

Subscription of the additional 76,000,000 Subscription Shares or any portion thereof (to be subscribed for in conjunction with the exercise of the Tranche 2 Option), if any, is conditional upon (i) completion of the placing of the Shares pursuant to the exercise of the Tranche 2 Option; and (ii) the granting of the approval by the Stock Exchange for the listing of and permission to deal in that portion of the Subscription Shares. Completion of the subscription of the additional 76,000,000 Subscription Shares or any portion thereof shall take place at or before 4:00 p.m. on the business day immediately after the date of fulfillment of the conditions set out above, provided that such date shall not be later than the date falling 14 days after the date of the Placing Agreement, or such other time as the parties may agree.

If the conditions set out above are not fulfilled on or prior to 10 October 2001 or such later date as may be agreed between the Company and the Vendor, the Subscription Agreement will lapse. The Company shall bear all the costs and expenses in relation to the Subscription.

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

EFFECT OF THE PLACING AND THE SUBSCRIPTION

Effects on the shareholding structure of the Company pursuant to the Placing and the Subscription (together with the effect brought about by the exercise in full by Cargill, Incorporated of all outstanding options granted to them as at the date of this announcement) are as follows:

	Existing Number of Shares (‘000)		Immediately after placing of the Placing Shares Number of Shares (‘000)		Immediately after subscription of the 180 million Shares Number of Shares (‘000)		Immediately after exercise in full of the Over-allotment Option Number of Shares (‘000)		Immediately after subscription of a total of 256 million Shares Number of Shares (‘000)		Immediately after subscription of a total of 256 million Shares and assuming exercise in full by Cargill of all outstanding options granted to them Number of Shares (‘000)	
		%		%		%		%		%		%
Vendor	288,000	22.5	108,000	8.4	288,000	19.7	212,000	14.5	288,000	18.8	288,000	17.4
Hartington Profits Limited	288,000	22.5	288,000	22.5	288,000	19.7	288,000	19.7	288,000	18.8	288,000	17.4
In-depth Profits Limited	240,000	18.8	240,000	18.8	240,000	16.5	240,000	16.5	240,000	15.3	240,000	14.5
Cargill, Incorporated	7,500	0.6	7,500	0.6	7,500	0.5	7,500	0.5	7,500	4.9	126,720	7.6
Placees	—	—	180,000	14.1	180,000	12.3	256,000	17.5	256,000	16.7	256,000	15.5
Public	456,500	35.6	456,500	35.6	456,500	31.3	456,500	31.3	456,500	29.7	456,500	27.6
Total	<u>1,280,000</u>	<u>100.0</u>	<u>1,280,000</u>	<u>100.0</u>	<u>1,460,000</u>	<u>100.0</u>	<u>1,460,000</u>	<u>100.0</u>	<u>1,536,000</u>	<u>100.0</u>	<u>1,655,220</u>	<u>100.0</u>

Note: The entire share capital of Hartington Profits Limited is beneficially owned as to 50% by Mr. Kong Zhanpeng and Mr. Au Chun Fat, both Directors.

The entire share capital of In-depth Profits Limited is beneficially owned by Mr. Au Chun Fat.

Options with rights to subscribe for a total of 119,220,000 Shares have been granted to Cargill, Incorporated as at the date of this announcement.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

In view of the market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity to raise capital for the Company for its future business developments and to broaden the shareholders base and capital base of the Company.

The net proceeds from the Subscription of an equivalence of the maximum number of the Tranche 1 Placing Shares are estimated to be approximately HK\$320 million. The net proceeds from the Subscription of the aggregate of the maximum number of the Tranche 1 Placing Shares and the Tranche 2 Placing Shares are estimated to be approximately HK\$457 million. It is the intention of the Directors to use such net proceeds 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.

RESUMPTION OF TRADING OF SHARES

At the request of the Company, the Shares have been suspended from trading on the Stock Exchange effective from 2:30 p.m. on 26 September 2001 pending the release of this announcement. Application will be made by the Company for the resumption of trading of Shares with effect from 10:00 a.m. on 27 September 2001.

DEFINITIONS

“Company”	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 Stock Exchange
“Director(s)”	the directors of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of the Placing Shares by the Vendor pursuant to the Placing Agreement
“Placing Agent”	GC Capital (Asia) Limited, a registered investment adviser and a registered dealer under the Securities Ordinance, Chapter 333 of the Laws of Hong Kong and the placing agent of the Placing
“Placing Agreement”	the placing agreement entered into on 26 September 2001 among the Vendor, the Company and the Placing Agent for the Placing
“Placing Price”	HK\$1.86 per Placing Share
“Placing Shares”	the Tranche 1 Placing Shares and the Tranche 2 Placing Shares
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into on 26 September 2001 between the Company and the Vendor for the Subscription
“Subscription Price”	HK\$1.86 per Subscription Share
“Subscription Shares”	new Shares to be subscribed for by the Vendor in such number as is equal to the number of Placing Shares sold under the Placing Agreement
“Tranche 2 Option”	the option granted by the Vendor to the Placing Agent, exercisable from the date of the Placing Agreement up to 6:00 p.m. on 4 October 2001, pursuant to which the Placing Agent can require the Vendor to sell, at a maximum, a total of 76,000,000 Shares at the Placing Price, in one or more transactions, to be placed by the Placing Agent
“Tranche 1 Placing”	the placing of the Tranche 1 Placing Shares under the Placing Agreement
“Tranche 1 Placing Shares”	a maximum of 180,000,000 Shares to be placed under the Placing Agreement
“Tranche 2 Placing”	the Placing of the Tranche 2 Placing Shares
“Tranche 2 Placing Shares”	a maximum of 76,000,000 to be placed upon on exercise of the Tranche 2 Option
“Vendor”	LXM Limited, a company incorporated in the British Virgin Islands with limited liability which is beneficially wholly owned by Mr. Liu Xiaoming, a Director and the chairman of the Company

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

Hong Kong, 26 September 2001

\* For identification purposes only