



Global Bio-chem Technology Group Company Limited

大成生化科技集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

EXERCISE OF THE TRANCHE 2 OPTION

Joint financial advisers to Global Bio-chem Technology Group Company Limited

**Deloitte & Touche
Corporate Finance Ltd**



漢宇融資(亞洲)有限公司
GC Capital (Asia) Limited

Placing Agent



漢宇融資(亞洲)有限公司
GC Capital (Asia) Limited

The board of directors of Global Bio-chem Technology Group Company Limited hereby announces that the Tranche 2 Option granted by the Vendor to the Placing Agent pursuant to the Placing Agreement was exercised in full on 4 October 2001 and accordingly, an additional 76,000,000 existing Shares were sold and placed to certain independent placees (who are institutional investors). Pursuant to the exercise in full of the Tranche 2 Option, the Vendor will subscribe for the same number of new Shares to be allotted and issued by the Company under the Subscription Agreement, raising an additional net proceeds of approximately HK137 million.

Reference is made to the announcement of the Company dated 26 September 2001 in relation to the Placing of a maximum of 256,000,000 existing Shares and topping up Subscription for new Shares in such number as is equal to the number of new Shares placed under the Placing. Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the announcement of the Company dated 26 September 2001.

The board of Directors hereby announces that pursuant to the Tranche 2 Option granted by the Vendor to the Placing Agent under the Placing Agreement, the Placing Agent exercised in full the Tranche 2 Option on 4 October 2001 and accordingly, an additional 76,000,000 existing Shares were sold and placed to certain independent placees (who are institutional investors). Pursuant to the exercise in full of the Tranche 2 Option, the Vendor will subscribe for the same number of new Shares (representing approximately 5.2% of the share capital of the Company as enlarged by the 180,000,000 new Shares to be allotted and issued in connection with the Tranche 1 Placing, and approximately 4.9% of the share capital of the Company as enlarged by the 180,000,000 new Shares and the additional 76,000,000 new Shares to be allotted and issued in connection with the exercise in full of the Tranche 2 Option) to be allotted and issued by the Company under the Subscription Agreement, raising an additional net proceeds of approximately HK137 million. Such additional net proceeds, together with the net proceeds raised through the allotment and issue of the 180,000,000 new Shares in connection with the Tranche 1 Placing, are intended to be used for future investment projects including, but not limited to, the manufacture and sale of products from the fermentation of corn and/or starch, and for general working capital of the Group.

Completion of the Subscription (inclusive of the additional 76,000,000 new Shares to be allotted and issued in connection with the exercise in full of the Tranche 2 Option) is expected to be on or before the 14th day after the date of the Subscription Agreement, which is 10 October 2001.

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

By order of the Board
Global Bio-chem Technology Group Company Limited
Liu Xiaoming
Chairman

Hong Kong, 4 October 2001

* For identification purposes only