subsidiary of the Company, together with certain fellow subsidiaries, had jointly provided corporate guarantees (the "**Financial Guarantee Contracts**") in connection with financing facilities granted to a former major supplier of the Group which amounted to RMB2.5 billion at 31 December 2020 and 2019. In addition, an indirect major shareholder of the ultimate holding company of the Company provided a confirmation in writing that it will undertake all the liabilities that may arise from the Financial Guarantee Contracts and provide financial support to the Group to enable it to continue as a going concern (the

“**Confirmation**”). The Financial Guarantee Contracts and the Confirmation were not recognised in the consolidated financial statements. As the management of the Company had not developed and applied an appropriate accounting policy for the Confirmation and had not determined the fair value of the Financial Guarantee Contracts for initial recognition and the carrying amount for subsequent measurement in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), we were unable to determine whether any adjustments in respect of the Financial Guarantee Contracts and the Confirmation at 31 December 2020 and 2019 were necessary, which may have a significant impact on the financial position of the Group at 31 December 2019 and 2020, and on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2020.

(ii) Material uncertainty related to going concern

As discussed in note 2.2 to the consolidated financial statements, at 31 December 2020, the Group had net current liabilities and capital deficiency of HK\$885 million and HK\$425 million respectively, and the Group has incurred losses since 2012 and reported a loss of HK\$9 million for the year ended 31 December 2020. In addition, any potential liabilities or obligations arising from the Financial Guarantee Contracts may have a significant negative impact on the liquidity position of the Group. These conditions, along with other matters as set forth in note 2.2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

The validity of the going concern assumption is dependent on the successful and favourable outcomes of the measures being taken by the management of the Company and the development of the events as described in note 2.2 to the consolidated financial statements. The management of the Company is of the opinion that the Group would be able to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than which they are currently recorded in the consolidated statement of financial position at 31 December 2020. In addition, the Group may have to recognise further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

For FY2021

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Global Sweeteners Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on page 50 to page 121, which comprise the consolidated statement of financial position at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS OF DISCLAIMER OF OPINION

As a result of similar limitations of audit scope as mentioned below, a disclaimer of opinion was expressed by us in our report dated 31 March 2021 on the consolidated financial statements of the Group for the year ended 31 December 2020.

(i) **Financial guarantee contracts**

As mentioned in notes 2.2 and 26 to the consolidated financial statements, a subsidiary of the Company, together with certain fellow subsidiaries (collectively, the “**Guarantor Subsidiaries**”), had jointly provided corporate guarantees in connection with financing facilities granted to a former major supplier of the Group which amounted to RMB2.5 billion at 31 December 2020 (the “**Financial Guarantee Contracts**”). In addition, an indirect major shareholder of the ultimate holding company of the Company provided a confirmation in writing that it will undertake all the liabilities that may arise from the Financial Guarantee Contracts (the “**Confirmation**”). The Financial Guarantee Contracts and the Confirmation were not recognised in the consolidated financial statements. As mentioned in note 2.2 to the consolidated financial statements, the obligations of the Guarantor Subsidiaries under the Financial Guarantee Contracts were discharged on 31 March 2021. However, since the management of the Company had not developed and applied an appropriate accounting policy for the Confirmation and had not determined the fair value of the Financial Guarantee Contracts for initial recognition and the carrying amount for subsequent measurement in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of

Certified Public Accountants (the “HKICPA”), we were unable to determine whether any adjustments in respect of the Financial Guarantee Contracts and the Confirmation at 31 December 2020 were necessary, which may have a significant impact on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ended 31 December 2021.

(ii) Material uncertainty related to going concern

As discussed in note 2.2 to the consolidated financial statements, at 31 December 2021, the Group had net current liabilities and capital deficiency of HK\$1,126 million and HK\$501 million respectively, and the Group has incurred losses since 2012 and reported a loss of HK\$96 million for the year ended 31 December 2021. These conditions, along with other matters as set forth in note 2.2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

The validity of the going concern assumption is dependent on the successful and favourable outcomes of the measures being taken by the management of the Company and the development of the events as described in note 2.2 to the consolidated financial statements. The management of the Company is of the opinion that the Group would be able to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than which they are currently recorded in the consolidated statement of financial position at 31 December 2021. In addition, the Group may have to recognise further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

For FY2022

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Global Sweeteners Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on page 51 to page 121, which comprise the consolidated statement of financial position at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS OF DISCLAIMER OF OPINION

Material uncertainty related to going concern

As discussed in note 2.2 to the consolidated financial statements, at 31 December 2022, the Group had net current liabilities and capital deficiency of HK\$1,206.8 million and HK\$681.0 million respectively, and the Group has incurred losses since 2012 and reported a loss of HK\$212.5 million for the year ended 31 December 2022. These conditions, along with other matters as set forth in note 2.2 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The validity of the going concern assumption is dependent on the successful and favourable outcomes of the measures being taken by the management of the Company and the development of the events as described in note 2.2 to the consolidated financial statements. The management of the Company is of the opinion that the Group would be able to continue as a going concern. Therefore, the consolidated financial statements have been prepared on a going concern basis.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised at amounts other than which they are currently recorded in the consolidated statement of financial position at 31 December 2022. In addition, the Group may have to recognise further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively.

3. MATERIAL CHANGE

As at the Latest Practicable Date, the Directors confirm that save as disclosed below, there was no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up and up to the Latest Practicable Date:

- a. as disclosed in the Joint Announcement, on 6 April 2023, Global Corn, as vendor, and Mr. Kong Zhanpeng and Mr. Wang Tiegung, as purchaser entered into the GSH SPA. Pursuant to the GSH SPA, the Joint Offerors have agreed to acquire, and Global Corn has conditionally agreed to sell, 717,965,000 Shares, representing approximately 47.0% of the entire issued share capital of the Company as at the Latest Practicable date, at a total consideration of HK\$43,077,900, equivalent to HK\$0.06 per GSH Sale Share. As further disclosed in the announcement of the Company dated 21 December 2023, GSH Completion took place on 21 December 2023;
- b. as disclosed in the Joint Announcement, on 6 April 2023, Dihao Vendor A and Dihao Vendor B, as vendors, and the Dihao Purchaser, as purchaser, entered into Dihao SPA I, pursuant to which, among others, Dihao Vendor A and 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. On the same day, Dihao Vendor A and Dihao Vendor C, as vendors, and the Dihao Purchaser, as purchaser, entered into Dihao SPA II, pursuant to which, among others, Dihao Vendor A and 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. As further disclosed in the announcement of the Company dated 21 December 2023, (i) the completion of Dihao Transfer took place on 21 December 2023 and (ii) the Company, Dihao Foodstuff and GBT have duly executed the GSH Counter-guarantee Deed and the GBT Counter-guarantee. Immediately upon completion of the Dihao Transfer, (i) the Group ceased to hold any interest in Dihao Crystal Sugar and Dihao Foodstuff, which ceased to be subsidiaries of the Company and their financial results shall no longer be consolidated into the financial statements of the Group; and (ii) the GBT Group held the entire equity interest in Dihao Crystal Sugar and Dihao Foodstuff, which became wholly-owned subsidiaries of GBT and their financial results shall be consolidated into the financial statements of the GBT Group;

- c. as disclosed in the Joint Announcement, the Company, as issuer, entered into the CB Subscription Agreement with the Joint Offerors, as subscribers. Pursuant to the CB Subscription Agreement, the Company has conditionally agreed to issue, and the Joint Offerors have conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of RMB120.0 million (equivalent to approximately HK\$138.0 million), which may be converted into new ordinary share(s) of HK\$0.10 each to be allotted and issued by the Company pursuant to the exercise of the conversion rights attached to the Convertible Bonds at an initial conversion price of HK\$0.1 per conversion share, subject to the adjustment pursuant to the terms and conditions of the Convertible Bonds. As further disclosed in the announcement of the Company dated 19 September 2023, the parties to the CB Subscription Agreement have agreed in writing to extend the long stop date of the CB Subscription Agreement to 31 December 2023, or such later date as the parties may agree in writing;
- d. as disclosed in the interim report of the Company for the period ended 30 June 2023, the Group's revenue was approximately HK\$193.7 million, representing an increment of approximately 25.0% as compared to that for the six months ended 30 June 2022; and
- e. as disclosed in the announcement of the Company dated 25 August 2023, the loans (“**Tiebei BOJ Loans**”) owned by 錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*) (“**Jinzhou Yuancheng**”), an indirect wholly-owned subsidiary of the Company, to 錦州銀行股份有限公司鐵北支行 (Tiebei Branch of Bank of Jinzhou Co., Ltd.*) have become immediate due and payable. The outstanding principal amounts under the Tiebei BOJ Loans are RMB212.5 million and are secured by mortgage of certain properties owned by Jinzhou Yuancheng, and guaranteed by Dihao Foodstuff. As at the Latest Practicable Date, Jinzhou Yuancheng has defaulted in the repayment of the Tiebei BOJ Loan.

4. INDEBTEDNESS

As at the close of business on 31 October 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had indebtedness totaling approximately HK\$784,557,000 comprising the following:

Current	Effective interest rate	<i>HK\$'000</i>
Bank loans, secured and guaranteed by corporate guarantees	10.5% - 12.0%	228,495
Bank loans, unsecured and guaranteed by corporate guarantees	8.2%	202,933
		<u>431,428</u>
Other loans, secured and guaranteed by corporate guarantees	6.4% - 10.0%	315,602
Loan from a fellow subsidiary, unsecured and unguaranteed	6.0%	37,527
		<u>784,557</u>

The Group's bank loans amounting to HK\$228,495,000 and other loans amounting to HK\$315,602,000 were secured by pledge of certain property, plant and equipment, right-of-use assets and a receivable of the GBT Group of HK\$283,557,000, HK\$12,076,000 and HK\$107,527,000 respectively.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and accruals in the ordinary course of business, at the close of business on 31 October 2023, the Group did not have any debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, lease liabilities, or hire purchase commitments, guarantees or other material contingent liabilities. The Directors are not aware of any material adverse change in the Group's indebtedness position and contingent liabilities since 31 October 2023.

APPENDIX III GENERAL INFORMATION OF THE JOINT OFFERORS

1. RESPONSIBILITY STATEMENT

The Joint Offerors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

Save as disclosed below, as at the Latest Practicable Date, none of the Joint Offerors nor any party acting in concert with them owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Name of Shareholders	Capacity	Number of Shares held/interested	Approximate percentage of the total number of issued Shares <i>(Note 2)</i> <i>(%)</i>
Offeror A	Beneficial owner	358,982,500	23.50
Offeror B	Beneficial owner	402,246,500	26.33
	Interest of controlled corporation	16,444,000 <i>(Note 1)</i>	1.08
Rich Mark Profits Limited	Beneficial owner	16,444,000 <i>(Note 1)</i>	1.08

Notes:

1. These Shares are registered in the name of Rich Mark Profits Limited, a company wholly-owned by Offeror B. Therefore, under the SFO, Offeror B is deemed to be interested in all the Shares held by Rich Mark Profits Limited.
2. Based on 1,527,586,000 Shares in issue as at the Latest Practicable Date.

3. INTERESTS AND DEALINGS IN THE COMPANY’S SECURITIES AND OTHER ARRANGEMENTS

As at the Latest Practicable Date:

- (a) save as disclosed in the paragraph headed “2. DISCLOSURE OF INTERESTS” above in this appendix and save for the Convertible Bonds to be issued to the Joint Offerors upon the CB Completion, none of the Joint Offerors or parties acting in concert with them owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) none of the Joint Offerors or parties acting in concert with them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (c) save for the GSH SPA and the CB Subscription Agreement, there was 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 and which might be material to the Offer;
- (d) save for Global Corn, as the vendor under the GSH SPA, which owned 259,813,000 Shares (representing approximately 17.01% of the entire issued share capital of the Company) upon GSH Completion and as at the Latest Practicable Date, no person who had any arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Joint Offerors, their respective concert parties and associates (as defined under the Takeovers Code) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (e) save for the GSH SPA and the CB Subscription Agreement, there was 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 condition to the Offer;
- (f) save for the irrevocable undertaking provided by Global Corn to the Joint Offerors pursuant to the GSH SPA undertaking (a) not to accept; and (b) procuring GBT not to accept the Offer in respect of the Shares held by each of Global Corn and GBT (the “**Global Corn Irrevocable Undertaking**”), none of the Joint Offerors or parties acting in concert with them had received any irrevocable commitment to accept or not to accept the Offer, and Global Corn and GBT had not dealt for value in any relevant securities in the Company during the Relevant Period;
- (g) there was no agreement, arrangement or understanding that any securities of the Company acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;

- (h) save for the consideration of HK\$43,077,900 paid by the Joint Offerors to Global Corn for the GSH Sale Shares, there was 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 and Global Corn or any parties acting in concert with any of them in connection with the GSH SPA;
- (i) other than the Special Deals, the transactions contemplated under the GSH SPA and the CB Subscription Agreement, and the Global Corn Irrevocable Undertaking, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Joint Offerors or any parties acting in concert with them on the one hand, and Global Corn and GBT and any parties acting in concert with any of them on the other hand;
- (j) other than the Special Deals, the transactions contemplated under the GSH SPA and the CB Subscription Agreement, and the Global Corn Irrevocable Undertaking, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Joint Offerors or any parties acting in concert with them, or (b) the Company, its subsidiaries or associated companies;
- (k) other than the Special Deals, the transactions contemplated under the GSH SPA and the CB Subscription Agreement, and the Global Corn Irrevocable Undertaking, there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Joint Offerors or any parties acting in concert with them and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer; and
- (l) there was no arrangement whereby any Director would be given any benefit as compensation for loss of office or otherwise in connection with the Offer.

4. DEALING IN SECURITIES OF THE COMPANY

During the Relevant Period:

- (a) save for (i) the GSH Sale Shares acquired by the Joint Offerors under the GSH SPA; (ii) the disposal of 90,000 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 Share; and (iii) the entering into of the CB Subscription Agreement between the Joint Offerors, as subscribers, and the Company, as issuer, on 6 April 2023 pursuant to which the Company 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 at the initial conversion price of HK\$0.1 per Conversion Share, none of the Joint Offerors or parties acting in concert with them has dealt for value in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and

APPENDIX III GENERAL INFORMATION OF THE JOINT OFFERORS

- (b) save for Global Corn, which disposed of the GSH Sale Shares to the Joint Offerors in accordance with the GSH SPA at a total consideration of HK\$43,077,900, equivalent to HK\$0.06 per GSH Sale Share upon GSH Completion, no person who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Joint Offerors or any parties acting in concert with them had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

5. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the last Business Day immediately preceding the date of the Joint Announcement; (iii) the Last Trading Day; and (iv) the Latest Practicable Date.

Date	Closing price per Share HK\$
31 October 2022	0.067
30 November 2022	0.068
30 December 2022	0.066
31 January 2023	0.071
28 February 2023	0.100
31 March 2023	0.088
4 April 2023 (the last Business Day immediately preceding the date of the Joint Announcement)	0.086
6 April 2023 (the Last Trading Day)	0.086
28 April 2023	0.106
31 May 2023	0.086
30 June 2023	0.076
31 July 2023	0.077
31 August 2023	0.082
29 September 2023	0.085
31 October 2023	0.088
30 November 2023	0.088
22 December 2023 (the Latest Practicable Date)	0.089

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.108 per Share (on 1 March 2023) and HK\$0.055 per Share (on 24 October 2022), respectively.

6. QUALIFICATIONS OF EXPERTS AND CONSENTS

The followings are the qualification of the experts to the Joint Offerors whose letter of opinion are contained in this Composite Document:

Name	Qualifications
CCBI Capital	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 joint financial advisers to the Joint Offerors and one of the agents making the Offer on behalf of the Joint Offerors
China Galaxy	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 joint financial advisers to the Joint Offerors and one of the agents making the Offer on behalf of the Joint Offerors

Each of CCBI Capital and China Galaxy has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and/or references to its name in the form and context in which they are respectively included.

7. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) the correspondence address of Offeror A is Suite 1002, 10th Floor, Tower A, Cheung Kei Center, 18 Hung Luen Road, Hung Hom, Kowloon, Hong Kong;
- (b) the correspondence address of Offeror B is Suite 1002, 10th Floor, Tower A, Cheung Kei Center, 18 Hung Luen Road, Hung Hom, Kowloon, Hong Kong;
- (c) the registered address of CCBI Capital is 12/F, CCB Tower, 3 Connaught Road Central, Central, Hong Kong; and
- (d) the registered address of China Galaxy is 20/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of (i) the Company (www.global-sweeteners.com); and (ii) the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date:

- (a) the “Letter from CCBI Capital and China Galaxy”, the text of which is set out on pages 10 to 17 of this Composite Document;
- (b) the written consents referred to under the paragraph headed “6. QUALIFICATIONS OF EXPERTS AND CONSENTS” in this appendix; and
- (c) the GSH SPA (containing the Global Corn Irrevocable Undertaking).

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Joint Offerors and parties acting in concert with them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (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 Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date:

	Number of Shares	Amount
Authorised share capital:		
Ordinary Shares of HK\$0.1 each	100,000,000,000	HK\$10,000,000,000
Issued and fully paid:		
Ordinary Shares of HK\$0.1 each	1,527,586,000	HK\$152,758,600

All of the Shares currently in issue are fully paid up or credited as fully paid and rank *pari passu* in all respects with each other, including all rights in respect of dividends, voting rights and capital. The Shares are listed on the Stock Exchange and none of the securities of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

The number of Shares in issue as at 31 December 2022, being the date to which the latest audited financial statements of the Company were made up, was 1,527,586,000. No new Shares have been issued by the Company since 31 December 2022 and up to the Latest Practicable Date.

Save for the Convertible Bonds to be issued upon CB Completion pursuant to the CB Subscription Agreement, as at the Latest Practicable Date, the Company had no outstanding warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares and the Company had not entered into any agreement of the issue of any Shares or warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executives' interests in securities

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company and their associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (“**Model Code**”), to be notified to the Company and the Stock Exchange; or (iv) pursuant to the Takeovers Code, to be disclosed in this Composite Document were as follows:

Name of Director	The Company/ name of associated corporation	Nature of interest	Class of shares	Number of shares held (Note 1)	Approximate percentage of existing issued share capital of the Company/ associated corporation (%)
Mr. Wang Guicheng	The Company	Beneficial owner	Ordinary	300,000 (L)	0.02 (Note 2)
	GBT	Beneficial owner	Ordinary	500,000 (L)	0.01 (Note 3)

Notes:

- The letter “L” denotes the shareholder’s long position in the shares of the Company and the associated corporation.
- Based on 1,527,586,000 Shares in issue as at the Latest Practicable Date.
- Based on 8,907,405,717 shares in GBT in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company nor their associates had any interest or short positions in the Shares, underlying Shares or debentures of the Company, or any of its associated corporations (as defined in Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange; or (iv) pursuant to the Takeovers Code, to be disclosed.

(b) Substantial Shareholders

As at the Latest Practicable Date, so far is known to any Directors or chief executives of the Company, the persons (other than a Director or the chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or required to be entered in the register maintained by the Company pursuant to section 336 of the SFO were as follows:

Name of Shareholders	Capacity/ nature of interest	Number of Shares held (Note 1)	Approximate percentage of the Company's issued Share capital (%) (Note 2)
Offeror A	Beneficial owner	358,982,500 (L)	23.50
Offeror B	Beneficial owner	402,246,500 (L)	26.33
	Interest of a controlled corporation (Note 3)	16,444,000 (L)	1.08
Global Corn	Beneficial owner	259,813,000 (L)	17.01
GBT	Interest of a controlled corporation (Note 4)	259,813,000 (L)	17.01
	Beneficial owner	500,000 (L)	0.03
Modern Agricultural Industry Investment Limited (" Modern Agricultural ")	Interest of a controlled corporation (Note 5)	260,313,000 (L)	17.04

Notes:

1. The letter "L" denotes the shareholder's long position in the Shares.
2. Based on 1,527,586,000 Shares in issue as at the Latest Practicable Date.
3. These Shares are registered in the name of Rich Mark Profits Limited, a company wholly-owned by Offeror B. Therefore, under the SFO, Offeror B is deemed to be interested in all the Shares held by Rich Mark Profits Limited.
4. These Shares are registered in the name of Global Corn, which is a wholly-owned subsidiary of GBT. Therefore, under the SFO, GBT is deemed to be interested in all the Shares in which Global Corn is interested in.

5. These Shares comprise 259,813,000 registered in the name of Global Corn and 500,000 Shares registered in the name of GBT. The issued share capital of GBT was beneficially owned as to approximately 35.2% by Modern Agricultural as at the Latest Practicable Date. The entire issued capital of Modern Agricultural was held by Modern Agricultural Industry Investment Holdings Limited (“**Modern Agricultural Holdings**”), which was in turn wholly-owned by 吉林省現代農業產業投資基金(有限合夥) (Jilin Province Modern Agricultural Industry Investment Fund (LLP)*) (“**PRC LLP**”). The sole general partner of PRC LLP was 吉林省現代農業產業基金有限公司 (Jilin Province Modern Agricultural Industry Fund Limited*) (“**GP**”). As at the Latest Practicable Date, the investment capital of PRC LLP was owned as to 60.0% by 吉林省農業投資集團有限公司 (Jilin Agricultural Investment Group Co., Ltd.*) (“**Nongtou**”) (Nongtou was controlled by 吉林省人民政府國有資產監督管理委員會 (The State-Owned Assets Supervision and Administration Commission of the People’s Government of Jilin Province*) (“**Jilin SASAC**”), as to approximately 26.7% by 銀華長安資本管理(北京)有限公司 (Yinhua Wealth Capital Management (Beijing) Co., Ltd*) and as to approximately 13.3% by 長春市新興產業股權投資基金有限公司 (Changchun Emerging Industry Equity Investment Fund Co. Ltd.*). Accordingly, each of Modern Agricultural, Modern Agricultural Holdings, PRC LLP, GP, Nongtou and Jilin SASAC is deemed to be interested in the interest held by GBT under the SFO.

Save as disclosed above, there was no person known to any Directors or chief executives of the Company, who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be entered in the register maintained by the Company pursuant to section 336 of the SFO.

(c) Additional disclosure of interests and dealings in the Company and arrangements in connection with the Offer

As at the Latest Practicable Date:

- (i) save as disclosed in the paragraph headed “3. DISCLOSURE OF INTERESTS — (a) Directors and chief executives’ interest in securities” in this appendix, no Director has any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares and none of them had dealt for value in any relevant securities in the Company during the Relevant Period;
- (ii) none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, or person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers, owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of Shares and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;

- (iii) save for the GSH SPA and the CB Subscription Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period; and save as disclosed in the paragraph headed “3. DISCLOSURE OF INTERESTS — (b) Substantial Shareholders” above and the transactions contemplated under the CB Subscription Agreement, none of the parties to the GSH SPA and the CB Subscription Agreement had (a) any interest in or owned or controlled any Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company; and (b) dealt for value in any relevant securities of the Company during the Relevant Period;
- (iv) save for (i) the GSH Sale Shares disposed by Global Corn to the Joint Offerors in accordance with the GSH SPA at a total consideration of HK\$43,077,900, equivalent to HK\$0.06 per GSH Sale Share; (ii) the disposal of 90,000 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 Share; and (iii) the entering into of the CB Subscription Agreement between the Joint Offerors, as subscribers, and the Company, as issuer, on 6 April 2023 pursuant to which the Company 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 at the initial conversion price of HK\$0.1 per Conversion Share, no person who had an arrangement of the kind referred to in sub-paragraph (iii) above had dealt for value in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (v) none of the Director who held beneficial shareholdings in the Company intends to accept the Offer;
- (vi) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company were managed on a discretionary basis by fund managers connected with Company and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (vii) none of the Company or any Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;

- (viii) save for the Special Deals, there was no understanding, arrangement, agreement which would constitute a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on one hand and the Company, its subsidiaries or associate companies on the other hand;
- (ix) no benefit has been given or will be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (x) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent on the outcome of the Offer or otherwise connected with the Offer; and
- (xi) save for the Dihao SPAs pursuant to which members of the GBT Group and the Group are parties thereto and therefore Mr. Wang Guicheng, being an executive Director and also an executive director of GBT are considered to be interested in, there are no other material contracts entered into by the Company or the Joint Offerors in which any Director has a material personal interest.

4. LITIGATION

As at the Latest Practicable Date, no material litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) were entered into by the members of the Group within two years before the date of the Joint Announcement and up to and including the Latest Practicable Date and are or may be material:

- (i) the subscription agreement (the “**Subscription Agreement**”) entered into between the Company and Hartington Profits Limited (“**Hartington Profits**”), a company incorporated in the British Virgin Islands with limited liability, on 24 July 2022, pursuant to which Hartington Profits had conditionally agreed to subscribe for, and the Company had conditionally agreed to allot and issue, 305,517,200 new Shares at the subscription price of HK\$0.1 per Share. As the conditions precedent under the Subscription Agreement had not been fully fulfilled (or waived by Hartington Profits, as the case may be) on or before the extended long stop date agreed by both parties, and there has not been any further extension of the long stop date, the Subscription Agreement had been terminated on 28 February 2023 and all obligations of the Company and the Hartington Profits under the Subscription Agreement have ceased and determined. Please refer to the announcements of the Company dated 24 July 2022, 30 December 2022 and 28 February 2023 for further details;

- (ii) the Dihao SPA I entered into between the Dihao Vendor A, the Dihao Vendor B and the Dihao Purchaser on 6 April 2023, pursuant to which 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. For further details of the Dihao SPA I, please refer to the Joint Announcement and Circular;
- (iii) the Dihao SPA II entered into between the Dihao Vendor A, the Dihao Vendor C and the Dihao Purchaser on 6 April 2023, pursuant to which the Dihao Vendor A and 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 per share. For further details of the Dihao SPA II, please refer to the Joint Announcement and the Circular;
- (iv) the CB Subscription Agreement entered into between the Company and the Joint Offerors on 6 April 2023, pursuant to which the Company has conditionally agreed to issue, and the Joint Offerors, have conditionally agreed to subscribe for, the Convertible Bonds, which may be converted into 1,380,000,000 Conversion Shares of HK\$0.1 each pursuant to the exercise of the conversion right attached to the Convertible Bonds at an initial conversion price of HK\$0.1 per Conversion Share, subject to the adjustment pursuant to the terms and conditions of the Convertible Bonds. For further details of the CB Subscription Agreement, please refer to the Joint Announcement and the Circular;
- (v) the GSH Counter-guarantee Deed executed by the Company, GBT and Dihao Foodstuff on 21 December 2023, pursuant to which the Company has provided the GSH Counter-guarantee to GBT and Dihao Foodstuff ; and
- (vi) the GBT Counter-guarantee Deed executed by the Company and GBT on 21 December 2023, pursuant to which GBT has, among others, provided the GBT Counter-guarantee to the Company.

Save as disclosed above, no contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by the members of the Group within two years before the date of the Joint Announcement and up to and including the Latest Practicable Date which are or may be material.

6. QUALIFICATIONS OF EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice, which is contained in this Composite Document:

Name	Qualifications
Octal Capital	a corporate licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Octal Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the its letter and/or references to its name in the form and context in which they are respectively included.

7. DIRECTORS' SERVICE AGREEMENTS

Particulars of the relevant Directors' service contract is set out as follows:

Name of Director	The Company/ Name of associated company	Position	Term of the service contract	Amount of annual remuneration <i>(Note 1)</i>
Mr. Wang Guicheng	The Company	Executive Director and chairman of the Board	31 October 2022 to 31 October 2023 <i>(Note 2)</i>	Nil
	GBT	Executive director	31 October 2022 to 31 October 2023 <i>(Note 2)</i>	RMB504,000

Notes:

- No variable remuneration are payable under the relevant service contract.
- The relevant service contract has been automatically renewed for a successive term of one year in accordance with the terms therein.

Save as disclosed above, as at the Latest Practicable Date, (i) none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which (a) (including both continuous and fixed term contracts) have been entered into or amended during the Relevant Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; and (ii) none of the Directors had any existing or proposed service contract with any member of the Group or any associated companies of the Company which does not expire or is not determinable by such member of the Group within one year without payment of compensation other than statutory compensation.

8. MISCELLANEOUS

- The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- The head office and principal place of business of the Company in Hong Kong is at Suite 1002, 10th Floor, Tower A, Cheung Kei Center, 18 Hung Luen Road, Hung Hom, Kowloon, Hong Kong.

- (iii) The Registrar of the Company is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iv) The registered office of Octal Capital is at 801-805, 8th Floor, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.
- (v) The English text of the Composite Document and the Form of Acceptance shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of (i) the Company (www.global-sweeteners.com); and (ii) the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date:

- (i) the amended and restated memorandum of association and articles of association of the Company;
- (ii) the annual reports of the Company for each of FY2020, FY2021 and FY2022 and the interim reports of the Company for 6M2023 and 6M2022;
- (iii) the “Letter from the Board”, the text of which is set out on pages 18 to 23 of the Composite Document;
- (iv) the “Letter from the Independent Board Committee”, the text of which is set out on pages IBC-1 to IBC-2 of the Composite Document;
- (v) the “Letter from the Independent Financial Adviser”, the text of which is set out on pages IFA-1 to IFA-26 of the Composite Document;
- (vi) the material contracts referred to in the paragraph headed “5. MATERIAL CONTRACTS” in this appendix;
- (vii) the written consents from the party referred to in the paragraph headed “6. QUALIFICATIONS OF EXPERT AND CONSENTS” in this appendix;
- (viii) the service contracts referred to in the paragraph headed “7. DIRECTORS’ SERVICE AGREEMENTS” in this appendix;
- (ix) the Circular;
- (x) the GSH SPA; and
- (xi) this Composite Document and the accompanying Form of Acceptance.