



PRESS RELEASE

Contact: Lorna Wong/ Christine Chan/ Vivian Cheung/ Alice Mok/ Ruby Yeung
Tel: 28016239 (90868623/ 61739039/ 92376253/ 91201614/ 64389621)

Date: 2 September 2011
Page: 3

GLOBAL SWEETENERS ACQUIRES A CORN REFINERY PLANT FROM GLOBAL BIO-CHEM TO SECURE AND BETTER CONTROL ITS OWN RAW MATERIAL SUPPLY TO MEET DOWNSTREAM PRODUCTION

Global Sweeteners Holdings Limited (“Global Sweeteners” or the “Company”, stock code: 3889) today entered into a sale and purchase agreement (“Agreement”) to acquire a corn refinery plant under Global Bio-chem Technology Group Company Limited (“Global Bio-chem” or the “Parent Company”, stock code: 0809; together with its subsidiaries but excluding Global Sweeteners Group “Parent Group”). The acquisition will enable Global Sweeteners to secure and better control its own supply of raw material – corn starch, thereby increasing the Company’s flexibility to adjust its downstream production to meet market changes.

Pursuant to the Agreement, Global Sweeteners will acquire the entire issued share capital in Changchun Jincheng Corn Development Co., Ltd. (“Changchun Jincheng”) for a consideration of HK\$510,000,000, which will be satisfied upon completion of the acquisition by Global Sweeteners’ allotting and issuing to the Parent Group 377,778,000 new shares (“Consideration Shares”) at an issue price of HK\$1.35 per Consideration Share. Upon the issue and allotment of the Consideration Shares, the Parent Group’s shareholding in Global Sweeteners will increase from 52.23 per cent to 64.04 per cent.

Changchun Jincheng is situated in Changchun with a gross floor area of approximately 43,026 square meters, and a corn processing capacity of 600,000 metric tonnes per annum (“mtpa”).

“Corn starch is a principal production material for Global Sweeteners. The acquisition will enable Global Sweeteners to reduce its reliance on the supply of corn starch from the Parent Group, through vertical integration into upstream production. This is particularly crucial to stay competitive and ensure continued business growth when taking into account the PRC government’s current suspension of the issue of corn-processing license. Even if such suspension is lifted, the construction of a new corn-processing plant will take about 18 months and cost about RMB800 million. The acquisition of Changchun Jincheng, together with Jinzhou’s additional 300,000 mtpa corn processing capacity expected to be completed by the end of the year, will increase Global Sweeteners’ corn processing capacity from 600,000 mtpa to 1,500,000 mtpa. The additional raw material supply will increase Global Sweeteners’ flexibility to ramp up the utilisation rate of its downstream production facilities to meet rising market demand,” said Mr Kong Zhanpeng, Chairman of Global Sweeteners.



PRESS RELEASE

“Apart from securing a reliable supply of corn starch, Global Sweeteners will also benefit from greater operational efficiency and strengthen its quality control. Prior to the acquisition, we have been taking advantage of the proximity of Changchun Jincheng’s production plant to our sweeteners production facility in Changchun, where Changchun Jincheng supplied corn starch to our facility in slurry form through a pipeline arrangement. Upon completion of the acquisition, we will continue to save production, transportation and other related costs through the pipeline transportation of corn starch to our sweeteners production facility. On top of that, we will enhance the vertical integration of our production, which will allow us to effectively apply quality control procedures and to better monitor and control the production flows of corn starch and corn sweeteners, thereby minimising the chance of bottlenecks or inventory pile-up, and related administrative costs.” added Mr Kong.

Commenting on the acquisition by Global Sweeteners, Mr Liu Xiaoming, Co-chairman of Global Bio-chem, said: “We believe that the transaction will enable Global Bio-chem to realise the investment value in Changchun Jincheng, and to further concentrate its current principal business of corn based biochemical products. Moreover, this will reduce the connected transactions between Global Sweeteners and the Parent Group and enhance the independency of each of their operations.”

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

About Global Bio-chem

Global Bio-chem has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since 2001. The Group is principally engaged in the manufacture and sale, research and development of corn-based biochemical products in the People’s Republic of China (“PRC”). Its products are sold in the PRC and other countries in Asia, Europe, America and Africa. Headquartered in Hong Kong and with its production facilities based in various provinces in the PRC, Global Bio-chem is the largest vertically integrated corn-based biochemical product manufacturer in Asia with an annual corn processing capacity of 3 million metric tonnes. The Group is a leading lysine manufacturer in the world with an annual fermentation capacity of approximately 600,000 metric tonnes. The Group is one of the pioneers in applying corn starch as raw material for the commercial production of polyol chemicals. Global Bio-chem is also the parent company of Global Sweeteners Holdings Limited, one of the largest corn sweeteners producers in the PRC, which is also listed on the Main Board of the Stock Exchange of Hong Kong Limited.



PRESS RELEASE

About Global Sweeteners

Global Sweeteners is listed on the Main Board of The Stock Exchange of Hong Kong Limited in September 2007 and is principally engaged in the production and sale of corn refined products (including corn starch, corn oil, gluten meal and fibre); and various corn sweeteners (including glucose and maltose syrup, HFCS, crystallised glucose and maltodextrin) for food and beverage, chemical, confectionery, daily, cosmetics and pharmaceutical products manufacturers. Global Sweeteners is one of the largest corn sweeteners producers in the PRC with an annual production capacity of 600,000 metric tonnes of upstream corn refined products and 1,260,000 metric tonnes of corn sweeteners. In addition, the Company started its beef retail business in 2009, and tapped into the cattle feedlot business last year. Global Sweeteners is a non-wholly owned subsidiary of Global Bio-chem Technology Group Company Limited (stock code: 00809.HK), the issued shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited. Global Sweeteners became listed on the Taiwan Stock Exchange Corporation through the listing of Taiwan Depositary Receipts (stock code: 913889.TW) since 25 March 2010.

- End -

Issued by: Global Bio-chem Technology Group Company Limited
Global Sweeteners Holdings Limited

Through: CorporateLink Limited